

CITY OF DEKALB, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
June 30, 2005

Prepared by the Finance Services Division

Linda Wiggins  
Administrative Services Director

Ted Kozinski  
Comptroller/Treasurer

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## **INTRODUCTORY SECTION**



CITY OF DEKALB, ILLINOIS

PRINCIPAL OFFICIALS

June 30, 2005

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LEGISLATIVE

Frank Van Buer, Mayor

Karega Harris, Alderman

Kris Povlsen, Alderman

Steve Kapitan, Alderman

Donna Gorski, Alderman

Patrick Conboy, Alderman

David Baker, Alderman

James Baar, Alderman

Donna Johnson, Clerk

ADMINISTRATIVE

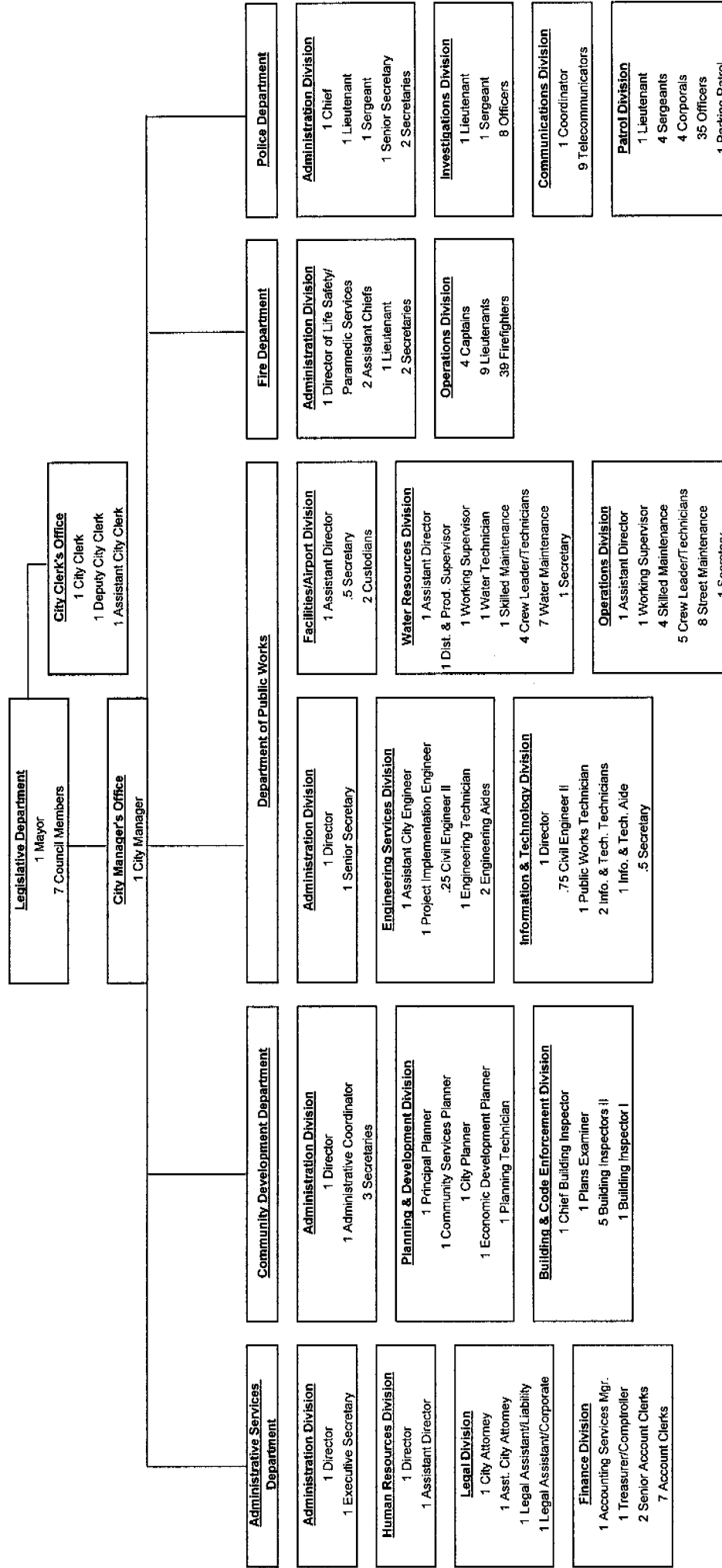
Mark Biernacki, City Manager

Linda Wiggins, Administrative Services Director

FINANCE SERVICES DIVISION

Ted Kozinski, Comptroller/Treasurer

# City of DeKalb - Organizational Chart



# 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, 2004

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



*Nancy L. Zjelke*

President

*Jeffrey R. Enen*

Executive Director

# City of DEKALB

DEKALB MUNICIPAL BUILDING  
200 SOUTH FOURTH STREET  
DEKALB, ILLINOIS 60115  
FAX (815) 748-2056  
TDD (815) 748-2302  
www.cityofdekab.com

January 9, 2006

Mayor Frank Van Buer & DeKalb City Council Members  
Mr. Mark Biernacki, City Manager  
Citizens of DeKalb

We are pleased to forward for your consideration the City of DeKalb's FY 2005 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2005. It has been done so in accordance with generally accepted governmental accounting principles and the Illinois Compiled Statutes.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control 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.

Sikich, Gardner & Company, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2005. 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. MD&A complement this letter of transmittal and should be read in conjunction with it.

## **Government Profile of the City of DeKalb, Illinois**

The City of DeKalb, incorporated in 1856, is a home-rule municipality with an estimated population of 44,226. The community, comprised of some 12 square miles, is a 30-minute drive to the high growth cities of Aurora and Naperville, and only a little more than an hour away from both downtown Chicago and O'Hare International Airport. Yet, 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.

In 1961, a Council-Manager form of government was adopted. 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

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. The City Manager serves as the administrative head of the City and is in charge of the day-to-day operations of the City and its 224 full-time and 51 part-time employees. Hourly employees are represented by the Fraternal Order of Police Lodge #115, Local 1236 of the International Association of Firefighters, and Local 813 of the American Federation of State, County & Municipal Employees.

Public safety for the City residents is provided by the DeKalb Police Department, which consists of 58 sworn officers, 14 civilian full-time and 5 part-time employees. The DeKalb Fire Department is the only full time paid professional fire department within the County and provides both fire protection as well as paramedic services to local residents. It consists of 56 sworn and 2 civilian employees. The City currently enjoys an Insurance Services Office classification of "4" which is the lowest rate in the County. Ratings range from 10 (least desirable) to 1 (best).

The City owns and operates the DeKalb Taylor Municipal Airport (deeded to the City by the Reconstruction Finance Authority in 1948). The airport is a first class all-weather General Aviation facility. Its main runway is 7200 x 100 feet, and has a supporting runway of 4,200 lineal feet. A full service Fixed Based Operator provides aircraft repair and service, fuel, leasing and charter services, and flight instruction.

The City owns and operates a water supply and distribution system. Comprised of both shallow and deep wells, an average of 6.67 million gallons is pumped per day, with an overall daily pumping capacity of 7.25 million gallons. Overall storage capacity is 5.75 million gallons.

The DeKalb Public Library was established in 1893. Its present building, which was constructed in 1931, has been remodeled and an addition was constructed in 1979. The library has access to the collection of the Northern Illinois Library System, allowing patrons to access the 1.8 million volumes of NIU.

For auditing purposes, the Library is considered a "discretely presented" component unit of government which, although a legally separate entity, is in substance a part of the City of DeKalb's operations. 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 Council is required to adopt a final budget by no later than the close of the 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. Encumbered amounts lapse at year-end; however, encumbrances generally are rebudgeted as part of the following year's budget.

### **Economic Condition**

#### ***Local economy***

The City ended FY2005 with a sound local economy demonstrated through unemployment rates that remained at historically low levels; extensive commercial, industrial and residential construction; and healthy increases in local sales taxes.

Education and health industries provide over 40% of the employment opportunities in the City. With over 8,000 employees, Northern Illinois University is a comprehensive teaching and research institution with student enrollment in excess of 25,000. Kishwaukee Community Hospital also has a significant economic presence that provides employment to more than 1,100 healthcare professionals and staff. Other large employers include the DeKalb School District, Walmart Super Center, Alloyd, 3M, and the Nestle Corporation.

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past ten years, the unemployment rate rose from an initial low of 3.1 percent (1995) to a decade high of 5.6 percent (2003), only to descend once more to the current rate of 4.8 percent. Unemployment is expected either to remain stable or decrease still further in the near term for two reasons. First, the DeKalb regional economy continues to grow with new businesses opening in several local outdoor malls. Second, the Target retail chain will be opening a new 1.5-million square foot warehouse facility in DeKalb that would eventually employ 1,000 individuals, many of whom would likely be recruited locally.

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

Unreserved, undesignated fund balance in the General Fund ended at 15.6 percent of total General Fund expenditures and transfers out. This percentage falls within the policy guidelines set by the Council for budgetary and planning purposes (i.e., maintain a minimum of 12%). Following its recent adoption of the City of DeKalb's FY2006 Budget, the Council plans to use some of the excess dollars towards capital purposes.

Also as part of the strategic plan, the Council and staff envision a number of other goals:

- Reduce the General Fund's reliance on operating transfers from TIF and MFT Funds
- Raise the reserves of the Self-Insurance Funds
- Commit 2% of FY06 Home Rules Sales Taxes and an additional 2% each succeeding year for a total of 10% to be dedicated annually for general capital purposes

### ***Relevant financial policies***

The City Council has in place several key written financial policies including a fund balance policy, capitalization policy, investment policy, and purchasing policy. In addition, the City has a multi-year plan for capital equipment purchases.

### ***Major initiatives during the Year and the Future***

During FY2005, the City was able to initiate and/or complete a variety of projects, programs and activities designed to meet identified community needs. These included:

#### **Legislative Department**

- Provided \$204,000 of general revenues for the Human Services Program, benefiting numerous local social service agencies.
- Sponsored 12 summer concerts by the DeKalb Municipal Band and participated with the DeKalb Park District in sponsoring the community's annual Fourth of July celebration.
- Continued sponsoring the Senior Citizens Utility Assistance Program for local senior residents of limited income to receive reduced water rates, free refuse service and a rebate of all utility taxes they pay to the municipality.

#### **Administrative Services Department**

- Established a 5 Year Financial Plan, Staffing Plan and Capital Improvements Program for the City based upon adopted budgetary goals of the City Council
- Provided risk management training to municipal employees to reduce the City's exposure for worker's compensation and public liability claims
- Completed extensive improvements to the City's network computer system and GIS mapping and permitting systems
- Received the GFOA Certificate of Excellence in Financial Reporting for the eleventh consecutive year

#### **Police Department**

- Complied with state laws for racial profiling on all traffic stops and submission of reports
- Instituted a Resident Officer Program with the DeKalb County Housing Authority
- Increased foot and bike patrols in residential neighborhoods
- Hosted first Citizens Policy Academy

**Fire Department**

- Initiated entrance requirements for new employees to include licensure as paramedics
- Maintained Level A Team Status under the MABAS State-Wide Mutual Aid Plan

**Public Works Department**

- Completed Vulnerability Assessment as required by the Federal Bioterrorism Preparedness & Response Act, and initiated recommended security improvements
- Recipient of the Tree City USA award from the Illinois Department of Natural Resources for the seventh consecutive year
- Oversaw construction of a 6-unit corporate condo hangar at DeKalb Taylor Municipal Airport
- Created new department Safety Manual, Volunteer Safety Committee, and reestablished a safety training program

**Community Development Department**

- Administered the City's Community Development Block Grant Program, providing assistance for first time homebuyers, rehabilitation grants, and funding assistance to local social service agencies
- Administered the newly created Metropolitan Planning Organization to conduct regional transportation planning activities for the area
- Initiated an expanded property maintenance program

**Engineering Department**

- Provided technical support and inspection of residential and commercial projects such as Summit Enclave, Wineberry Subdivision, Meadow Ridge, Hidden Grove Subdivision, Rivermist Phase III, South Pointe Green, and Target Distribution Center
- Implemented sidewalk and alley improvement programs in older neighborhood of the community

**Capital Projects**

- Completed over \$600,000 of street maintenance activities; over \$260,000 of streetlighting upgrades; and over \$400,000 for signal and sign maintenance
- Completed engineering and design work for the reconstruction of Annie Glidden Road between Route 38 and Highpointe Drive
- Provided extensive financial assistance to the other local taxing districts for TIF-eligible capital improvements
- Financially supported the Main Street DeKalb, Inc. annual architectural improvement program for downtown properties
- Initiated an expanded housing rehabilitation program using Tax Increment Finance funds
- Continued the implementation of the Greek Row Neighborhood Revitalization Plan of areas in and adjacent to the University campus area.



Recognizing that the City of DeKalb continues to change and evolve, and it remains the municipal government's challenge and obligation to likewise change and evolve to meet the needs of its residents. As such, some of the highlights in FY06 will include the following initiatives:

- Complete over \$3,000,000 of street maintenance, sidewalk replacement, watermain extension, and storm/sanitary sewer improvements
- Increase property maintenance and code enforcement activities
- Finalize "Park 88" subdivision construction as related to the Target Corporation's new distribution center
- Prepare for the DeKalb Sesquicentennial Celebration

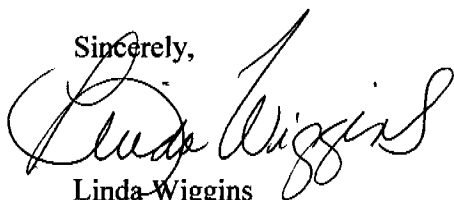
### **Awards and Acknowledgements**

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, Illinois for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the eleventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Most especially, we wish to express our appreciation to the Mayor, City Council, and City Manager for their continued support of all of our financial management efforts.

Sincerely,



Linda Wiggins  
Assistant City Manager



Ted Kozinski, CPA  
Comptroller & Treasurer

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the basic, combining and individual fund financial statements of the City of DeKalb, Illinois, as of and for the year ended June 30, 2005, as listed in the accompanying table of contents. These financial statements are the responsibility of the City of DeKalb, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of DeKalb, Illinois, as of June 30, 2005, and the results of its operations and cash flows of the proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the City of DeKalb, Illinois, as of June 30, 2005, and the results of operations of such funds and cash flows of individual proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2005 on our consideration of the City of DeKalb, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements and on the combining and individual fund financial statements taken as a whole. The financial information listed as supplemental data and schedules in the accompanying table of contents are presented for purposes of additional analysis and is not a required part of the financial statements of the City of DeKalb, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic, combining and individual fund financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The information in the introductory and statistical sections listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

*Silich Gardner & Co LLP*

Aurora, Illinois  
November 4, 2005

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**CITY OF DEKALB, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2005**

This section of the City of DeKalb's Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the City's financial activities during the fiscal year ended June 30, 2005. This should be read in conjunction with the City's financial statements that follow this section.

<b>FINANCIAL HIGHLIGHTS</b>
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- Net Asset position and performance in total – The City's total net assets increased from \$104,778,443 at June 30, 2004 to \$133,581,120 at June 30, 2005.
- Governmental Activity summary – Net assets for governmental activities increased by \$26,591,124 during the year to \$95,255,073.
- Business-type Activity summary – Net assets for business-type activities increased by \$2,211,553 during the year to \$38,326,047.
- General Fund summary – The City's General Fund reported an increase of \$330,085 in fund balance for the year.
- Budget vs. Actual – The City's actual revenues for governmental funds were \$655,516 more than budgeted revenues while the actual expenditures were less than total budgeted expenditures by \$94,804.
- Capital - Capital and infrastructure assets increased by \$11,613,398.
- Debt Service – In order to reduce interest paid on debt service, the City issued \$8,355,000 million in general obligation bonds to refund older issuances. More detailed information regarding the City's long-term debt can be found in Note 8 of the financial statements.

<b>OVERVIEW OF THE FINANCIAL STATEMENTS</b>
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This discussion and analysis is intended to serve as an introduction to the City of DeKalb's financial section of the CAFR. The financial section of the CAFR includes four components: 1) management's discussion and analysis, 2) the basic financial statements, 3) required supplementary information, and 4) additional supplementary information. The basic financial statements include two kinds of statements that present different views of the City: government-wide financial statements and fund financial statements.

- Government-wide financial statements provide both short and long-term information about the City's overall financial status.
- Fund financial statements focus on individual parts of the City government, reporting City operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required

supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds, for additional supplementary information, and for statistical information.

The following table summarizes the major features of the City's financial statements.

	<b>Government-Wide Statements</b>	<b>Fund Statements</b>		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component unit	Activities of the City that are not proprietary or fiduciary such as public safety	Activities the City operates similar to private business such as the water and sewer system	Activities in which the City is trustee or agent of another's resources such as pension plans
Required financial statements	-Statement of net assets -Statement of activities	-Balance Sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources	Economic resources
Type of asset & liability information	All assets and liabilities; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital, short and long-term	All assets and liabilities; both short and long-term. Does not currently contain capital assets
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods or services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year regardless of when cash is received or paid

### **Government-Wide Statements**

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government.

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to disclose bottom line results for the City and its governmental and business-type activities. This statement, for the first time, combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.



The Statement of Activities is focused on both the gross and net cost of various activities (both governmental and business-type), which are supported by the government's general taxes and other resources. The Statement of Activities is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the City's basic services, including administration, financial services, police, fire, public works, and community development. Property taxes, sales taxes, local utility and telecommunications taxes, and state income tax distributions finance the majority of these services. The business-type activities reflect private sector type operations (water and airport), where the fee for service typically covers all or most of the cost of operation, including depreciation.

### **Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for City operations.

Proprietary funds account for services that are generally fully supported by user fees charged to customers. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short and long term financial information.

Fiduciary Funds are presented for certain activities where the City's role is that of trustee (i.e. Police and Fire Pensions) or agent. While Fiduciary Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Total column on the Business-type Fund Financial Statements is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds, gains/losses on capital asset disposals, and interfund transfers as other financial sources as well as capital outlay expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-wide statements.

### Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB 34 now requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) that periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has elected to depreciate assets over their useful life. If a project is considered maintenance – a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed. For example, an "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

In accordance with GASB Statement No. 34, the City is required to provide comparative analysis of government-wide information. The current year comparative statements follow:

### NET ASSETS

#### Statement of Net Assets

The following table reflects the condensed Statement of Net Assets:

**Table 1**  
**Statement of Net Assets**  
**As of June 30, 2005**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2004</i>	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>	<i>2005</i>
<i>Current and Other Assets</i>	16,042,206	18,689,320	3,449,699	3,681,728	19,491,905	22,371,048
<i>Capital Assets</i>	93,559,825	118,240,742	46,777,065	48,608,596	140,336,890	166,849,338
<b><i>Total Assets</i></b>	<b><i>\$109,602,031</i></b>	<b><i>\$136,930,062</i></b>	<b><i>\$50,226,764</i></b>	<b><i>\$52,290,324</i></b>	<b><i>\$159,828,795</i></b>	<b><i>\$189,220,386</i></b>
<i>Other Liabilities</i>	9,054,059	11,053,162	1,576,551	1,975,855	10,630,610	13,029,017
<i>Long-Term Liabilities</i>	31,884,023	30,621,827	12,535,719	11,988,422	44,419,742	42,610,249
<b><i>Total Liabilities</i></b>	<b><i>\$40,938,082</i></b>	<b><i>\$41,674,989</i></b>	<b><i>\$14,112,270</i></b>	<b><i>\$13,964,277</i></b>	<b><i>\$55,050,352</i></b>	<b><i>\$55,639,266</i></b>
<i>Net Assets:</i>						
<i>Invested in capital assets</i>	79,281,779	104,193,560	34,483,474	37,052,275	113,765,253	141,245,835
<i>Restricted</i>	3,395,377	1,524,630	0	0	3,395,377	1,524,630
<i>Unrestricted</i>	(14,013,207)	(10,463,117)	1,631,020	1,273,772	(12,382,187)	(9,189,345)
<b><i>Total Net Assets</i></b>	<b><i>\$68,663,949</i></b>	<b><i>\$95,255,073</i></b>	<b><i>\$36,114,494</i></b>	<b><i>\$38,326,047</i></b>	<b><i>\$104,778,443</i></b>	<b><i>\$133,581,120</i></b>

### **Normal Impacts-Net Assets**

There are six common (basic) types of transactions that will affect the comparability of the Statement of Net Assets summary presentation.

*Net Results of Activities* – Impacts (increases/decreases) current assets and unrestricted net assets.

*Borrowing for Capital* – Increases current assets and long-term debt.

*Spending Borrowed Proceeds on New Capital* – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.

*Spending of Non-borrowed Current Assets on New Capital* – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

*Principal Payment on Debt* – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

*Reduction of Capital Assets through Depreciation* – Reduces capital assets and invested in capital assets, net of debt.

### **Current Year Impacts-Net Assets**

The City's combined net assets increased from \$104,778,443 to \$133,581,120.

Net assets of the City's governmental activities increased by \$26,591,124 during the year to \$95,255,073. The bulk of this increase occurred through the a) contributions of streets and right-of-way from developers and b) retroactive reporting of infrastructure.

The net assets of business-type activities increased by \$2,211,553 during the year to \$38,326,047 due largely to additions to the City's water distribution system. The City's business type activities include water, refuse, airport, and economic development services. The annual FY 2005 operating cost of the business-type services (excluding all non-operating revenues and expenses) was \$5,673,565 compared to FY 2004 \$5,350,927.

Unrestricted net assets, available to finance the continuing operation of its business type activities, were \$1,273,772 in FY 2005 versus \$1,631,020 last year and 2,237,149 in FY 2003. The decline is being monitored and assessed in order to remediate the situation.

## CHANGES IN NET ASSETS

### Statement of Changes In Net Assets

The following chart reflects the condensed Statement of Changes In Net Assets.

**Table 2**  
**Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2005**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>
<b>REVENUES</b>						
<i>Program Revenues:</i>						
Charges for Services	\$3,614,187	\$6,687,244	\$6,157,331	\$5,948,445	\$9,771,518	\$12,635,689
Operating grants	2,521,542	3,378,028	0	0	\$2,521,542	\$3,378,028
Capital grants	537,433	2,197,952	18,015	1,521,358	\$555,448	\$3,719,310
<i>General Revenues:</i>						
Property Taxes	6,506,752	6,907,239	75,539	74,674	\$6,582,291	\$6,981,913
Sales Taxes	9,240,414	10,000,157	0	0	\$9,240,414	\$10,000,157
Other Taxes	6,344,572	7,702,554	0	0	\$6,344,572	\$7,702,554
Investment Income	106,229	169,202	30,607	30,356	\$136,836	\$199,558
Contributions	12,498,893	12,257,511	4,987,144	729,577	\$17,486,037	\$12,987,088
Other	258,371	324,002	61,687	37,269	\$320,058	\$361,271
<b>Total Revenues</b>	<b>\$41,628,393</b>	<b>\$49,623,889</b>	<b>\$11,330,323</b>	<b>\$8,341,679</b>	<b>\$52,958,716</b>	<b>\$57,965,568</b>
<b>EXPENSES</b>						
General Government	\$3,800,583	\$6,565,079	\$0	\$0	\$3,800,583	\$6,565,079
Public Safety	13,161,608	14,495,797	0	0	\$13,161,608	\$14,495,797
Community Improvement	5,880,017	5,455,783	0	0	\$5,880,017	\$5,455,783
Highways And Streets	4,872,446	10,481,051	0	0	\$4,872,446	\$10,481,051
Interest	1,049,120	1,026,539	0	0	\$1,049,120	\$1,026,539
Water	0	0	3,830,129	3,876,880	\$3,830,129	\$3,876,880
Refuse	0	0	1,256,963	1,199,238	\$1,256,963	\$1,199,238
Airport	0	0	692,739	766,597	\$692,739	\$766,597
Development Services	0	0	0	194,977	\$0	\$194,977
<b>Total Expenses</b>	<b>\$28,763,774</b>	<b>\$38,024,249</b>	<b>\$5,779,831</b>	<b>\$6,037,692</b>	<b>\$34,543,605</b>	<b>\$44,061,941</b>
<b>Change in Net Assets Before Transfers</b>	<b>\$12,864,619</b>	<b>\$11,599,640</b>	<b>\$5,550,492</b>	<b>\$2,303,987</b>	<b>\$18,415,111</b>	<b>\$13,903,627</b>
Transfers In (Out)	227,600	122,958	(227,600)	(122,958)	\$0	\$0
<b>Change in Net Assets</b>	<b>\$13,092,219</b>	<b>\$11,722,598</b>	<b>\$5,322,892</b>	<b>\$2,181,029</b>	<b>\$18,415,111</b>	<b>\$13,903,627</b>
<b>Restated Net Assets, July 1*</b>	<b>\$55,571,730</b>	<b>\$83,532,475</b>	<b>\$30,791,602</b>	<b>\$36,145,018</b>	<b>\$86,363,332</b>	<b>\$119,677,493</b>
<b>Net Assets, June 30</b>	<b>\$68,663,949</b>	<b>\$95,255,073</b>	<b>\$36,114,494</b>	<b>\$38,326,047</b>	<b>\$104,778,443</b>	<b>\$133,581,120</b>

\*Please refer to Note 14 of the financial statements for further details on net asset restatements.

### Normal Impacts-Changes In Net Assets

Reflected below are eight common (basic) impacts on revenues and expenses.

## **Revenues:**

Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

Increase/Decrease in City approved rates – While certain tax rates are set by statute, the City Council has authority to impose and periodically increase/decrease rates (water, sales tax, property tax, building permit fees, etc).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – The City's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to two years for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

## **Expenses:**

Changes In Programs – Within the functional expense categories (General Government, Public Safety, Community Improvement, etc.) individual programs may be added, deleted or expanded to meet changing community needs.

Changes in Authorized Personnel – Changes in service demand may cause the City Council to increase/decrease authorized staffing.

Salary Increases (annual adjustments and step increases) – The City strives to maintain a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be modest (CPI was slightly over 2.5% at June 30, 2005), the City is a major consumer of certain commodities and services that typically experience inflation at a rate that can be significantly different from CPI. Examples of such items include insurance, fuel, electricity and operating supplies.

## **Current Year Impacts-Changes In Net Assets**

### **Governmental Activities**

#### **Revenue:**

Revenues from governmental activities totaled \$49,623,889. Sales taxes continue to be the City's largest source of tax revenues. The \$10,000,157 sales tax revenue received in FY 2005 was enhanced due to a full-years' affect of a 1/2% rate increase in the City's Home Rule Sales tax effectuated January 1<sup>st</sup>, 2004.

Although most revenue categories increased from the prior fiscal year due to the general improvement in the overall local economy, the City income tax distributions from the State increased significantly due to the special census undertaken in FY04. Because the State distributes income taxes to the cities on a per capita basis, the additional 3,000 residents found by the census considerably improved revenues.

The largest dollar-change from FY 2004 was in the Charges for Services. The bulk of the increase was due to the City receiving a \$2.3 million dollar payment from DeKalb County to underwrite municipal obligations for road improvements in exchange for a share of the City's sale tax increase.

Expenses:

Expenses for governmental activities totaled \$38,024,249 compared to FY 2004 \$28,763,774. Although expenses were negatively impacted by rising pension and healthcare costs, a larger impact was caused by significant capital outlay for equipment, vehicles, and streets along with higher depreciation costs on retroactively reported infrastructure.

**Business Type Activities**

Revenue:

Revenue from business-type activities totaled \$8,341,679 in FY 2005. This represents a \$2,884,002 decrease from last year and was primarily due to a drop in developer contributions that was partially offset by key Federal and State land acquisition grants to the Airport.

Expenses:

Expenses for business-type activities totaled \$6,037,692. Although there were no major changes from last year for the Water and Refuse and Airport funds, the City established the Development Services fund to provide inspection and plan review services for new development within the community.

<b>FINANCIAL ANALYSIS OF THE CITY'S FUNDS</b>
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For the fiscal year ended June 30, 2005, the governmental funds reflect a combined fund balance of \$4,924,185. This decrease of \$190,887 from FY 2004 was not directly produced by any major issue or trend.

The General Fund FY 2005 ending fund balance of \$3,590,906 equals about 7 weeks of FY 2006 expenditures. Unlike the last year, the City plans to draw down FY 2005 fund balance to purchase various capital items.

The City issued \$8,355,000 in General Obligation refunding debt in order to reduce interest paid on older debt service by \$390,605. In addition, the City continued to expand its use of capital leases to fund various equipment and vehicle purchases.

### General Fund Budgetary Highlights

<b>General Fund</b>	<b>FY 2005 Original Budget</b>	<b>FY 2005 Amended Budget</b>	<b>FY 2005 Actual</b>	<b>Prior Year FY 2004 Actual</b>
<i>Revenues</i>				
Taxes	\$19,046,988	\$19,046,988	\$19,318,470	\$17,061,812
Licenses & Permits	762,500	612,500	618,029	846,571
Charges for Services	1,393,000	1,393,000	1,407,507	1,471,140
Fines & Forfeits	630,000	630,000	654,353	638,815
Other	307,000	302,000	641,645	370,722
<b>Total</b>	<b>\$22,139,488</b>	<b>\$21,984,488</b>	<b>\$22,640,004</b>	<b>\$20,389,060</b>
<i>Expenditures and Transfers</i>				
General Government	\$4,697,766	\$4,697,919	\$3,634,683	\$2,510,222
Public Safety	12,679,269	12,719,269	13,891,820	12,407,621
Community Improvement	3,576,844	3,636,844	3,432,725	3,928,040
Proceeds on Sale of Capital Assets	(3,000)	(3,000)	(12,717)	(7,744)
Transfers In	(750,500)	(750,500)	(384,300)	(392,600)
Transfers Out	1,731,182	1,731,182	1,747,708	1,674,887
<b>Total</b>	<b>\$21,931,561</b>	<b>\$22,031,714</b>	<b>\$22,309,919</b>	<b>\$20,120,426</b>
<b>Change in Fund Balance</b>	<b>\$207,927</b>	<b>(\$47,226)</b>	<b>\$330,085</b>	<b>\$268,634</b>

During fiscal year 2005, the City Council made no significant revenue or expenditure budget amendments. Due largely to sales tax and income tax revenues exceeding budgeted revenues, the actual General Fund revenues were more than original budgeted revenues by \$500,516 during FY 2005.

Actual General Fund expenditures and transfers were more than the original budget by \$378,358 due most significantly to public safety overtime for grant reimbursable Technical Rescue Team training.

In looking at other Major Governmental Funds, Tax Increment Funds #1 and #2 had FY 2005 ending fund balances of \$879,436 and (\$1,155,456) respectively as compared to FY 2004 balances of \$1,498,085 and (\$1,460,336). TIF #1 will fully expire in 2013 while TIF # 2 will expire in 2018.

Another major governmental fund, Motor Fuel Tax, underwent substantial expenditures for street construction related to the Target Corporation's building of a 1.5 million square foot warehouse in DeKalb. In regards to the Motor Fuel Tax fund as a whole, the Council continued the use of motor fuel tax money normally reserved for specific MFT eligible road projects to pay for street lighting, road salt, and other street-related maintenance activities budgeted in the general fund. In the future, the Council plans to gradually direct motor fuel tax money back to the MFT Fund.

### Water Fund Highlights

<i>Water Fund</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Actual</i>
<b>Revenues</b>			
<i>Charges for Services</i>			
<i>Water Sales</i>	\$3,700,616	\$3,725,387	\$3,634,382
<i>Permits</i>	388,039	909,125	649,654
<i>Miscellaneous</i>	86,578	31,649	31,061
<b>Total</b>	<b>\$4,175,233</b>	<b>\$4,666,161</b>	<b>\$4,315,097</b>
<b>Expenses, Transfers, and Contributions</b>			
<i>Operating Expenses</i>	(\$2,369,558)	(\$2,468,583)	(\$2,496,256)
<i>Depreciation &amp; Amortization</i>	(906,146)	(965,314)	(1,050,606)
<i>Non-Operating Revenues (Expenses)</i>	(363,082)	(351,802)	(300,368)
<i>Transfers In</i>	0	0	0
<i>Transfers Out</i>	(301,000)	(392,600)	(426,458)
<i>Developer Contributions</i>	1,398,700	791,875	729,577
<b>Total</b>	<b>(\$3,055,670)</b>	<b>(\$6,139,947)</b>	<b>(\$6,687,676)</b>
<b>Change in Net Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

The FY 2005 ending net assets of the Water Fund stands at \$19,439,913. The decline in revenues from one very large water consumer was partially offset by increases in retail water sales to new business and residential customers.

Although the change in Net Assets continues to be positive, the trend is diminishing. Management is monitoring the situation to insure that the Water Fund remains healthy.

### CAPITAL ASSETS

At the end of fiscal year 2005, the City's Governmental Funds had invested \$118,240,742 in a variety of capital assets and infrastructure, as reflected in the following schedule.

**Table 3**  
**Governmental Funds**  
**Change in Net Capital Assets**

	<i>Restated Balance June 30, 2004</i>	<i>Net Additions/ Deletions</i>	<i>Balance June 30, 2005</i>
<b>Non-Depreciable Assets</b>			
<i>Land &amp; Land Right of Way</i>	\$27,218,391	\$3,029,286	\$30,247,677
<b>Depreciable Capital Assets</b>			
<i>Buildings and Improvements</i>	5,791,609	0	5,791,609
<i>Equipment and Vehicles</i>	6,596,589	282,224	6,878,813
<i>Infrastructure</i>	117,513,023	9,222,292	126,735,315
<i>Accumulated Depreciation on     Capital Assets</i>	(48,691,261)	(2,721,411)	(51,412,672)
<b>Totals</b>	<b>\$108,428,351</b>	<b>\$9,812,391</b>	<b>\$118,240,742</b>



The major additions to capital assets during the year included a) substantial street and right-of-way donations from housing developers and b) retroactive reporting of infrastructure. For more detailed information regarding capital assets, please see Note 5 of the financial statements.

At the end of fiscal year 2005, the City's Business-Type Funds had invested \$48,608,596 in capital assets as reflected in the following schedule.

**Table 4**  
**Business-Type Funds**  
**Change in Net Capital Assets**

	<i>Restated Balance June 30, 2004</i>	<i>Net Additions/ Deletions</i>	<i>Balance June 30, 2005</i>
<b>Non-Depreciable Assets</b>			
Land & Land Improvements	\$11,532,391	\$1,361,809	\$12,894,200
<b>Depreciable Capital Assets</b>			
Buildings	4,781,975	0	4,781,975
Water Distribution System	32,764,408	1,554,018	34,318,426
Equipment and Vehicles	1,002,009	158,864	1,160,873
Airport Infrastructure	6,413,634	0	6,413,634
Accumulated Depreciation on Capital Assets	(9,686,828)	(1,273,684)	(10,960,512)
<b>Totals</b>	<b>\$46,807,589</b>	<b>\$1,801,007</b>	<b>\$48,608,596</b>

The major additions to capital assets during the year included land purchases supporting the continued Airport improvement and expansion plan.

#### 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 the Finance Department, City of DeKalb, 200 South 4<sup>th</sup> Street, DeKalb, Illinois 60115.

## CITY OF DEKALB, ILLINOIS

## STATEMENT OF NET ASSETS

June 30, 2005

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
<b>ASSETS</b>				
Cash and Investments	\$ 7,913,362	\$ 1,620,314	\$ 9,533,676	\$ 1,274,956
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	3,738,460	37,981	3,776,441	493,318
Accounts	-	1,311,357	1,311,357	-
Accrued Interest	7,896	5,021	12,917	6,180
Other	2,270,407	47,750	2,318,157	-
Prepaid Expenses	96,545	14,975	111,520	6,470
Due from Other Governments	3,443,268	208,313	3,651,581	-
Due from (to) Other Funds	(154,750)	154,750	-	-
Long-Term Receivables - Revolving Loan	34,389	-	34,389	-
Restricted Assets				
Restricted Cash and Investments	467,946	-	467,946	-
Deferred Charges	660,349	281,267	941,616	-
Net Pension Asset	211,448	-	211,448	-
Capital Assets				
Not Depreciated	30,247,677	12,894,200	43,141,877	10,000
Depreciated (Net of Accumulated Depreciation)	87,993,065	35,714,396	123,707,461	55,986
<b>Total Assets</b>	<b>136,930,062</b>	<b>52,290,324</b>	<b>189,220,386</b>	<b>1,846,910</b>
<b>LIABILITIES</b>				
Accounts Payable	2,047,828	573,162	2,620,990	16,179
Claims Payable	1,252,778	-	1,252,778	-
Accrued Payroll	575,066	47,373	622,439	17,948
Accrued Interest Payable	318,467	144,390	462,857	-
Contracts Payable	226,990	43,957	270,947	-
Other Payables	34,330	28,071	62,401	-
Deferred Property Taxes	6,502,184	75,023	6,577,207	974,427
Other Deferred Revenue	95,519	183,230	278,749	-
Due to Other Governments	-	880,649	880,649	-
Due to Primary Government	-	-	-	2,000
Long-Term Liabilities				
Due Within One Year	3,411,264	1,490,196	4,901,460	1,558
Due in More than One Year	26,952,441	10,373,469	37,325,910	14,022
Unamortized Premium	258,122	124,757	382,879	-
<b>Total Liabilities</b>	<b>41,674,989</b>	<b>13,964,277</b>	<b>55,639,266</b>	<b>1,026,134</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	104,193,560	37,052,275	141,245,835	-
Restricted for				
Public Safety	219,333	-	219,333	-
Maintenance of Roadways	732,456	-	732,456	-
Specific Purpose	103,800	-	103,800	-
Debt Service	469,041	-	469,041	-
Unrestricted (Deficit)	(10,463,117)	1,273,772	(9,189,345)	820,776
<b>TOTAL NET ASSETS</b>	<b>\$ 95,255,073</b>	<b>\$ 38,326,047</b>	<b>\$ 133,581,120</b>	<b>\$ 820,776</b>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2005

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 6,565,079	\$ 266,806	\$ 1,852,744	\$ 5,959
Public Safety	14,495,797	4,961,170	263,939	1,543
Community Improvement	5,455,783	791,567	-	-
Highways and Streets	10,481,051	667,701	1,261,345	2,190,450
Interest	1,026,539	-	-	-
Total Governmental Activities	38,024,249	6,687,244	3,378,028	2,197,952
Business-Type Activities				
Water	3,876,880	4,284,036	-	-
Airport	766,597	264,547	-	1,521,358
Development Services	194,977	81,349	-	-
Refuse	1,199,238	1,318,513	-	-
Total Business-Type Activities	6,037,692	5,948,445	-	1,521,358
TOTAL PRIMARY GOVERNMENT	\$ 44,061,941	\$ 12,635,689	\$ 3,378,028	\$ 3,719,310
COMPONENT UNIT				
Library	\$ 1,096,560	\$ 46,235	\$ 52,733	\$ -

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	Library
	\$ (4,439,570)	\$ -	\$ (4,439,570)	\$ -
	(9,269,145)	-	(9,269,145)	-
	(4,664,216)	-	(4,664,216)	-
	(6,361,555)	-	(6,361,555)	-
	(1,026,539)	-	(1,026,539)	-
	(25,761,025)	-	(25,761,025)	-
	-	407,156	407,156	-
	-	1,019,308	1,019,308	-
	-	(113,628)	(113,628)	-
	-	119,275	119,275	-
	-	1,432,111	1,432,111	-
	(25,761,025)	1,432,111	(24,328,914)	-
	-	-	-	(997,592)
General Revenues				
Taxes				
Property	6,907,239	74,674	6,981,913	931,257
City Sales	4,947,494	-	4,947,494	-
Utility	3,596,132	-	3,596,132	-
Income	3,023,210	-	3,023,210	-
State Sales	3,790,727	-	3,790,727	-
Restaurant/Bar	1,261,936	-	1,261,936	-
Local Use	459,261	-	459,261	-
Other	623,951	-	623,951	26,800
Investment Income	169,202	30,356	199,558	31,316
Miscellaneous	324,002	37,269	361,271	21,232
Contributions	12,257,511	729,577	12,987,088	-
Transfers In (Out)	122,958	(122,958)	-	-
Total	37,483,623	748,918	38,232,541	1,010,605
CHANGE IN NET ASSETS	11,722,598	2,181,029	13,903,627	13,013
NET ASSETS, JULY 1	68,663,949	36,114,494	104,778,443	807,237
Prior Period Adjustment	14,868,526	30,524	14,899,050	526
NET ASSETS, JULY 1, RESTATED	83,532,475	36,145,018	119,677,493	807,763
NET ASSETS, JUNE 30	\$ 95,255,073	\$ 38,326,047	\$ 133,581,120	\$ 820,776

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2005

	General	Motor Fuel Tax	Capital Projects
<b>ASSETS</b>			
Cash and Investments	\$ 2,036,664	\$ 1,734,595	\$ 876,260
Restricted Cash and Investments	-	-	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	1,403,246	-	-
Accrued Interest	5,106	339	74
Other	841,767	1,014,677	413,933
Prepaid Items	58,705	-	-
Due from Other Governments	2,626,223	236,242	113,005
Due from Other Funds	875,439	5,726	-
Advances to Other Funds	-	-	-
Long-Term Receivables - Revolving Loans	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,847,150</b>	<b>\$ 2,991,579</b>	<b>\$ 1,403,272</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 780,843	\$ 580,997	\$ 120,044
Accrued Payroll	572,330	-	-
Contracts Payable	-	221,603	-
Other Payables	34,330	-	-
Deferred Property Taxes	1,880,106	-	-
Other Deferred Revenue	986,992	1,014,677	35,000
Due to Other Funds	1,643	441,846	-
Advances from Other Funds	-	-	-
<b>Total Liabilities</b>	<b>4,256,244</b>	<b>2,259,123</b>	<b>155,044</b>
<b>FUND BALANCES</b>			
Reserved for Prepaid Items	58,705	-	-
Reserved for Long-Term Receivables	-	-	-
Reserved for Public Safety	-	-	-
Reserved for Maintenance of Roadways	-	732,456	-
Reserved for Specific Purpose	-	-	-
Reserved for Advances to Other Funds	-	-	-
Reserved for Debt Service	-	-	-
Unreserved			
Undesignated - General Fund	3,532,201	-	-
Undesignated (Deficit) - Special Revenue Funds	-	-	-
Undesignated (Deficit) - Capital Projects Funds	-	-	1,248,228
<b>Total Fund Balances</b>	<b>3,590,906</b>	<b>732,456</b>	<b>1,248,228</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,847,150</b>	<b>\$ 2,991,579</b>	<b>\$ 1,403,272</b>

TIF #1	TIF #2	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,110,816	\$ 286,068	\$ 255,191	\$ 6,299,594
-	-	467,946	467,946
1,891,691	315,144	128,379	3,738,460
809	-	1,095	7,423
-	-	30	2,270,407
2,697	-	3,193	64,595
135,606	-	332,192	3,443,268
-	-	1,643	882,808
1,995,000	-	-	1,995,000
34,389	-	-	34,389
<u>\$ 5,171,008</u>	<u>\$ 601,212</u>	<u>\$ 1,189,669</u>	<u>\$ 19,203,890</u>

\$ 188,131	\$ 60,301	\$ 139,875	\$ 1,870,191
-	-	2,736	575,066
5,315	-	72	226,990
-	-	-	34,330
3,729,150	636,367	256,561	6,502,184
-	-	3,717	2,040,386
368,976	-	223,093	1,035,558
-	1,060,000	935,000	1,995,000
<u>4,291,572</u>	<u>1,756,668</u>	<u>1,561,054</u>	<u>14,279,705</u>
2,697	-	3,193	64,595
34,389	-	-	34,389
-	-	7,400	7,400
-	-	-	732,456
-	-	101,092	101,092
1,995,000	-	-	1,995,000
-	-	469,041	469,041
-	-	-	3,532,201
-	-	(20,788)	(20,788)
<u>(1,152,650)</u>	<u>(1,155,456)</u>	<u>(931,323)</u>	<u>(1,991,201)</u>
<u>879,436</u>	<u>(1,155,456)</u>	<u>(371,385)</u>	<u>4,924,185</u>
<u>\$ 5,171,008</u>	<u>\$ 601,212</u>	<u>\$ 1,189,669</u>	<u>\$ 19,203,890</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

June 30, 2005

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,924,185
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	118,240,742
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Interest payable	(318,467)
Compensated absences payable	(3,926,592)
Bonds payable	(22,990,000)
Capital lease payable	(948,115)
Due to other governments	(2,498,998)
Bond premiums are other financing sources in governmental funds in the year of issuance but are capitalized and amortized on the statement of net assets	(258,122)
Issuance costs and losses on refundings are expenditures in governmental funds but are capitalized and amortized on the statement of net assets	660,349
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	1,778,236
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	380,407
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	211,448
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 95,255,073</u>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	General	Motor Fuel Tax	Capital Projects
REVENUES			
Taxes	\$ 19,318,470	\$ -	\$ -
Licenses and Permits	618,029	-	-
Intergovernmental	281,077	3,161,181	230,536
Charges for Services	1,407,507	-	3,205,694
Fines and Forfeits	654,353	-	-
Investment Income	89,669	34,172	12,435
Miscellaneous	270,899	53,878	6,200
Total Revenues	22,640,004	3,249,231	3,454,865
EXPENDITURES			
Current			
General Government	3,634,683	-	-
Public Safety	13,891,820	-	-
Community Improvement	3,432,725	-	-
Highways and Streets	-	3,609,518	-
Capital Outlay	-	-	4,223,459
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	20,959,228	3,609,518	4,223,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,680,776	(360,287)	(768,594)
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	12,717	-	72,829
Transfers In	384,300	-	268,045
Transfers (Out)	(1,747,708)	(58,500)	-
Bonds Issued	-	-	-
Premium on Bonds Issued	-	-	-
Payment to Bond Escrow Agent	-	-	-
Capital Lease Issued	-	-	598,102
Total Other Financing Sources (Uses)	(1,350,691)	(58,500)	938,976
NET CHANGE IN FUND BALANCES	330,085	(418,787)	170,382
FUND BALANCES (DEFICIT), JULY 1	3,260,821	1,151,243	1,077,846
FUND BALANCES (DEFICIT), JUNE 30	\$ 3,590,906	\$ 732,456	\$ 1,248,228



TIF #1	TIF #2	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,364,019	\$ 628,993	\$ 237,087	\$ 24,548,569
-	-	-	618,029
-	-	1,849,307	5,522,101
-	-	-	4,613,201
-	-	-	654,353
13,371	-	19,555	169,202
9,876	-	58,471	399,324
4,387,266	628,993	2,164,420	36,524,779
-	-	1,984,832	5,619,515
-	-	24,059	13,915,879
-	-	-	3,432,725
-	-	-	3,609,518
3,610,102	324,113	-	8,157,674
-	-	1,810,000	1,810,000
-	-	1,032,874	1,032,874
3,610,102	324,113	4,851,765	37,578,185
777,164	304,880	(2,687,345)	(1,053,406)
-	-	26,971	112,517
-	-	2,630,476	3,282,821
(1,395,813)	-	-	(3,202,021)
-	-	5,025,000	5,025,000
-	-	191,795	191,795
-	-	(5,145,695)	(5,145,695)
-	-	-	598,102
(1,395,813)	-	2,728,547	862,519
(618,649)	304,880	41,202	(190,887)
1,498,085	(1,460,336)	(412,587)	5,115,072
\$ 879,436	\$ (1,155,456)	\$ (371,385)	\$ 4,924,185

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (190,887)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	729,688
Contributions of capital assets are reported only in the statement of activities	12,299,669
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities:	
Bonds issued at par	(5,025,000)
Premium on bonds issued	(191,795)
Capital lease issued	(598,102)
Payment to escrow agent	5,145,695
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	729,082
Gains (losses) on the disposal of capital assets are reported in the governmental activities	(23,679)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	2,607,239
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Depreciation	(3,193,287)
Interest and amortization of bond issuance costs and loss on refunding	6,335
Compensated absences	(291,151)
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds	(294,846)
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	13,637
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 11,722,598</u>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

June 30, 2005

	Business-Type Activities				Governmental
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 1,231,333	\$ 32	\$ 388,949	\$ 1,620,314	\$ 1,613,768
Receivables					
Property Taxes	-	37,981	-	37,981	-
Accounts	1,146,293	-	165,064	1,311,357	-
Accrued Interest	5,021	-	-	5,021	473
Other	47,750	-	-	47,750	-
Prepaid Expenses	13,262	1,219	494	14,975	31,950
Due from Other Governments	-	208,313	-	208,313	-
Due from Other Funds	-	96,250	58,500	154,750	-
<b>Total Current Assets</b>	<b>2,443,659</b>	<b>343,795</b>	<b>613,007</b>	<b>3,400,461</b>	<b>1,646,191</b>
<b>NONCURRENT ASSETS</b>					
Advance to Other Funds	734,100	-	-	734,100	-
Deferred Charges	215,265	66,002	-	281,267	-
<b>Total Noncurrent Assets</b>	<b>949,365</b>	<b>66,002</b>	<b>-</b>	<b>1,015,367</b>	<b>-</b>
<b>CAPITAL ASSETS</b>					
Nondepreciable	528,648	12,365,552	-	12,894,200	-
Depreciable	37,684,880	8,990,028	-	46,674,908	-
Accumulated Depreciation	(9,730,907)	(1,229,605)	-	(10,960,512)	-
<b>Net Capital Assets</b>	<b>28,482,621</b>	<b>20,125,975</b>	<b>-</b>	<b>48,608,596</b>	<b>-</b>
<b>Total Assets</b>	<b>31,875,645</b>	<b>20,535,772</b>	<b>613,007</b>	<b>53,024,424</b>	<b>1,646,191</b>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	313,691	52,591	206,880	573,162	11,006
Accrued Payroll	36,468	5,494	5,411	47,373	-
Accrued Interest Payable	132,206	12,184	-	144,390	-
Contracts Payable	43,957	-	-	43,957	-
Other Payables	9,390	18,681	-	28,071	-
Deferred Property Taxes	-	75,023	-	75,023	-
Deferred Revenue	-	18,166	165,064	183,230	-
Due to Other Funds	-	-	-	-	2,000
Due to Other Governments	880,649	-	-	880,649	-
Claims Payable	-	-	-	-	1,252,778
Notes Payable	-	400,000	-	400,000	-
General Obligation Bonds Payable	720,000	-	-	720,000	-
Capital Lease Payable	13,098	-	-	13,098	-
IEPA Loans Payable	326,364	-	-	326,364	-
Compensated Absences Payable	26,187	1,690	2,857	30,734	-
<b>Total Current Liabilities</b>	<b>2,502,010</b>	<b>583,829</b>	<b>380,212</b>	<b>3,466,051</b>	<b>1,265,784</b>

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS  
STATEMENT OF NET ASSETS (Continued)  
PROPRIETARY FUNDS

June 30, 2005

	Business-Type Activities			Governmental Activities	
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>LONG-TERM LIABILITIES</b>					
General Obligation Bonds Payable	\$ 3,485,000	\$ 505,000	\$ -	\$ 3,990,000	\$ -
Capital Lease Payable	82,877	-	-	82,877	-
IEPA Loans Payable	6,023,982	-	-	6,023,982	-
Advance from Other Funds	-	734,100	-	734,100	-
Compensated Absences Payable	235,682	15,211	25,717	276,610	-
Unamortized Premium	106,181	18,576	-	124,757	-
<b>Total Long-Term Liabilities</b>	<b>9,933,722</b>	<b>1,272,887</b>	<b>25,717</b>	<b>11,232,326</b>	<b>-</b>
<b>Total Liabilities</b>	<b>12,435,732</b>	<b>1,856,716</b>	<b>405,929</b>	<b>14,698,377</b>	<b>1,265,784</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	17,831,300	19,220,975	-	37,052,275	-
Unrestricted (Deficit)	1,608,613	(541,919)	207,078	1,273,772	380,407
<b>TOTAL NET ASSETS</b>	<b>\$ 19,439,913</b>	<b>\$ 18,679,056</b>	<b>\$ 207,078</b>	<b>\$ 38,326,047</b>	<b>\$ 380,407</b>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2005

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,284,036	\$ 264,547	\$ 1,399,862	\$ 5,948,445	\$ 4,223,854
Miscellaneous	31,061	6,310	-	37,371	17,860
<b>Total Operating Revenues</b>	<b>4,315,097</b>	<b>270,857</b>	<b>1,399,862</b>	<b>5,985,816</b>	<b>4,241,714</b>
<b>OPERATING EXPENSES</b>					
Administration	-	-	-	-	4,556,559
Operations	2,496,256	512,514	1,394,215	4,402,985	-
Depreciation and Amortization	1,050,606	219,974	-	1,270,580	-
<b>Total Operating Expenses</b>	<b>3,546,862</b>	<b>732,488</b>	<b>1,394,215</b>	<b>5,673,565</b>	<b>4,556,559</b>
<b>OPERATING INCOME (LOSS)</b>	<b>768,235</b>	<b>(461,631)</b>	<b>5,647</b>	<b>312,251</b>	<b>(314,845)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Property Taxes	-	74,674	-	74,674	-
Investment Income	29,650	706	-	30,356	19,999
Refunds/Reimbursements	-	(102)	-	(102)	-
Interest Expense	(330,018)	(34,109)	-	(364,127)	-
Grant Revenue	-	1,521,358	-	1,521,358	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(300,368)</b>	<b>1,562,527</b>	<b>-</b>	<b>1,262,159</b>	<b>19,999</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>467,867</b>	<b>1,100,896</b>	<b>5,647</b>	<b>1,574,410</b>	<b>(294,846)</b>
<b>TRANSFERS</b>					
Transfers In	-	165,000	138,500	303,500	-
Transfers (Out)	(426,458)	-	-	(426,458)	-
<b>Total Transfers</b>	<b>(426,458)</b>	<b>165,000</b>	<b>138,500</b>	<b>(122,958)</b>	<b>-</b>
<b>CONTRIBUTIONS</b>					
Developer Contributions	729,577	-	-	729,577	-
<b>Total Contributions</b>	<b>729,577</b>	<b>-</b>	<b>-</b>	<b>729,577</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>770,986</b>	<b>1,265,896</b>	<b>144,147</b>	<b>2,181,029</b>	<b>(294,846)</b>
<b>NET ASSETS, JULY 1</b>	<b>18,638,403</b>	<b>17,413,160</b>	<b>62,931</b>	<b>36,114,494</b>	<b>675,253</b>
Prior Period Adjustment	30,524	-	-	30,524	-
<b>NET ASSETS, JULY 1, RESTATED</b>	<b>18,668,927</b>	<b>17,413,160</b>	<b>62,931</b>	<b>36,145,018</b>	<b>675,253</b>
<b>NET ASSETS, JUNE 30</b>	<b>\$ 19,439,913</b>	<b>\$ 18,679,056</b>	<b>\$ 207,078</b>	<b>\$ 38,326,047</b>	<b>\$ 380,407</b>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2005

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 4,202,483	\$ 282,713	\$ 1,399,862	\$ 5,885,058	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	4,305,104
Receipts from Miscellaneous Revenues	31,061	6,310	-	37,371	17,860
Payments to Suppliers	(1,432,959)	(346,898)	(1,271,585)	(3,051,442)	(4,388,557)
Payments to Employees	(862,934)	(127,432)	(99,636)	(1,090,002)	-
Net Cash from Operating Activities	1,937,651	(185,307)	28,641	1,780,985	(65,593)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Property Taxes	-	74,444	-	74,444	-
Intergovernmental	157,519	1,349,130	-	1,506,649	-
Reimbursements/Refunds	-	(102)	-	(102)	-
Due from Component Unit	-	-	-	-	2,000
Interfund Receivables	-	(96,250)	(58,500)	(154,750)	99,209
Interfund Payables	(99,209)	-	-	(99,209)	2,000
Advances from Other Funds	-	104,100	-	104,100	-
Advances to Other Funds	(104,100)	-	-	(104,100)	-
Transfers In	-	165,000	138,500	303,500	-
Transfers (Out)	(384,300)	-	-	(384,300)	-
Net Cash from Noncapital Financing Activities	(430,090)	1,596,322	80,000	1,246,232	103,209
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital Assets Purchased	(892,402)	(1,378,809)	-	(2,271,211)	-
Bond Proceeds Received	2,968,324	505,000	-	3,473,324	-
Payment to Bond Escrow Agent	(2,892,854)	(517,129)	-	(3,409,983)	-
Bond Issue Costs Paid	(19,103)	12,452	-	(6,651)	-
Principal Payments on Long-Term Debt	(1,009,588)	-	-	(1,009,588)	-
Interest Payments on Long-Term Debt	(348,477)	(34,654)	-	(383,131)	-
Net Cash from Capital and Related Financing Activities	(2,194,100)	(1,413,140)	-	(3,607,240)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Investments	-	-	-	-	495,358
Sale of Investments	1,189,952	-	-	1,189,952	-
Interest Received on Investments	37,138	706	-	37,844	22,943
Net Cash from Investing Activities	1,227,090	706	-	1,227,796	518,301
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	540,551	(1,419)	108,641	647,773	555,917
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	105,162	1,451	280,308	386,921	661,851
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ 645,713	\$ 32	\$ 388,949	\$ 1,034,694	\$ 1,217,768

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS  
STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended June 30, 2005

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 768,235	\$ (461,631)	\$ 5,647	\$ 312,251	\$ (314,845)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,050,606	219,974	-	1,270,580	-
Changes in Assets and Liabilities					
Accounts Receivable	(81,553)	-	(9,961)	(91,514)	-
Other Receivables	-	-	-	-	81,250
Prepaid Expenses	600	(210)	(494)	(104)	(11,532)
Accounts Payable	150,549	27,587	(10,497)	167,639	5,824
Accrued Payroll	7,708	1,220	5,411	14,339	-
Claims Payable	-	-	-	-	173,710
Other Payables	600	6,144	-	6,744	-
Deferred Revenue	-	18,166	9,961	28,127	-
Compensated Absences	40,906	3,443	28,574	72,923	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,937,651	\$ (185,307)	\$ 28,641	\$ 1,780,985	\$ (65,593)
CASH AND INVESTMENTS					
Cash and Cash Equivalents	\$ 645,713	\$ 32	\$ 388,949	\$ 1,034,694	\$ 1,217,768
Investments	585,620	-	-	585,620	396,000
TOTAL CASH AND INVESTMENTS	\$ 1,231,333	\$ 32	\$ 388,949	\$ 1,620,314	\$ 1,613,768
NONCASH TRANSACTIONS					
Developer Contributed Mains	\$ 729,577	\$ -	\$ -	\$ 729,577	\$ -
TOTAL NONCASH TRANSACTIONS	\$ 729,577	\$ -	\$ -	\$ 729,577	\$ -

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS

June 30, 2005

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ASSETS

Cash and Short-Term Investments	\$ 2,149,588
Investments, at Fair Value	
Certificates of Deposit	523,072
Mutual Funds	15,402,389
U.S. Treasury Securities	2,588,910
U.S. Agency Securities	13,848,190
Receivables	
Accrued Interest	178,913

Total Assets	<u>34,691,062</u>
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LIABILITIES

Accounts Payable	4,478
Deferred Revenue	<u>892,708</u>

Total Liabilities	<u>897,186</u>
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NET ASSETS HELD IN TRUST FOR  
PENSION BENEFITS

\$ 33,793,876
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See accompanying notes to financial statements.



CITY OF DEKALB, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS

For the Year Ended June 30, 2005

ADDITIONS

Contributions

Employer Contributions \$ 1,730,330

Employee Contributions 694,857

Total Contributions 2,425,187

Investment Income

Net Appreciation in Fair Value  
of Investments 1,122,983

Interest 972,053

Total Investment Income 2,095,036

Less Investment Expense (57,684)

Net Investment Income 2,037,352

Total Additions 4,462,539

DEDUCTIONS

Retirement Benefits 2,008,171

Disability Benefits 303,510

Administrative Expenses 25,303

Total Deductions 2,336,984

NET INCREASE 2,125,555

NET ASSETS HELD IN TRUST  
FOR PENSION BENEFITS

July 1 31,668,321

June 30 \$ 33,793,876

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
June 30, 2005

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CITY OF DEKALB, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and council. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government.

Discretely Presented Component Unit

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

The 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, 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.

B. Fund Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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

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

C. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Motor Fuel Tax Fund accounts 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.

The Capital Projects Fund accounts for the City's major activities, including infrastructure, buildings and equipment expenditures.

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

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

The City reports the following major proprietary funds:

The Water Fund accounts 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 is used to account for the operation of the Taylor Municipal Airport. Financing is provided by annual property taxes and user fees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following proprietary fund type:

Internal Service Funds account for the City's self-insured property, casualty, worker's compensation and health insurance programs provided to other departments or agencies of the City on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighter's Pension Fund.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales taxes and telecommunication taxes which are 90 days. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes collected by the state at year end, franchise taxes, licenses, charges for services, restaurant and bar taxes and interest revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments with a maturity of one year or greater at the time of purchase and all investments of the pension funds are stated at fair value except for non-negotiable certificates of deposit which are recorded at cost. Fair value has been based on quoted market prices at June 30 for debt and equity securities and contract values for insurance contracts. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the City's fair value of the pool.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Interfund Receivables/Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories

The cost of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

H. Restricted Assets

Restricted assets in governmental activities/funds include cash and investments in the debt service funds restricted for tax increment financing debt repayment.

I. Deferred Charges

Deferred charges in the proprietary funds and the governmental activities in the government-wide financial statements represents bond discounts, bond issuance costs and accounting losses on advance refundings of bonds which are being amortized over the life of the bonds.

J. Prepaid Items/Expenses

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

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.



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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

Asset Class	Capitalization Threshold
Building Improvements, Land Improvements	\$ 10,000
Bridges, Streets, Stormsewers and Traffic Signals	25,000
Vehicles, Machinery and Equipment	10,000

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

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

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

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

L. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 expenditures.

N. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

O. Interfund Transactions

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

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

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

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2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances/Net Assets of Individual Funds

The following funds had a deficit fund balances/net assets as of June 30, 2005:

<u>Fund</u>	<u>Deficit Balance</u>
Knolls Special Service Area #4	\$ 20,788
Tax Increment Financing #2	1,155,456
County Home Tax Increment Financing District	931,323
Workers' Compensation	785,219

3. 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 fund are held separately from those of other funds.

Permitted Deposits and Investments - The City's investment policy authorizes the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. The Police Pension and Fire Pension investments policies also allow for investing in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and equity securities.

a. Deposits

To guard against credit risk for deposits with financial institutions, the City and the Pension Funds investment policies require 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 and Pension Plans.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

As of June 30, 2005, the City had the following investments and maturities.

	Investment Maturities (in Years)				
	0 to 6 months	6 months to 1 year	1-5	6-10	More than 10
Mutual Fund Money					
Market Accounts	\$ 467,946	\$ -	\$ -	\$ -	\$ -
Illinois Funds	5,599,049	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,066,995</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

As of June 30, 2005, the Police Pension Fund had the following investments and maturities in debt securities.

	Investment Maturities (in Years)				
	0 to 6 months	6 months to 1 year	1-5	6-10	More than 10
U.S. Agencies	\$ -	\$ 3,776,219	\$ 5,700,536	\$ -	\$ 10,285
Mutual Funds	9,341,386	-	-	-	-
Money Market Accounts	262,605	-	-	-	-
<b>TOTAL</b>	<b>\$ 9,603,991</b>	<b>\$ 3,776,219</b>	<b>\$ 5,700,536</b>	<b>\$ -</b>	<b>\$ 10,285</b>

As of June 30, 2005, the Fire Pension Fund had the following investments and maturities.

	Investment Maturities (in Years)				
	0 to 6 months	6 months to 1 year	1-5	6-10	More than 10
U.S. Treasuries	\$ -	\$ -	\$ 2,588,910	\$ -	\$ -
U.S. Agencies	-	411,625	1,008,733	1,272,273	1,668,519
Mutual Funds	6,061,004	-	-	-	-
Negotiable Certificate of Deposits	-	195,416	-	-	-
Money Market Accounts	462,896	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,523,900</b>	<b>\$ 607,041</b>	<b>\$ 3,597,643</b>	<b>\$ 1,272,273</b>	<b>\$ 1,668,519</b>

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

GASB 40 - Operating Funds

In accordance with its investment policy, the City 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 shorter-term securities.

In order to limit its exposure to concentration of credit risk, the City's Investment Policy limits the City's investments 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. The Illinois Funds is "AAA" rated funds and credit risk is very marginal.

At June 30, 2005, the City had greater than five percent of its overall portfolio invested in Illinois Funds (91%) and money market mutual funds (9%). The investment policy does not include any limitations on individual investment types.

GASB 40 - Police Pension Fund

It is the policy of the Police Pension Board to attempt to invest 53% of its portfolio in fixed income securities, 25% in large cap domestic equities, 5% in small cap domestic equities, 7% in mid cap equities, 5% in international equities, 3% in real estate and the remaining 2% in cash and cash equivalents. The Police Pension Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments.

The Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The overall ratings of the agency's long-term debt, except for subordinated debt of which the Police Pension fund does not own any, is "AAA" as rated by Moody's and Standard and Poor.

At June 30, 2005, the Pension Fund had greater than five percent of its fixed income portfolio in FHLB notes (49.61 %). The investment policy diversifies its fixed income holdings with a range of 53% to 75% with a target of 53%.

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

GASB 40 - Police Pension Fund (Continued)

The Pension Fund invests 45% of its funds in equities. The Fund's investment policy defines the strategy in which the Pension Board follows for the equity investments. The Pension Board diversifies its equity holdings as follows:

- International - a range of 0% to 7% with a target of 5%.
- Large Cap Domestic - a range of 21% to 45% with a target of 25%.
- Small Cap Domestic - a range of 0% to 7% with a target of 5%.
- Mid. Cap Domestic - a range of 0% to 15% with a target of 7%.
- Real Estate - a range of 0% to 5% with a target of 3%.

The Pension Fund, via the investment policy, has an equity criteria and selection process that it follows.

The Police Pension Board limits its exposure to custodial risk by utilizing an independent, third party institution, selected by the Police Pension Board, to act as custodian for its securities. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Police Pension Board will not be able to recover the value of its investments that are in the possession of an outside party.

GASB 40 - Fire Pension Fund

It is the policy of the Fire Pension Board to invest 60% of its portfolio in fixed income securities, 35% in equities and the remaining 5% in cash and cash equivalents. The Fire Pension Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments.

The Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The overall ratings of the agency's long-term debt, except for subordinated debt of which the Police Pension fund does not own any, is "Aaa" as rated by Moody's and "AAA" as rated by Standard and Poor.

At June 30, 2005, the Pension Fund had greater than five percent of its fixed income portfolio in FNMA notes (13.76 %) and FNMA Pools (11.72%). The investment policy diversifies its fixed income holdings with a range of 40% to 80% with a target of 60%.

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

GASB 40 - Fire Pension Fund (Continued)

The Pension Fund invests 43% of its funds in equities. The Fund's investment policy defines the strategy in which the Pension Board follows for the equity investments. The Pension Board diversifies its equity holdings by the following allocation guideline, 5% to 45%, with a target of 35%.

The Pension Fund, via the investment policy, has an equity criteria and selection process that it follows.

The Fire Pension Board limits its exposure to custodial risk by utilizing an independent, third party institution, selected by the Fire Pension Board, to act as custodian for its securities. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Fire Pension Board will not be able to recover the value of its investments that are in the possession of an outside party.

4. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2004 levy year attach as an enforceable lien on January 1, 2004, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2005, and August 1, 2005, and are payable in two installments, on or about June 1, 2005, and September 1, 2005. The County collects such taxes and remits them periodically.

The City has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2004 tax levy has been recorded as deferred revenue on the financial statements. The 2005 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2005, the taxes will not be levied by the City or extended by the County until December 2005, and therefore, the amount is not measurable at June 30, 2005.

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

5. CAPITAL ASSETS

A. Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 6,054,764	\$ -	\$ 5,933	\$ 6,048,831
Land Right of Way	21,163,627	3,035,219	-	24,198,846
Total Capital Assets not Being Depreciated	27,218,391	3,035,219	5,933	30,247,677
Capital Assets Being Depreciated				
Buildings and Improvements	5,791,609	-	-	5,791,609
Vehicles	5,265,376	565,450	394,119	5,436,707
Equipment	1,331,213	164,238	53,345	1,442,106
Infrastructure	117,513,023	9,222,292	-	126,735,315
Total Capital Assets Being Depreciated	129,901,221	9,951,980	447,464	139,405,737
Less Accumulated Depreciation for				
Buildings and Improvements	2,288,308	100,650	-	2,388,958
Vehicles	2,840,396	371,155	429,991	2,781,560
Equipment	858,938	90,193	41,885	907,246
Infrastructure	42,703,619	2,631,289	-	45,334,908
Total Accumulated Depreciation	48,691,261	3,193,287	471,876	51,412,672
Total Capital Assets Being Depreciated, Net	81,209,960	6,758,693	(24,412)	87,993,065
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 108,428,351</b>	<b>\$ 9,793,912</b>	<b>\$ (18,479)</b>	<b>\$ 118,240,742</b>
	Beginning Balance, Restated	Increases	Decreases	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 11,125,010	\$ 1,361,809	\$ -	\$ 12,486,819
Land Improvements	407,381	-	-	407,381
Total Capital Assets not Being Depreciated	11,532,391	1,361,809	-	12,894,200
Capital Assets Being Depreciated				
Buildings	4,781,975	-	-	4,781,975
Water Distribution System	32,764,408	1,554,018	-	34,318,426
Vehicles	606,572	200,773	64,859	742,486
Equipment	395,437	22,950	-	418,387
Airport Infrastructure	6,413,634	-	-	6,413,634
Total Capital Assets Being Depreciated	44,962,026	1,777,741	64,859	46,674,908



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

5. CAPITAL ASSETS

A. (Continued)

	Beginning Balance, Restated	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Buildings	\$ 916,928	\$ 95,595	\$ -	\$ 1,012,523
Water Distribution System	8,112,319	865,357	-	8,977,676
Vehicles	259,869	149,064	22,701	386,232
Equipment	201,218	26,028	-	227,246
Airport Infrastructure	196,494	160,341	-	356,835
Total Accumulated Depreciation	9,686,828	1,296,385	22,701	10,960,512
Total Capital Assets Being Depreciated, Net	35,275,198	481,356	42,158	35,714,396
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 46,807,589	\$ 1,843,165	\$ 42,158	\$ 48,608,596

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 14,576
Public Safety	267,359
Community Improvement	37,804
Highways and Streets, Including Depreciation of General Infrastructure Assets	2,873,548
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 3,193,287

B. Construction Contracts

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

	Project Authorizations	Expended to Date	Commitment
2005 TIF Street Maintenance	\$ 509,229	\$ -	\$ 509,229
2005 TIF Sidewalks	247,245	53,154	194,091
2005 Alley Maintenance	143,383	-	143,383
Macom Drive Improvements	4,043,808	2,655,608	1,388,200
Harvestore/Corporate Truck Route	293,037	293,037	-
2005 MFT Maintenance	30,844	-	30,844
TOTAL	\$ 5,267,546	\$ 3,001,799	\$ 2,265,747

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

6. RECEIVABLES

A. Long-Term Receivables

The City has various notes receivable outstanding as of June 30, 2005. Principal maturities of these notes receivable for future periods are as follows:

<u>Year Ending June 30</u>	<u>Tax Increment Financing Fund</u>
2006	\$ 34,389
TOTAL PRINCIPAL	<u>\$ 34,389</u>

B. Other Receivables

The following receivables are included in Other Receivables on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES

Municipal Utility Tax	\$ 486,255
Restaurant and Bar	127,461
Fire Contracts	77,375
Cable Franchise Fee	28,174
Gasoline and Diesel	18,255
Hotel/Motel Tax	18,158
Circuit Court Fines	31,029
Leases	233,536
Macom Drive Reimbursement	1,014,677
Other Miscellaneous	180,878
Traffic Signal Reimbursement	<u>54,609</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 2,270,407</u>
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C. Due From Other Governments

The following are reported as Due from Other Governments on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES

Local Use Tax	\$ 131,640
Sales Tax	1,288,102
State Highway Maintenance	13,655
City Sales Tax	1,127,586
Auto Rental Tax	<u>2,875</u>

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

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6. RECEIVABLES (Continued)

C. Due From Other Governments (Continued)

GOVERNMENTAL ACTIVITIES (Continued)

Tax Increment Financing Sales Tax	\$ 135,606
Motor Fuel Tax	236,242
Mass Transit Grants	325,381
Community Development Grant	6,811
Other Grants	<u>175,370</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 3,443,268</u>
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BUSINESS-TYPE ACTIVITIES

Airport Grants	<u>\$ 208,313</u>
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7. RISK MANAGEMENT

The City is exposed to various risks including but not limited to losses from worker's compensation, employee health and general liability/property. The City is self-insured for its exposure to general liability/property, workers' compensation and employee health. The City has established the following internal service funds to account for these activities: Workers' Compensation, Liability/Property Insurance and Health Insurance. Each participating fund makes payments to the self-insurance funds. Such payments are displayed on the financial statements as revenues and expenditures/expenses to the extent that the charge to the other funds is based on the actual expenses of the funds plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as transfers.

The City has contracted with third party administrators (TPAs) to administer the worker's compensation and employee health insurance programs 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 coverages are as follows:

Health Insurance - The City is self insured for \$100,000 per individual per year with a specific stop loss of \$100,000 per individual and an annual aggregate stop loss of approximately \$2,990,160.

Workers' Compensation - There are no specific or aggregate stop loss policies for the year ended June 30, 2003, 2004 and 2005.

There have been no significant changes in coverage from the prior two years and settlements have not exceeded coverage in any of the prior three years.

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

7. RISK MANAGEMENT (Continued)

A reconciliation of claims payable for the fiscal years ended June 30, 2005 and 2004 are as follows:

	Health		Workers' Compensation		Liability/Property	
	2005	2004	2005	2004	2005	2004
CLAIMS PAYABLE, JULY 1	\$ 375,201	\$ 189,057	\$ 703,867	\$ 920,297	\$ -	\$ -
Add Claims Incurred	3,174,048	3,848,278	735,557	(1,424)	145,958	36,751
Less Claims Paid	(3,213,722)	(3,662,134)	(612,173)	(215,006)	(55,958)	(36,751)
CLAIMS PAYABLE, JUNE 30	\$ 335,527	\$ 375,201	\$ 827,251	\$ 703,867	\$ 90,000	\$ -

8. LONG-TERM DEBT

A. General Obligation Bonds

The City 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 City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Refundings	Balances June 30	Current Portion
\$3,475,000 General Obligation Bonds dated June 24, 1992, due in annual installments of \$310,000 to \$395,000, plus interest of 5.15% to 6.60% through January 1, 2005	General Debt Service(1)	\$ 360,794	\$ 24,206	\$ 385,000	\$ -	\$ -	\$ -
\$3,035,000 1997 Series A General Obligation Bonds, dated December 1, 1997, due in annual installments of \$40,000 to \$765,000, plus interest of 4.50% to 4.90% through January 1, 2012	General Debt Service	2,730,000	-	70,000	-	2,660,000	180,000

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

8. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Refundings	Balances June 30	Current Portion
\$3,855,000 1997 Series B General Obligation Bonds, dated December 1, 1997, due in annual installments of \$125,000 to \$455,000, plus interest of 4.125% to 4.500% through January 1, 2009	TIF Debt Service	\$ 2,010,000	\$ -	\$ 400,000	\$ -	\$ 1,610,000	\$ 420,000
\$9,450,000 2000 Series General Obligation Bonds, dated November 1, 2000, due in annual installments of \$75,000 to \$225,000, plus interest of 4.900% to 5.750% through January 1, 2021	Water Airport General Debt Service	3,660,000 450,000 4,945,000	- - -	140,000 - 30,000	2,710,000 450,000 4,765,000	810,000 - 150,000	145,000 - 30,000
\$3,500,000 2002 Series General Obligation Bonds, dated August 1, 2002, due in annual installments of \$110,000 to \$315,000, plus interest of 2.500% to 4.450% through January 1, 2018	General Debt Service	3,390,000	-	185,000	-	3,205,000	195,000
\$2,050,000 2002 Series A General Obligation Bonds, dated December 1, 2002, due in annual installments of \$155,000 to \$215,000, plus interest of 1.300% to 3.850% through December 30, 2013	TIF Debt Service	1,895,000	-	170,000	-	1,725,000	175,000

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

8. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Refundings	Balances June 30	Current Portion
\$2,665,000 2003 Series A General Obligation Bonds dated October 1, 2003, due in annual installments of \$35,000 to \$445,000, plus interest of 1.000% to 3.625% through December 1, 2013	TIF Debt Service	\$ 2,630,000	\$ -	\$ 320,000	\$ -	\$ 2,310,000	\$ 330,000
\$3,355,000 2003 Series B General Obligation Bonds dated October 1, 2003, due in annual installments of \$35,000 to \$1,000,000, plus interest of 1.00% to 3.00% through December 1, 2009	Water	1,115,000	-	545,000	-	570,000	570,000
	General Debt Service	2,205,000	-	140,000	-	2,065,000	430,000
\$8,355,000 2004 Series General Obligation Refunding Bonds, dated December 1, 2004, due in annual installments of \$15,000 to \$1,365,000, plus interest of 2.000% to 4.550% through January 1, 2021	Water	-	2,825,000	-	-	2,825,000	5,000
	Airport	-	505,000	-	-	505,000	-
	General Debt Service	-	5,025,000	-	-	5,025,000	10,000
<b>TOTAL</b>		<b>\$ 25,390,794</b>	<b>\$ 8,379,206</b>	<b>\$ 2,385,000</b>	<b>\$ 7,925,000</b>	<b>\$ 23,460,000</b>	<b>\$ 2,490,000</b>

- (1) These bonds are capital appreciation bonds. The amount shown in the 'Issuances' column includes \$24,206 of increase in the accreted value of the bonds during the fiscal year ended June 30, 2005.

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

8. LONG-TERM DEBT (Continued)

B. Revenue Bonds Payable

The City also issues tax increment revenue bonds to provide funds for the acquisition and construction of major capital facilities for the tax increment financing district.

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$4,350,000 2003 Series Tax Increment Financing Revenue Bonds, dated January 14, 2003, due in annual installments of \$110,000 to \$345,000, plus interest of varied rates through January 1, 2013	TIF Debt Service	\$ 4,350,000	\$ -	\$ 110,000	\$ 4,240,000	\$ 450,000

*Objective* As a means to lower its borrowing costs, when compared against fixed-rate bonds at time of issuance in January 2003, the City entered into an interest rate swap in connection with its \$4,350,000 2003 Series Tax Increment Financing Revenue Bonds. The intention of the swap was to effectively change the City's variable interest rate to a synthetic fixed rate of 3.90%.

*Terms* The bonds and the related swap agreement mature on January 1, 2013 and the swap's notional amount of \$4,350,000 matches the \$4,350,000 variable-rate bonds. The swap was entered into at the same time the bonds were issued (January 2003). The notional value of the swap and the principal amount of the associated debt decline beginning in fiscal year 2005 by equal principal amounts as noted in the debt service requirements to maturity schedule. Under the swap, the City pays the counterparty a fixed payment of 3.90% and receives a variable payment equal to The Bond Market Associated Municipal Swap Index (BMA). The bond's variable rate coupons are based on the BMA. As of June 30, 2005, rates were as follows:

INTEREST RATE SWAP

Fixed payment to counterparty	Fixed	3.90%
Variable payment from counterparty	BMA Index	(2.63)%
NET INTEREST RATE SWAP PAYMENTS		1.27%

8. LONG-TERM DEBT (Continued)

B. Revenue Bonds Payable (Continued)

*Fair value* As of June 30, 2005, the swap had a negative fair value of \$149,541. The negative fair value of the swap may be countered by reductions in interest rate payments required under the variable-rate bond, creating a lower synthetic rate. Because the coupons on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

*Credit risk* As of June 30, 2005, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA by Fitch Ratings and Standard and Poor's and Aa by Moody's Investors Service as of June 30, 2005.

*Termination risk* The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Debt service requirements to maturity for the debt are disclosed at the net interest rate of 1.27% at June 30, 2005. As rates vary in the future, variable rate bond interest payments will change.

C. General Obligation Bond Anticipation Notes

The City also issues notes to provide funds for the acquisition and construction of major capital facilities.



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

8. LONG-TERM DEBT (Continued)

C. General Obligation Bond Anticipation Notes (Continued)

General obligation bond anticipation notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Refundings	Balances June 30	Current Portion
\$650,000 General Obligation Taxable Bond Anticipation Notes, dated July 12, 1999, due on July 1, 2005, with variable interest at a rate determined by adding 1.05% to the 30 day London InterBank offered rate in effect at the end of each month through July 1, 2005 (4.162% at June 30, 2005)	Airport	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000
TOTAL GENERAL OBLIGATION BOND ANTICIPATION NOTES		\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000

D. Capital Leases

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
Equipment	Capital Projects	\$ 647,252	\$ -	\$ 246,235	\$ 401,017	\$ 193,290
Equipment	Capital Projects	-	598,102	51,004	547,098	105,315
Equipment	Water	-	102,318	6,343	95,975	13,098
TOTAL		\$ 647,252	\$ 700,420	\$ 303,582	\$ 1,044,090	\$ 311,703

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

8. LONG-TERM DEBT (Continued)

E. Due to Other Governments

The City has entered into an intergovernmental agreement to reimburse the DeKalb Community Unit School District Number 428 for the portion of the construction of a new school in the original amount of \$5,998,998. This is to be repaid by the City from future tax increment financing revenues. Semi-annual installments of \$250,000 are payable through October 1, 2009 with a final installment of \$248,998 due on April 1, 2010. The outstanding principal balance at June 30, 2005 was \$2,498,998.

F. IEPA Loan

The City, through the Illinois Environmental Protection Agency (IEPA), received two low interest loans for the construction of a water treatment facility. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
IEPA Loan I	Waterworks and Sewerage	\$ 3,661,800	\$ -	\$ 174,752	\$ 3,487,048	\$ 179,212
IEPA Loan II	Waterworks and Sewerage	3,006,791	-	143,493	2,863,298	147,152
<b>TOTAL</b>		<b>\$ 6,668,591</b>	<b>\$ -</b>	<b>\$ 318,245</b>	<b>\$ 6,350,346</b>	<b>\$ 326,364</b>

G. Debt Service Requirements to Maturity

Fiscal Year Ending June 30,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2006	\$ 1,770,000	\$ 719,948	\$ 720,000	\$ 201,047
2007	1,830,000	648,711	170,000	175,633
2008	1,895,000	588,984	175,000	166,389
2009	1,955,000	526,734	190,000	156,816
2010	1,610,000	459,171	200,000	146,479
2011	1,305,000	409,987	210,000	135,531
2012	1,360,000	353,479	210,000	128,809
2013	1,405,000	293,569	230,000	121,775
2014	1,470,000	237,597	235,000	112,575
2015	1,220,000	184,738	295,000	103,175
2016	1,280,000	130,663	315,000	89,900
2017	1,335,000	73,643	330,000	75,725
2018	315,000	14,017	-	60,875
2019	-	-	695,000	60,875
2020	-	-	360,000	33,075
2021	-	-	375,000	16,875
<b>TOTAL</b>	<b>\$ 18,750,000</b>	<b>\$ 4,641,241</b>	<b>\$ 4,710,000</b>	<b>\$ 1,785,554</b>

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

8. LONG-TERM DEBT (Continued)

G. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending June 30,	Revenue Bonds		Capital Leases	
	Governmental		Governmental	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2006	\$ 450,000	\$ 55,753	\$ 298,605	\$ 44,552
2007	425,000	49,836	247,084	33,885
2008	570,000	44,248	185,167	23,969
2009	650,000	36,752	119,615	137,300
2010	715,000	28,205	97,644	110,143
2011	775,000	18,804	-	-
2012	310,000	8,613	-	-
2013	345,000	4,537	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
TOTAL	\$4,240,000	\$ 246,748	\$ 948,115	\$ 349,849

Fiscal Year Ending June 30,	Capital Leases	
	Business-Type	
	Activities	
	Principal	Interest
2006	\$ 13,098	\$ 3,978
2007	13,666	3,410
2008	14,258	2,818
2009	14,877	2,199
2010	15,521	1,555
2011	16,195	881
2012	8,360	178
2013	-	-
2014	-	-
2015	-	-
2016	-	-
2017	-	-
2018	-	-
2019	-	-
2020	-	-
2021	-	-
TOTAL	\$ 95,975	\$ 15,019

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

8. LONG-TERM DEBT (Continued)

G. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending June 30,	Due to Other Governments		IEPA Loans	
	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2006	\$ 500,000	\$ -	\$ 326,364	\$ 158,924
2007	500,000	-	334,690	150,598
2008	500,000	-	343,228	142,060
2009	500,000	-	351,984	133,304
2010	498,998	-	360,963	124,325
2011	-	-	370,172	115,116
2012	-	-	379,615	105,673
2013	-	-	389,298	95,990
2014	-	-	399,230	86,058
2015	-	-	409,414	75,874
2016	-	-	419,860	65,428
2017	-	-	430,570	54,718
2018	-	-	441,556	43,732
2019	-	-	452,818	32,470
2020	-	-	464,370	20,918
2021	-	-	476,214	9,074
TOTAL	\$2,498,998	\$ -	\$6,350,346	\$1,414,262

Fiscal Year Ending June 30,	Bond Anticipation Notes	
	Business-Type	
	Principal	Interest
2006	\$ 400,000	\$ 1,387
2007	-	-
2008	-	-
2009	-	-
2010	-	-
2011	-	-
2012	-	-
2013	-	-
2014	-	-
2015	-	-
2016	-	-
2017	-	-
2018	-	-
2019	-	-
2020	-	-
2021	-	-
TOTAL	\$ 400,000	\$ 1,387

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

8. LONG-TERM DEBT (Continued)

H. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2005:

	July 1	Additions	Reductions	Refundings	June 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
General Obligation Bonds	\$ 20,165,794	\$ 5,049,206	\$ 1,700,000	\$ 4,765,000	\$ 18,750,000	\$ 1,770,000
Revenue Bonds	4,350,000	-	110,000	-	4,240,000	450,000
Capital Leases	647,252	598,102	297,239	-	948,115	298,605
Due to Other Governments	2,998,998	-	500,000	-	2,498,998	500,000
Compensated Absences	3,635,441	291,151	-	-	3,926,592	392,659
Unamortized Premium	86,538	191,795	20,211	-	258,122	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 31,884,023</b>	<b>\$ 6,130,254</b>	<b>\$ 2,627,450</b>	<b>\$ 4,765,000</b>	<b>\$ 30,621,827</b>	<b>\$ 3,411,264</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
General Obligation Bonds						
Water	\$ 4,775,000	\$ 2,825,000	\$ 685,000	\$ 2,710,000	\$ 4,205,000	\$ 720,000
Airport	450,000	505,000	-	450,000	505,000	400,000
Total General Obligation Bonds	5,225,000	3,330,000	685,000	3,160,000	4,710,000	1,120,000
Bond Anticipation Note						
Airport	400,000	-	-	-	400,000	400,000
Capital Lease						
Water	-	102,318	6,343	-	95,975	13,098
IEPA Loans						
Water	6,668,591	-	318,245	-	6,350,346	326,364
Compensated Absences						
Water	220,963	40,906	-	-	261,869	26,187
Airport	13,458	3,443	-	-	16,901	1,690
Development Services	-	28,574	-	-	28,574	2,857
Total Compensated Absences	234,421	72,923	-	-	307,344	30,734
Unamortized Premium	7,707	127,100	10,050	-	124,757	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 12,535,719</b>	<b>\$ 3,632,341</b>	<b>\$ 1,019,638</b>	<b>\$ 3,160,000</b>	<b>\$ 11,988,422</b>	<b>\$ 1,490,196</b>

8. LONG-TERM DEBT (Continued)

I. Legal Debt Margin

The City is a home rule municipality. Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statute governs computation of the legal debt margin.

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

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

J. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of June 30, 2005, there was one series of IDRBs outstanding. The aggregate principal amount payable for the one series was \$587,310.

K. Advance Refundings - General Obligation Bonds

On December 13, 2004, the City issued \$8,885,000 Series 2004 General Obligation Refunding Bonds to refund \$7,925,000 General Obligation Bonds, Series 2000. Through the refunding, the City reduced its debt service by \$390,605 and had an economic gain of \$235,012. Conditions for defeasance have been met and assets were placed in escrow through an irrevocable transfer and the liability has been removed from the financial statements. At June 30, 2005, \$7,925,000 of the Series 2000 bonds remained to be paid from escrow.

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

9. INTERFUND ASSETS/LIABILITIES

A. Due From/To Other Funds

	Due From	Due To
General		
Motor Fuel Tax	\$ 383,346	\$ -
TIF #1	267,000	-
Internal Service	2,000	-
Nonmajor Governmental	223,093	1,643
Total General	<u>875,439</u>	<u>1,643</u>
Motor Fuel Tax		
General	-	383,346
TIF #1	5,726	-
Nonmajor Enterprise	-	58,500
Total Motor Fuel Tax	<u>5,726</u>	<u>441,846</u>
TIF #1		
General		
Motor Fuel Tax	-	5,726
Airport	-	96,250
Total TIF #1	<u>-</u>	<u>368,976</u>
Nonmajor Governmental		
General	1,643	223,093
Total Nonmajor Governmental	<u>1,643</u>	<u>223,093</u>
Airport		
TIF #1	96,250	-
Total Airport	<u>96,250</u>	<u>-</u>
Nonmajor Enterprise		
Motor Fuel Tax	58,500	-
Total Nonmajor Enterprise	<u>58,500</u>	<u>-</u>
Internal Service Funds		
General	-	2,000
Total Internal Service Funds	<u>-</u>	<u>2,000</u>
TOTAL	<u>\$ 1,037,558</u>	<u>\$ 1,037,558</u>

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

9. INTERFUND ASSETS/LIABILITIES

A. Due From/To Other Funds (Continued)

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

- \$383,346 due from the Motor Fuel Tax Fund to the General Fund. This balance consists of operating expenditures paid by the General Fund. Repayment is expected within one year.
- \$267,000 due from the TIF#1 Fund to the General Fund. This balance consists of cash overdrafts. Repayment is expected within one year.
- \$223,093 due from Nonmajor Governmental Funds to the General Fund. This balance consists of cash overdrafts of \$201,366 from the Mass Transit Fund, \$2,927 from the Housing Rehab Fund, \$100 from the CDBG Fund and \$18,700 from the SSA #4 Fund. Repayment is expected within one year.
- \$58,500 due from the Motor Fuel Tax Fund to Nonmajor Enterprise Funds consists of operating expenditures paid for by the Development Services Fund. Repayment is expected within one year.
- \$96,250 due to the Airport Fund from TIF #1 Fund consists of operating expenditures paid for on behalf of the TIF #1 Fund. Repayment is expected within one year.

B. Advances to/from Other Funds

Receivable Fund	Payable Fund	Amount
Tax Increment Financing #1	Tax Increment Financing #2	\$ 1,060,000
Tax Increment Financing #1	Nonmajor Governmental	935,000
Water	Airport	734,100
TOTAL ALL FUNDS		<u>\$ 2,729,100</u>

In fiscal years 1996, 1997, 1998 and 2001 the Tax Increment Financing #2 Fund was advanced \$655,000, \$457,500, \$218,700 and \$733,778, respectively, from the Tax Increment Financing #1 Fund. \$204,978, \$200,000, \$400,000, and \$200,000 was repaid in 2002, 2003, 2004, and 2005, respectively, leaving a balance advanced at June 30, 2005 of \$1,060,000, which will be repaid from future incremental tax revenues. Also, in fiscal year 2001 and 2002 the County Home Tax Increment Financing Fund was advanced \$159,889 and \$1,000,111, respectively, by the Tax Increment Financing #1 Fund. \$125,000 and \$100,000 was repaid in 2004 and 2005, respectively, leaving a balance advanced at June 30, 2005 of \$935,000, which will be repaid from future incremental tax revenues. Finally, the Water Fund advanced the Airport Fund \$630,000 in 2004 and \$104,100 in 2005 to be repaid from future airport revenues.



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

9. INTERFUND ASSETS/LIABILITIES (Continued)

C. Interfund Transfers

Interfund transfers between funds for the year ended June 30, 2005 were as follows:

	Transfers In	Transfers Out	
General			
Capital Projects	\$ -	\$ 268,045	
Nonmajor Governmental	-	1,399,663	
Water	384,300	-	
Nonmajor Enterprise	-	80,000	
Total General	384,300	1,747,708	
Motor Fuel Tax			
Nonmajor Enterprise		58,500	
Tax Increment Financing #1			
Airport	-	165,000	
Nonmajor Governmental	-	1,230,813	
Total Tax Increment Financing #1	-	1,395,813	
Capital Projects			
General	268,045	-	
Nonmajor Governmental			
General	1,399,663	-	
Nonmajor Governmental	1,230,813	-	
Total Nonmajor Governmental	2,630,476	-	
Water			
General	-	384,300	
Other (1)	-	42,158	
Total Water	-	426,458	
Airport			
Tax Increment Financing #1	165,000	-	
Nonmajor Enterprise			
General	80,000	-	
Motor Fuel Tax	58,500	-	
Total Nonmajor Enterprise	138,500	-	
TOTAL	\$ 3,586,321	\$ 3,628,479	(1)

(1) Transfers on the fund financial statements do not balance by \$42,158; this is due to capital assets transferred from the water fund to capital assets of governmental activities, which is not reported on the fund financial statements.

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

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9. INTERFUND ASSETS/LIABILITIES (Continued)

C. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$1,399,663 transferred from the General Fund to Nonmajor Governmental Funds consists of \$1,364,442 transferred to the General Debt Service Fund to cover current year debt service payments, and \$35,221 transferred to the Mass Transit Fund to subsidize the operations of transit services within the City. These transfers will not be repaid.
- \$268,045 transferred from the General Fund to the Capital Projects Fund to use for vehicles, equipment and public improvements. This transfer will not be repaid.
- \$384,300 transferred from the Water Fund to the General Fund to cover general operating expenses. This transfer will not be repaid.
- \$165,000 transferred from the Central Area Tax Increment Financing Fund #1 to the Airport Fund to support TIF related projects at the City's airport. This transfer will not be repaid.
- \$1,230,813 transferred from the Central Area Tax Increment Financing Fund to the Tax Increment Financing Debt Service Fund to cover current year debt service payments. This transfer will not be repaid.

10. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

10. CONTINGENT LIABILITIES (Continued)

C. Sales Tax Rebates

The City has entered into a development agreement whereby it has committed up to \$1,700,000 in sales tax rebates through the year December 31, 2013. As of June 30, 2005, the City has incurred \$1,172,855 in rebates.

D. Tax Increment Financing Note

The City has entered into a development agreement whereby it has authorized a note of up to \$1,450,000 payable from tax increment financing (TIF) revenues after the payment of all required principal and interest payments of the TIF district. The note has not yet been issued as of June 30, 2005, as all of the conditions for the issuance of the note have not yet been met.

11. POSTEMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides postemployment health care and life insurance benefits, in accordance with the personnel policy manual, to all employees who have retired or have disability leave. At June 30, 2005, 61 retirees and disabled employees meet those eligibility requirements. The City pays a portion of the cost of the health and life insurance premiums for the employees. Expenditures for postemployment health care and life insurance benefits are recognized when paid. During the year, expenditures of \$95,432 were recognized for postemployment benefits.

12. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an 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 also 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. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

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12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2004 was 9.19% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer 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 Plan as a pension trust fund. At June 30, 2005, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	33
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	36
Nonvested	24
	<hr/>
TOTAL	93

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Plan are financed through investment earnings. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended June 30, 2005, the City's contribution was 18.47% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer 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 Plan as a pension trust fund. At June 30, 2005, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	41
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	31
Nonvested	25
	<hr/>
TOTAL	97

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75.00% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee 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 paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Plan are financed through investment earnings. The City is required to finance the Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended June 30, 2005, the City's contribution was 29.29% of covered payroll.

B. Significant Investments

The following are investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for the IMRF is not available.

Plan	Organization	Amount
Police Pension	Dodge and Cox Fund	\$ 2,678,435
Police Pension	Artisan International	977,024
Police Pension	Harbor Capital Appreciation Fund	2,291,856
Police Pension	T Rowe Price Fund	1,137,206
Police Pension	Meridian Value Fund	<u>1,092,245</u>
		<u>\$ 8,176,766</u>
Firefighters' Pension	Vanguard 500 Index Fund	\$ 2,700,028
Firefighters' Pension	Vanguard International Growth	1,023,617
Firefighters' Pension	Vanguard Small Cap Index Fund	<u>2,337,359</u>
		<u>\$ 6,061,004</u>

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2002	June 30, 2004	June 30, 2004
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	28 Years, Closed	28 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	8.00% Compounded Annually	8.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 11.60%	Not Available	Not Available

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the Annual Pension Cost (APC) and the contributions actually made.

	Illinois Municipal Retirement*	Police Pension*	Firefighters' Pension*
Annual Pension Cost (APC)	\$ 370,954 60,914 572,050	\$ 509,810 646,413 706,257	\$ 782,853 898,916 1,010,436
Actual Contribution	\$ 370,954 60,914 572,050	\$ 510,760 652,502 711,075	\$ 785,808 909,103 1,019,255
Percentage of APC Contributed	100.00% 100.00 100.00	100.19% 100.94 100.68	100.38% 100.13 100.87
NPO (Asset)	\$ - - -	\$ (51,697) (57,786) (62,604)	\$ (129,838) (140,025) (148,844)

\* Police and Firefighters' Pension information presented is for the fiscal years ending June 30, 2003, 2004 and 2005. The information for the Illinois Municipal Retirement is for the calendar years 2002, 2003 and 2004.

The NPO at June 30, 2005 has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 707,922	\$ 1,014,769
Interest on Net Pension Obligation	(4,623)	(11,202)
Adjustment to Annual Required Contribution	2,958	6,869
Annual Pension Cost	706,257	1,010,436
Contributions Made	711,075	1,019,255
Increase (Decrease) in Net Pension Obligation	(4,818)	(8,819)
Net Pension Obligation (Asset) Beginning of Year	(57,786)	(140,025)
Net Pension Obligation (Asset) End of Year	\$ (62,604)	\$ (148,844)



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

13. SUBSEQUENT EVENT

On July 1, 2005, the City issued \$800,000 General Obligation Bonds, Taxable Series 2005 to refund \$400,000 outstanding principal amount of General Obligation Bond Anticipation Notes of 1999 and for improvements to the DeKalb Taylor Municipal Airport. Principal is due in annual installments on January 1, 2006 through January 1, 2015 of \$10,000 to \$560,000 plus interest on January 1 and July 1 at 5.70%.

14. RESTATEMENTS

Net assets in the water fund were increased as of July 1, 2004 by \$30,524 to correctly report the amount of capital assets in the building category. In addition, capital assets used in governmental activities was increased by \$14,868,526 to retroactively report alleys, traffic signals, storm sewers and bridges.

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY

A. Summary Financial Information

The following is summary fund type financial information for the DeKalb Public Library (the Library) for the fiscal year ended June 30, 2005:

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Assets
<b>ASSETS</b>						
Cash and Investments	\$ 871,543	\$ 168,170	\$ 235,244	\$ 1,274,957	\$ -	\$ 1,274,957
Receivables						
Property Taxes	493,318	-	-	493,318	-	493,318
Accrued Interest	2,265	1,632	2,283	6,180	-	6,180
Prepaid Items	6,470	-	-	6,470	-	6,470
Capital Assets						
Not Being Depreciated	-	-	-	-	10,000	10,000
Net of Accumulated Depreciation	-	-	-	-	128,386	128,386
Total Assets	1,373,596	169,802	237,527	1,780,925	138,386	1,919,311
<b>LIABILITIES</b>						
Accounts Payable	16,179	-	-	16,179	-	16,179
Accrued Payroll	17,948	-	-	17,948	-	17,948
Deferred Property Taxes	974,427	-	-	974,427	-	974,427
Due to Primary Government	2,000	-	-	2,000	-	2,000
Compensated Absences Payable	-	-	-	-	15,580	15,580
Total Liabilities	1,010,554	-	-	1,010,554	15,580	1,026,134
<b>FUND BALANCES</b>						
Reserved for Prepaid Items	6,470	-	-	6,470	(6,470)	-
Unreserved	356,572	169,802	237,527	763,901	(763,901)	-
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	-	-	-	-	138,386	138,386
Unrestricted	-	-	-	-	1,796,505	1,796,505
<b>TOTAL FUND BALANCES/NET ASSETS</b>	<b>\$ 363,042</b>	<b>\$ 169,802</b>	<b>\$ 237,527</b>	<b>\$ 770,371</b>	<b>\$ 1,164,520</b>	<b>\$ 1,934,891</b>

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

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

A. Summary Financial Information (Continued)

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
<b>REVENUES</b>						
Property Taxes	\$ 931,257	\$ -	\$ -	\$ 931,257	\$ -	\$ 931,257
Replacement Taxes	26,800	-	-	26,800	-	26,800
State Grants	48,733	-	-	48,733	-	48,733
Federal Grants	4,000	-	-	4,000	-	4,000
Charges for Services	37,957	-	-	37,957	-	37,957
Investment Income	17,889	5,532	7,896	31,317	-	31,317
Miscellaneous	29,510	-	-	29,510	-	29,510
Total Revenues	1,096,146	5,532	7,896	1,109,574	-	1,109,574
<b>EXPENDITURES/EXPENSES</b>						
Culture and Recreation	1,090,000	-	-	1,090,000	80,406	1,170,406
Total Expenditures/Expenses	1,090,000	-	-	1,090,000	80,406	1,170,406
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	6,146	5,532	7,896	19,574	(80,406)	(60,832)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	5,026	-	-	5,026	-	5,026
Transfers (Out)	-	-	(5,026)	(5,026)	-	(5,026)
Total Other Financing Sources (Uses)	5,026	-	(5,026)	-	-	-
<b>NET CHANGE IN FUND BALANCES/NET ASSETS</b>	11,172	5,532	2,870	19,574	(80,406)	(60,832)
<b>FUND BALANCES/NET ASSETS, JULY 1</b>	351,344	164,270	234,657	750,271	56,966	807,237
Prior Period Adjustment	526	-	-	526	-	526
<b>FUND BALANCES/NET ASSETS, JULY 1, RESTATED</b>	351,870	164,270	234,657	750,797	56,966	807,763
<b>FUND BALANCES/NET ASSETS, JUNE 30</b>	\$ 363,042	\$ 169,802	\$ 237,527	\$ 770,371	\$ (23,440)	\$ 746,931

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

B. Deposits and Investments

Statutes authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

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.

As of June 30, 2005, the Library had the following investments and maturities.

	Investment Maturities (in Years)			
	6 months to 1 year	1-5	6-10	More Than 10
U.S. Treasuries	\$ -	\$ -	\$ 64,026	\$ -
U.S. Agencies	-	517,109	-	-
Money Market Accounts	22,710	-	-	-
<b>TOTAL</b>	<b>\$ 22,710</b>	<b>\$ 517,109</b>	<b>\$ 64,026</b>	<b>\$ -</b>

In accordance with its investment policy, the Library 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 shorter-term securities.

In order to limit its exposure to concentration of credit risk, the Library's Investment Policy limits the Library's investments 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.

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

At June 30, 2005, the Library had greater than five percent of its overall portfolio invested in FHLB (83.52%) and U.S. treasury securities (10.34%). The investment policy does not include any limitations on individual investment types.

The Library Board limits its exposure to custodial risk by utilizing an independent, third party institution, selected by the Library Board, to act as custodian for its securities. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Library Board will not be able to recover the value of its investments that are in the possession of an outside party.

C. Receivables

Property taxes for the 2004 levy year attach as an enforceable lien on January 1, 2004, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2005 and August 1, 2005, and are payable in two installments, on or about June 1, 2005 and September 1, 2005. The County collects such taxes and remits them periodically.

The Library has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2004 tax levy has been recorded as deferred revenue on the balance sheet for governmental funds. The 2005 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2005, the taxes will not be levied by the Library or extended by the County until December 2005, and therefore, the amount is not measurable at June 30, 2005.

D. Capital Assets

Capital assets, which include property, plant and equipment are reported in the governmental activities in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

D. Capital Assets (Continued)

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

	Years
Buildings and Building Improvements	40
Equipment and Furniture	10

The following is a summary of changes in capital assets during the fiscal year:

	Beginning Balance, Restated	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Capital Assets not Being Depreciated	10,000	-	-	10,000
Capital Assets Being Depreciated				
Buildings	318,335	-	-	318,335
Equipment	52,331	-	-	52,331
Total Capital Assets Being Depreciated	370,666	-	-	370,666
Less Accumulated Depreciation for				
Buildings	198,709	3,148	-	201,857
Equipment	36,288	4,134	-	40,422
Total Accumulated Depreciation	234,997	7,282	-	242,279
Total Capital Assets Being Depreciated, Net	135,669	(7,282)	-	128,387
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 145,669	\$ (7,282)	\$ -	\$ 138,387

E. Long-Term Debt

The following is a summary of the changes in long-term liabilities of the Library:

	July 1	Additions	Reductions	June 30	Current Portion
Compensated Absences	\$ 16,304	\$ -	\$ 724	\$ 15,580	\$ 1,558
TOTAL	\$ 16,304	\$ -	\$ 724	\$ 15,580	\$ 1,558

## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes	\$ 19,046,988	\$ 19,046,988	\$ 19,318,470
Licenses and Permits	762,500	612,500	618,029
Intergovernmental	10,500	10,500	281,077
Charges for Services	1,393,000	1,393,000	1,407,507
Fines and Forfeits	630,000	630,000	654,353
Investment Income	65,000	65,000	89,669
Miscellaneous	231,500	226,500	270,899
Total Revenues	22,139,488	21,984,488	22,640,004
<b>EXPENDITURES</b>			
General Government	4,697,766	4,697,919	3,634,683
Public Safety	12,679,269	12,719,269	13,891,820
Community Improvement	3,576,844	3,636,844	3,432,725
Total Expenditures	20,953,879	21,054,032	20,959,228
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,185,609	930,456	1,680,776
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds on Sale of Capital Assets	3,000	3,000	12,717
Transfers In	750,500	750,500	384,300
Transfers (Out)	(1,731,182)	(1,731,182)	(1,747,708)
Total Other Financing Sources (Uses)	(977,682)	(977,682)	(1,350,691)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 207,927</u>	<u>\$ (47,226)</u>	330,085
<b>FUND BALANCE, JULY 1</b>			<u>3,260,821</u>
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 3,590,906</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Grants	\$ -	\$ -	\$ 1,906,036
State Motor Fuel Tax	1,260,000	1,260,000	1,255,145
Investment Income	10,000	10,000	34,172
Miscellaneous	-	-	53,878
Total Revenues	1,270,000	1,270,000	3,249,231
<b>EXPENDITURES</b>			
Current			
Highways and Streets			
MFT Projects	1,156,000	1,056,000	3,609,518
Total Expenditures	1,156,000	1,056,000	3,609,518
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	114,000	214,000	(360,287)
<b>OTHER FINANCING (USES)</b>			
Transfer (Out)	-	(60,000)	(58,500)
Total Other Financing (Uses)	-	(60,000)	(58,500)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 114,000</u>	<u>\$ 154,000</u>	(418,787)
<b>FUND BALANCE, JULY 1</b>			<u>1,151,243</u>
<b>FUND BALANCE, JUNE 30</b>			<u><u>\$ 732,456</u></u>

(See independent auditor's report.)



CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2005

A. Budgets

Annual budgets are adopted for all governmental and proprietary 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 departments 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.

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.

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. During the year, several budget transfers were adopted and are reflected in the financial statements.

B. Excess of Actual Expenditures/Expenses over Budget in Individual Funds

The following funds had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year:

Fund	Excess
Heritage Ridge Special Service Area #2	\$ 999
Housing Rehabilitation	179,809
Knolls Special Service Area #4	3,515
Capital Projects	1,968,579
General Debt Service	69,432
TIF Debt Service	16,335
Worker's Compensation	277,490
Liability/Property Insurance	65,723

## CITY OF DEKALB, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2005

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
1999	\$ 12,053,914	\$ 11,009,073	109.49%	\$ (1,044,841)	\$ 4,866,362	(21.47%)
2000	13,881,486	12,468,105	111.34%	(1,413,381)	5,195,971	(27.20%)
2001	15,118,913	14,105,982	107.18%	(1,012,931)	5,575,598	(18.17%)
2002	15,291,661	15,480,118	98.78%	188,457	5,925,786	3.18%
2003	13,506,925	16,306,011	82.83%	2,799,086	6,549,916	42.73%
2004	11,608,618	16,015,846	72.48%	4,407,228	6,224,708	70.80%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

June 30, 2005

Actuarial Valuation Date June 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2000	\$ 17,218,231	\$ 19,865,216	86.68%	\$ 2,646,985	\$ 2,746,881	96.36%
2001	16,372,504	22,137,718	73.96%	5,765,214	2,822,402	204.27%
2002	15,816,857	23,932,012	66.09%	8,115,155	2,957,614	274.38%
2003	16,589,356	25,419,842	65.26%	8,830,486	3,220,656	274.18%
2004	18,061,408	27,012,236	66.86%	8,950,828	3,495,702	256.05%
2005	19,192,559	28,595,427	67.12%	9,402,868	3,848,702	244.31%

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 FIREFIGHTERS' PENSION FUND

June 30, 2005

Actuarial Valuation Date June 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2000	\$ 11,586,671	\$ 20,103,013	57.64%	\$ 8,516,342	\$ 2,537,538	335.61%
2001	12,021,032	21,079,229	57.03%	9,058,197	2,552,756	354.84%
2002	11,869,136	22,459,759	52.85%	10,590,623	2,762,890	383.32%
2003	12,366,819	24,157,352	51.19%	11,790,533	3,057,916	385.57%
2004	13,606,913	25,571,599	53.21%	11,964,686	3,172,985	377.08%
2005	14,601,317	28,274,498	51.64%	13,673,181	3,478,832	393.04%

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2005

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1999	\$ 417,047	\$ 417,047	100.00%
2000	244,730	244,730	100.00%
2001	54,083	54,083	100.00%
2002	370,954	370,954	100.00%
2003	60,914	60,914	100.00%
2004	572,050	572,050	100.00%

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

June 30, 2005

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2000	\$ 227,907	\$ 227,907	100.00%
2001	282,202	281,316	100.31%
2002	339,359	339,780	99.88%
2003	510,760	511,381	99.88%
2004	652,502	647,960	100.70%
2005	711,075	706,257	100.68%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

June 30, 2005

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2000	\$ 502,024	\$ 502,024	100.00%
2001	644,321	642,295	100.32%
2002	757,889	758,733	99.89%
2003	785,808	786,780	99.88%
2004	909,103	902,800	100.70%
2005	1,019,255	1,010,436	100.87%

(See independent auditor's report.)

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



## **MAJOR GOVERNMENTAL FUNDS**

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>TAXES</b>			
Property	\$ 2,631,238	\$ 2,631,238	\$ 2,644,082
City Sales	3,872,500	3,872,500	3,910,529
Income	2,733,000	2,733,000	3,023,210
Local Use	-	-	459,261
Utilities	3,622,500	3,622,500	3,596,132
Sales	4,252,500	4,252,500	3,824,049
Franchise	310,500	310,500	337,088
Replacement	100,000	100,000	112,537
Restaurant/Bar	1,338,750	1,338,750	1,261,936
Hotel/Motel	175,000	175,000	137,128
Miscellaneous	11,000	11,000	12,518
Total Taxes	19,046,988	19,046,988	19,318,470
<b>LICENSES AND PERMITS</b>			
Licenses			
Amusement	7,000	7,000	4,325
Liquor	100,000	100,000	120,764
Rooming House	10,000	10,000	11,150
Other	20,000	20,000	27,583
Permits			
Building	350,000	350,000	335,143
Electric	50,000	50,000	50,971
Plumbing	120,000	-	1,230
Sewer	30,000	-	459
HVAC	50,000	50,000	39,414
Parking	5,500	5,500	5,321
Other	20,000	20,000	21,669
Total Licenses and Permits	762,500	612,500	618,029
<b>INTERGOVERNMENTAL</b>			
Federal Grants	500	500	267,057
State Grants	10,000	10,000	14,020
Total Intergovernmental	10,500	10,500	281,077

(This schedule is continued on the following page.)

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>CHARGES FOR SERVICES</b>			
Fire Protection	\$ 630,000	\$ 630,000	\$ 680,948
Ambulance Fees	410,000	410,000	441,397
Police Services	5,000	5,000	15,717
Planning/Zoning Fees	75,000	75,000	88,226
Engineering Plan Review	250,000	250,000	165,172
Zoning Fees	20,000	20,000	12,169
Rents	3,000	3,000	-
Other	-	-	3,878
Total Charges for Services	1,393,000	1,393,000	1,407,507
<b>FINES AND FORFEITS</b>			
Circuit Court	330,000	330,000	340,364
Parking	25,000	25,000	17,786
Police	200,000	200,000	197,699
Abatement	5,000	5,000	7,743
False Fire Alarm	2,000	2,000	600
Other	68,000	68,000	90,161
Total Fines and Forfeits	630,000	630,000	654,353
<b>INVESTMENT INCOME</b>	65,000	65,000	89,669
<b>MISCELLANEOUS</b>			
Refunds/Reimbursements	150,000	150,000	174,040
Miscellaneous	81,500	76,500	96,859
Total Miscellaneous	231,500	226,500	270,899
<b>TOTAL REVENUES</b>	<b>\$ 22,139,488</b>	<b>\$ 21,984,488</b>	<b>\$ 22,640,004</b>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
Legislative	\$ 390,482	\$ 390,635	\$ 399,876
Administrative Services	3,390,975	3,390,975	2,657,417
City Clerk	140,009	140,009	135,158
General Fund Support Service	777,400	777,400	599,032
Less Administrative Costs Charged to Other Departments and Funds	(1,100)	(1,100)	(156,800)
Total General Government	4,697,766	4,697,919	3,634,683
<b>PUBLIC SAFETY</b>			
Police Protection	6,731,340	6,771,340	6,995,285
Fire Protection			
Fire Administration	569,393	569,393	610,287
Fire Service	5,378,536	5,378,536	6,286,248
Total Fire Protection	5,947,929	5,947,929	6,896,535
Total Public Safety	12,679,269	12,719,269	13,891,820
<b>COMMUNITY IMPROVEMENT</b>			
Public Works	3,047,315	3,047,315	2,926,574
Community Development	1,364,524	1,364,524	1,340,028
Engineering Services	362,155	362,155	376,119
Less Administrative Costs Charged to Other Departments and Funds	(1,197,150)	(1,137,150)	(1,209,996)
Total Community Improvement	3,576,844	3,636,844	3,432,725
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,953,879</b>	<b>\$ 21,054,032</b>	<b>\$ 20,959,228</b>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
Legislative			
Personal Services	\$ 113,807	\$ 113,960	\$ 115,490
Commodities	1,875	1,875	2,849
Contractual Services	262,550	262,550	265,870
Other Services	12,250	12,250	15,667
Total Legislative	390,482	390,635	399,876
Administrative Services			
Personal Services	2,217,848	2,217,848	2,266,574
Commodities	63,250	63,250	64,483
Contractual Services	129,475	129,475	123,768
Other Services	160,000	160,000	141,863
Equipment	820,402	820,402	60,729
Total Administrative Services	3,390,975	3,390,975	2,657,417
City Clerk			
Personal Services	129,409	129,409	123,843
Commodities	2,075	2,075	1,148
Contractual Services	8,525	8,525	10,167
Total City Clerk	140,009	140,009	135,158
General Fund Support Service			
Personal Services	175,000	175,000	112,000
Commodities	90,000	90,000	110,768
Contractual Services	384,000	384,000	305,864
Other Services	118,400	118,400	63,587
Equipment	10,000	10,000	6,813
Total General Fund Support Service	777,400	777,400	599,032
Total General Government	5,659,925	5,660,078	4,748,036
Less Administrative Costs Charged to Other Departments and Funds	(1,100)	(1,100)	(156,800)
Net General Government	5,658,825	5,658,978	4,591,236

(This schedule is continued on the following pages.)

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY</b>			
Police Protection			
Personal Services	\$ 6,442,282	\$ 6,442,282	\$ 6,630,687
Commodities	174,810	174,810	198,657
Contractual Services	107,248	147,248	160,783
Equipment	7,000	7,000	5,158
Total Police Protection	6,731,340	6,771,340	6,995,285
Fire Protection			
Fire Administration Services			
Personal Services	493,193	493,193	504,566
Commodities	25,650	25,650	37,300
Contractual Services	45,750	45,750	62,881
Equipment	4,800	4,800	5,540
Total Fire Administration Services	569,393	569,393	610,287
Fire Service			
Personal Services	5,079,833	5,079,833	5,931,683
Commodities	130,400	130,400	157,358
Contractual Services	145,565	145,565	175,675
Other Services	4,900	4,900	4,359
Equipment	17,838	17,838	17,173
Total Fire Service	5,378,536	5,378,536	6,286,248
Total Fire Protection	5,947,929	5,947,929	6,896,535
Total Public Safety	12,679,269	12,719,269	13,891,820
<b>COMMUNITY IMPROVEMENT</b>			
Public Works			
Personal Services	2,011,415	2,011,415	2,018,565
Commodities	424,550	424,550	334,946
Contractual Services	569,550	569,550	526,949
Other Services	23,000	23,000	18,992
Equipment	18,800	18,800	27,122
Total Public Works	3,047,315	3,047,315	2,926,574

(This schedule is continued on the following page.)

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
COMMUNITY IMPROVEMENT (Continued)			
Community Development			
Personal Services	\$ 1,277,624	\$ 1,277,624	\$ 1,225,306
Commodities	24,700	24,700	25,345
Contractual Services	62,200	62,200	60,517
Other Services	-	-	28,860
Total Community Development	1,364,524	1,364,524	1,340,028
Engineering Services			
Personal Services	323,455	323,455	348,080
Commodities	11,200	11,200	9,789
Contractual Services	22,500	22,500	15,073
Other Services	5,000	5,000	3,177
Total Engineering Services	362,155	362,155	376,119
Total Community Improvement	4,773,994	4,773,994	4,642,721
Less Administrative Costs Charged to Other Departments and Funds	(1,197,150)	(1,137,150)	(1,209,996)
Net Community Improvement	3,576,844	3,636,844	3,432,725
TOTAL EXPENDITURES	\$ 21,914,938	\$ 22,015,091	\$ 21,915,781

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF TRANSFERS - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
TRANSFERS IN			
Water Fund	\$ 540,000	\$ 540,000	\$ 384,300
Mass Transit Fund	180,500	180,500	-
Housing Rehabilitation Fund	30,000	30,000	-
Total Transfers In	750,500	750,500	384,300
TRANSFERS OUT			
Mass Transit Fund	40,000	40,000	35,221
General Debt Service Fund	1,373,137	1,373,137	1,364,442
Capital Projects Fund	268,045	268,045	268,045
Development Services Fund	50,000	50,000	80,000
Total Transfers Out	1,731,182	1,731,182	1,747,708
NET TRANSFERS	\$ (980,682)	\$ (980,682)	\$ (1,363,408)

(See independent auditor's report.)



## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Federal Grants	\$ 400,000	\$ 400,000	\$ 190,392
State Grants	-	-	40,144
Charges for Services			
Rental Income	110,500	110,500	52,500
Traffic Impact Fees	50,000	50,000	59,000
Refunds/Reimbursements	194,000	194,000	3,094,194
Investment Income	10,000	10,000	12,435
Miscellaneous			
Donations	-	-	6,200
<b>Total Revenues</b>	<b>764,500</b>	<b>764,500</b>	<b>3,454,865</b>
<b>EXPENDITURES</b>			
Capital Outlay			
Commodities	-	11,250	15,401
Contractual Services	573,000	573,000	347,730
Other Services	272,030	272,030	340,680
Equipment	1,273,000	1,293,000	975,212
Permanent Improvements	105,600	105,600	2,544,436
<b>Total Expenditures</b>	<b>2,223,630</b>	<b>2,254,880</b>	<b>4,223,459</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,459,130)</b>	<b>(1,490,380)</b>	<b>(768,594)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds From Sale of Capital Assets	-	-	72,829
Transfer In			
General Fund	268,045	268,045	268,045
Capital Lease Issued	925,000	925,000	598,102
<b>Total Other Financing Sources (Uses)</b>	<b>1,193,045</b>	<b>1,193,045</b>	<b>938,976</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (266,085)</b>	<b>\$ (297,335)</b>	<b>170,382</b>
<b>FUND BALANCE, JULY 1</b>			<b>1,077,846</b>
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 1,248,228</b>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAX INCREMENT FINANCING #1 FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property	\$ 3,441,648	\$ 3,441,648	\$ 3,421,773
Sales	1,072,750	1,072,750	942,246
Investment Income	15,000	15,000	13,371
Miscellaneous			
Refunds/Reimbursements	5,000	5,000	-
Recouped Loans	5,000	5,000	9,876
<b>Total Revenues</b>	<b>4,539,398</b>	<b>4,539,398</b>	<b>4,387,266</b>
<b>EXPENDITURES</b>			
Capital Outlay			
Contractual Services	90,350	90,350	193,495
Permanent Improvements	3,917,700	3,548,200	3,416,607
<b>Total Expenditures</b>	<b>4,008,050</b>	<b>3,638,550</b>	<b>3,610,102</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>531,348</b>	<b>900,848</b>	<b>777,164</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer (Out)			
Airport Fund	(165,000)	(165,000)	(165,000)
TIF Debt Service Fund	(1,335,360)	(1,393,870)	(1,230,813)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,500,360)</b>	<b>(1,558,870)</b>	<b>(1,395,813)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (969,012)</b>	<b>\$ (658,022)</b>	<b>(618,649)</b>
<b>FUND BALANCE, JULY 1</b>			<b>1,498,085</b>
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 879,436</b>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAX INCREMENT FINANCING #2 FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 630,025	\$ 630,025	\$ 628,993
Total Revenues	630,025	630,025	628,993
EXPENDITURES			
Capital Outlay			
Contractual Services	150,000	335,000	214,662
Permanent Improvements	150,000	464,500	109,451
Total Expenditures	300,000	799,500	324,113
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 330,025	\$ (169,475)	304,880
FUND BALANCE (DEFICIT), JULY 1			(1,460,336)
FUND BALANCE (DEFICIT), JUNE 30			\$ (1,155,456)

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF DEKALB, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 126,915	\$ -	\$ 128,276	\$ 255,191
Restricted Cash and Investments	-	467,946	-	467,946
Receivables				
Property Taxes	3,779	-	124,600	128,379
Accrued Interest	-	1,095	-	1,095
Other	30	-	-	30
Prepaid Items	3,193	-	-	3,193
Due from Other Governments	332,192	-	-	332,192
Due from Other Funds	1,643	-	-	1,643
<b>TOTAL ASSETS</b>	<b>\$ 467,752</b>	<b>\$ 469,041</b>	<b>\$ 252,876</b>	<b>\$ 1,189,669</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 139,875	\$ -	\$ -	\$ 139,875
Accrued Payroll	2,736	-	-	2,736
Other Payables	72	-	-	72
Deferred Property Taxes	7,362	-	249,199	256,561
Other Deferred Revenues	3,717	-	-	3,717
Due to Other Funds	223,093	-	-	223,093
Advances from Other Funds	-	-	935,000	935,000
<b>Total Liabilities</b>	<b>376,855</b>	<b>-</b>	<b>1,184,199</b>	<b>1,561,054</b>
<b>FUND BALANCES</b>				
Reserved for Prepaid Items	3,193	-	-	3,193
Reserved for Public Safety	7,400	-	-	7,400
Reserved for Specific Purpose	101,092	-	-	101,092
Reserved for Debt Service	-	469,041	-	469,041
Unreserved - Undesignated (Deficit)	(20,788)	-	(931,323)	(952,111)
<b>Total Fund Balances (Deficit)</b>	<b>90,897</b>	<b>469,041</b>	<b>(931,323)</b>	<b>(371,385)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 467,752</b>	<b>\$ 469,041</b>	<b>\$ 252,876</b>	<b>\$ 1,189,669</b>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 31,700	\$ -	\$ 205,387	\$ 237,087
Intergovernmental	1,849,307	-	-	1,849,307
Investment Income	1,723	17,832	-	19,555
Miscellaneous	58,471	-	-	58,471
<b>Total Revenues</b>	<b>1,941,201</b>	<b>17,832</b>	<b>205,387</b>	<b>2,164,420</b>
<b>EXPENDITURES</b>				
Current				
General Government	1,984,832	-	-	1,984,832
Public Safety	24,059	-	-	24,059
Debt Service				
Principal Retirement	-	1,810,000	-	1,810,000
Interest and Fiscal Charges	-	1,032,874	-	1,032,874
<b>Total Expenditures</b>	<b>2,008,891</b>	<b>2,842,874</b>	<b>-</b>	<b>4,851,765</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(67,690)</b>	<b>(2,825,042)</b>	<b>205,387</b>	<b>(2,687,345)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds on Sale of Capital Assets	26,971	-	-	26,971
Transfers In	35,221	2,595,255	-	2,630,476
Bonds Issued at Par	-	5,025,000	-	5,025,000
Premium on Bonds Issued	-	191,795	-	191,795
Payment to Bond Escrow Agent	-	(5,145,695)	-	(5,145,695)
<b>Total Other Financing Sources (Uses)</b>	<b>62,192</b>	<b>2,666,355</b>	<b>-</b>	<b>2,728,547</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,498)</b>	<b>(158,687)</b>	<b>205,387</b>	<b>41,202</b>
<b>FUND BALANCES (DEFICIT), JULY 1</b>	<b>96,395</b>	<b>627,728</b>	<b>(1,136,710)</b>	<b>(412,587)</b>
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ 90,897</b>	<b>\$ 469,041</b>	<b>\$ (931,323)</b>	<b>\$ (371,385)</b>

See accompanying notes to financial statements.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

Mass Transit Fund - to account for the two community mass transit services: Northern Illinois University's Huskie Line and Voluntary Action Center's Trans Vac Service.

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

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

Community Development Block Grant Fund - to account for the receipt and disbursement of community development grant funds.

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

CITY OF DEKALB, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2005

	Foreign Fire Insurance Tax	Mass Transit	Housing Rehabilitation
<b>ASSETS</b>			
Cash and Investments	\$ 7,597	\$ -	\$ 111,244
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Other	30	-	-
Prepaid Items	485	2,708	-
Due from Other Governments	-	325,381	-
Due from Other Funds	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,112</b>	<b>\$ 328,089</b>	<b>\$ 111,244</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 227	\$ 123,987	\$ 7,232
Accrued Payroll	-	2,736	-
Other Payables	-	-	-
Deferred Property Taxes	-	-	-
Other Deferred Revenues	-	-	-
Due to Other Funds	-	201,366	2,927
<b>Total Liabilities</b>	<b>227</b>	<b>328,089</b>	<b>10,159</b>
<b>FUND BALANCES</b>			
Reserved for Prepaid Items	485	2,708	-
Reserved for Public Safety	7,400	-	-
Reserved for Specific Purpose	-	(2,708)	101,085
Unreserved - Undesignated (Deficit)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>7,885</b>	<b>-</b>	<b>101,085</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,112</b>	<b>\$ 328,089</b>	<b>\$ 111,244</b>



Heritage Ridge Special Service Area #3	Community Development Block Grant	Knolls Special Service Area #4	Total
\$ 4,003	\$ 2,245	\$ 1,826	\$ 126,915
530	-	3,249	3,779
-	-	-	30
-	-	-	3,193
-	6,811	-	332,192
-	1,643	-	1,643
\$ 4,533	\$ 10,699	\$ 5,075	\$ 467,752
\$ 758	\$ 6,810	\$ 861	\$ 139,875
-	-	-	2,736
-	72	-	72
1,060	-	6,302	7,362
-	3,717	-	3,717
-	100	18,700	223,093
1,818	10,699	25,863	376,855
-	-	-	3,193
-	-	-	7,400
2,715	-	-	101,092
-	-	(20,788)	(20,788)
2,715	-	(20,788)	90,897
\$ 4,533	\$ 10,699	\$ 5,075	\$ 467,752

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Foreign Fire Insurance Tax	Mass Transit	Housing Rehabilitation
REVENUES			
Taxes	\$ 24,696	\$ -	\$ -
Intergovernmental	-	1,207,738	147,406
Investment Income	-	-	1,723
Miscellaneous	-	-	58,471
Total Revenues	24,696	1,207,738	207,600
EXPENDITURES			
Current			
General Government	-	1,277,846	205,809
Public Safety	24,059	-	-
Total Expenditures	24,059	1,277,846	205,809
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	637	(70,108)	1,791
OTHER FINANCING SOURCES (USES)			
Proceeds From Sale of Capital Assets	-	-	26,971
Transfers In	-	35,221	-
Total Other Financing Sources (Uses)	-	35,221	26,971
NET CHANGE IN FUND BALANCES	637	(34,887)	28,762
FUND BALANCES (DEFICIT), JULY 1	7,248	34,887	72,323
FUND BALANCES (DEFICIT), JUNE 30	\$ 7,885	\$ -	\$ 101,085

Heritage Ridge Special Service Area #3	Community Development Block Grant	Knolls Special Service Area #4	Total
\$ 1,001	\$ -	\$ 6,003	\$ 31,700
-	494,163	-	1,849,307
-	-	-	1,723
-	-	-	58,471
1,001	494,163	6,003	1,941,201
2,149	494,163	4,865	1,984,832
-	-	-	24,059
2,149	494,163	4,865	2,008,891
(1,148)	-	1,138	(67,690)
-	-	-	26,971
-	-	-	35,221
-	-	-	62,192
(1,148)	-	1,138	(5,498)
3,863	-	(21,926)	96,395
\$ 2,715	\$ -	\$ (20,788)	\$ 90,897

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOREIGN FIRE INSURANCE TAX FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign Fire Insurance Tax	\$ 28,000	\$ 28,000	\$ 24,696
Total Revenues	28,000	28,000	24,696
EXPENDITURES			
Current			
Public Safety			
Commodities	18,805	18,805	15,854
Contractual Services	4,115	4,115	3,235
Equipment	4,400	4,400	4,970
Total Expenditures	27,320	27,320	24,059
NET CHANGE IN FUND BALANCE	\$ 680	\$ 680	637
FUND BALANCE, JULY 1			7,248
FUND BALANCE, JUNE 30			\$ 7,885

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Federal Grants	\$ 530,626	\$ 530,626	\$ 1,201,779
State Grants	1,400,000	1,400,000	5,959
Total Revenues	1,930,626	1,930,626	1,207,738
<b>EXPENDITURES</b>			
Current			
General Government			
Personal Services	96,846	96,846	91,765
Commodities	2,750	2,750	3,831
Professional/Contractual Services	1,885,433	1,885,433	1,171,080
Equipment	7,000	7,000	11,170
Total Expenditures	1,992,029	1,992,029	1,277,846
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(61,403)	(61,403)	(70,108)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In			
General Fund	31,403	31,403	35,221
Total Other Financing Sources (Uses)	31,403	31,403	35,221
NET CHANGE IN FUND BALANCE	\$ (30,000)	\$ (30,000)	(34,887)
FUND BALANCE, JULY 1			34,887
FUND BALANCE, JUNE 30			\$ -

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Federal Grants	\$ -	\$ -	\$ 147,406
Investment Income	1,000	1,000	1,723
Miscellaneous			
Miscellaneous	-	-	35,352
Refunds/Reimbursements	-	-	15,131
Recouped Loan	-	-	7,988
Total Revenues	1,000	1,000	207,600
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	1,000	1,000	1,255
Other Services	-	-	183,480
Permanent Improvements	25,000	25,000	21,074
Total Expenditures	26,000	26,000	205,809
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,000)	(25,000)	1,791
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds on Sale of Capital Assets	-	-	26,971
Transfer (Out)			
General Fund	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	(30,000)	(30,000)	26,971
NET CHANGE IN FUND BALANCE	\$ (55,000)	\$ (55,000)	28,762
FUND BALANCE, JULY 1			72,323
FUND BALANCE, JUNE 30			\$ 101,085

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HERITAGE RIDGE SPECIAL SERVICE AREA #3 FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 1,000	\$ 1,000	\$ 1,001
Total Revenues	1,000	1,000	1,001
EXPENDITURES			
General Government			
Commodities	100	100	-
Contractual Services	1,050	1,050	1,309
Permanent Improvements	-	-	840
Total Expenditures	1,150	1,150	2,149
NET CHANGE IN FUND BALANCE	\$ (150)	\$ (150)	(1,148)
FUND BALANCE, JULY 1			3,863
FUND BALANCE, JUNE 30			\$ 2,715

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<hr/>			
REVENUES			
Intergovernmental Grants	\$ 495,000	\$ 595,000	\$ 494,163
	<hr/>		
Total Revenues	495,000	595,000	494,163
	<hr/>		
EXPENDITURES			
General Government			
Commodities	500	500	85
Contractual Services	258,750	358,750	326,632
Other Services	185,000	185,000	55,318
Equipment	750	750	2,108
Permanent Improvements	50,000	50,000	110,020
	<hr/>		
Total Expenditures	495,000	595,000	494,163
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
	<hr/>		
FUND BALANCE, JULY 1			-
	<hr/>		
FUND BALANCE, JUNE 30			\$ -
	<hr/>		

(See independent auditor's report.)



## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
KNOLLS SPECIAL SERVICE AREA #4 FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<hr/>			
REVENUES			
Taxes			
Property Taxes	\$ 6,000	\$ 6,000	\$ 6,003
	<hr/>		
Total Revenues	6,000	6,000	6,003
	<hr/>		
EXPENDITURES			
General Government			
Commodities	200	200	-
Contractual Services	1,050	1,050	4,595
Permanent Improvements	100	100	270
	<hr/>		
Total Expenditures	1,350	1,350	4,865
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 4,650	\$ 4,650	1,138
	<hr/>		
FUND BALANCE (DEFICIT), JULY 1			(21,926)
	<hr/>		
FUND BALANCE (DEFICIT), JUNE 30			\$ (20,788)
	<hr/>		

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **DEBT SERVICE FUNDS**

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

TIF Debt Service Fund - to account for the accumulation of resources and payment of bond principal and interest on the tax increment financing areas.

CITY OF DEKALB, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS

June 30, 2005

	General Debt Service	TIF Debt Service	Total
<b>ASSETS</b>			
Restricted Cash and Investments	\$ -	\$ 467,946	\$ 467,946
Accrued Interest Receivable	-	1,095	1,095
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 469,041</b>	<b>\$ 469,041</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
None	\$ -	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Reserved for Debt Service	-	469,041	469,041
<b>Total Fund Balances</b>	<b>-</b>	<b>469,041</b>	<b>469,041</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 469,041</b>	<b>\$ 469,041</b>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	General Debt Service	TIF Debt Service	Total
REVENUES			
Investment Income	\$ 7,027	\$ 10,805	\$ 17,832
Total Revenues	7,027	10,805	17,832
EXPENDITURES			
Debt Service			
Principal Retirement	810,000	1,000,000	1,810,000
Interest	632,569	400,305	1,032,874
Total Expenditures	1,442,569	1,400,305	2,842,874
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,435,542)	(1,389,500)	(2,825,042)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
General Fund	1,364,442	-	1,364,442
Tax Increment Financing Fund	-	1,230,813	1,230,813
Bonds Issued at Par	5,025,000	-	5,025,000
Premium on Bonds Issued	191,795	-	191,795
Payment to Bond Escrow Agent	(5,145,695)	-	(5,145,695)
Total Other Financing Sources (Uses)	1,435,542	1,230,813	2,666,355
NET CHANGE IN FUND BALANCES	-	(158,687)	(158,687)
FUND BALANCES, JULY 1	-	627,728	627,728
FUND BALANCES, JUNE 30	\$ -	\$ 469,041	\$ 469,041

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ -	\$ -	\$ 7,027
Total Revenues	-	-	7,027
EXPENDITURES			
Debt Service			
Principal Retirement	595,767	595,767	810,000
Interest and Fiscal Charges	777,370	777,370	632,569
Total Expenditures	1,373,137	1,373,137	1,442,569
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,373,137)	(1,373,137)	(1,435,542)
OTHER FINANCING SOURCES (USES)			
Transfer In			
General Fund	1,373,137	1,373,137	1,364,442
Bonds Issued at Par	-	-	5,025,000
Premium on Bonds Issued	-	-	191,795
Payment to Bond Escrow Agent	-	-	(5,145,695)
Total Other Financing Sources (Uses)	1,373,137	1,373,137	1,435,542
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ -

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TIF DEBT SERVICE FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ -	\$ 6,275	\$ 10,805
Total Revenues	-	6,275	10,805
EXPENDITURES			
Debt Service			
Principal Retirement	1,000,000	1,000,000	1,000,000
Interest and Fiscal Charges	383,970	383,970	400,305
Total Expenditures	1,383,970	1,383,970	1,400,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,383,970)	(1,377,695)	(1,389,500)
OTHER FINANCING SOURCES (USES)			
Transfer In			
Tax Increment Financing Fund	1,335,360	1,393,870	1,230,813
Total Other Financing Sources (Uses)	1,335,360	1,393,870	1,230,813
NET CHANGE IN FUND BALANCE	\$ (48,610)	\$ 16,175	(158,687)
FUND BALANCE, JULY 1			627,728
FUND BALANCE, JUNE 30			\$ 469,041

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUND**

County Home Tax Increment Financing District Fund - to account for redevelopment activities within a defined area of the community.

CITY OF DEKALB, ILLINOIS  
BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUND

June 30, 2005

County Home  
Tax Increment  
Financing  
District

ASSETS

Cash and Investments	\$ 128,276
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	
Property Taxes	<u>124,600</u>
TOTAL ASSETS	<u><u>\$ 252,876</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Deferred Property Taxes	\$ 249,199
Advances from Other Funds	<u>935,000</u>
Total Liabilities	<u>1,184,199</u>

FUND BALANCES

Unreserved - Undesignated (Deficit)	<u>(931,323)</u>
Total Fund Balances (Deficit)	<u>(931,323)</u>

TOTAL LIABILITIES AND  
FUND BALANCES

\$ 252,876

See accompanying notes to financial statements.



CITY OF DEKALB, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended June 30, 2005

	County Home Tax Increment Financing District
REVENUES	
Taxes	\$ 205,387
Total Revenues	205,387
EXPENDITURES	
Capital Outlay	
None	-
Total Expenditures	-
NET CHANGE IN FUND BALANCES	205,387
FUND BALANCES (DEFICIT), JULY 1	(1,136,710)
FUND BALANCES (DEFICIT), JUNE 30	\$ (931,323)

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COUNTY HOME TAX INCREMENT FINANCING DISTRICT FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 205,204	\$ 205,204	\$ 205,387
Total Revenues	205,204	205,204	205,387
EXPENDITURES			
Capital Outlay			
Contractual Services	-	157,762	-
Total Expenditures	-	157,762	-
NET CHANGE IN FUND BALANCE	\$ 205,204	\$ 47,442	205,387
FUND BALANCE (DEFICIT), JULY 1			(1,136,710)
FUND BALANCE (DEFICIT), JUNE 30			\$ (931,323)

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUNDS**

## CITY OF DEKALB, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
WATER DEPARTMENT ACCOUNTS

For the Year Ended June 30, 2005

	Operations and Maintenance			System Construction			Eliminations		Totals	
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Actual	Actual	Original Budget	Final Budget
<b>OPERATING REVENUES</b>										
Charges for Services	\$ 3,811,000	\$ 3,811,000	\$ 3,634,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,811,000	\$ 3,634,382
Water Sales	151,000	151,000	169,047	500,000	500,000	480,607	-	-	651,000	649,654
Permits	40,000	40,000	31,061	-	-	-	-	-	40,000	31,061
Miscellaneous										
Total Operating Revenues	4,002,000	4,002,000	3,834,490	500,000	500,000	480,607	-	-	4,502,000	4,315,097
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>										
Personal Services	1,247,742	1,247,742	1,313,186	-	-	-	-	-	1,247,742	1,313,186
Commodities	332,700	332,700	338,209	-	-	-	-	-	332,700	338,209
Contractual Services	698,600	698,600	704,228	-	-	-	-	-	698,600	704,228
Other Services/Expenses	-	-	19,899	-	-	-	-	-	-	19,899
Equipment	721,000	721,000	98,847	-	-	-	-	-	721,000	98,847
Permanent Improvements	242,000	242,000	21,887	900,000	900,000	-	-	-	1,142,000	21,887
Total Operating Expenses Excluding Depreciation	3,242,042	3,242,042	2,496,256	900,000	900,000	-	-	-	4,142,042	2,496,256
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION</b>	759,958	759,958	1,338,234	(400,000)	(400,000)	480,607	-	-	359,958	1,818,841
<b>DEPRECIATION AND AMORTIZATION</b>	-	2,500	1,050,606	-	-	-	-	-	-	2,500
<b>OPERATING INCOME (LOSS)</b>	759,958	757,458	287,628	(400,000)	(400,000)	480,607	-	-	359,958	768,235

	Operations and Maintenance			System Construction			Eliminations		Totals	
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Actual	Actual	Original Budget	Final Budget
NONOPERATING REVENUES (EXPENSES)										
Investment Income	\$ 30,000	\$ 30,000	\$ 29,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 29,650
Interest Expense	(1,417,295)	(1,383,353)	(330,018)	-	-	-	-	-	(1,417,295)	(1,383,353)
	(1,387,295)	(1,353,353)	(300,368)	-	-	-	-	-	(1,387,295)	(1,353,353)
Total Nonoperating Revenues (Expenses)										(300,368)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(627,337)	(595,895)	(12,740)	(400,000)	(400,000)	480,607	-	-	(1,027,337)	(995,895)
TRANSFERS										
Transfers In	-	-	587,394	-	-	-	-	(587,394)	-	-
System Construction Fund	-	-	-	-	-	-	-	-	-	-
Transfers (Out)	(540,000)	(540,000)	(426,458)	-	-	-	-	-	(540,000)	(540,000)
General Fund	-	-	-	-	-	(587,394)	587,394	-	-	-
Operations and Maintenance Fund	-	-	-	-	-	-	-	-	-	-
Total Transfers (Out)	(540,000)	(540,000)	160,936	-	-	(587,394)	-	-	(540,000)	(426,458)
CONTRIBUTIONS										
Developer Contributions	-	-	729,577	-	-	-	-	-	-	729,577
CHANGE IN NET ASSETS	\$ (1,167,337)	\$ (1,135,895)	877,773	\$ (400,000)	\$ (400,000)	(106,787)	\$ -	\$ (1,567,337)	\$ (1,535,895)	770,986
NET ASSETS, JULY 1			16,676,705			1,961,698				18,638,403
Prior Period Adjustment			30,524			-				30,524
NET ASSETS, JULY 1, RESTATED			16,707,229			1,961,698				18,668,927
NET ASSETS, JUNE 30			\$ 17,585,002			\$ 1,854,911				\$ 19,439,913

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION  
WATER FUND

For the Year Ended June 30, 2005

	Capital Assets				Accumulated Depreciation				Asset Value
	Balances July 1, Restated	Additions	Retirements	Balances June 30	Balances July 1	Provisions	Retirements	Balances June 30	
Land	\$ 528,648	\$ -	\$ -	\$ 528,648	\$ -	\$ -	\$ -	\$ -	\$ 528,648
Buildings and Improvements	2,544,389	-	-	2,544,389	346,348	50,888	-	397,236	2,147,153
Water System	32,764,408	1,554,018	-	34,318,426	8,112,319	865,357	-	8,977,676	25,340,750
Vehicles	572,464	88,968	64,859	596,573	225,761	52,984	22,701	256,044	340,529
Equipment	202,542	22,950	-	225,492	80,323	19,628	-	99,951	125,541
	\$ 36,612,451	\$ 1,665,936	\$ 64,859	\$ 38,213,528	\$ 8,764,751	\$ 988,857	\$ 22,701	\$ 9,730,907	\$ 28,482,621

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF OPERATING REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
AIRPORT FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for Services			
Rents/Taxes	\$ 290,000	\$ 290,000	\$ 234,442
Airport Operators	37,000	37,000	30,105
Miscellaneous	2,000	2,000	6,310
<b>Total Operating Revenues</b>	<b>329,000</b>	<b>329,000</b>	<b>270,857</b>
<b>OPERATING EXPENSES</b>			
Boards/Commissions	350	350	-
Personal Services	176,512	176,517	190,039
Commodities	31,350	31,350	30,059
Contractual Services	100,650	100,650	122,841
Other Services	49,500	49,500	48,129
Equipment	6,000	6,000	1,353
Permanent Improvements	130,000	130,000	120,093
<b>Total Operating Expenses</b>	<b>494,362</b>	<b>494,367</b>	<b>512,514</b>
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>(165,362)</b>	<b>(165,367)</b>	<b>(241,657)</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>-</b>	<b>-</b>	<b>219,974</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(165,362)</b>	<b>(165,367)</b>	<b>(461,631)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Property Taxes	75,000	75,000	74,674
Investment Income	-	-	706
Refunds/Reimbursements	-	315,942	(102)
Interest Expense	(428,758)	(428,758)	(34,109)
Grant Revenue	-	-	1,521,358
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(353,758)</b>	<b>(37,816)</b>	<b>1,562,527</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(519,120)</b>	<b>(203,183)</b>	<b>1,100,896</b>

(This schedule is continued on the following page.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF OPERATING REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (Continued)  
AIRPORT FUND

For the Year Ended June 30, 2005

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	Original Budget	Final Budget	Actual
TRANSFERS IN (OUT)			
Tax Increment Financing Fund	\$ 165,000	\$ 165,000	\$ 165,000
Property/Liability Insurance Fund	(5,000)	(5,000)	-
Total Transfers In (Out)	160,000	160,000	165,000
CHANGE IN NET ASSETS	<u>\$ (359,120)</u>	<u>\$ (43,183)</u>	1,265,896
NET ASSETS, JULY 1			<u>17,413,160</u>
NET ASSETS, JUNE 30			<u>\$ 18,679,056</u>

(See independent auditor's report.)



## **NONMAJOR ENTERPRISE FUNDS**

Refuse Fund - to account for billing, collection and payment for refuse collection.

Development Services Fund - to provide inspection and plan review services primarily in support of new development within the community.

## CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS

June 30, 2005

	Development Services	Refuse	Total Nonmajor Enterprise
<b>CURRENT ASSETS</b>			
Cash and Investments	\$ 169	\$ 388,780	\$ 388,949
Receivables			
Accounts	-	165,064	165,064
Prepaid Expenses	494	-	494
Due from Other Funds	58,500	-	58,500
<b>Total Current Assets</b>	<b>59,163</b>	<b>553,844</b>	<b>613,007</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	306	206,574	206,880
Accrued Payroll	5,411	-	5,411
Deferred Revenue	-	165,064	165,064
Compensated Absences Payable	2,857	-	2,857
<b>Total Current Liabilities</b>	<b>8,574</b>	<b>371,638</b>	<b>380,212</b>
<b>LONG-TERM LIABILITIES</b>			
Compensated Absences Payable	25,717	-	25,717
<b>Total Long-Term Liabilities</b>	<b>25,717</b>	<b>-</b>	<b>25,717</b>
<b>Total Liabilities</b>	<b>34,291</b>	<b>371,638</b>	<b>405,929</b>
<b>NET ASSETS</b>			
Unrestricted	24,872	182,206	207,078
<b>TOTAL NET ASSETS</b>	<b>\$ 24,872</b>	<b>\$ 182,206</b>	<b>\$ 207,078</b>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2005

	Development Services	Refuse	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for Services	\$ 81,349	\$ 1,318,513	\$ 1,399,862
Total Operating Revenues	81,349	1,318,513	1,399,862
OPERATING EXPENSES			
Personal Services	183,350	-	183,350
Commodities	2,360	-	2,360
Contractual Services	7,097	1,199,238	1,206,335
Equipment	2,170	-	2,170
Total Operating Expenses	194,977	1,199,238	1,394,215
OPERATING INCOME (LOSS)	(113,628)	119,275	5,647
TRANSFERS IN			
General Fund	80,000	-	80,000
MFT Fund	58,500	-	58,500
Total Transfers In	138,500	-	138,500
CHANGE IN NET ASSETS	24,872	119,275	144,147
NET ASSETS, JULY 1	-	62,931	62,931
NET ASSETS, JUNE 30	\$ 24,872	\$ 182,206	\$ 207,078

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2005

	Development Services	Refuse	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 81,349	\$ 1,318,513	\$ 1,399,862
Payments to Suppliers	(61,544)	(1,210,041)	(1,271,585)
Payments to Employees	(99,636)	-	(99,636)
Net Cash from Operating Activities	(79,831)	108,472	28,641
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund Receivables	(58,500)	-	(58,500)
Transfers In	138,500	-	138,500
Net Cash from Noncapital Financing Activities	80,000	-	80,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
None	-	-	-
Net Cash from Investing Activities	-	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	169	108,472	108,641
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	-	280,308	280,308
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 169</u>	<u>\$ 388,780</u>	<u>\$ 388,949</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (113,628)	\$ 119,275	\$ 5,647
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Accounts Receivables	-	(9,961)	(9,961)
Prepaid Expenses	(494)	-	(494)
Accounts Payable	306	(10,803)	(10,497)
Accrued Payroll	5,411	-	5,411
Deferred Revenue	-	9,961	9,961
Compensated Absences	28,574	-	28,574
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (79,831)</u>	<u>\$ 108,472</u>	<u>\$ 28,641</u>
<b>CASH AND INVESTMENTS</b>			
Cash and Cash Equivalents	\$ 169	\$ 388,780	\$ 388,949
Investments	-	-	-
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$ 169</u>	<u>\$ 388,780</u>	<u>\$ 388,949</u>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
DEVELOPMENT SERVICES FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
<hr/>			
OPERATING REVENUES			
Charges for Services			
Permits	\$ 190,000	\$ 190,000	\$ 81,349
	<hr/>		
Total Operating Revenues	190,000	190,000	81,349
	<hr/>		
OPERATING EXPENSES			
Personal Services	225,540	225,540	183,350
Commodities	10,700	10,700	2,360
Contractual Services	11,250	11,250	7,097
Equipment	2,500	2,500	2,170
	<hr/>		
Total Operating Expenses	249,990	249,990	194,977
	<hr/>		
OPERATING INCOME (LOSS)	(59,990)	(59,990)	(113,628)
	<hr/>		
TRANSFERS IN			
General Fund	-	-	80,000
MFT Fund	60,000	60,000	58,500
	<hr/>		
Total Transfers In	60,000	60,000	138,500
	<hr/>		
CHANGE IN NET ASSETS	\$ 10	\$ 10	24,872
	<hr/>		
NET ASSETS, JULY 1			-
	<hr/>		
NET ASSETS, JUNE 30			\$ 24,872
	<hr/>		

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF OPERATING REVENUES AND EXPENSES -  
BUDGET AND ACTUAL  
REFUSE FUND

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 1,300,000	\$ 1,300,000	\$ 1,318,513
Total Operating Revenues	1,300,000	1,300,000	1,318,513
OPERATING EXPENSES			
Contractual Services	1,270,000	1,270,000	1,199,238
Equipment	50,000	50,000	-
Total Operating Expenses	1,320,000	1,320,000	1,199,238
CHANGE IN NET ASSETS	\$ (20,000)	\$ (20,000)	119,275
NET ASSETS, JULY 1			62,931
NET ASSETS, JUNE 30			\$ 182,206

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

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

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

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

CITY OF DEKALB, ILLINOIS  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS

June 30, 2005

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Total
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 42,032	\$ 1,437,059	\$ 134,677	\$ 1,613,768
Receivables				
Accrued Interest	-	473	-	473
Prepaid Expenses	-	30,494	1,456	31,950
Total Current Assets	42,032	1,468,026	136,133	1,646,191
<b>CURRENT LIABILITIES</b>				
Accounts Payable	-	474	10,532	11,006
Claims Payable	827,251	335,527	90,000	1,252,778
Due to Other Funds	-	2,000	-	2,000
Total Current Liabilities	827,251	338,001	100,532	1,265,784
<b>NET ASSETS</b>				
Unrestricted (Deficit)	(785,219)	1,130,025	35,601	380,407
<b>TOTAL NET ASSETS</b>	\$ (785,219)	\$ 1,130,025	\$ 35,601	\$ 380,407

See accompanying notes to financial statements.



## CITY OF DEKALB, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2005

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>						
Charges for Services						
Contributions	\$ 513,581	\$ 513,581	\$ 512,200	\$ 3,552,476	\$ 3,552,476	\$ 3,636,654
Miscellaneous	-	-	-	-	-	-
Total Operating Revenues	513,581	513,581	512,200	3,552,476	3,552,476	3,636,654
<b>OPERATING EXPENSES</b>						
Administration						
Commodities	-	-	240	500	500	-
Contractual Services	27,700	27,700	26,877	316,882	309,204	306,485
Claims	454,730	454,730	732,803	3,848,212	3,664,585	3,264,431
Other	-	-	-	-	-	-
Total Operating Expenses	482,430	482,430	759,920	4,165,594	3,974,289	3,570,916
OPERATING INCOME (LOSS)	31,151	31,151	(247,720)	(613,118)	(421,813)	65,738
<b>NONOPERATING REVENUES</b>						
Investment Income	25	25	120	10,000	10,000	19,879
Total Nonoperating Revenues	25	25	120	10,000	10,000	19,879
CHANGE IN NET ASSETS	\$ 31,176	\$ 31,176	(247,600)	\$ (603,118)	\$ (411,813)	85,617
NET ASSETS (DEFICIT), JULY 1			(537,619)			1,044,408
NET ASSETS (DEFICIT), JUNE 30			\$ (785,219)			\$ 1,130,025

Liability/ Property Insurance			Totals		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 50,000	\$ 75,000	\$ 75,000	\$ 4,116,057	\$ 4,141,057	\$ 4,223,854
10,000	10,000	17,860	10,000	10,000	17,860
60,000	85,000	92,860	4,126,057	4,151,057	4,241,714
-	-	-	500	500	240
74,000	74,000	79,015	418,582	410,904	412,377
85,000	85,000	145,958	4,387,942	4,204,315	4,143,192
1,000	1,000	750	1,000	1,000	750
160,000	160,000	225,723	4,808,024	4,616,719	4,556,559
(100,000)	(75,000)	(132,863)	(681,967)	(465,662)	(314,845)
-	-	-	10,025	10,025	19,999
-	-	-	10,025	10,025	19,999
<u>\$ (100,000)</u>	<u>\$ (75,000)</u>	(132,863)	<u>\$ (671,942)</u>	<u>\$ (455,637)</u>	(294,846)
		<u>168,464</u>			<u>675,253</u>
		<u>\$ 35,601</u>			<u>\$ 380,407</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2005

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Interfund Services Transactions	\$ 512,200	\$ 3,717,904	\$ 75,000	\$ 4,305,104
Receipts from Miscellaneous Revenue	-	-	17,860	17,860
Payments to Suppliers	(636,401)	(3,622,366)	(129,790)	(4,388,557)
Net Cash from Operating Activities	(124,201)	95,538	(36,930)	(65,593)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due from Component Unit	2,000	-	-	2,000
Interfund Receivables	99,209	-	-	99,209
Interfund Payables	-	2,000	-	2,000
Net Cash from Noncapital Financing Activities	101,209	2,000	-	103,209
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	-	495,358	-	495,358
Interest Received on Investments	120	22,823	-	22,943
Net Cash from Investing Activities	120	518,181	-	518,301
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(22,872)	615,719	(36,930)	555,917
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	64,904	425,340	171,607	661,851
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 42,032</u>	<u>\$ 1,041,059</u>	<u>\$ 134,677</u>	<u>\$ 1,217,768</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (247,720)	\$ 65,738	\$ (132,863)	\$ (314,845)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities				
Changes in Assets and Liabilities				
Other Receivables	-	81,250	-	81,250
Prepaid Expenses	135	(11,202)	(465)	(11,532)
Accounts Payable	-	(574)	6,398	5,824
Claims Payable	123,384	(39,674)	90,000	173,710
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (124,201)</u>	<u>\$ 95,538</u>	<u>\$ (36,930)</u>	<u>\$ (65,593)</u>
<b>CASH AND INVESTMENTS</b>				
Cash and Cash Equivalents	\$ 42,032	\$ 1,041,059	\$ 134,677	\$ 1,217,768
Investments	-	396,000	-	396,000
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$ 42,032</u>	<u>\$ 1,437,059</u>	<u>\$ 134,677</u>	<u>\$ 1,613,768</u>

See accompanying notes to financial statements.

## **FIDUCIARY FUNDS**

### **Pension Trust Funds**

Police Pension Fund - to account 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.

Firefighters' Pension Fund - to account for the accumulation of resources to pay pension costs.

Resources are contributed by fire personnel members at rates fixed by the state statutes and by the government through an annual property tax levy.

## CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF NET ASSETS  
PENSION TRUST FUNDS

June 30, 2005

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 652,992	\$ 1,496,596	\$ 2,149,588
Investments, at Fair Value			
Certificates of Deposit	-	523,072	523,072
Mutual Funds	9,341,386	6,061,003	15,402,389
U.S. Treasury Securities	-	2,588,910	2,588,910
U.S. Agency Securities	9,487,040	4,361,150	13,848,190
Receivables			
Accrued Interest	84,065	94,848	178,913
 Total Assets	 19,565,483	 15,125,579	 34,691,062
<b>LIABILITIES</b>			
Accounts Payable	3,728	750	4,478
Deferred Revenue	369,196	523,512	892,708
 Total Liabilities	 372,924	 524,262	 897,186
 <b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	  <b>\$ 19,192,559</b>	  <b>\$ 14,601,317</b>	  <b>\$ 33,793,876</b>

See accompanying notes to financial statements.

## CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS

For the Year Ended June 30, 2005

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer Contributions	\$ 711,075	\$ 1,019,255	\$ 1,730,330
Employee Contributions	374,517	320,340	694,857
Total Contributions	1,085,592	1,339,595	2,425,187
Investment Income			
Net Appreciation in Fair Value of Investments	687,711	435,272	1,122,983
Interest	555,421	416,632	972,053
Total Investment Income	1,243,132	851,904	2,095,036
Less Investment Expense	(15,169)	(42,515)	(57,684)
Net Investment Income	1,227,963	809,389	2,037,352
Total Additions	2,313,555	2,148,984	4,462,539
<b>DEDUCTIONS</b>			
Retirement Benefits	1,133,295	874,876	2,008,171
Disability Benefits	38,375	265,135	303,510
Administrative Expenses	10,734	14,569	25,303
Total Deductions	1,182,404	1,154,580	2,336,984
NET INCREASE	1,131,151	994,404	2,125,555
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
July 1	18,061,408	13,606,913	31,668,321
June 30	\$ 19,192,559	\$ 14,601,317	\$ 33,793,876

See accompanying notes to financial statements.

**LONG-TERM DEBT PAYABLE FROM GOVERNMENTAL FUNDS**

To account for the noncurrent portion of the governmental fund's liabilities.

## CITY OF DEKALB, ILLINOIS

SCHEDULE OF GENERAL LONG-TERM DEBT  
LONG-TERM DEBT PAYABLE FROM GOVERNMENTAL FUNDS

June 30, 2005

	General Obligation				
	Compensated Absences	Capital Lease	Other Government Payable	Bond Series of 1992	Bond Series of 1997A
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
Amount Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Amount to be Provided for Retirement of General Long-Term Debt	3,926,592	948,115	2,498,998	-	2,660,000
TOTAL AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
	\$ 3,926,592	\$ 948,115	\$ 2,498,998	\$ -	\$ 2,660,000
GENERAL LONG-TERM DEBT PAYABLE					
Due to Other Governments	\$ -	\$ -	\$ 2,498,998	\$ -	\$ -
Compensated Absences Payable	3,926,592	-	-	-	-
Capital Lease Payable	-	948,115	-	-	-
General Obligation Bonds Payable	-	-	-	-	2,660,000
Revenue Bonds Payable	-	-	-	-	-
TOTAL GENERAL LONG-TERM DEBT PAYABLE					
	\$ 3,926,592	\$ 948,115	\$ 2,498,998	\$ -	\$ 2,660,000



General Obligation							TIF Revenue	Totals
Bond Series of 1997B	Bond Series of 2000	Bond Series of 2002	Bond Series of 2002A	Bond Series of 2003A	Bond Series of 2003B	Bond Series of 2004	Bond Series of 2003	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,041	\$ 469,041
1,610,000	150,000	3,205,000	1,725,000	2,310,000	2,065,000	5,025,000	3,770,959	29,894,664
\$ 1,610,000	\$ 150,000	\$ 3,205,000	\$ 1,725,000	\$ 2,310,000	\$ 2,065,000	\$ 5,025,000	\$ 4,240,000	\$ 30,363,705
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,498,998
-	-	-	-	-	-	-	-	3,926,592
-	-	-	-	-	-	-	-	948,115
1,610,000	150,000	3,205,000	1,725,000	2,310,000	2,065,000	5,025,000	-	18,750,000
-	-	-	-	-	-	-	4,240,000	4,240,000
\$ 1,610,000	\$ 150,000	\$ 3,205,000	\$ 1,725,000	\$ 2,310,000	\$ 2,065,000	\$ 5,025,000	\$ 4,240,000	\$ 30,363,705

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 1997A

June 30, 2005

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Date of Issue	December 1, 1997
Date of Maturity	January 1, 2012
Authorized Issue	\$3,035,000
Denomination of Notes	\$5,000
Interest Rates	4.50% to 4.90%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2004	\$ 180,000	\$ 127,217	\$ 307,217	2005	\$ 63,609	2006	\$ 63,608
2005	200,000	119,118	319,118	2006	59,559	2007	59,559
2006	190,000	110,017	300,017	2007	55,009	2008	55,008
2007	220,000	101,230	321,230	2008	50,615	2009	50,615
2008	375,000	90,890	465,890	2009	45,445	2010	45,445
2009	730,000	72,890	802,890	2010	36,445	2011	36,445
2010	765,000	37,485	802,485	2011	18,743	2012	18,742
	<u>\$ 2,660,000</u>	<u>\$ 658,847</u>	<u>\$ 3,318,847</u>		<u>\$ 329,425</u>		<u>\$ 329,422</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 1997B

June 30, 2005

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Date of Issue	December 1, 1997
Date of Maturity	January 1, 2009
Authorized Issue	\$3,855,000
Denomination of Notes	\$5,000
Interest Rates	4.125% to 4.50%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2004	\$ 420,000	\$ 72,450	\$ 492,450	2005	\$ 36,225	2006	\$ 36,225
2005	425,000	53,550	478,550	2006	26,775	2007	26,775
2006	370,000	34,425	404,425	2007	17,212	2008	17,213
2007	395,000	17,775	412,775	2008	8,888	2009	8,887
	<u>\$ 1,610,000</u>	<u>\$ 178,200</u>	<u>\$ 1,788,200</u>		<u>\$ 89,100</u>		<u>\$ 89,100</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2000 (TOTAL ISSUE)

June 30, 2005

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Date of Issue	November 1, 2000
Date of Maturity	January 1, 2021
Authorized Issue	\$9,450,000
Denomination of Notes	\$5,000
Interest Rates	4.35% to 6.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 27,491	27,491			2005	\$ 27,491
2005	\$ 175,000	50,060	225,060	2006	\$ 27,491	2006	22,569
2006	180,000	39,961	219,961	2007	22,568	2007	17,393
2007	190,000	29,326	219,326	2008	17,394	2008	11,932
2008	200,000	18,112	218,112	2009	11,931	2009	6,181
2009	215,000	6,181	221,181	2010	6,181		
	<u>\$ 960,000</u>	<u>\$ 171,131</u>	<u>\$ 1,131,131</u>		<u>\$ 85,565</u>		<u>\$ 85,566</u>

Bond principal of \$7,925,000 and interest payments for the periods of January 1, 2011 through January 1, 2021 were defeased and will be paid from escrow on January 1, 2010.

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2000 (DEBT SERVICE FUND SHARE)

June 30, 2005

Date of Issue	November 1, 2000
Date of Maturity	January 1, 2021
Authorized Issue	\$5,000,000
Denomination of Notes	\$5,000
Interest Rates	4.35% to 6.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 4,294	\$ 4,294			2005	\$ 4,294
2005	\$ 30,000	7,744	37,744	2006	\$ 4,294	2006	3,450
2006	25,000	6,181	31,181	2007	3,450	2007	2,731
2007	30,000	4,600	34,600	2008	2,731	2008	1,869
2008	30,000	2,875	32,875	2009	1,869	2009	1,006
2009	35,000	1,006	36,006	2010	1,006		
	<u>\$ 150,000</u>	<u>\$ 26,700</u>	<u>\$ 176,700</u>		<u>\$ 13,350</u>		<u>\$ 13,350</u>

Bond principal of \$4,765,000 and interest payments for the periods of January 1, 2011 through January 1, 2021 were defeased and will be paid from escrow on January 1, 2010.

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2000 (WATER FUND SHARE)

June 30, 2005

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Date of Issue	November 1, 2000
Date of Maturity	January 1, 2021
Authorized Issue	\$4,000,000
Denomination of Notes	\$5,000
Interest Rates	4.35% to 6.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 23,197	\$ 23,197			2005	\$ 23,197
2005	\$ 145,000	42,316	187,316	2006	\$ 23,197	2006	19,119
2006	155,000	33,780	188,780	2007	19,118	2007	14,662
2007	160,000	24,726	184,726	2008	14,663	2008	10,063
2008	170,000	15,237	185,237	2009	10,062	2009	5,175
2009	180,000	5,175	185,175	2010	5,175		
	<u>\$ 810,000</u>	<u>\$ 144,431</u>	<u>\$ 954,431</u>		<u>\$ 72,215</u>		<u>\$ 72,216</u>

Bond principal of \$2,710,000 and interest payments for the periods of January 1, 2011 through January 1, 2021 were defeased and will be paid from escrow on January 1, 2010.

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2000 (AIRPORT FUND SHARE)

June 30, 2005

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Date of Issue	November 1, 2000
Date of Maturity	January 1, 2021
Authorized Issue	\$450,000
Denomination of Notes	\$5,000
Interest Rates	4.35% to 6.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ -	\$ -			2005	\$ -
2005	\$ -	-	-	2006	-	2006	-
2006	-	-	-	2007	-	2007	-
2007	-	-	-	2008	-	2008	-
2008	-	-	-	2009	-	2009	-
2009	-	-	-	2010	-		
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>

Bond principal of \$450,000 and interest payments for the periods of January 1, 2011 through January 1, 2021 were defeased and will be paid from escrow on January 1, 2010.

(See independent auditor's report.)



CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2002

June 30, 2005

Date of Issue	August 1, 2002
Date of Maturity	January 1, 2018
Authorized Issue	\$3,500,000
Denomination of Notes	\$5,000
Interest Rates	2.50% to 4.45%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 61,023	\$ 61,023			2005	\$ 61,023
2005	\$ 195,000	119,608	314,608	2006	\$ 61,023	2006	58,585
2006	200,000	114,170	314,170	2007	58,585	2007	55,585
2007	205,000	107,967	312,967	2008	55,585	2008	52,382
2008	215,000	101,002	316,002	2009	52,382	2009	48,620
2009	225,000	93,161	318,161	2010	48,620	2010	44,541
2010	230,000	84,885	314,885	2011	44,541	2011	40,344
2011	240,000	76,188	316,188	2012	40,344	2012	35,844
2012	250,000	66,688	316,688	2013	35,844	2013	30,844
2013	265,000	56,388	321,388	2014	30,844	2014	25,544
2014	275,000	45,313	320,313	2015	25,544	2015	19,769
2015	290,000	33,303	323,303	2016	19,769	2016	13,534
2016	300,000	20,543	320,543	2017	13,534	2017	7,009
2017	315,000	7,008	322,008	2018	7,008		
	<u>\$ 3,205,000</u>	<u>\$ 987,247</u>	<u>\$ 4,192,247</u>		<u>\$ 493,623</u>		<u>\$ 493,624</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2002A

June 30, 2005

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Date of Issue	December 1, 2002
Date of Maturity	December 30, 2013
Authorized Issue	\$2,050,000
Denomination of Notes	\$5,000
Interest Rates	1.30% to 3.85%
Interest Dates	June 30 and December 30
Principal Maturity Date	December 30
Payable at	Northern Trust Company, Chicago, Illinois

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 30	Amount	December 30	Amount
2004	\$ 175,000	\$ 30,146	\$ 205,146			2005	\$ 30,146
2005	175,000	55,918	230,918	2006	\$ 27,959	2006	27,959
2006	180,000	51,542	231,542	2007	25,771	2007	25,771
2007	185,000	46,862	231,862	2008	23,431	2008	23,431
2008	190,000	39,925	229,925	2009	19,963	2009	19,962
2009	195,000	32,800	227,800	2010	16,400	2010	16,400
2010	200,000	25,000	225,000	2011	12,500	2011	12,500
2011	210,000	17,000	227,000	2012	8,500	2012	8,500
2012	215,000	8,600	223,600	2013	4,300	2013	4,300
	<u>\$ 1,725,000</u>	<u>\$ 307,793</u>	<u>\$ 2,032,793</u>		<u>\$ 138,824</u>		<u>\$ 168,969</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
TAX INCREMENT FINANCING REVENUE BOND SERIES OF 2003

June 30, 2005

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Date of Issue	January 14, 2003
Date of Maturity	January 1, 2013
Authorized Issue	\$4,350,000
Denomination of Notes	\$5,000
Interest Rates	Variable (1.315% at June 30, 2005)
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Northern Trust Company, Chicago, Illinois

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 27,877	\$ 27,877			2005	\$ 27,877
2005	\$ 450,000	52,795	502,795	2006	\$ 27,877	2006	24,918
2006	425,000	47,042	472,042	2007	24,918	2007	22,124
2007	570,000	40,500	610,500	2008	22,124	2008	18,376
2008	650,000	32,479	682,479	2009	18,376	2009	14,103
2009	715,000	23,505	738,505	2010	14,103	2010	9,402
2010	775,000	13,708	788,708	2011	9,402	2011	4,306
2011	310,000	6,574	316,574	2012	4,306	2012	2,268
2012	345,000	2,268	347,268	2013	2,268		
	<u>\$ 4,240,000</u>	<u>\$ 246,748</u>	<u>\$ 4,486,748</u>		<u>\$ 123,374</u>		<u>\$ 123,374</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2003A

June 30, 2005

Date of Issue	October 1, 2003
Date of Maturity	December 1, 2013
Authorized Issue	\$2,665,000
Denomination of Notes	\$5,000
Interest Rates	1.00% to 3.625%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company, New York, NY

## FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2004	\$ 330,000	\$ 29,750	\$ 359,750			2005	\$ 29,750
2005	350,000	52,900	402,900	2006	\$ 26,450	2006	26,450
2006	435,000	45,900	480,900	2007	22,950	2007	22,950
2007	435,000	35,026	470,026	2008	17,513	2008	17,513
2008	445,000	24,150	469,150	2009	12,075	2009	12,075
2009	85,000	10,800	95,800	2010	5,400	2010	5,400
2010	80,000	8,144	88,144	2011	4,072	2011	4,072
2011	75,000	5,344	80,344	2012	2,672	2012	2,672
2012	75,000	2,718	77,718	2013	1,359	2013	1,359
	<u>\$ 2,310,000</u>	<u>\$ 214,732</u>	<u>\$ 2,524,732</u>		<u>\$ 92,491</u>		<u>\$ 122,241</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2003B (TOTAL ISSUE)

June 30, 2005

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Date of Issue	October 1, 2003
Date of Maturity	December 1, 2009
Authorized Issue	\$3,355,000
Denomination of Notes	\$5,000
Interest Rates	1.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2004	\$ 1,000,000	\$ 30,150	\$ 1,030,150			2005	\$ 30,150
2005	425,000	40,300	465,300	2006	\$ 20,150	2006	20,150
2006	455,000	31,800	486,800	2007	15,900	2007	15,900
2007	445,000	20,425	465,425	2008	10,213	2008	10,212
2008	310,000	9,300	319,300	2009	4,650	2009	4,650
	<u>\$ 2,635,000</u>	<u>\$ 131,975</u>	<u>\$ 2,766,975</u>		<u>\$ 50,913</u>		<u>\$ 81,062</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2003B (DEBT SERVICE FUND SHARE)

June 30, 2005

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Date of Issue	October 1, 2003
Date of Maturity	December 1, 2009
Authorized Issue	\$2,110,000
Denomination of Notes	\$5,000
Interest Rates	1.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2004	\$ 430,000	\$ 24,450	\$ 454,450			2005	\$ 24,450
2005	425,000	40,300	465,300	2006	\$ 20,150	2006	20,150
2006	455,000	31,800	486,800	2007	15,900	2007	15,900
2007	445,000	20,425	465,425	2008	10,213	2008	10,212
2008	310,000	9,300	319,300	2009	4,650	2009	4,650
	<u>\$ 2,065,000</u>	<u>\$ 126,275</u>	<u>\$ 2,191,275</u>		<u>\$ 50,913</u>		<u>\$ 75,362</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2003B (WATER FUND SHARE)

June 30, 2005

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Date of Issue	October 1, 2003
Date of Maturity	December 1, 2009
Authorized Issue	\$1,130,000
Denomination of Notes	\$5,000
Interest Rates	1.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2004	\$ 570,000	\$ 5,700	\$ 575,700			2005	\$ 5,700
	<u>\$ 570,000</u>	<u>\$ 5,700</u>	<u>\$ 575,700</u>		<u>\$ -</u>		<u>\$ 5,700</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (TOTAL ISSUE)

June 30, 2005

Date of Issue	December 1, 2004
Date of Maturity	January 1, 2021
Authorized Issue	\$8,355,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 4.50%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Principal	Tax Levy Interest	Totals	January 1	Interest Due on Amount	July 1	Amount
2004		\$ 204,451	204,451			2005	\$ 204,451
2005	\$ 15,000	350,340	365,340	2006	\$ 175,246	2006	175,094
2006	45,000	349,693	394,693	2007	175,094	2007	174,599
2007	45,000	348,635	393,635	2008	174,598	2008	174,037
2008	50,000	347,372	397,372	2009	174,036	2009	173,336
2009	50,000	345,923	395,923	2010	173,336	2010	172,587
2010	275,000	340,772	615,772	2011	172,586	2011	168,186
2011	285,000	331,598	616,598	2012	168,185	2012	163,413
2012	1,100,000	304,825	1,404,825	2013	163,412	2013	141,413
2013	1,150,000	259,824	1,409,824	2014	141,412	2014	118,412
2014	1,240,000	208,926	1,448,926	2015	118,413	2015	90,513
2015	1,305,000	151,662	1,456,662	2016	90,512	2016	61,150
2016	1,365,000	91,587	1,456,587	2017	61,150	2017	30,437
2017	-	60,876	60,876	2018	30,438	2018	30,438
2018	695,000	46,975	741,975	2019	30,437	2019	16,538
2019	360,000	24,974	384,974	2020	16,537	2020	8,437
2020	375,000	8,438	383,438	2021	8,438	2021	
	<u>\$ 8,355,000</u>	<u>\$ 3,776,871</u>	<u>\$ 12,131,871</u>		<u>\$ 1,873,830</u>		<u>\$ 1,903,041</u>

(See independent auditor's report.)



## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (DEBT SERVICE FUND SHARE)

June 30, 2005

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Date of Issue	December 1, 2004
Date of Maturity	January 1, 2021
Authorized Issue	\$5,025,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 4.50%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 124,245	\$ 124,245			2005	\$ 124,245
2005	\$ 10,000	212,895	222,895	2006	\$ 106,498	2006	106,397
2006	30,000	212,463	242,463	2007	106,396	2007	106,067
2007	30,000	211,758	241,758	2008	106,066	2008	105,692
2008	30,000	210,962	240,962	2009	105,691	2009	105,271
2009	30,000	210,092	240,092	2010	105,271	2010	104,821
2010	65,000	208,602	273,602	2011	104,821	2011	103,781
2011	75,000	206,306	281,306	2012	103,781	2012	102,525
2012	870,000	187,650	1,057,650	2013	102,525	2013	85,125
2013	915,000	151,950	1,066,950	2014	85,125	2014	66,825
2014	945,000	112,387	1,057,387	2015	66,825	2015	45,562
2015	990,000	68,851	1,058,851	2016	45,563	2016	23,288
2016	1,035,000	23,287	1,058,287	2017	23,287	2017	
	<u>\$ 5,025,000</u>	<u>\$ 2,141,448</u>	<u>\$ 7,166,448</u>		<u>\$ 1,061,849</u>		<u>\$ 1,079,599</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (WATER FUND SHARE)

June 30, 2005

Date of Issue	December 1, 2004
Date of Maturity	January 1, 2021
Authorized Issue	\$2,825,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 4.50%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2004		\$ 67,611	\$ 67,611			2005	\$ 67,611
2005	\$ 5,000	115,852	120,852	2006	\$ 57,951	2006	57,901
2006	15,000	115,637	130,637	2007	57,901	2007	57,736
2007	10,000	115,347	125,347	2008	57,736	2008	57,611
2008	15,000	115,012	130,012	2009	57,611	2009	57,401
2009	15,000	114,579	129,579	2010	57,402	2010	57,177
2010	205,000	111,072	316,072	2011	57,176	2011	53,896
2011	205,000	104,359	309,359	2012	53,896	2012	50,463
2012	225,000	96,425	321,425	2013	50,462	2013	45,963
2013	230,000	87,324	317,324	2014	45,962	2014	41,362
2014	240,000	77,326	317,326	2015	41,363	2015	35,963
2015	250,000	66,299	316,299	2016	35,962	2016	30,337
2016	265,000	54,713	319,713	2017	30,338	2017	24,375
2017	-	48,750	48,750	2018	24,375	2018	24,375
2018	555,000	37,650	592,650	2019	24,375	2019	13,275
2019	290,000	20,025	310,025	2020	13,275	2020	6,750
2020	300,000	6,750	306,750	2021	6,750		
	<u>\$ 2,825,000</u>	<u>\$ 1,354,731</u>	<u>\$ 4,179,731</u>		<u>\$ 672,535</u>		<u>\$ 682,196</u>

(See independent auditor's report.)

## CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (AIRPORT FUND SHARE)

June 30, 2005

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Date of Issue	December 1, 2004
Date of Maturity	January 1, 2021
Authorized Issue	\$505,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 4.50%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Depository Trust Company, New York, NY

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy		Totals	Interest Due on			
	Principal	Interest		January 1	Amount	July 1	Amount
2004		\$ 12,595	\$ 12,595			2005	\$ 12,595
2005	\$ -	21,593	21,593	2006	10,797	2006	10,796
2006	-	21,593	21,593	2007	10,797	2007	10,796
2007	5,000	21,530	26,530	2008	10,796	2008	10,734
2008	5,000	21,398	26,398	2009	10,734	2009	10,664
2009	5,000	21,252	26,252	2010	10,663	2010	10,589
2010	5,000	21,098	26,098	2011	10,589	2011	10,509
2011	5,000	20,933	25,933	2012	10,508	2012	10,425
2012	5,000	20,750	25,750	2013	10,425	2013	10,325
2013	5,000	20,550	25,550	2014	10,325	2014	10,225
2014	55,000	19,213	74,213	2015	10,225	2015	8,988
2015	65,000	16,512	81,512	2016	8,987	2016	7,525
2016	65,000	13,587	78,587	2017	7,525	2017	6,062
2017	-	12,126	12,126	2018	6,063	2018	6,063
2018	140,000	9,325	149,325	2019	6,062	2019	3,263
2019	70,000	4,949	74,949	2020	3,262	2020	1,687
2020	75,000	1,688	76,688	2021	1,688		
	<u>\$ 505,000</u>	<u>\$ 280,692</u>	<u>\$ 785,692</u>		<u>\$ 139,446</u>		<u>\$ 141,246</u>

(See independent auditor's report.)

## **STATISTICAL SECTION**

CITY OF DEKALB, ILLINOIS  
GOVERNMENT-WIDE REVENUES

Last Three Fiscal Years

	2003	2004	2005
PROGRAM REVENUES			
Charges for Services	\$ 8,440,541	\$ 9,771,518	\$ 12,635,689
Operating Grants	2,006,762	2,521,542	3,378,028
Capital Grants	368,771	555,448	3,719,310
GENERAL REVENUES			
Taxes	19,781,644	22,167,277	24,684,624
Investment Income	367,414	136,836	199,558
Contributions	4,129,208	17,486,037	12,987,088
Miscellaneous	302,362	311,233	361,271
TOTAL REVENUES	\$ 35,396,702	\$ 52,949,891	\$ 57,965,568

NOTE: The City implemented GASB S-34 for the fiscal year ended June 30, 2003.

Data Source

City Records

CITY OF DEKALB, ILLINOIS  
GOVERNMENT-WIDE EXPENSES

Last Three Fiscal Years

	2003	2004	2005
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ 4,025,445	\$ 3,800,583	\$ 6,565,079
Public Safety	11,921,125	13,161,608	14,495,797
Community Improvement	6,675,918	5,880,017	5,455,783
Highways and Streets	8,232,178	4,872,446	10,481,051
Interest	912,735	1,049,120	1,026,539
Total Governmental Activities	31,767,401	28,763,774	38,024,249
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water	3,758,743	3,830,129	3,876,880
Airport	466,286	692,739	766,597
Development Services	-	-	194,977
Refuse	1,194,973	1,256,963	1,199,238
Total Business-Type Activities	5,420,002	5,779,831	6,037,692
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 37,187,403</b>	<b>\$ 34,543,605</b>	<b>\$ 44,061,941</b>

NOTE: The City implemented GASB S-34 for the fiscal year ended June 30, 2003.

Data Source

City Records

# CITY OF DEKALB, ILLINOIS

## GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Service	Fines and Forfeits	Investment Income	Miscellaneous	Totals
1996	\$ 10,829,065	\$ 249,707	\$ 1,806,971	\$ 785,740	\$ 451,306	\$ 245,412	\$ 263,747	\$ 14,631,948
1997	11,996,267	272,700	1,859,387	802,364	459,514	191,766	249,708	15,831,706
1998	12,028,929	361,358	2,259,215	822,897	407,152	244,993	288,104	16,412,648
1999	12,784,060	251,359	1,947,679	936,684	454,261	238,527	203,895	16,816,465
2000	14,257,790	213,893	3,459,874	1,059,119	452,612	329,634	202,617	19,975,539
2001	15,220,660	327,385	2,121,098	1,275,196	445,129	590,772	272,337	20,252,577
2002	14,783,538	277,282	2,252,444	1,265,342	494,815	452,006	187,190	19,712,617
2003	16,306,288	487,590	2,012,445	1,415,596	468,009	185,721	243,996	21,119,645
2004	17,097,843	846,571	2,598,322	1,471,149	638,815	80,936	332,384	23,066,020
2005	19,350,170	618,029	5,291,565	1,407,507	654,353	143,396	383,248	27,848,268

Note : Includes General, Special Revenue and Debt Service Funds.

Data Source

City Records

# CITY OF DEKALB, ILLINOIS

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Community Improvement (1)	Highways and Streets	Culture and Recreation (2)	Capital Outlay	Debt Service	Totals
1996	\$ 4,620,141	\$ 5,807,801	\$ -	\$ 3,780,684	\$ 795,356	\$ 11,039	\$ 2,109,524	\$ 17,124,545
1997	4,204,653	6,609,302	3,849,618	840,989	496,617	19,465	4,352,541	20,373,185
1998	4,416,119	6,825,323	3,612,904	1,018,789	437,953	420,116	8,793,327	25,524,531
1999	2,977,696	8,521,496	4,381,877	1,245,709	487,170	286,985	1,935,775	19,836,708
2000	3,292,070	9,140,755	4,438,812	623,037	1,474,184	590,258	1,990,565	21,549,681
2001	3,208,680	9,816,496	4,797,312	973,772	339,074	422,440	7,129,697	26,687,471
2002	3,287,387	10,561,436	4,891,235	1,219,971	666,392	54,912	1,999,631	22,680,964
2003	3,426,581	11,388,426	4,406,307	1,255,596	-	-	2,069,632	22,546,542
2004	4,088,975	12,432,869	3,928,040	763,579	-	-	2,616,575	23,830,038
2005	5,619,515	13,915,879	3,432,725	3,609,518	-	-	2,842,874	29,420,511

Note: Includes General, Special Revenue and Debt Service Funds.

(1) New function classification in FY 1997.

(2) This function represented Airport Fund expenditures, which was previously reported as a Special Revenue Fund; the Airport Fund was changed to an Enterprise Fund as of July 1, 2002.

Data Source

City Records



CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	City of DeKalb				DeKalb Library				Totals			
	Rates per \$100	Tax Levy Requested	Collections	Percent of Levy Collected	Rates per \$100	Tax Levy Requested	Collections	Percent of Levy Collected	Rates per \$100	Total Tax Levy Requested	Collections	Percent of Levy Collected
1995	0.5352	\$ 1,528,568	\$ 1,519,359	99.40%	0.2242	\$ 640,350	\$ 636,520	99.40%	0.7594	\$ 2,168,918	\$ 2,155,879	99.40%
1996	0.5286	1,566,782	1,562,157	99.70%	0.2245	665,700	663,813	99.72%	0.7531	2,232,482	2,225,970	99.71%
1997	0.5184	1,643,303	1,652,293	100.55%	0.2193	695,400	699,149	100.54%	0.7377	2,338,703	2,351,442	100.54%
1998	0.5208	1,723,819	1,731,479	100.44%	0.2205	730,000	733,281	100.45%	0.7413	2,453,819	2,464,760	100.45%
1999	0.5089	1,809,337	1,815,089	100.32%	0.2154	766,000	768,475	100.32%	0.7243	2,575,337	2,583,564	100.32%
2000	0.5049	1,891,028	1,888,665	99.88%	0.2145	804,000	802,657	99.83%	0.7194	2,695,028	2,691,322	99.86%
2001	0.5299	2,121,089	2,118,402	99.87%	0.2108	844,000	842,901	99.87%	0.7407	2,965,089	2,961,303	99.87%
2002	0.6057	2,511,511	2,531,345	100.79%	0.2132	884,000	888,769	100.54%	0.8189	3,395,511	3,420,114	100.72%
2003	0.5967	2,599,938	2,644,082	101.70%	0.2130	928,000	931,257	100.35%	0.8097	3,527,938	3,575,339	101.34%
2004	0.6000	2,861,055	1,369,568 *	47.87%	0.2135	974,400	481,109 *	49.37%	0.8135	3,835,455	1,850,677	48.25%

Data Source

Office of the County Clerk and Office of the County Treasurer

\* Amount reflects collections through June 30, 2005

## CITY OF DEKALB, ILLINOIS

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

## Last Ten Fiscal Years

Fiscal Year	Tax Levy Year	Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Actual Value	Equalization Factor
1996	1995	\$ 285,689,763	\$ 857,069,289	33.33	1.0000
1997	1996	296,553,853	889,661,559	33.33	1.0000
1998	1997	317,159,688	951,479,064	33.33	1.0000
1999	1998	331,157,791	993,473,373	33.33	1.0000
2000	1999	355,680,722	1,067,042,166	33.33	1.0000
2001	2000	374,858,378	1,124,575,134	33.33	1.0000
2002	2001	400,288,514	1,200,865,542	33.33	1.0000
2003	2002	414,691,820	1,244,075,460	33.33	1.0000
2004	2003	435,773,899	1,307,321,697	33.33	1.0000
2005	2004	456,342,041	1,369,026,123	33.33	1.0000

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>TAX RATES</b>										
City of DeKalb	0.5352	0.5286	0.5184	0.5208	0.5089	0.5049	0.5299	0.6057	0.5967	0.6000
DeKalb Library	0.2242	0.2245	0.2193	0.2205	0.2154	0.2145	0.2108	0.2132	0.2130	0.2135
	0.7594	0.7531	0.7377	0.7413	0.7243	0.7194	0.7407	0.8189	0.8097	0.8135
DeKalb County	0.8221	0.8171	0.8354	0.8343	0.8497	0.8531	0.8672	0.8666	0.8622	0.8679
DeKalb Township	0.3102	0.3084	0.3024	0.3604	0.3579	0.3569	0.3532	0.3525	0.3494	0.3480
Forest Preserve District	0.0280	0.0279	0.0276	0.0274	0.0272	0.0274	0.0278	0.0278	0.0274	0.0276
Sanitary District	0.1109	0.1124	0.1107	0.1116	0.1113	0.1088	0.1075	0.1085	0.1079	0.1078
School Districts	5.6880	5.6497	5.5981	5.6071	5.7041	5.7976	5.8063	5.7035	5.6659	5.6217
Park District	0.3973	0.4358	0.5205	0.6454	0.6363	0.6206	0.6055	0.6108	0.6235	0.6106
<b>TOTAL TAX RATE</b>										
PER \$100 ASSESSED VALUATION	8.1159	8.1044	8.1324	8.3275	8.4108	8.4838	8.5082	8.4886	8.4460	8.3971
<b>SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY</b>										
	9.36%	9.29%	9.07%	8.90%	8.61%	8.48%	8.71%	9.65%	9.59%	9.69%

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

RATIO OF NET GENERAL OBLIGATION DEBT  
TO ASSESSED VALUATION AND NET GENERAL OBLIGATION DEBT PER CAPITA

Last Ten Fiscal Years

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
(1) Population	36,950	37,400	36,793	37,481	36,315	39,018	39,018	39,018	43,172	43,172
(2) Assessed Valuation	\$ 285,689,763	\$ 296,553,853	\$ 317,159,688	\$ 331,157,791	\$ 355,680,722	\$ 374,858,378	\$ 400,288,514	\$ 414,691,820	\$ 435,773,899	\$ 456,342,041
Gross General Obligation Debt	23,620,219	20,675,455	19,877,281	20,327,534	20,027,504	19,165,976	18,277,115	21,474,255	20,165,794	22,990,000
Less Debt Service Funds	2,595,279	6,972	49,719	-	-	-	-	666,577	627,728	469,041
(3) Net General Obligation Debt	21,024,940	20,668,483	19,827,562	20,327,534	20,027,504	19,165,976	18,277,115	20,807,678	19,538,066	22,520,959
Ratio of Net General Obligation Debt to Assessed Value	7.36%	6.97%	6.25%	6.14%	5.63%	5.11%	4.57%	5.02%	4.48%	4.94%
Net General Obligation Debt per Capita	\$569.01	\$552.63	\$538.89	\$542.34	\$551.49	\$491.21	\$468.43	\$533.28	\$452.56	\$521.66

Data Source

- (1) Department of Commerce and City Records
- (2) Office of County Clerk
- (3) City Records

CITY OF DEKALB, ILLINOIS  
DIRECT AND OVERLAPPING DEBT

June 30, 2005

Governmental Unit	(1) Gross Bonded Debt	* (2) Percentage of Debt Applicable to City	** (3) City's Share of Debt
City of DeKalb	<u>\$ 22,990,000</u>	100.00%	<u>\$ 22,990,000</u>
DeKalb County	16,110,000	30.47%	4,908,717
DeKalb Community Unit School District #428	8,500,000	76.67%	6,516,950
Kishwaukee College #523	18,805,000	51.23%	9,633,802
DeKalb Sanitary District	1,925,000	99.16%	1,908,830
DeKalb Park District	<u>4,665,000</u>	98.95%	<u>4,616,018</u>
Total Overlapping Debt	<u>50,005,000</u>		<u>27,584,317</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 72,995,000</u></u>		<u><u>\$ 50,574,317</u></u>

\* Determined by ratio of assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in City of DeKalb.

\*\* Amount of column (2) multiplied by amount in column (1).

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION  
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

Last Ten Fiscal Years

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Principal	\$ 955,000	\$ 3,325,000	\$ 7,813,545	\$ 923,537	\$ 953,747	\$ 6,184,795	\$ 953,313	\$ 1,185,000	\$ 1,545,000	\$ 1,810,000
Interest and Fiscal Charges	1,154,524	1,027,541	979,782	1,012,238	1,036,818	944,902	1,046,318	864,258	1,071,575	1,032,874
TOTAL DEBT SERVICE	\$ 2,109,524	\$ 4,352,541	\$ 8,793,327	\$ 1,935,775	\$ 1,990,565	\$ 7,129,697	\$ 1,999,631	\$ 2,049,258	\$ 2,616,575	\$ 2,842,874
TOTAL GENERAL GOVERNMENTAL EXPENDITURES	\$ 17,124,545	\$ 20,373,185	\$ 25,524,531	\$ 19,836,708	\$ 21,549,681	\$ 26,687,471	\$ 22,680,964	\$ 22,546,542	\$ 23,830,038	\$ 33,643,970
RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES	12.32%	21.36%	34.45%	9.76%	9.24%	26.72%	8.82%	9.09%	10.98%	8.45%

Data Source

City Records

## CITY OF DEKALB, ILLINOIS

## DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

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Fiscal Year	(1) Population	(2) Median Household Income	(2) Median Family Income	(2) Median Age	(3) School Enrollment	(4) Unemployment
1996	36,950	\$ 25,387	\$ 36,896	22.8	4,300	3.4%
1997	37,400	25,387	36,896	22.8	4,362	3.3%
1998	36,793	25,387	36,896	22.8	4,386	3.1%
1999	37,481	35,153	53,017	23.1	4,546	3.0%
2000	36,315	35,153	53,017	23.1	4,950	3.1%
2001	39,018	35,153	53,017	23.1	4,955	3.9%
2002	39,018	35,153	53,017	23.1	5,103	4.5%
2003	39,018	35,153	53,017	23.1	5,282	5.6%
2004	43,172	35,153	53,017	23.1	5,396	4.7%
2005	44,226	35,153	53,017	23.1	5,544	4.8%

Data Source

- (1) Department of Commerce and City Records
- (2) Department of Commerce
- (3) City Records and DeKalb Community Unit School District #428
- (4) Illinois Department of Employment Security

## CITY OF DEKALB, ILLINOIS

## PROPERTY VALUE

## Last Ten Levy Years

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Tax Levy Year	Property Value Residential	Non-Residential	Total Value
1995	\$ 180,240,191	\$ 105,449,572	\$ 285,689,763
1996	189,441,090	107,112,763	296,553,853
1997	198,860,144	118,299,544	317,159,688
1998	204,363,466	126,794,325	331,157,791
1999	215,841,683	139,839,039	355,680,722
2000	223,083,073	151,775,305	374,858,378
2001	240,103,156	160,185,358	400,288,514
2002	249,835,479	164,856,341	414,691,820
2003	269,635,069	166,138,830	435,773,899
2004	283,926,434	172,415,607	456,342,041

Data Source

Office of the County Clerk

All amounts are assessed value which is approximately 33% of market value.



## CITY OF DEKALB, ILLINOIS

## PRINCIPAL TAXPAYERS

June 30, 2005

Taxpayers	Type of Business	2004 Assessed Valuation	Percentage of Total Assessed Valuation
Goodyear	Warehouse/Distributor	\$ 7,809,584	1.71%
DeKalb Fairview LLC	Real Estate	7,634,848	1.67%
Panduit Corporation	Manufacturing	5,538,354	1.21%
3M	Warehouse/Distributor	5,207,201	1.14%
Northland Plaza	Retail	4,920,917	1.08%
University Village I & II	Apartments	4,200,609	0.92%
Dream Fund LLC	Apartments	3,921,816	0.86%
DeKalb Area Retirement Center	Retirement Center	3,152,007	0.69%
Mid-America Management Corp.	Retail	2,967,705	0.65%
Wal-Mart	Retail	2,820,684	0.62%
TOTAL		\$ 48,173,725	10.55%

Data Source

County Assessor's Office (not adjusted for unreported title transfers)  
City of DeKalb

CITY OF DEKALB, ILLINOIS  
MISCELLANEOUS STATISTICAL DATA

June 30, 2005

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**Geography and Climate**

Distance to:	Rockford, IL	35 miles	Des Moines, IA	275 miles
	Chicago, IL	58 miles	St. Louis, MO	276 miles
	Milwaukee, WI	125 miles	Detroit, MI	326 miles
	Springfield, IL	184 miles	Minneapolis, MN	400 miles

Average Winter Temperature	21 Degrees
Average Summer Temperature	73 Degrees
Average Rainfall	35 Inches
Average Snowfall	32 Inches

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**Community Facilities**

2 Public Golf Courses	1 YMCA (w/Olympic size pool)
1 Private Country Club	13 Lighted Baseball Diamonds
40 Public Parks (700+ acres)	2 Recreation Center (NIU & Park District)
1 Public Water Slide Complex	1 10,000 seat Convocation Center (NIU)
3 Health Clubs	1 Community Theater
1 Indoor Soccer Facility	1 Children's Community Theater
8 Regulation Soccer Fields	1 NIU Theater Group
4 Junior Soccer Fields	1 Kishwaukee Symphony Orchestra
10 Public Tennis Courts	1 DeKalb Municipal Band (est. 1854)

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**Transportation**

Major Highways within 10 miles	Illinois 23	U.S. 30
	Illinois 38	Interstate 39 (U.S. 51)
	Illinois 64	Interstate 88 (East-West Tollway)

Railroad                      Union Pacific (Freight service only)

Airport                      DeKalb Taylor Municipal Airport  
Corporate, Charter and Freight service  
75' x 4,200' East - West runway  
100' x 7,225' Northeast - Southeast runway

Public                      DeKalb Huskie Bus Lines (General Public, Students)  
MedVAC/TransVAC (General Public, Seniors, Disabled)  
Greyhound Bus Lines

(This schedule is continued on the following pages.)

## CITY OF DEKALB, ILLINOIS

## MISCELLANEOUS STATISTICAL DATA (Continued)

June 30, 2005

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Commercial

Major Employers	Northern Illinois University	Education
	Kishwaukee Health System	Health Care
	DeKalb School District	Education
	Wal-Mart Super Center	Retail
	Alloyd	Manufacturing
	3M	Distribution
	Nestle	Distribution
	DeKalb Park District	Recreation
	City of DeKalb	Government
	Oak Crest Retirement Center	Nursing Home
Newspapers	two daily and one weekly	
Television	Comcast	
Radio	5 stations (4 FM and 1 AM)	

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Government

Form	Council/Manager
Council	seven members and one Mayor
Term of Office	4 years
Incorporation	1856
Permanent Full-Time Employees	224
Part-Time Employees	51
Labor Unions	AFSCME FOP IAFF
Labor	2005
Total County Labor Force	53,261
City of DeKalb Labor Force	22,623

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Employment by Industry (2000 Census)

Education/Health	32.37%	Other Services	3.80%
Manufacturing	12.19%	Construction	3.37%
Retail Trade	12.02%	Transportation/Utilities	3.18%
Recreation/Food Services	11.47%	Public Administration	2.72%
Professional/Data Services	10.20%	Wholesale Trade	2.22%
Finance/Insurance	5.39%	Farming & Mining	1.07%

(This schedule is continued on the following page.)

## CITY OF DEKALB, ILLINOIS

## MISCELLANEOUS STATISTICAL DATA (Continued)

June 30, 2005

Income Data		1990 Census	2000 Census
<b>Households</b>			
Number of Units		10,631	12,980
Median Income		\$25,400	\$ 35,153
<b>Family</b>			
Number of Units		5,771	6,680
Median Income		\$36,905	\$ 53,017
<b>Non-family Households</b>			
Number of Units		4,860	6,300
Median Income		\$14,459	\$ 20,701
<b>Housing</b>			
Median Home Cost (County)		\$131,775	2001
		137,150	2002
		146,550	2003
		156,000	2004
		183,000	2005
Existing Home Sales (County)		938	2001
		1,031	2002
		1,118	2003
		1,134	2004
		1,626	2005
<b>Water Billing</b>		2005	
Flow Data (in gallons)		1,440,769,000	
Billing Data (in gallons)		1,267,426,908	
Number of Metered Accounts		9,319	