# City of DEKALB



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2006

PREPARED BY THE FINANCIAL SERVICES DIVISION LINDA WIGGINS, ASSISTANT CITY MANAGER TED KOZINSKI, CPA, COMPTROLLER & TREASURER

# CITY OF DEKALB, ILLINOIS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2006

Prepared by the Financial Services Division

Linda Wiggins Assistant City Manager

Ted Kozinski Comptroller/Treasurer

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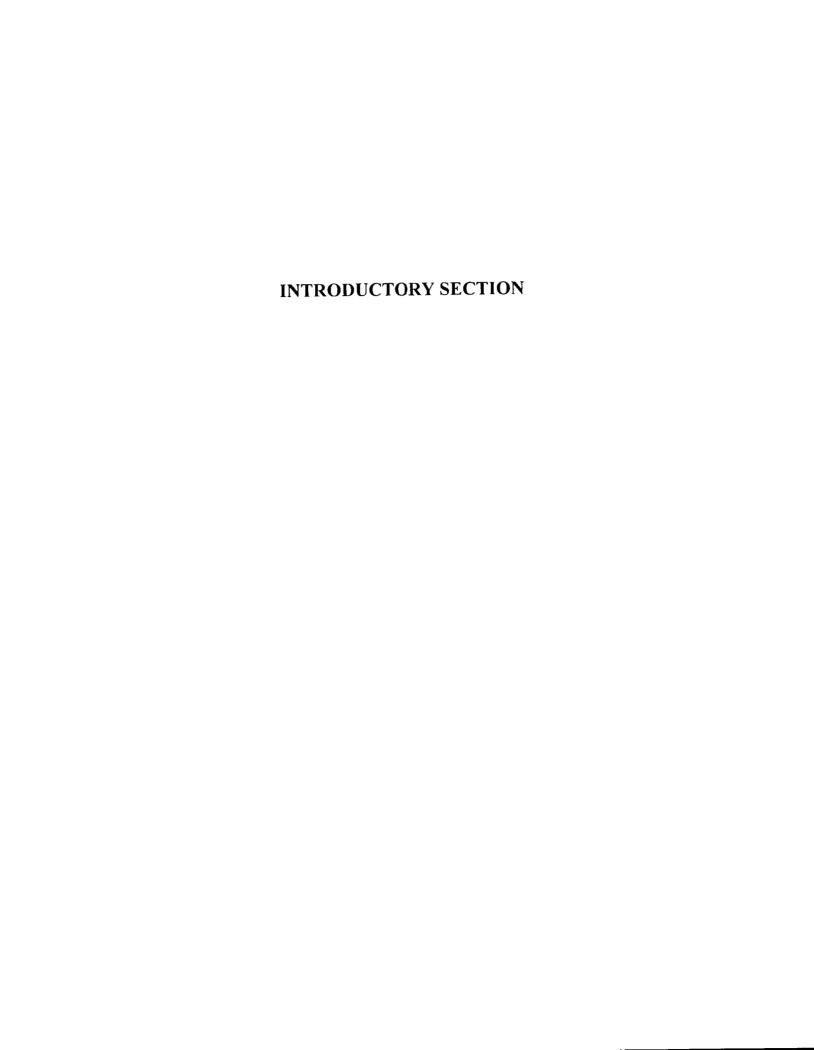
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# CITY OF DEKALB, ILLINOIS

# PRINCIPAL OFFICIALS

June 30, 2006

# **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

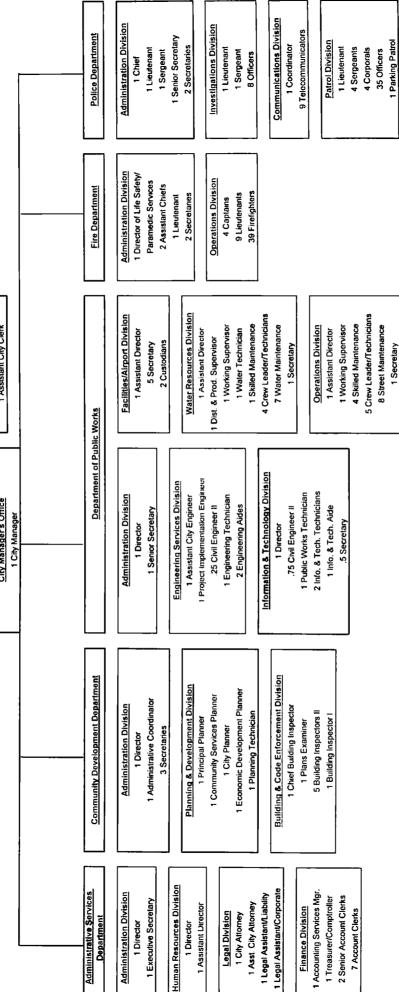
Linda Wiggins, Assistant City Manager

# FINANCIAL SERVICES DIVISION

Ted Kozinski, Comptroller/Treasurer

# 1 Assistant City Clerk 1 Deputy City Clerk City Clerk's Office 1 City Clerk Legislative Department City Manager's Office 7 Council Members 1 City Manager

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, 2005

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.

UNITED STATES P.S.

LANGE OFFICE

UNITED STATES P.S.

CAPICAL P.S.

CAPI

President

**Executive Director** 

Phone: (815) 748-2000 Fax: (815) 748-2304

December 19, 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 2006 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2006. 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 frame work 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 LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2006. 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

# General Information

The City of DeKalb, incorporated in 1856, is a home-rule municipality with an estimated population of 45,003. 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 226 full-time and 52 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.

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 Catalog System, allowing patrons to access material from 14 other libraries in the region.

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.

# Historical Backdrop

Founded in 1837, DeKalb remained a small community until the arrival of the Chicago and

Northwestern Railroad in 1853. DeKalb's central location brought easier shipping of crops and access to larger markets.

The agricultural trade remained the primary economic activity until around 1873 when farmer Joseph Glidden developed barbed wire and began commercial mass production of his new invention. Glidden sold half of his interest to hardware merchant Isaac L. Ellwood and together the two formed the Barb Fence Company. Two months after Glidden filed his application for a patent, local lumber salesman, Jacob Haish, also applied for a patent and on June 25, 1874, ran interference papers against Glidden's patent. After 18 years of legal wrangling, Glidden's patent was declared the "Winner" and the subsequent boom in industry gave DeKalb a place in history and the nickname "Barb City".

The founding of the Northern Illinois State Normal School in 1895 (later named Northern Illinois University) enhanced the community by adding an academic and research character to the DeKalb landscape. The oldest building on the campus, Altgeld Hall, opened in 1899 and was rededicated in 2004 after undergoing substantial renovation and restoration work.

Agriculture still remained important through the years, and in 1912, the DeKalb County Farm Bureau was among the first to establish an organization and hire a farm advisor to carry out the responsibilities of farm bureau work. And during the 1930s, the DeKalb AgResearch Corporation marketed its first hybrid seed corn.

# **Economic Condition**

# Local economy

The City ended FY2006 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 taxable sales.

Education and health industries provide a significant source of the employment opportunities in the City. 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 700 healthcare professionals and staff. Other large employers include the Target Distribution Center, Walmart, SCA Consumer Packaging, 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 (1999) to a decade high of 5.6 percent (2003), only to descend once more to the current rate of 4.3 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.

# Long-term financial planning

Unreserved, undesignated fund balance in the General Fund ended at 15.4 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 FY2007 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 FY2006, 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 \$214,000 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**

Completed the redevelopment study of the existing Municipal Building site and initiated the architectural design of a new 16,000 square foot Administrative Center adjacent to the existing City Hall. It is anticipated that construction on this new facility will begin in late Calendar Year 2006, with completion in the fall of 2007. This facility will house the Administrative Services Department, Mayor's Office, City Clerk's office, and City Council Chambers. The vacated space will subsequently be remodeled for use by the Police Department, making the entire existing Municipal Building dedicated as a Police Facility. It is expected both the

- new and remodeled facilities will serve the City's needs for the next 10 years
- Acquired 4 acres of property on West Lincoln Highway to be used as the future site of a new, stand alone police facility in approximately 10 years
- Completed the City's first standardized "Citizens Survey" as provided through the International City Manager's Association. This survey canvassed local residents' opinions on a variety of topics. It identified areas where the City is strong in the services it provides as well as showed areas where improvements are needed. On the basis of these results, the City will undertake projects and programs to address the noted deficiencies and establish performance measurements by which to quantify its improvements
- Completed the conversion of the City's health insurance and workers compensation
  programs to new third party administrators. This has resulted in better and more cost
  effective service to the City, its employees and their dependents
- Completed substantial broadcasting improvements and upgrades to the City's government access television station as well as to the City's website
- Initiated the preparation of a downtown revitalization plan, plus redevelopment plans for South Fourth Street and the Pearl Street neighborhoods. These plans are anticipated to be finished by fall of 2006, with implementation starting in 2007 as funds allow
- Completed new residential design guidelines to ensure and promote high quality future residential development throughout the community
- Achieved the Government Finance Officers Association Award for "Excellence in Financial Reporting" for the 12th consecutive year

# **Police Department**

- Upgraded Departmental computer systems to latest versions including CRIMES
  record management system; the mobile data browser; Digital Booking; the video
  surveillance and recording system; upgraded four in-car radio systems; and
  began installation of a new police/fire radio dispatch system
- Enhanced levels of existing service throughout the community including an increase in foot and bike patrol presence in residential areas
- Trained two Child Safety Seat Technicians; one bicycle officer; 4 substitute crossing guards; 1 new police officer and sent one sergeant to the Northwestern University Center for Public Safety School of Staff and Command
- Presented D.A.R.E. to 340 local grade school children
- Hosted 2nd Citizens Police Academy
- Trained and qualified officers on the AR-15 police rifle
- Added a second motorcycle to patrol and trained officer

# **Fire Department**

- Reviewed and updated residential high rise procedures and training
- Continued training of all paramedics upgraded to new Illinois Department of

- Public Health standards
- Received grant funded training for Spanish EMT-P personnel from the Midwest Counter Drug Terrorism Center.
- Continued to inspect all rooming houses, restaurants, gas stations, and places of assembly
- Continued to provide training for Resident Assistants at NIU
- Maintained status as a Level "A" Team under the MABAS Statewide Mutual Aid Plan
- Purchased a new medium duty demonstrator ambulance at considerable savings as opposed to having one custom built
- Received a \$3000 grant for purchase of Automatic External Defibrillators
- Facilitated changes to allow both the engine and ambulance to be staffed on a daily basis
- Completed the outsourcing of ambulance billing to Kishwaukee Community Hospital
- Received grant funded training for flammable liquid firefighting techniques; for Tank Car Safety; terrorist bombings; and clandestine drug labs

# **Public Works Department**

- Coordinated a plan of action to address the Police Department "Space Needs"
- Successfully completed negotiations for the construction of six new commercial "condominium style" hangars at the airport
- Successfully completed negotiations of a 15-year agreement for a Fixed Base Operator with J.A. Air Center
- Completed the construction of a new 10-unit T-Hangar facility at the airport
- Revised water billing ordinance language to accurately reflect policy and procedures, including savings to both the city and the customer
- Coordinated the intergovernmental National Public Works Week promotion with the City of Sycamore, Town of Cortland, Village of Malta, Public and Private Schools and downtowns for all four communities
- Managed accident free snow removal season of 25" of snow for the third consecutive year
- Recipient of Tree City USA award for the eighth consecutive year from the Illinois Department of Natural Resources
- Expanded the new contractual tree trimming program to service additional areas of the community
- Completed a new Traffic Signal LED project to reduce electrical costs
- Partnered with Main Street DeKalb on the Palmer Court paving project
- Secured justification with FAA for installation of Glide Slope and MALSR runway approach lighting system for Runway 2
- Secured airport zoning for runway 2-20 with 7000' length
- Acquired \$2.75 million (federal money) for airport projects

- Continued an aggressive meter change-out program to replace aging water meters and improve reading accuracy. To date, over 86% of the 10,500 water meters installed in the City are now "radio read" meters
- Successfully implemented lead and copper corrosion water treatment at all five water treatment plants
- Achieved full compliance with all Federal and State EPA water standards
- Achieved tenth consecutive year of compliance with the Illinois Fluoridation Act
- Updated water system security and process control

# **Community Development Department**

- Initiated expanded Property Maintenance Program
- Created new residential policies and updated impact fees and developer contributions
- Began implementation of East Lincoln Highway Plan, including applications for ISTEA grants and preliminary engineering of streetscape improvements
- Assisted with the initiation of the Downtown Redevelopment Plan
- Began a program for rezoning residential neighborhoods and adopting design guidelines for infill development
- Began plans for South Fourth Street and Pearl Street neighborhoods
- Explored alternative funding sources for housing rehab programs and continued identification of broader rehab programs
- Continued UDO updates with drafting and adoption of major policy changes and implementation of new residential policies
- Completed local code amendments
- Reviewed fine and penalty structures
- Implemented enhanced property maintenance program
- Implemented computerized tracking system (Hansen)

# **Engineering Department**

- Provided technical support and inspection of residential and commercial projects such as Summit Enclave, Wineberry Subdivision, 3M Wirsing Parkway, Hidden Grove Subdivision, Rivermist Phases IV, South Pointe Green Unit II and Target Distribution Center
- Completed construction for Normal Road at Ridge Drive intersection improvements using \$123,300 from a Safety Grant
- Coordinated design of watermain moves near RTE 38 Bridge
- Design and bid the Annie Glidden Road at Fairview Drive signal
- Continued a multi-year alley and sidewalk replacement program for TIF areas
- Received \$680,000 federal funding for S. First Street improvements between Taylor and Barb Boulevard and completed construction for this \$1,250,000 improvement
- Finished project design for the North portion of Annie Glidden Road widening

- improvements between the Tollway and Route 38 and acquired over 20 right-ofway parcels
- Managed capital improvement projects of one million dollars including Greek Row Sidewalk replacement, TIF Street Maintenance, general striping, airport crack sealing and LED signal upgrades
- Oversaw construction of the \$4 million Macom Drive project to support Park 88
   Subdivision and Target Corporation
- Designed and constructed a 3 mile watermain project along Bethany and Twombly Roads

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 FY07 will include the following initiatives:

- Complete downtown redevelopment plans
- Complete a City marketing plan
- Update downtown retail incentives
- Expand application for Federal and State grants
- Purchase land for airport expansion
- Enhance the City's government access cable channel 14 and work with Northern Illinois University and the School district on joint broadcasting programs
- Complete Palmer Court /Third Street restoration projects
- Initiate East Lincoln Highway corridor beautification designs
- Implement wayside horns at railway crossings
- Initiate West Lincoln Highway Bridge Repairs

# 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, 2005. This was the twelfth 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



# INDEPENDENT AUDITOR'S REPORT



Members of American Institute of Certified Public Accountants & Illinois CPA Society

998 Corporate Boulevard • Aurora, IL 60502

# INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate nonmajor governmental funds, the aggregate nonmajor enterprise funds and the aggregate remaining fund information of the City of DeKalb, Illinois as of and for the year ended June 30, 2006, which collectively comprise the City of DeKalb, Illinois's basic financial statements as listed in the table of contents. We have also audited the financial statements of each nonmajor fund and each fiduciary fund as of and for the year ended June 30, 2006. These financial statements are the responsibility of the City of DeKalb. Illinois's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate nonmajor governmental funds, and the aggregate nonmajor enterprise funds and the aggregate remaining fund information of the City of DeKalb, Illinois as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, each individual nonmajor fund and each fiduciary fund financial statement referred to above present fairly, in all material respects, the financial position of each of the individual funds and the changes in financial position and, where applicable, of the 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 3, 2006 on our consideration of the City of DeKalb. Illinois's 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.

The Management's Discussion and Analysis and the 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.

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

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.

Saluch LLP

Aurora, Illinois November 3, 2006

# GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

# CITY OF DEKALB, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

# **JUNE 30, 2006**

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, 2006. This should be read in conjunction with the City's financial statements that follow this section.

# FINANCIAL HIGHLIGHTS

- Net Asset position and performance in total The City's total net assets increased from \$133,581,120 at June 30, 2005 to \$137,384,129 at June 30, 2006.
- Governmental Activity summary Net assets for governmental activities increased by \$3,015,728 during the year to \$98,270,801.
- Business-type Activity summary Net assets for business-type activities increased by \$787,281 during the year to \$39,113,328.
- General Fund summary The City's General Fund reported an increase of \$234,737 in fund balance for the year to \$3,825,643
- Budget vs. Actual The City's actual revenues for governmental funds were \$950,476 more than budgeted revenues while the actual expenditures were more than total budgeted expenditures by \$457.128.
- Capital Total capital and infrastructure assets of Governmental and Business-Type Activities increased by \$5,060,204 to \$172,870,595. More detailed information regarding the City's capital assets debt can be found in Note 5 of the financial statements.
- Debt Service The City issued \$2,000,000 million in general obligation bond anticipation notes to finance the future building of a new police station. In addition, the City entered into a development agreement whereby it authorized a \$1,450,000 payable to the developer of a retail mall in DeKalb. More detailed information regarding the City's long-term debt can be found in Note 8 of the financial statements.

# OVERVIEW OF THE FINANCIAL STATEMENTS

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.

	Government-Wide Statements		Fund Statements	
		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, 2006

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
Current and Other Assets	18,689,320	21,017,095	3,449,699	1,920,087	22,139,019	22,937,182
Capital Assets	118,240,742	122,557,860	46,777,065	50,312,735	165,017,807	172,870,595
Total Assets	\$136,930,062	\$143,574,955	\$50,226,764	\$52,232,822	\$187,156,826	\$195,807,777
Other Liabilities	11,053,162	11,977,074	1,576,551	1,571,736	12,629,713	13,548,810
Long-Term Liabilities	30,621,827	33,327,080	12,535,719	11,547,818	43,157,546	44,874,898
Total Liabilities	\$41,674,989	\$45,304,154	\$14,112,270	\$13,119,554	\$55,787,259	\$58,423,708
Net Assets:						
Invested in capital assets	104,193,560	107,038,191	34,483,474	39,392,443	138,677,034	146,430,634
Restricted	1,524,630	3,295,898	0	0	1,524,630	3,295,898
Unrestricted	(10,463,117)	(12,063,288)	1,631,020	(279,115)	(8,832,097)	(12,342,403)
Total Net Assets	\$95,255,073	\$98,270,801	<i>\$36,114,494</i>	\$39,113,328	\$131,369,567	\$137,384,129

# **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.

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

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

<u>Spending Borrowed Proceeds on New Capital</u> – 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.

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

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

<u>Reduction of Capital Assets through Depreciation</u> – Reduces capital assets and invested in capital assets, net of debt.

# **Current Year Impacts-Net Assets**

The City's combined net assets increased from \$133,581,120 to \$137,384,129.

Net assets of the City's governmental activities increased by \$3,015,728 during the year to \$98,270,801. The bulk of this increase occurred through purchases of land.

The net assets of business-type activities increased by \$787,281 during the year to \$39,113,328 due largely to additions to the City's water distribution system. The City's business type activities include individual Funds for Water, Refuse, Airport, and Development Services. The annual FY 2006 operating cost of the business-type services (excluding all non-operating revenues and expenses) was \$6,171,071 compared to FY 2005 \$5,673,565 and FY 2004 \$5,350,927.

Unrestricted net assets, available to finance the continuing operation of its business type activities, were (\$279,115) in FY 2006 versus \$1,273,772 in FY 2005, \$1,631,020 in FY 2004, and \$2,237,149 in FY 2003. The Water Fund has been the source of this descending trend over the years and the significant FY 2006 decrease occurred due to the expansion of the water distribution system in the north and northwest areas of the City. To remediate the situation, the City plans to undergo a water rate analysis in January 2007.

# **CHANGES IN NET ASSETS**

<u>Statement of Changes In Net Assets</u>
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, 2006

	Governmental Activities		Business-type Activities		Total Primary Government	
-	2005	2006	2005	2006	2005	2006
REVENUES						
Program Revenues:						
Charges for Services	\$6,687,244	\$3,173,862	<i>\$5,948,445</i>	\$6,384,432	\$12,635,689	\$9,558,294
Operating grants	3,378,028	2,867,194	0	0	\$3,378,028	\$2,867,194
Capital grants	2,197,952	3,036,831	1,521,358	257,211	\$3,719,310	\$3,294,042
General Revenues:						
Property Taxes	6,907,239	7,408,007	74,674	75,194	\$6,981,913	\$7,483,201
Sales Taxes	10,000,157	11,035,531	0	0	\$10,000,157	\$11,035,531
Other Taxes	7,702,554	8,243,369	0	0	\$7,702,554	\$8,243,369
Investment Income	169,202	340,505	30,356	9,214	\$199,558	\$349,719
Contributions	12,257,511	1,004,424	729,577	771,776	\$12,987,088	\$1,776,200
Other	324,002	353,141	37,269	41,634	\$361,271	\$394,775
Total Revenues	<u>\$49,623,889</u>	<u>\$37,462,864</u>	<u>\$8,341,679</u>	<u>\$7,539,461</u>	<u>\$57,965,568</u>	\$45,002,325
EXPENSES						
General Government	\$6,565,079	\$6,505,926	\$0	\$0	\$6,565,079	\$6,505,926
Public Safety	14,495,797	14,009,805	0	0	\$14,495,797	\$14,009,805
Community Improvement	5,455,783	7,706,447	0	0	\$5,455,783	\$7,706,447
Highways And Streets	10,481,051	4,743,859	0	$\stackrel{o}{o}$	\$10,481,051	\$4,743,859
Interest	1,026,539	1,154,903	0	0	\$1,026,539	\$1,154,903
Water	1,020,337	0	3,876,880	4,131,341	\$3,876,880	\$4,131,341
Refuse	0	0	1,199,238	1,313,885	\$1,199,238	\$1,313,885
Airport	0	0	766,597	839,450	\$1,199,238 \$766,597	\$1,313,663
Development Services	0	0	194,977	294,791	\$194,977	\$839,430 \$294,791
Total Expenses	\$38,024,249	\$34,120,940	\$6,037,692	\$6,579,467	\$44,061,941	\$294,791 \$40,700,407
Change in Net Assets	<b>#11.500.640</b>	φ2.2.41.02.4	# <b>2</b> 202 00 <b>7</b>	do 50.00 t	φ12.002.62 <b>-</b>	<b>#</b> 4.201.030
Before Transfers	<u>\$11,599,640</u>	<u>\$3,341,924</u>	<u>\$2,303,987</u>	<u>\$959,994</u>	<u>\$13,903,627</u>	<u>\$4,301,918</u>
Transfers In (Out)	122,958	172,713	(122,958)	(172,713)	\$ 0	\$ 0
Change in Net Assets	<u>\$11,722,598</u>	<u>\$3,514,637</u>	<u>\$2,181,029</u>	<u>\$787,281</u>	<u>\$13,903,627</u>	<u>\$4,301,918</u>
Restated Net Assets, July 1*	\$83,532,475	\$94,756,164	\$36,145,018	\$38,326,047	\$119,677,493	\$133,082,211
Net Assets, June 30	<u>\$95,255,073</u>	<u>\$98,270,801</u>	<u>\$38,326,047</u>	<u>\$39,113,328</u>	<u>\$133,581,120</u>	<u>\$137,384,129</u>

<sup>\*</sup>Please refer to Note 15 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:

<u>Economic Condition</u> – 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.

<u>Increase/Decrease in City approved rates</u> – 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).

<u>Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)</u> – 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.

<u>Market Impacts on Investment income</u> – 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:

<u>Changes In Programs</u> — 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.

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

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

<u>Inflation</u> – while overall inflation appears to be modest (CPI was slightly over 2.5% at June 30, 2006), 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 \$37,462,864. Sales taxes continue to be the City's largest source of tax revenues. The \$11,035,531 in sales tax revenues received in FY 2006 compared favorably to last year's \$10,000,157. The FY 2006 results were enhanced due to a full-years' affect of a 1/2% rate increase in the City's Home Rule Sales tax

effectuated on January 1<sup>st</sup>, 2004. However, even when that factor was excluded, the City still experienced year-over-year growth in the sales tax base.

Since Sales and Other Taxes are the primary source of income, a short description of the major categories is included below:

- Municipal Retailers Occupation Tax (also referred to as the "State Sales Unrestricted" Tax): This tax is collected by the State of Illinois and a portion is distributed back to municipalities based upon the point of sale. The City's portion of the rate is 1%.
- Home Rule Sales Tax: As an Illinois "home rule" community, the City is allowed by State statute to implement its own sales tax rate on sales within the incorporated area. The rate is set by the City Council and currently stands at 1.25%.
- Restaurant and Bar Tax: The City tax on gross receipts of restaurant and liquor retail sales is 2%.
- Utility Tax: This category includes taxes on the use of electricity, gas, and telecommunications within the City.
- Income Tax: The Illinois income tax is imposed on the privilege of earning or receiving income in, or as a resident of, the State of Illinois. It is collected by the State and remitted back to municipalities based on population.

Although most other revenue categories increased from the prior fiscal year due to the general improvement in the overall local economy, the one most particularly impacted by the economic recovery has been seen in the improvement of State income tax distributions.

The largest dollar-changes from FY 2005 were noted in "Charges for Services" category and "Contributions". The main source of the decrease in Charges for Services was due to the one-time FY 2005 receipt of 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 sales tax increase. The absence of this transaction in FY 2006 led to the decline. As to the fall off in Contributions, the City's temporary moratorium on new construction has greatly reduced the amount of donated infrastructure (e.g., streets) built by residential developers.

### Expenses:

Expenses for governmental activities totaled \$34,120,940 compared to FY 2005 \$38,024,249. Although expenses were negatively impacted by rising pension, healthcare, and development costs, the increase was offset by significant reductions in capital outlay for equipment, vehicles, and streets.

# **Business Type Activities**

# Revenue:

Revenue from business-type activities totaled \$7,539,461 in FY 2006. This represents a \$802,218 decrease from last year and was primarily due to a drop in capital grants.

### Expenses:

Expenses for business-type activities totaled \$6,579,467. There were no major changes from last year for the Water, Refuse, Airport, and Development Services.

# FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended June 30, 2006, the governmental funds reflect a combined fund balance of \$7,104,441. This increase of \$2,180,256 from FY 2005 was due largely to receipt of funds from the Federal and State governments for road improvement projects that are planned to begin in FY 2007. As a result, a fund balance reserve of \$2,211,424 has been set aside for roadways.

The General Fund FY 2006 ending fund balance of \$3,825,643 equals about 7 weeks of FY 2007 expenditures. For FY 2007, the City plans to draw down FY 2006 fund balance to purchase various capital items. To implement this plan, Council has decided to budget a portion of Home Rule sales tax revenues toward various capital projects.

In January 2006, the City issued \$2,000,000 million in general obligation bond anticipation notes to finance the future construction of a new police station. In addition, the City continued to expand its use of capital leases to fund various equipment and vehicle purchases. More detailed information regarding the City's long-term debt can be found in Note 8 of the financial statements.

In regards to debt service limitations, Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin. Since the City of DeKalb is a home rule municipality, it is excluded from the limitations of the Act. Therefore, the City is not restricted as to the amount of debt it can issue.

# **General Fund Budgetary Highlights**

	FY 2006	FY 2006		Prior Year
	Original	Amended	FY 2006	FY 2005
General Fund	Budget	Budget	Actual	Actual
_				
Revenues				
Taxes	\$20,099,107	\$20,099,107	\$20,724,507	\$19,318,470
Licenses & Permits	666,000	666,000	598,657	618,029
Charges for Services	1,527,400	1,527,400	1,548,946	1,407,507
Fines & Forfeits	749,000	749,000	696,551	654,353
Other	537,000	537,000	960,322	641,645
Total	\$23,578,507	\$23,578,507	\$24,528,983	\$22,640,004
Expenditures and Transfers				
General Government	\$4,032,025	\$4,032,025	\$3,947,310	\$3,634,683
Public Safety	14,336,567	14,336,567	14,963,148	13,891,820
Community Improvement	3,864,755	3,864,755	3,780,017	3,432,725
Proceeds on Sale of Capital Assets	(3,000)	(3,000)	(3,074)	(12,717)
Transfers In	(767,617)	(767,617)	(397,443)	(384,300)
Transfers Out	1,890,702	1,890,702	2,118,521	1,747,708
Total	\$23,353,432	\$23,353,432	\$24,408,479	\$22,309,919
Change in Fund Balance	\$225,075	\$225,075	\$120,504	\$330,085

During fiscal year 2006, the City Council made no revenue or expenditure budget amendments. Due largely to income tax, grants, and ambulance revenues exceeding budgeted revenues, the actual General Fund revenues were more than original budgeted revenues by \$950,476 during FY 2006.

Actual General Fund expenditures and transfers were more than the original budget by \$1,055,047 due most significantly to Fire Department overtime (a portion of which was eligible for grant reimbursable Technical Rescue Team training).

In looking at other Major Governmental Funds, Tax Increment Funds #1 and #2 had FY 2006 ending fund balances of \$279,455 and (\$918,112) respectively as compared to FY 2005 balances of \$879,436 and (\$1,155,456). TIF #1 will fully expire in 2013 while TIF # 2 will expire in 2018.

Another major governmental fund, Motor Fuel Tax, 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**

Water Fund	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual
Revenues				
Charges for Services				
Water Sales	\$3,700,616	\$3,725,387	\$3,634,382	\$3,979,822
Permits	388,039	909,125	649,654	466,622
Miscellaneous	86,578	31,649	31,061	17,796
Total	\$4,175,233	\$4,666,161	\$4,315,097	\$4,464,240
Expenses, Transfers, and Contributions				
Operating Expenses	(\$2,369,558)	(\$2,468,583)	(\$2,496,256)	(\$2,708,143)
Depreciation & Amortization	(906,146)	(965,314)	(1,050,606)	(1,088,404)
Non-Operating Revenues (Expenses)	(363,082)	(351,802)	(300,368)	(325,580)
Transfers In	0	0	0	0
Transfers Out	(301,000)	(392,600)	(426,458)	(397,443)
Developer Contributions	1,398,700	791,875	729,577	568,186
Total	(\$2,541,086)	(\$3,386,424)	(\$3,544,111)	(\$3,951,384)

The FY 2006 ending net assets of the Water Fund stands at \$19,952,769 compared to \$19,439,913 last year. Although the change in Net Assets continues to be positive, the upward trend does not reflect the yearly deterioration in the unrestricted portion of those Net Assets which now stand at \$123,938 compared to \$1,608,613 in FY 2005. As stated before, management plans to undergo a rate analysis of water sales to insure that the Water Fund remains healthy.

**Change in Net Assets** 

\$1,634,147

\$1,279,737

\$770,986

\$512,856

#### **CAPITAL ASSETS**

At the end of fiscal year 2006, the City's Governmental Funds had invested \$122,557,860 in a variety of capital assets and infrastructure, as reflected in the following schedule.

Table 3
Governmental Funds
Change in Net Capital Assets

	Restated	Net	
	Balance	Additions/	Balance
	June 30, 2005	Deletions	June 30, 2006
Non-Depreciable Assets			
Land & Land Right of Way	\$30,247,677	\$3,327,522	\$33,575,199
Depreciable Capital Assets			
Buildings and Improvements	5,791,609	0	5,791,609
Equipment and Vehicles	6,878,813	281,582	7,160,395
Infrastructure	127,768,775	2,759,552	130,528,327
Accumulated Depreciation on			
Capital Assets	(51,485,079)	(3,012,591)	(54,497,670)
Totals	\$119,201,795	\$3,356,065	\$122,557,860

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 2006, the City's Business-Type Funds had invested \$50,312,735 in capital assets as reflected in the following schedule.

Table 4
Business-Type Funds
Change in Net Capital Assets

- -	Restated Balance June 30, 2005	Net Additions/ Deletions	Balance June 30, 2006
Non-Depreciable Assets			
Land & Land Improvements	\$12,894,200	\$0	\$12,894,200
Depreciable Capital Assets			
Buildings	4,781,975	407,000	5,188,975
Water Distribution System	34,318,426	1,894,160	36,212,586
Equipment and Vehicles	1,160,873	300,873	1,461,746
Airport Infrastructure	6,413,634	362,700	6,776,334
Accumulated Depreciation on			
Capital Assets	(10,960,512)	(1,260,594)	(12,221,106)
Totals	\$48,608,596	\$1,704,139	\$50,312,735

The major additions to capital assets during the year included major additions to the water distribution system in areas of new community growth along Bethany Road.

## 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.

#### STATEMENT OF NET ASSETS

		vernmental Activities		usiness-Type Activities		Total	Con	iponent Unit Library
ASSETS								
Cash and investments	\$	9,399,208	e.	51,604	\$	9,450,812	¢	1,415,567
Receivables (Net, Where Applicable,	Ţ	7,577,200		31,004	J	9,450,612	Þ	1,413,307
of Allowances for Uncollectibles)								
Property Taxes		4,394,937		_		4,394,937		533,516
Accounts		7,337,337		1,449,227		1,449,227		333,310
Accrued Interest		15,427		1,449,227		15.427		6,110
Other		1,720.443		110.354		1,830,797		
Prepaid Expenses		226.465		66,841		293,306		7,868
Due from Other Governments		3,624,013		174,127		3,798,140		2,736
		153,666				3,790,140		2,730
Due from (to) Other Funds Restricted Assets		133,000		(153.666)		-		-
		700 524				700 574		
Restricted Cash and Investments		709.534		221.660		709,534		-
Deferred Charges		551,929		221,660		773,589		-
Net Pension Asset		221,473		-		221.473		•
Capital Assets		22 555 100		10.004.000		46 460 200		25.051
Not Depreciated		33,575.199		12,894,200		46,469,399		37,971
Depreciated (Net of Accumulated Depreciation)		88,982,661		37,418.535		126,401,196		50,021
Total Assets		143,574,955		52,232,882		195,807,837		2,053,789
LIABILITIES								
Accounts Payable		1,969,173		310,593		2,279,766		5,849
Claims Payable		984,490		510,535		984,490		3.0.5
Accrued Payroll		547,572		58,881		606,453		20,291
Accrued Interest Payable		300,580		163,449		464,029		20,271
Contracts Payable		14,832		103,447		14,832		
Other Payables		61.957		30,780		92,737		_
Deferred Property Taxes		7.787.849		50,760		7,787,849		1,075,508
Other Deferred Revenue		310,621		201.733		512,354		4.220
Due to Other Governments		310,021		806,300		806,300		4.220
Long-Term Liabilities		•		000,000		000,300		-
		2 600 084		<i>4</i> 02.949		4 201 052		1 016
Due Within One Year		3,699,084		602,868		4,301,952		1,816
Due in More than One Year		29,396,271		10,830,363		40,226,634		16,339
Unamortized Premium		231,725		114,587		346,312		
Total Liabilities		45,304,154		13,119,554		58,423.708		1,124,023
NET ASSETS								
Invested in Capital Assets, Net of Related Debt		107.038,191		39,392,443		146,430.634		87,992
Restricted for		107,050,151		37,372,113		1 10, 150.05 1		57,332
Public Safety		228,893		_		228,893		_
Maintenance of Roadways		2,211,424		_		2,211,424		_
Specific Purpose		143,648		-		143,648		-
Debt Service		711,933		-		711,933		<u>-</u>
Unrestricted (Deficit)		(12,063,288)		(279.115)		(12,342,403)	)	841,774
TOTAL NET ASSETS	<u>s</u>	98.270.801	\$	39,113,328	\$	137,384,129		929.766

#### STATEMENT OF ACTIVITIES

				Program Revenues				
				Charges	-	Operating		Capital
FUNCTIONS/PROGRAMS		Expenses	fe	or Services		Grants		Grants
PRIMARY GOVERNMENT								
Governmental Activities								
General Government	S	6.505,926	\$	337.340	\$	665.556	\$	1,306,741
Public Safety		14,009,805		2,281,500		465,919		2,929
Community Improvement		7,706,447		555,022		· -		-
Highways and Streets		4,743,859		-		1,735,719		1,727,161
Interest		1,154,903		<u> </u>				
Total Governmental Activities	_	34,120,940		3,173,862		2,867,194		3,036,831
Business-Type Activities								
Water		4,131,341		4,446,444		-		-
Airport		839,450		280,532		-		257,211
Development Services		294,791		249.957		•		-
Refuse		1.313,885		1,407,499		-		<del>-</del>
Total Business-Type Activities		6.579,467		6.384,432				257,211
TOTAL PRIMARY GOVERNMENT	_\$_	40,700,407	\$	9,558,294	\$	2.867,194	\$	3,294,042
COMPONENT UNIT								
Library		1,081.637	\$	36,149	\$	82.439	\$	

	Net (E:	Assets			
		rimary Governmer	nt	Component Unit	
	Governmental	Governmental Business-Type			
	Activities	Activities	Total	Library	
	\$ (4,196,289)	\$ -	\$ (4,196,289)	s -	
	(11,259,457)	-	(11.259.457)	-	
	(7,151,425)	-	(7,151,425)	-	
	(1,280,979)	-	(1,280,979)	-	
	(1,154,903)	<del>-</del>	(1,154,903)	-	
	(25.043,053)		(25,043,053)	<u> </u>	
	-	315,103	315,103	-	
	•	(301,707)	(301.707)	-	
	-	(44,834)	(44.834)	-	
	<del>-</del>	93.614	93,614	<u> </u>	
		62.176	62,176	<u>.</u>	
	(25.043,053)	62,176	(24,980.877)	<u> </u>	
	_			(963,049)	
General Revenues	<del></del>			(903,049)	
Taxes					
Property	7,408,007	75,194	7,483,201	976,603	
Home Rule Sales	4,168,312	-	4,168,312	-	
Utility	3,671,553	-	3,671.553	-	
Income	3.362,748	-	3,362,748	-	
State Sales - Unrestricted	5.462,640	-	5,462,640	•	
Restaurant/Bar	1.404,579	-	1,404,579	-	
Local Use	517,848	-	517,848	-	
Other	691,220	-	691,220	34,409	
Investment Income	340,505	9,214	349,719	27,541	
Miscellaneous	353.141	41.634	394.775	33,486	
Contributions	1,004,424	771,776	1,776,200	-	
Transfers In (Out)	172.713	(172.713)			
Total	28.557,690	725.105	29,282,795	1,072,039	
CHANGE IN NET ASSETS	3,514,637	787.281	4,301,918	108,990	
NET ASSETS, JULY 1	95,255,073	38,326.047	133,581,120	820,776	
Prior Period Adjustment	(498,909)		(498.909)	<u>-</u>	
NET ASSETS. JULY 1, RESTATED	94,756,164	38,326,047	133,082,211	820,776	
NET ASSETS, JUNE 30	\$ 98,270,801	\$ 39,113.328	\$ 137,384,129	\$ 929,766	

## BALANCE SHEET GOVERNMENTAL FUNDS

	_	General		Motor Fuel Tax		Increment inancing #1
ASSETS						
Cash and Investments	\$	1,685.658	s	2.750,883	\$	1,491,175
Restricted Cash and Investments	•		•	•		· · · ·
Receivables (Net, Where Applicable,						
of Allowances for Uncollectibles)						
Property Taxes		1,556,430		-		2,303,865
Accrued Interest		6,896		4,720		809
Other		1,362,643		· <u>-</u>		-
Prepaid Items		70.296		-		6,584
Due from Other Governments		2.885,243		110.411		189,182
Due from Other Funds		719,308		-		-
Advances to Other Funds		•				1,420,000
TOTAL ASSETS		8,286,474	 \$	2,866,014	\$	5,411,615
LIABILITIES AND FUND BALANCES						
LIABILITIES					ah.	267.006
Accounts Payable	\$	776,055	\$	143,666	\$	367,096
Accrued Payroll		544,329		•		-
Contracts Payable		-		-		-
Other Payables		61,957		-		4,591,664
Deferred Property Taxes		2,135,357		250,000		4,391,004
Other Deferred Revenue		943,133		250,000 260,924		173,400
Due to Other Funds		-		200,924		173,400
Advances from Other Funds				<u> </u>		
Total Liabilities		4,460,831		654,590		5,132,160
FUND BALANCES						
Reserved for Prepaid Items		70,296		-		6,584
Reserved for Public Safety		-		•		-
Reserved for Maintenance of Roadways		-		2,211,424		-
Reserved for Specific Purpose		-		-		·
Reserved for Advances to Other Funds		-		-		1,420,000
Reserved for Debt Service		-		-		-
Unreserved		2 555 245				
Undesignated - General Fund		3,755,347		-		-
Undesignated (Deficit) - Special Revenue Funds		-				(1,147,129)
Undesignated (Deficit) - Capital Projects Funds						(1,1-1-1,1-1)
Total Fund Balances		3,825,643		2,211.424		279,455
TOTAL LIABILITIES AND					•	5 411 615
FUND BALANCES	_\$	8,28 <u>6,474</u>	<u> </u>	2,866,014	- \$	5,411,615

	x Increment Financing #2		Nonmajor overnmental Funds	G	Total overnmental Funds
\$	429,725	\$	1,455,022	\$	7.812.463
	-		709,534		709,534
	389,926		144,716		4,394,937
	-		2,399		14,824
	-		162,200 143,096		1,524,843 219,976
	-		439,177		3,624,013
	_		183,000		902,308
	_		183,000		1,420,000
					1,420,000
\$	819,651	\$	3,239,144	\$	20,622,898
6	02.521	6	226 224	e	1 706 672
\$	93,521	S	326,334	\$	1,706,672
	10.201		3,243		547,572
	10,391		4,441		14,832 61,957
	772,986		287,842		7,787,849
	112,900		37,800		1.230,933
	865		313,453		748,642
	860,000		560,000		1,420,000
	500,000		200,000		1,120,000
	1,737,763		1,533,113		13,518,457
	_		143,096		219,976
	_		7,030		7,030
	-				2,211,424
			143,648		143,648
	_		-		1,420,000
	-		711,933		711,933
	-				3,755,347
	(010 117)		(18,120)		(18,120)
	(918,112)		718,444		(1,346,797)
	(918,112)		1,706,031		7,104,441
	(, /				
<u>s</u>	819,651	\$	3,239,144	\$	20,622,898

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

FUND BALANCES OF GOVERNMENTAL FUNDS	\$	7,104,441
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		122,557,860
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 Compensated absences payable Bonds payable Notes payable Capital lease payable Termination benefit payable Due to other governments		(300.580) (4,171,622) (22,770.000) (1.450.000) (1.259,669) (1.445,066) (1.998.998)
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		(231,725)
Issuance costs and losses on refundings are expenditures in governmental funds but are capitalized and amortized on the statement of net assets		551,929
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities		740,332
The net assets of the internal service fund are included in the governmental activities in the statement of net assets		722,426
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	_	221,473
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	98,270,801

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

		General	I	Motor Fuel Tax		Increment inancing #1
REVENUES						
Taxes	\$	20,724,507	\$	-	\$	5,056.930
Licenses and Permits		598,657		-		· -
Intergovernmental		474,006		1,915,423		-
Charges for Services		1,548,946		-		-
Fines and Forfeitures		696.551		-		-
Investment Income		181,380		84,783		31,627
Miscellaneous		304,936		2,359,887		4,785
Total Revenues		24,528,983		4,360,093		5,093,342
EXPENDITURES						
Current						
General Government		3,947,310		-		-
Public Safety		14,963,148		-		-
Community Improvement		3,780,017				-
Highways and Streets		-		2,821,395		-
Capital Outlay		-		-		4,862,604
Debt Service						
Principal Retirement		-		-		-
Interest and Fiscal Charges				-		<del>-</del>
Total Expenditures		22.690,475		2,821,395		4,862,604
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES		1,838,508		1,538,698		230,738
OTHER FINANCING SOURCES (USES)						
Proceeds on Sale of Capital Assets		3,074		-		-
Transfers In		397,443		-		-
Transfers (Out)		(2,118,521)		(59.730)		(2,280,719)
Notes Issued		-		-		1,450,000
Capital Lease Issued		-				<del></del>
Total Other Financing Sources (Uses)		(1,718,004)		(59.730)		(830,719)
NET CHANGE IN FUND BALANCES		120,504		1,478,968		(599,981)
FUND BALANCES (DEFICIT), JULY 1		3,590,906		732,456		879,436
Prior Period Adjustment		114,233				<del></del>
FUND BALANCES (DEFICIT), JULY 1, RESTATED		3,705,139		732,456		879,436
FUND BALANCES (DEFICIT), JUNE 30	<u>s</u>	3.825,643	<u>\$</u>	2,211,424	S	279,455

	x Increment		Nonmajor		Total
l	Financing	Go	vernmental	G	overnmental
	#2		Funds		Funds
\$	635,277	\$	293,421	\$	26,710,135
	-		2,169,385		598,657 4,558,814
	-				1,796,958
	•		248,012		696.551
	-		42,715		340,505
	-		125,115		2,794,723
	<del></del>		123,113		2,794,723
	635,277		2,878,648		37,496,343
	-		2,043,143		5,990,453
	-		27,123		14.990,271
	-		-		3,780.017
	-		-		2,821,395
	397,933		3,574,860		8,835,397
	_		2,220,000		2.220,000
	-		1,085,767		1,085,767
	207.022	-	·	-	
	397,933		8,950,893		39,723,300
	237,344		(6,072,245)		(2,226,957)
	231,344		(0,012,243)		(2,220,737)
	-		15,235		18,309
	•		4.234,240		4.631,683
	-		· · · · · ·		(4,458,970)
	-		2,000,000		3,450,000
	-		651,958		651,958
_			6,901,433	_	4,292.980
	237,344		829,188		2,066,023
	(1,155,456)		876,843		4,924,185
	-		<u>-</u>		114,233
	(1,155,456)		876,843		5,038,418
	(1,100,400)		3,0,013		2,020,110
_\$_	(918,112)	\$	1,706,031	\$	7,104,441

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

		_
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	2.066.023
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		5,856,067
Contributions of capital assets are reported only in the statement of activities		1.004.424
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:		
Notes issued Capital lease issued		(3.450,000) (651.958)
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities		(1,037,905)
Gains (losses) on the disposal of capital assets are reported in the governmental activities		(68.659)
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		3,194,533
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 Interest and amortization of bond issuance costs and loss on refunding Compensated absences		(3.435,765) (69,136) (245.031)
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds		342,019
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds		10,025
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	3.514,637

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS

					Governmental
		Business-Type	e Activities		Activities
•			Nonmajor		Internal
			Enterprise		Service
	Water	Airport	Funds	Total	Funds
CURRENT ASSETS					
Cash and Investments	\$ 536	\$ 445	S 50.623	\$ 51,604	1,586.745
Receivables					
Accounts	1,270,779	-	178,448	1,449,227	-
Accrued Interest	· · · · · -	-	-	•	603
Other	34,555	75,799	-	110,354	195,600
Prepaid Expenses	33,118	33,528	195	66,841	6,489
Due from Other Governments	, -	174,127	_	174,127	-
Due from Other Funds	6,674	•	532,791	539,465	406,000
Due nom outer runas					<del></del>
Total Current Assets	1,345,662	283,899	762,057	2.391,618	2,195,437
NONCURRENT ASSETS					
Advance to Other Funds	734,100	-	•	734,100	•
Deferred Charges	166,156	55,504		221,660	<del> </del>
Total Noncurrent Assets	900,256	55,504		955,760	
CAPITAL ASSETS					
	528,648	12,365,552		12,894,200	_
Nondepreciable		9,960,916	_	49,639,641	_
Depreciable	39,678,725		-	(12,221,106)	•
Accumulated Depreciation	(10,753,250)	(1,467,856)	<u> </u>	(12,221,100)	_ <del>-</del>
Net Capital Assets	29,454,123	20,858,612	-	50,312,735	<u>.</u>
Total Assets	31,700,041	21,198,015	762,057	53,660.113	2,195,437
CURRENT LIABILITIES					
Accounts Payable	70,233	17,203	223,157	310,593	82,521
Accrued Payroll	43,801	7,111	7,969	58,881	· <u>-</u>
Accrued Interest Payable	126,441	37,008		163,449	-
Other Payables	10,290	20,490	-	30,780	•
Deferred Revenue	1,846	21,439	178,448	201,733	-
Due to Other Funds	685,457	1,000	6,674	693,131	406,000
Due to Other Governments	806,300	-	-	806.300	-
Claims Payable	000,000	_		-	984,490
General Obligation Bonds Payable	170,000	20,000	_	190,000	-
Capital Lease Payable	16,699	28,337	-	45,036	•
	334,690	20,JJ7 -	-	334.690	-
IEPA Loans Payable Compensated Absences Payable	28,040	2,080	3,022	33,142	-
Compensated Austrices I ayable			-		<del></del>
Total Current Liabilities	2,293,797	154,668	419,270	2,867,735	1.473,011

## STATEMENT OF NET ASSETS (Continued) PROPRIETARY FUNDS

			Business-Ty	pe A	ctivities			overnmental Activities
	Nonmajor Enterprise							Internal Service
	 Water		Airport		Funds	Total		Funds
LONG-TERM LIABILITIES								
General Obligation Bonds Payable	\$ 3,315,000	\$	1,275,000	\$	- \$	4,590,000	\$	-
Capital Lease Payable	99.611		153,178		-	252,789		-
IEPA Loans Payable	5,689,292		-		-	5,689,292		-
Advance from Other Funds	-		734,100		-	734,100		-
Compensated Absences Payable	252,362		18,721		27,199	298,282		-
Unamortized Premium	 97,210		17,377			114,587		<del>-</del>
Total Long-Term Liabilities	 9,453.475		2,198,376		27,199	11,679.050		
Total Liabilities	 11,747,272	_	2,353,044		446,469	14.546,785		1,473,011
NET ASSETS Invested in Capital Assets.								
Net of Related Debt	19,828,831		19.563,612		-	39,392,443		-
Unrestricted (Deficit)	 123,938		(718,641)		315,588	(279,115	)	722,426
TOTAL NET ASSETS	\$ 19,952,769	\$	18,844,971	\$	315,588	39,113,328	\$	722,426

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

								Go	vernmental
			Business-Typ						ectivities
					Nonmajor				Internal
				E	Enterprise		T . 1		Service
		Water	Airport		Funds		Total		Funds
OPERATING REVENUES									
Charges for Services	\$	4,446,444 S	280,532	\$	1,657,456	S	6.384,432	\$	4,659,808
Miscellaneous		17,796	17,984_		-		35,780	_	41,730
Total Operating Revenues		4,464,240	298,516	_	1,657,456		6,420,212		4,701,538
OPERATING EXPENSES									
Administration		•	-		-		<del>-</del>		4,370,393
Operations		2,708,143	508,146		1,608,676		4,824,965		-
Depreciation and Amortization		1,088,404	257,702		-		1,346,106		
Total Operating Expenses		3,796,547	765,848		1,608,676		6,171,071		4,370,393
OPERATING INCOME (LOSS)		667,693	(467,332)		48,780		249,141		331,145
NONOPERATING REVENUES (EXPENSES)									
Property Taxes		•	75,194		-		75,194		-
Investment Income		9,214	-		-		9,214		10,874
Refunds/Reimbursements		•	5,854		-		5,854		-
Interest Expense		(334,794)	(73,602)		•		(408,396)		-
Grant Revenue		-	257,211		·		257,211		<u> </u>
Total Nonoperating Revenues (Expenses)		(325,580)	264,657		•		(60,923)		10,874
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS		342,113	(202,675)		48,780		188,218		342,019
AND CONTRIBOTIONS		542,115	(202,073)		10,700		100,210		5 12,017
TRANSFERS									
Transfers In		-	165,000		59,730		224,730		•
Transfers (Out)		(397,443)			-		(397,443)		•
Total Transfers		(397,443)	165,000		59,730		(172,713)		<del> </del>
CONTRIBUTIONS									
Contributions of Capital Assets		568,186	203,590		-		771,776		•
Total Contributions		568,186	203,590		•		771,776		
CHANGE IN NET ASSETS		512,856	165,915		108,510		787,281		342,019
NET ASSETS, JULY I		19,439,913	18,679,056		207,078		38,326,047		380,407
NET ASSETS, JUNE 30	<u>\$</u>	19,952,769 \$	18,844,971	\$	315,588	\$	39,113,328	\$_	722,426

#### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

			Business-Ty				Governmental Activities
					Nonmajor		Internal
		Water	Airport		Enterprise Funds	Total	Service Funds
		Water	Allport		runds	Total	runas
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from Customers and Users Receipts from Interfund Services Transactions Receipts from Miscellaneous Revenues Payments to Suppliers Payments to Employees	\$	4,262,650 \$ 17,796 (1,510,888) (1,433,803)	283,805 - 7,860 (373,885) (194,632)	\$	1,657,456 \$ (1,310,014) (277,881)	6,203,911 : - 25,656 (3,194,787) (1,906,316)	4,659,808 (153,870) (4,541,705)
			•				(35.7(7)
Net Cash from Operating Activities		1,335,755	(276,852)		69,561	1,128,464	(35,767)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Property Taxes		-	38,152		•	38,152	-
Intergovernmental		-	291,397		-	291,397	-
Reimbursements/Refunds		-	5,854		(454.501)	5,854	(404,000)
Interfund Receivables		(6,674)	96,250		(474,291)	(384,715)	(406,000)
Interfund Payables		685,457	1,000		6,674	693,131	404,000
Transfers In		(305.443)	165,000		59,730	224,730	•
Transfers (Out)		(397,443)	•		•	(397,443)	
Net Cash from Noncapital Financing Activities		281,340	597,653		(407,887)	471,106	(2,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital Assets Purchased		(1,495,538)	(773,947)		•	(2,269,485)	-
Bond Proceeds Received		-	800,000		-	800,000	•
Capital Lease Proceeds Received		33,433	120,000		-	153,433	-
Bond Issue Costs Paid		•	(793)		-	(793)	-
Principal Payments on Long-Term Debt		(1,059,462)	(414,160)		-	(1,473,622)	•
Interest Payments on Long-Term Debt	_	(340,559)	(51,488)		<u> </u>	(392,047)	<u> </u>
Net Cash from Capital and Related							
Financing Activities		(2,862,126)	(320,388)		-	(3,182,514)	
CASH FLOWS FROM INVESTING ACTIVITIES			<b>.</b>		<del></del>		
Purchase of Investments		_	-		-	-	(197,346)
Sale of Investments		585,619			-	585,619	396,000
Interest Received on Investments		14,235	-		<u></u>	14,235	10,028
Net Cash from Investing Activities		599,854	-		<u>-</u>	599,854	208,682
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(645,177)	413		(338,326)	(983,090)	170,915
CASH AND CASH EQUIVALENTS, JULY 1	_	645,713	32		388,949	1,034,694	1,217,768
CASH AND CASH EQUIVALENTS, JUNE 30	\$	536 \$	445	s	50,623 \$	51,604	\$ 1,388,683

## STATEMENT OF CASH FLOWS (Continued) PROPRIETARY FUNDS

				Business-Ty				<u> </u>		overnmental Activities
						Nonmajor				Internal
		11/		A :		Enterprise		T . 1		Service
		Water	-	Airport		Funds		Total		Funds
RECONCILIATION OF OPERATING INCOME										
(LOSS) TO NET CASH FLOWS FROM										
OPERATING ACTIVITIES										
Operating Income (Loss)	\$	667,693	ç	(467,332)	•	48,780	•	249,141	•	331,145
Adjustments to Reconcile Operating Income (Loss)	•	007,075	J	(407,332)	•	40,700	.9	247,141	5	331,143
to Net Cash from Operating Activities										
Depreciation and Amortization		1,088,404		257,702		_		1,346,106		_
Changes in Assets and Liabilities		1,000,404		257,702		_		1,540,100		_
Accounts Receivable		(124,486)		_		(13,384)		(137,870)		_
Other Receivables		13,195		(10,124)		(15,504)		3,071		(195,600)
Prepaid Expenses		(19,856)		(32,309)		299		(51,866)		25,461
Accounts Payable		(243,458)		(35,388)		16,277		(262,569)		71,515
Accrued Payroll		7,333		1,617		2,558		11,508		,
Due to Other Governments		(74,349)		-		-,		(74,349)		-
Claims Payable		,,		-		-		-		(268,288)
Other Payables		900		1,809		-		2,709		-
Deferred Revenue		1.846		3,273		13,384		18,503		-
Compensated Absences		18,533		3,900		1,647		24,080		
							_		•	(0.5.5.5)
NET CASH FROM OPERATING ACTIVITIES	\$	1,335,755	<u> </u>	(276,852)	3	69,561	<u>, y</u>	1,128,464	3	(35,767)
CASH AND INVESTMENTS										
Cash and Cash Equivalents	S	536	\$	445	S	50,623	S	51,604	S	1,388,683
Investments	•		•	•	-	-	•	-		198,062
						-				· · · · · ·
TOTAL CASH AND INVESTMENTS		536	\$	445	\$	50,623	\$	51,604	S	1,586,745
NONCASH TRANSACTIONS										
Contributed Capital Assets	\$	568,186	\$	181,350	\$		\$	749,536	\$	-
•					-					

## STATEMENT OF FIDUCIARY NET ASSETS PENSION TRUST FUNDS

ACCETO	
ASSETS	
Cash and Short-Term Investments	\$ 2,117,072
Investments, at Fair Value	
Certificates of Deposit	232,716
Mutual Funds	16.964.664
U.S. Treasury Securities	3,304,439
U.S. Agency Securities	14,434,471
Receivables	
Accrued Interest	197,663
Other Receivables	232,204
Total Assets	37.483,229
LIABILITIES	
Accounts Payable	14.083
Deferred Revenue	1,002,419
Deferred revenue	1,002,113
Total Liabilities	1.016.502
Total Elabilities	1,010,002
NET ASSETS HELD IN TRUST FOR	
PENSION BENEFITS	\$ 36.466.727
LENGION DENELLIO	<u> </u>

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUNDS

ADDITIONS	
Contributions  Employer Contributions	\$ 1.812.205
Employer Contributions Employee Contributions	\$ 1.812,205 740,910
Other Contributions	458,954
odici controllons	
Total Contributions	3,012,069
Investment Income	
Net Appreciation in Fair Value	
of Investments	1,253,906
Interest	1,059,760
m	
Total Investment Income	2,313,666
Less Investment Expense	(55.465)
Net Investment Income	2,258,201
Total Additions	5,270,270
DEDUCTIONS	
Retirement Benefits	2.310,149
Disability Benefits	258,438
Administrative Expenses	28,832
Total Deductions	2,597,419
NET INCREASE	2,672,851
NET ASSETS HELD IN TRUST	
FOR PENSION BENEFITS	
July 1	33,793,876
	* ****
June 30	\$ 36,466,727

## INDEX TO NOTES TO FINANCIAL STATEMENTS

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#### NOTES TO FINANCIAL STATEMENTS

June 30, 2006

#### 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 changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

#### 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.

### 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 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.

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

Additionally, the City reports the following proprietary fund:

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 nonoperating 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.

## 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.

#### 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 funds 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.

#### K. Capital Assets (Continued)

Asset Class	•	oitalization hreshold
Building Improvements, Land Improvements	<del></del>	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:

	<u> Y ears</u>
D 111	40.50
Buildings and Building Improvements	40-50
Water System	40-65
Machinery and Equipment	10-20
Vehicles	3-20
Infrastructure	40-50

37 - .-

#### 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.

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

#### 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. None of the City's net assets are restricted due to enabling legislation adopted by the City. 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.

#### 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, 2006:

Fund	Deficit Balance
Knolls Special Service Area #4	\$ 16.657
Tax Increment Financing #2	918.112
Greek Row Special Service Area #6	366
County Home Tax Increment Financing District	839,559
Workers' Compensation	894,799

#### 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'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.

#### b. Investments

As of June 30, 2006, the City had the following investments and maturities.

				Investme	nt N	Aaturities (	in S	(ears)			
	6	0 to months	_	months o 1 year		1-5		6-10		More than 10	
U.S. Agency Securities Corporate Bonds Illinois Funds	\$	596.719 98.751	\$	- - 	\$	197,215 4,707,681	\$		•	\$	- - -
TOTAL	\$	695,470	\$	-	\$ 4	1,904,896	\$		-	\$	

As of June 30, 2006, the Police Pension Fund had the following investments and maturities in debt securities.

	Investment Maturities (in Years)											
	0 to 6 months		nonths 1 year	1-5		6-10			More nan 10			
U.S. Agencies	\$1,371.989	\$	1,596	\$ 8,548,390	\$			\$	4,526			
TOTAL	\$1,371,989	\$	1.596	\$ 8,548.390	\$		-	\$	4.526			

As of June 30, 2006, the Firefighters' 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 U.S. Agencies Illinois Funds	\$ - 548,422	\$ -	\$2,821,562 \$ 482,877 1,223,700 1,151,253 877,601 -	\$ - 1,584,595 -					
TOTAL	\$ 548,422	\$	\$4,922,863 \$1,634.130	\$1.584,595					

#### 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. Illinois Funds is "AAA" rated funds and credit risk is very marginal.

At June 30, 2006, the City had greater than 5% of its overall portfolio invested in Illinois Funds (84%). 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 Police Pension Fund limits its exposure to credit risk, the risk that the issues 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 or Standard and Poor's.

At June 30, 2006, the Police Pension Fund had fixed income holdings that were approximately 49% of its investment portfolio. The investment policy diversifies its fixed income holdings with a range of 53% to 75% with a target of 53%. The Police Pension Fund had greater than 5% of its fixed income portfolio in FHLB notes.

#### b. Investments (Continued)

GASB 40 - Police Pension Fund (Continued)

The Police Pension Fund invests 45% of its funds in equities. The Police Pension Fund's investment policy defines the strategy in which the Pension Board follows for the equity investments. The Police Pension Fund 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 Police 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 - Firefighters' Pension Fund

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

The Firefighters' Pension Fund limits its exposure to credit risk, the risk that the issues 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 Firefighters' Pension Fund does not own any, is "AAA" as rated by Moody's or Standard and Poor's.

At June 30, 2006, the Firefighters' Pension Fund had approximately 49% of its investment portfolio in fixed income holdings. The investment policy diversifies its fixed income holdings with a range of 40% to 80% with a target of 60%. The Firefighters' Pension Fund had greater than 5% of its fixed income holdings in FHLB and FNMA investments.

#### b. Investments (Continued)

GASB 40 - Firefighters' Pension Fund (Continued)

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

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

The Firefighters' Pension Fund Board limits its exposure to custodial risk by utilizing an independent, third party institution, selected by the Firefighters' Pension Fund 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 Firefighters' Pension Fund 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 2005 levy year attach as an enforceable lien on January 1, 2005, 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, 2006, and August 1, 2006, and are payable in two installments, on or about June 1, 2006, and September 1, 2006. 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 2005 tax levy has been recorded as deferred revenue on the financial statements. The 2006 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, 2006, the taxes will not be levied by the City or extended by the County until December 2006, and therefore, the amount is not measurable at June 30, 2006.

## 5. CAPITAL ASSETS

## A. Capital asset activity for the year ended June 30. 2006 was as follows:

	Beginning			
	Balances,			Ending
	Restated	Increases	Decreases	Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated	0 (040.021	0 1544061	6	e 7.502.702
Land	\$ 6,048,831	\$ 1,544.961	\$ -	\$ 7,593,792
Land Right of Way	24,198,846	1,482,561	-	25.681,407
Construction in Progress	-	300.000	<del></del> -	300,000
Total Capital Assets not Being Depreciated	30.247,677	3,327,522	<u>-</u>	33,575,199
Capital Assets Being Depreciated				
Buildings and Improvements	5,791,609	-	_	5,791,609
Vehicles	5,436,707	665.514	491,833	5,610,388
Equipment	1,442,106	107,901	-	1,550,007
Infrastructure	127,768,775	2,759,552		130,528,327
Total Capital Assets Being Depreciated	140.439,197	3,532,967	491.833	143,480,331
Total Capital Assets Being Depreciated	140.457,177		171.033	113,100,331
Less Accumulated Depreciation for				
Buildings and Improvements	2,388,958	100,650	-	2,489,608
Vehicles	2,781,560	403,133	423,174	2,761,519
Equipment	907,246	81,629	-	988,875
Infrastructure	45,407,315	2,850,353	-	48,257,668
Total Accumulated Depreciation	51,485,079	3,435,765	423,174	54,497,670
tomi recumulate 2 optionation				
Total Capital Assets Being Depreciated. Net	88,954,118	97,202	68,659	88,982.661
COVERNMENTAL ACTIVITIES				
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 119,201,795	\$ 3,424.724	\$ 68.659	\$ 122.557.860
CAPITAL ASSETS, NLT	\$ 117,201,775	J J,424,721	Ψ 00,053	<u> </u>
	Beginning			Ending
	Balances	Increases	Decreases	Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 12,486,819	\$ -	\$ -	\$ 12,486,819
Land Improvements	407,381	-	-	407,381
Total Capital Assets not Being Depreciated	12,894,200	-	-	12.894,200
Total Cupital House not Deling Depression				
Capital Assets Being Depreciated				
Buildings	4,781,975	407,000	-	5,188,975
Water Distribution System	34,318,426	1,894,160	-	36.212.586
Vehicles	742,486	354,903	158,225	939,164
Equipment	418,387	146,000	41,805	522,582
Airport Infrastructure	6,413,634	362,700		6.776,334
Total Capital Assets Being Depreciated	46,674,908		200,030	49,639,641

### 5. CAPITAL ASSETS (Continued)

### A. (Continued)

	Beginning Balances					ecreases		Ending Balances	
BUSINESS-TYPE ACTIVITIES (Continued) Less Accumulated Depreciation for									
Buildings	\$	1,012.523	S	97.265	\$	-	\$	1,109,788	
Water Distribution System		8,977,676		912,711		-		9,890,387	
Vehicles		386.232		167,643		155.043		398,832	
Equipment		227,246		110,415		41.805		295.856	
Airport Infrastructure		356,835		169,408		-		526,243	
Total Accumulated Depreciation		10.960.512	_	1,457,442		196,848		12,221,106	
Total Capital Assets Being Depreciated, Net		35,714,396		1,707,321		3,182		37,418,535	
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$</u>	48,608,596	\$	1,707,321	\$	3,182	\$	50,312.735	

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

#### **GOVERNMENTAL ACTIVITIES**

General Government	\$ 14.576
Public Safety	304,172
Community Improvement	36,935
Highways and Streets. Including Depreciation	
of General Infrastructure Assets	 3.080.082
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 3.435,765

#### 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 2006 TIF Sidewalks 2006 Alley Maintenance Annie Glidden/Fairview Signal	\$	509,229 258,188 170,413 102,102	\$	407.615 29.133 74.780	\$	101,614 229.055 95.633 102,102
TOTAL	\$_	1.039.932	\$	511,528	\$	528,404

#### 6. RECEIVABLES

#### A. Other Receivables

The following receivables are included in other receivables on the statement of net assets:

TOTAL GOVERNMENTAL ACTIVITIES	_\$	1,720,443
Traffic Signal Reimbursement		18,374
Health Insurance Reinsurance		195,600
Other Miscellaneous		33.627
Leases		159.988
Circuit Court Fines		28,833
Hotel/Motel Tax		12,960
Gasoline and Diesel		22,292
Cable Franchise Fee		31,529
Ambulance (Net of Allowance)		276,813
Fire Contracts		285.766
Restaurant and Bar		114,691
Municipal Utility Tax	\$	539,970
GOVERNMENTAL ACTIVITIES		

#### B. Due From Other Governments

The following are reported as due from other governments on the statement of net assets:

GOVERNMENTAL ACTIVITIES		
Local Use Tax	\$	140,360
Sales Tax		1,407,614
City Sales Tax		1,214,971
Auto Rental Tax		3,428
Tax Increment Financing Sales Tax		189,182
Motor Fuel Tax		110,411
COPS Grant		75.000
Mass Transit Grants		380.303
Community Development Grant		24.014
Other Grants		78.730
TOTAL GOVERNMENTAL ACTIVITIES	\$	3,624,013
	<del></del>	
BUSINESS-TYPE ACTIVITIES	_	
Airport Grants		174,127

#### 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 \$3,374,209.

Workers' Compensation - There are no specific or aggregate stop loss policies for the year ended June 30, 2003, 2004, 2005 and 2006.

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.

A reconciliation of claims payable for the fiscal years ended June 30, 2006 and 2005 are as follows:

	Workers'							
	Неа	ılth	Compe	nsation	Liability/Property			
	2006	2005	2006 2005		2006	2005		
CLAIMS PAYABLE, JULY 1 Add Claims Incurred Less Claims Paid	\$ 335.527 3.229.027 (3,157,000)	\$ 375.201 3.174,048 (3.213,722)	\$ 827.251 596,311 (936.626)	\$ 703.867 735,557 (612,173)	\$ 90.000 50,104 (50,104)	\$ - 145,958 (55,958)		
CLAIMS PAYABLE. JUNE 30	\$ 407,554	\$ 335.527	\$ 486.936	\$ 827,251	\$ 90,000	\$ 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	Balances June 30	Current Portion
\$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	\$ 2,660,000	\$ -	\$ 180,000	\$ 2,480,000	\$ 200,000
\$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	1,610,000	-	420,000	1,190,000	425,000
\$9.450,000 2000 Series General Obligation Bonds, dated November 1, 2000, due in annual installments of \$75,000 to \$225,000, plus	Water	810,000	-	145,000	665,000	155,000
interest of 4.900% to 5.750% through January 1. 2021	General Debt Service	150,000	-	30,000	120,000	25,000

# A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
S3,500,000 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	\$ 3,205,000	\$ -	\$ 195,000	\$ 3,010,000	\$ 200,000
\$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	1,725,000	-	175.000	1,550,000	175,000
\$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	2,310,000	-	330,000	1,980,000	350,000
\$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	Water General Debt	570,000	-	570,000		-
December 1, 2009	Service	2,065,000	-	430.000	1,635,000	425,000

# A. General Obligation Bonds (Continued)

lssue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$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 Airport General Debt Service	\$ 2.825,000 505,000 5,025.000	\$ - -	\$ 5,000	\$ 2,820.000 505,000 5,015,000	\$ 15,000 - 30,000
\$800,000 2005 Series General Obligation Taxable Bonds, dated July 1, 2005, due in annual installments of \$10,000 to \$560,000, plus interest of 5.700% through January 1, 2015	Airport		800,000	10,000	790,000	20,000
TOTAL		\$ 23,460,000	\$ 800,000	\$ 2,500,000	\$ 21,760.000	\$ 2,020,000

# 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 Debi Service	\$ 4,240,000	\$ -	<b>\$</b> 450,000	\$ 3,790,000	\$ 425,000

#### B. Revenue Bonds Payable (Continued)

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, 2006, rates were as follows:

#### INTEREST RATE SWAP

Fixed Payment to Counterparty	Fixed	3.90%
Variable Payment from Counterparty	BMA Index	(3.53)%
NET INTEREST RATE SWAP PAYMENTS		0.37%

Fair value As of June 30, 2006, the swap had a negative fair value of \$20,315. 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, 2006, 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, 2006.

#### B. Revenue Bonds Payable (Continued)

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 0.37% at June 30, 2006. 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.

General obligation bond anticipation notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances July I	Issuances	Retirements	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	<b>s</b> -	s -

# C. General Obligation Bond Anticipation Notes (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$2,000,000 General Obligation Bond Anticipation Notes, dated January 23, 2006, due on December 1, 2007, with variable interest at a rate determined by adding 1.00% to the 30 day London InterBank offered rate in effect at the end of each month through December 1, 2007 (4.216% at June 30, 2006)	General Debt Service	<u>\$</u>	\$2,000,000	\$ -	\$2,000,000	\$ -
TOTAL GENERAL OBLIGATION BOND ANTICIPATION NOTES		\$ 400,000	\$2,000,000	\$ 400,000	\$2,000,000	\$ <u>-</u>

# 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	\$ 401,017	\$ - \$	S 193.292 S	S 207,725 \$	137,204
Equipment	Capital Projects	547,098	71,147	105,314	512,931	87,059
Equipment	Capital Projects	-	580.811	41,798	539,013	85.899
Equipment	Water	95,975	33,433	13,098	116,310	16.699
Equipment	Airport	-	120.000	-	120,000	19.788
Equipment	Airport		65,675	4,160	61,515	8,549
TOTAL		\$ 1,044,090	\$ 871,066	\$ 357,662	§ 1 <u>,557,494</u> \$	355,198

#### 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, 2006 was \$1,998,998.

#### F. TIF Note Payable

The City entered into a development agreement whereby it 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 was issued during the year ended June 30, 2006 with interest at 4% with principal and interest paid based on available development revenues within the TIF district through June 30, 2013. Therefore, no debt service to maturity schedule is available for this note. The balance outstanding at June 30, 2006 was \$1,450,000.

#### G. 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 I	Additions	Reductions	Balances June 30	Current Portion
IEPA Loan I	Waterworks and Sewerage	\$ 3,487,048	\$ -	\$ 179,212	\$ 3,307,836 \$	183,782
IEPA Loan II	Waterworks and Sewerage	2,863,298	_	147,152	2,716,146	150,908
TOTAL	<u>.</u>	\$ 6,350,346	\$	\$ 326,364	6,023,982 \$	334,690

# H. Debt Service Requirements to Maturity

		General Obligation Bonds							
Fiscal Year		Governmental				Business-Type			
Ending		Activ	ities		Activities				
June 30.	F	rincipal	[	nterest	F	Principal		Interest	
2007	\$	1,830,000	\$	648,711	•	190,000	¢	220 279	
2007		1,895,000	Ф	588,984	Ф	190,000	Э	220,378	
2009		1,955,000		526.734		215,000		209,994 199,281	
2010		1,610,000		459,171		213,000		187,377	
2011		1,305,000		409,987		240,000		174,719	
2012		1,360,000		353,479		240,000		166,287	
2012		1,405,000		293,569		260,000		157,542	
2014		1,403,000		293,309		265.000		137,342	
2014		1,220,000		184.738		870.000		-	
2016		1,280,000						135,522	
2017		1,335.000		130,663 73,643		315,000 330.000		89,900 75,725	
2017		315.000		14.017		330.000			
2019		313,000		14.017		695,000		60,875	
2019		-		•		360,000		60,875 33,075	
2020		•		-					
2021		<del></del> -		<del></del>		375.000		16,875	
TOTAL	\$1	6,980,000	\$ 3	,921.293	\$	4,780,000	\$	1,935,057	
		Revenue	Bor	ıds		Capital	Lea	ises	
Fiscal Year		Govern	men	tal	Governmental				
Ending	_	Activ	ities			Activities			
June 30,	F	rincipal		nterest	I	Principal		Interest	
2007	\$	425,000	s	15,730	S	310,162	\$	50.014	
2008	Ş	570,000	J	13,966	Ψ	247,321	Ψ	37.272	
2009		650,000		11,600		183,884		28.876	
2010		715,000		8,902		191.255		21,504	
2011		775,000		5.936		198,923		13,836	
2012		310,000		2,718		128,124		6.824	
2013		345,000		1,432		_		-	
2014		-		-		-		-	
2015		-		-		•		-	
2016		-		-		-		-	
2017		-		-		-		-	
2018		-		-		-		-	
2019		-		-		-		-	
2020		-		-		•		-	
2021	-	<del></del>		-				<u> </u>	
TOTAL	\$	3,790,000	\$	60,284	\$	1,259,669	\$	158.326	

# H. Debt Service Requirements to Maturity (Continued)

	Bond Anticipation Notes Capital Leas					ases				
Fiscal Year		Governmental					Business-Type			
Ending		vitie			Activities					
June 30,	Principal		Interest	1	Principal		Interest			
2007	¢.	_	04316	_	45.006	•				
	\$ -	\$	84,315	S	45.036	\$	11,234			
2008	2,000,000		42,158		50,031		9,989			
2009	-		-		52,142		7.879			
2010	-		-		54.342		5,678			
2011	-		•		56.636		3,384			
2012	-		-		34.376		990			
2013	-		-		5.262		96			
2014	-		•		-		-			
2015	-		-		-		-			
2016	-		-		-		•			
2017	-		-		-		-			
2018	-		-		-		-			
2019	-		-		-		-			
2020	•		-		-					
2021	-				<u> </u>					
TOTAL	\$2,000,000	\$_	126.473	_\$	297,825	\$	39,250			
	Due to Other Governments IEPA Loans									
Fiscal Year	Govern	Governmental					ype			
Ending	Acti	vitie	S		Activities					
June 30,	Principal		Interest	1	Principal		Interest			
2008	# 500.000	•		_		•				
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	<del></del>		<del>-</del>		476,214		9,074			
TOTAL	\$1.998,998	\$			5,023,982		.255,338			

# I. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2006:

	July 1. Restated	Additions	Reductions	June 30	Current Portion
GOVERNMENTAL					
ACTIVITIES					
General Obligation Bonds	\$ 18,750,000	\$ -	\$ 1,770,000	\$ 16,980.000	\$ 1,830,000
Bond Anticipation Notes	-	2,000,000	*	2,000,000	-
Revenue Bonds	4,240,000	-	450,000	3,790,000	425,000
Capital Leases	948,115	651,958	340.404	1,259,669	310,162
Due to Other Governments	2,498,998	•	500,000	1,998,998	500,000
TIF Note	-	1,450,000	-	1,450,000	•
Termination Benefit	1,574,195	-	129,129	1,445,066	216,760
Compensated Absences	3,926,592	637.689	392,659	4,171,622	417,162
Unamortized Premium	258,122		26,397	231,725	<del>-</del>
TOTAL GOVERNMENTAL					
ACTIVITIES	\$ 32,196,022	\$ 4.739,647	\$ 3,608,589	\$ 33,327,080	\$ 3,699,084

The governmental activities was restated at July 1, 2006 to record the termination benefit payable in accordance with GASB Statement No. 47 Termination Benefits.

	July 1	Additions	Iditions Reductions		Current Portion	
BUSINESS-TYPE ACTIVITIES General Obligation Bonds Water	\$ 4,205.000	•	\$ 720,000	\$ 3,485,000	\$ 170.000	
Airport	505,000	800,000	10,000	1,295.000	20,000	
Total General Obligation Bonds	4.710,000	800,000	730,000	4,780,000	190,000	
Bond Anticipation Note						
Airport	400,000	-	400,000	-		
Capital Lease						
Water	95,975	33,433	13,098	116,310	16,699	
Airport	· •	185,675	4,160	181,515	28,337	
Total Capital Lease	95,975	219,108	17,258	297,825	45,036	
IEPA Loans						
Water	6.350,346	<u> </u>	326,364	6,023.982	334.690	

#### I. Changes in Long-Term Liabilities (Continued)

		July l	Additions Reductions		June 30		Current Portion			
BUSINESS-TYPE ACTIVITIES (Continued) Compensated Absences										
Water	\$	261,869	\$	44,720	S	26,187	\$	280,402	\$	28,040
Airport		16.901		5,590		1,690		20,801		2,080
Development Services		28,574		4,504		2,857		30,221		3,022
Total Compensated								<u>.</u>		
Absences		307,344		54,814		30,734		331,424		33,142
Unamortized Premium		124,757		-		10,170		114,587		-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 1	1,988,422	<b>\$</b> 1.	,073,922	\$	1,514,526	S	11,547,818	\$	602,868

#### J. Legal Debt Margin

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

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ... (2) if its population is more than 25.000 and less than 500,000 an aggregate of one percent: ... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts."

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

#### K. 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, 2006, there was one series of IDRBs outstanding. The aggregate principal amount payable for the one series was \$79.392.

#### L. 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. 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, 2006, \$7,925,000 of the Series 2000 bonds remained to be paid from escrow. All of these bonds will be paid from escrow on January 1, 2010.

#### 9. INTERFUND ASSETS/LIABILITIES

#### A. Due From/To Other Funds

	D	Due From	
General			
Tax Increment Financing #1	\$	173,400	\$ -
Tax Increment Financing #2	*	865	-
Motor Fuel Tax		231,590	-
Nonmajor Governmental		313,453	-
Total General		719.308	
Tax Increment Financing #1			
General			173,400
Tax Increment Financing #2			
General		-	865
Motor Fuel Tax			
General		-	231.590
Nonmajor Enterprise			29,334
Total Motor Fuel Tax		-	260,924
Nonmajor Governmental			
General			313.453
Water		183,000	<u>-</u>
Total Nonmajor Governmental		183.000	313.453
Water			
Nonmajor Governmental		-	183,000
Nonmajor Enterprise		6,674	502,457
Total Water		6.674	685,457
Airport			
Nonmajor Enterprise		-	1,000

### 9. INTERFUND ASSETS/LIABILITIES (Continued)

#### A. Due From/To Other Funds (Continued)

	Due From			Due To
Nonmajor Enterprise  Motor Fuel Tax  Water  Airport	\$	\$ 29.334 502.457 1,000		- 6.674 -
Total Nonmajor Enterprise		532,791	Ī	6.674
TOTAL	\$	1,441,773	\$	1.441.773

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

- \$173,400 due from the Tax Increment Financing #1 Fund to the General Fund. This balance consists of cash overdrafts. Repayment is expected within one year.
- \$231,590 due to the General Fund from the Motor Fuel Tax Fund consists of reimbursable street maintenance expenditures paid for by the General Fund. Repayment is expected within one year.
- \$29,334 due to Nonmajor Enterprise Funds (the Development Services Fund) from the Motor Fuel Tax Fund also consists of reimbursable street maintenance expenditures paid for by the General Fund. Repayment is expected within one year.
- \$183,000 due from the Water Fund to the Nonmajor Governmental Funds (Capital Projects Fund). This balance consists of cash overdrafts. Repayment is expected within one year.
- \$313,453 due from Nonmajor Governmental Funds to the General Fund. This balance consists of cash overdrafts of \$143.991 from the Mass Transit Fund, \$157,762 from the County Home Tax Increment Financing District, \$100 from the CDBG Fund and \$11,600 from the SSA #4 Fund. Repayment is expected within one year.
- \$502.457 due to the Refuse Fund from the Water Fund consists of customer payments from utility bills that blend water, sewer and refuse components. Repayment is expected within one year.

#### 9. INTERFUND ASSETS/LIABILITIES (Continued)

#### B. Advances To/From Other Funds

Receivable Fund Payable Fund		Amount			
Tax Increment Financing #1 Tax Increment Financing #1 Water	x Increment Financing #1 Nonmajor Governmental		nancing #1 Nonmajor Governmental		860.000 560.000 734,100
TOTAL ALL FUNDS		_\$_	2,154,100		

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. \$200,000. and \$200,000 was repaid in 2002, 2003, 2004, 2005, and 2006, respectively, leaving a balance advanced at June 30, 2006 of \$860,000, 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, \$100,000, and \$375,000 was repaid in 2004, 2005, and 2006, respectively, leaving a balance advanced at June 30, 2006 of \$560,000, 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.

#### C. Interfund Transfers

Interfund transfers between funds for the year ended June 30, 2006 were as follows:

	Transfers In	Transfers Out
General Nonmajor Governmental Water	\$ - 397,443	\$ 2,118,521
Total General	397,443	2,118.521
Motor Fuel Tax Nonmajor Enterprise		59.730
Tax Increment Financing #1 Airport Nonmajor Governmental Total Tax Increment Financing #1	-	165.000 2,115.719 2.280.719
Nonmajor Governmental General Nonmajor Governmental Total Nonmajor Governmental	2,118,521 2.115,719 4,234.240	- - -

### 9. INTERFUND ASSETS/LIABILITIES (Continued)

C. Interfund Transfers (Continued)

	Transfers In Transfers Out
Water General	\$ - \$ 397,443
Airport Tax Increment Financing #1	165.000 -
Nonmajor Enterprise Motor Fuel Tax	59,730 -
TOTAL	\$ 4.856,413 \$ 4.856.413

The purpose of significant transfers is as follows:

- \$2,118,521 transferred from the General Fund to Nonmajor Governmental Funds consists of \$1,405,834 transferred to the General Debt Service Fund to cover current year debt service payments, \$79,987 transferred to the Mass Transit Fund to subsidize the operations of transit services within the City, and \$632,700 transferred to the Capital Projects Fund to use for vehicles, equipment and public improvements. These transfers will not be repaid.
- \$397,443 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 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.
- \$2,115.719 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Governmental Funds consists of \$2,115,719 transferred 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.

#### 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, 2006, the City has incurred \$1,293,975 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, 2006, 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, 2006, 65 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 \$96,090 were recognized for postemployment benefits.

#### 12. TERMINATION BENEFITS

On February 10, 2003, the City adopted Resolution 03-12. Adopting an Early Retirement Incentive Program Offered by the Illinois Municipal Retirement Fund (IMRF). Eligible employees were required to enter into an irrevocable pledge to retire by February 15. 2004. For an employee to be eligible to retire under this plan, the employee must have attained age fifty and have at least twenty years of creditable service by his or her retirement date. Eleven employees of the City accepted the early retirement agreement. Under the agreement, the City and the employee were required to contribute an additional five years of contributions to the plan giving the individuals additional creditable service for these five years. The City has amortized its additional contributions over a ten year period with interest charged annually on the remaining balance at 7.5%. These additional contributions are made through regular monthly contributions to IMRF. As of June 30, 2006, the City's remaining contributions due under the program was \$1,445,066.

#### 13. 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 (IMRF)

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.

#### A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (IMRF) (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, 2005 was 11.54% 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, 2006, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	34
Terminated Employees Entitled to Benefits but not	
yet Receiving Them	-
Current Employees	
Vested	41
Nonvested	19
TOTAL	94

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.

#### A. Plan Descriptions (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, 2006, the City's contribution was 18.80% 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, 2006, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	39
Terminated Employees Entitled to Benefits but not	
yet Receiving Them	-
Current Employees	
Vested	35
Nonvested	24
TOTAL	98

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.

#### 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, 2006, the City's contribution was 27.89% 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 Police Pension Police Pension	Dodge and Cox Fund Meridian Value Fund Harbor Capital Appreciation Fund	\$	1,933,538 1,119,688 1,711,099
		_\$_	4,764.325
Firefighters' Pension Firefighters' Pension Firefighters' Pension Firefighters' Pension	Vanguard 500 Index Fund Vanguard Mid Cap Index Fund Vanguard International Growth Vanguard Small Cap Index Fund	\$	2,988,088 1,177,392 1,029,580 827,964
		<u>\$</u>	6,023.024

# C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2003	June 30, 2005	June 30, 2005
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	27 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

### 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			Police		refighters'
	Re	etirement*		Pension*	]	Pension*
Annual Pension Cost	\$	60.914	\$	646,413	\$	898,916
(APC)		572,051		706,257		1.010,436
		766,714		746.012		1.056,168
Actual Contribution	\$	60,914	\$	652,502	\$	909.103
		572,050		711.075		1.019.255
		766,714		749,471		1.062,734
Percentage of APC Contributed		100.00%		100.94%		100.13%
•		100.00		100.68		100.87
		100.00		100.46		100.62
NPO (Asset)	\$	-	\$	(57,786)	\$	(140,025)
,		-		(62,604)		(148,844)
		-		(66,063)		(155,410)

<sup>\*</sup> Police and Firefighters' Pension information presented is for the fiscal years ending June 30, 2004, 2005 and 2006. The information for the Illinois Municipal Retirement is for the calendar years 2003. 2004 and 2005.

The NPO at June 30, 2006 has been calculated as follows:

	1	Police Pension	Firefighters` Pension			
Annual Required Contribution Interest on Net Pension Obligation Adjustment to Annual Required Contribution	\$	747,742 (5,008) 3,278	\$	1.060.282 (11.908) 7.794		
Annual Pension Cost Contributions Made		746,012 749,471		1.056,168 1.062,734		
Increase (Decrease) in Net Pension Obligation Net Pension Obligation (Asset) Beginning of Year		(3,459) (62,604)		(6.566) (148,844)		
Net Pension Obligation (Asset) End of Year	_\$_	(66,063)	\$	(155.410)		

#### 14. SUBSEQUENT EVENT

On October 6, 2006, the City negotiated the repayment in advance of the Tax Increment Financing Note based on the present value of the future principal and interest payments. The final repayment was made to the developer of \$580,214 and resulted in full redemption of the Tax Increment Financing Note.

#### 15. RESTATEMENTS

Fund balance in the general fund was increased as of July 1, 2005 by \$114,233 for a change in revenue recognition for ambulance billing. In addition, net assets used in governmental activities was increased by \$961.053 to adjust capital assets and decreased by \$1.574.195 to account for early termination benefits payable under GASB Statement No. 47.

#### 16. COMPONENT UNIT - DEKALB PUBLIC LIBRARY

#### A. Summary Financial Information

The following is summary fund financial information for the DeKalb Public Library (the Library) for the fiscal year ended June 30, 2006:

		General		Capital Projects	P	ermanent	Total	Ad	justments		et Assets_
ASSETS Cash and Investments	\$	1,016,271	\$	168,757	\$	230,539	\$ 1,415,567	s	-	s	1,415,567
Receivables Property Taxes Accrued Interest		533,516 2,148		1.674		2,288	533,516 6,110		-		533,516 6,110
Prepaid Items/Expenses Due from Other Governments		7,868 2,736		-		-	7,868 2,736		•		7.868 2.736
Capital Assets Not Being Depreciated		•				-			37,971		37.971
Net of Accumulated Depreciation		•		<u> </u>					50,021		50,021
Total Assets		1,562,539		170,431		232,827	 1,965,797		87,992		2,053,789
LIABILITIES Accounts Payable Accrued Payroll Deferred Property Taxes		5,849 20,291 1,075,508		:			5,849 20,291 1,075,508				5,849 20,291 1,075,508
Other Deferred Revenue Compensated Absences Payable		4,220		· -		<u>.</u>	4,220		18,155		4,220 18,155
Total Liabilities	_	1,105,868					1,105,868		18,155		1,124,023
FUND BALANCES Reserved for Prepaid Items Unreserved		7,868 448,803		170,431		232,827	7,868 852,061		(7,868) (852,061)		:
NET ASSETS Invested in Capital Assets, Net of Related Debt Unrestricted				·		- 	· 		87,992 841,774		87,992 841,774
TOTAL FUND BALANCES/NET ASSETS	<u>\$</u>	456,671	\$_	170,431	_\$	232,827	\$ 859,929	\$	69,837	s	929,766

# A. Summary Financial Information (Continued)

		General		Capital Projects	P	ermanent		To <b>ta</b> l	Ad	justments		atement of Activities
REVENUES												
Property Taxes	\$	976,603	\$	-	\$		S	976,603	S		S	976,603
Replacement Taxes	-	34,409	-		-		-	34,409	•	-	•	34,409
State Grants		48,051				-		48,051		-		48,051
Federal Grants		4,000		-		-		4.000		-		4,000
Local Grants		30,388		•		-		30,388		-		30,388
Charges for Services		36,149		•		-		36,149		-		36,149
Investment Income		26,070		629		842		27,541		-		27,541
Miscellaneous		31,486		•		2,000		33,486		•		33,486
Total Revenues		1,187,156		629		2,842		1,190,627		•		1,190,627
EXPENDITURES/EXPENSES												
Culture and Recreation		1,101,067		•		-		1,101,067		(19,430)		1,081,637
Total Expenditures/Expenses		1,101,067		-				1,101,067		(19,430)	_	1,081,637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES		86,089		629		2,842		89,560		19,430		108,990
OTHER FINANCING SOURCES (USES) Transfers In		7,542		-		·7 542)		7,542		-		7,542
Transfers (Out)						(7,542)		(7,542)		<del></del>		(7,542)
Total Other Financing Sources (Uses)	-	7,542		•		(7,542)				<u>-</u>		<u>.</u>
NET CHANGE IN FUND BALANCES/NET ASSETS		93,631		629		(4,700)		89,560		19,430		108,990
FUND BALANCES/NET ASSETS, JULY I		363,040	_	169,802		237,527		770,369		50,407		820,776
FUND BALANCES/NET ASSETS, JUNE 30	_\$_	456,671	s	170,431	s	232,827	s	859,929	S	69,837	s	929,766

#### 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 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, 2006, the Library had the following investments and maturities.

			Investm	ent N	/laturities (i	n Ye	ars)	
	6	0 to months	months olyear		_1-5		6-10	More than 10
U.S. Treasuries U.S. Agencies	\$	49,812	\$ 147,438	\$	311,923	\$	57,894	\$ -
TOTAL	\$	49,812	\$ 147,438	\$_	311.923	S	57,894	\$ 

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.

At June 30, 2006, the Library had greater than 5% of its overall portfolio invested in FHLB (50.10%) and U.S. Treasury Securities (5.70%). The investment policy does not include any limitations on individual investment types.

#### B. Deposits and Investments (Continued)

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 2005 levy year attach as an enforceable lien on January 1, 2005, 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, 2006 and August 1, 2006, and are payable in two installments, on or about June 1, 2006 and September 1, 2006. 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 2005 tax levy has been recorded as deferred revenue on the balance sheet for governmental funds. The 2006 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, 2006, the taxes will not be levied by the Library or extended by the County until December 2006, and therefore, the amount is not measurable at June 30, 2006.

#### 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.

#### 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:

	В	ginning alance. estated	In	ncreases	Decr	eases		Ending Balance
GOVERNMENTAL ACTIVITIES								
Capital Assets not Being Depreciated	_		•		•		•	10.000
Land	\$	10,000	\$		\$	-	\$	10,000
Construction in Progress		<u> </u>		27,971_		<u> </u>		27,971
Total Capital Assets not Being Depreciated		10,000		27,971				37,971
Capital Assets Being Depreciated Buildings Equipment		318,335 52,331		- 		-		318.335 52,331 370,666
Total Capital Assets Being Depreciated		370,666						370,000
Less Accumulated Depreciation for Buildings Equipment		274,258 40,422		3,148 2,817		- _ <u>-</u>		277,406 43,239
Total Accumulated Depreciation		314,680		5,965		_		320,645
Total Capital Assets Being Depreciated, Net		55,986		(5,965)		-	_	50,021
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS. NET	\$	65,986	\$_	22,006	\$		\$	87,992

#### E. Long-Term Debt

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

	<u>J</u>	uly l	Ac	dditions	Red	ductions	J	une 30	Current Portion
Compensated Absences	<u>\$</u>	15,580	S	4,133	\$	1,558	\$_	18,155	\$ 1,816
TOTAL	_\$_	15,580	\$	4.133	\$	1.558	\$	18,155	\$ 1,816

# REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended June 30, 2006

REVENUES         \$ 20.099,107         \$ 20.09,107         \$ 20.099,107					
REVENUES           Taxes         \$ 20.099,107         \$ 20.099.107         \$ 20.724,507           Licenses and Permits         666,000         666,000         598,657           Intergovernmental         170,000         170,000         474,006           Charges for Services         1,527,400         1,527,400         696,551           Investment Income         110,000         110,000         181,380           Miscellaneous         23,578,507         23,578,507         24,528,983           EXPENDITURES         General Government         4,032,025         4,032,025         3,947,310           Public Safety         14,336,567         14,336,567         14,963,148           Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22,233,347         22,233,347         22,2690,475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES)         7,676,617         767,617         397,443           Transfers (Out)         (1,890,702)         (1,180,045)         (1,180,045)           Total Other Financing Sources (Uses)         (1,120,085)         (1,120,085)         (1,71		_			A1
Taxes         \$ 20.099,107   600,000   500,000   598,657   100,000   170,000   598,657   100,000   170,000   170,000   170,000   170,000   170,000   170,000   170,000   170,000   170,000   1548,946   1527,400   1,527,400   1,548,946   100,000   110,000   110,000   181,380   100,000   110,000   181,380   100,000   110,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000		 Budget	Buaget		Actual
Taxes         \$ 20.099,107   600,000   500,000   598,657   100,000   170,000   598,657   100,000   170,000   170,000   170,000   170,000   170,000   170,000   170,000   170,000   170,000   1548,946   1527,400   1,527,400   1,548,946   100,000   110,000   110,000   181,380   100,000   110,000   181,380   100,000   110,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000   100,000   181,380   100,000	REVENUES				
Licenses and Permits         666.000         666.000         598.657           Intergovernmental         170,000         170,000         474,006           Charges for Services         1.527.400         1.524.00         1.548,946           Fines and Forfeitures         749,000         749,000         696.551           Investment Income         110,000         110,000         181.380           Miscellaneous         23,578,507         23,578.507         24,528.983           EXPENDITURES         General Government         4,032,025         4,032,025         3,947.310           Public Safety         14,336,567         14,336,567         14,963.148           Community Improvement         3,864,755         3,864,755         3,780.017           Total Expenditures         22,233,347         22.233,347         22.690.475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets         3,000         3,000         3,074           Transfers (Out)         (1,890,702)         (1,1890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,120,085)         (1,718,004)           NET CHANGE IN		\$ 20,099,107	\$ 20.099,107	\$	20.724.507
Charges for Services         1.527.400         1.527.400         1.527.400         1.548,946           Fines and Forfeitures         749.000         749,000         696.551           Investment Income         110.000         110,000         181.380           Miscellaneous         257.000         257.000         304.936           Total Revenues         23,578.507         23,578.507         24.528.983           EXPENDITURES         6         4,032.025         4.032,025         3,947.310           Public Safety         14.336.567         14.336,567         14.963.148           Community Improvement         3,864.755         3,864,755         3,780.017           Total Expenditures         22,233,347         22.233,347         22.690.475           EXCESS (DEFICIENCY) OF REVENUES         1,345.160         1,345.160         1.838.508           OTHER FINANCING SOURCES (USES)         1,345.160         1,345.160         1.838.508           OTHER FINANCING SOURCES (USES)         767.617         767.617         397.443           Transfers (Out)         (1.890,702)         (1.890,702)         (2.118.521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,120,085)         (1,718.004)           NET CHANGE IN FUND BALANCE	Licenses and Permits	•	666,000		598.657
Fines and Forfeitures Investment Income         749,000         749,000         696,551 Investment Income         110,000         110,000         181,380           Miscellaneous         257,000         257,000         304,936           Total Revenues         23,578,507         23,578,507         24,528,983           EXPENDITURES         4,032,025         4,032,025         3,947,310           Public Safety         14,336,567         14,963,148         14,931,6567         14,963,148           Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22,233,347         22,690,475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets Transfers (Out)         3,000         3,000         3,074           Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY I         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE,	Intergovernmental	170,000	170,000		474,006
Investment Income   110.000   110,000   181.380   Miscellaneous   257.000   257.000   304.936   Total Revenues   23,578,507   23,578.507   24.528.983   EXPENDITURES   General Government   4,032.025   4.032.025   3,947.310   Public Safety   14.336.567   14,366,567   14,963,148   Community Improvement   3,864,755   3,864,755   3,780,017   Total Expenditures   22,233,347   22.233,347   22.690.475   EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES   1,345.160   1,345.160   1.838.508   OTHER FINANCING SOURCES (USES)   Proceeds on Sale of Capital Assets   3,000   3,000   3,074   Transfers (Out)   767,617   767,617   397,443   Transfers (Out)   (1.890,702)   (1.890,702)   (2.118.521)   Total Other Financing Sources (Uses)   (1,120.085)   (1,120.085)   (1,718.004)   FUND BALANCE   \$ 225,075   \$ 225.075   120.504   FUND BALANCE, JULY 1   3,590,906   Prior Period Adjustment   114.233   FUND BALANCE, JULY 1, RESTATED   3,705.139	Charges for Services	1,527,400	1,527,400		1.548,946
Miscellaneous         257.000         257.000         304.936           Total Revenues         23,578,507         23,578.507         24.528.983           EXPENDITURES General Government Public Safety Gommunity Improvement         4,032.025         4.032.025         3,947.310           Public Safety Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22,233,347         22,690.475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets Transfers In 767,617         767,617         397,443           Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,712,0085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY I         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1, RESTATED         3,705,139	Fines and Forfeitures	749.000	749,000		696.551
Total Revenues         23,578,507         23,578,507         24,528,983           EXPENDITURES General Government Public Safety 14,336,567         14,032,025         3,947,310           Public Safety Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22,233,347         22,233,347         22,690,475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets Transfers In 767,617         767,617         397,443           Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY I         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY I. RESTATED         3,705,139	Investment Income	110,000	110,000		181.380
EXPENDITURES General Government Public Safety 14.336.567 14.336.567 14.336.567 14.336.567 14.336.567 14.963.148 Community Improvement 3,864,755 3,864,755 3,864,755 3,780,017  Total Expenditures 22,233,347 22.233,347 22.690.475  EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES  OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets Transfers In 767,617	Miscellaneous	 257.000	257.000		304.936
General Government         4,032,025         4,032,025         3,947,310           Public Safety         14,336,567         14,336,567         14,963,148           Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22,233,347         22,690,475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets         3,000         3,000         3,074           Transfers In Transfers (Out)         767,617         767,617         397,443           Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1, RESTATED         3,705,139	Total Revenues	23,578,507	23,578,507		24.528.983
General Government         4,032,025         4,032,025         3,947,310           Public Safety         14,336,567         14,336,567         14,963,148           Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22,233,347         22,690,475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1,838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets         3,000         3,000         3,074           Transfers In Transfers (Out)         767,617         767,617         397,443           Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1, RESTATED         3,705,139	EVDENIDITUDES				
Public Safety         14,336,567         14,336,567         14,963,148           Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22.233,347         22.690,475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1.838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets         3,000         3,000         3,074           Transfers In Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1. RESTATED         3,705,139		4 032 025	4.032.025		2 047 210
Community Improvement         3,864,755         3,864,755         3,780,017           Total Expenditures         22,233,347         22.233,347         22.690.475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345,160         1,345,160         1.838,508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets         3,000         3,000         3,074           Transfers In Transfers (Out)         767,617         767,617         397,443           Transfers (Out)         (1,890,702)         (1,890,702)         (2,118,521)           Total Other Financing Sources (Uses)         (1,120,085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225,075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1. RESTATED         3,705,139					
Total Expenditures         22,233,347         22.233,347         22.690.475           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,345.160         1,345.160         1.838.508           OTHER FINANCING SOURCES (USES) Proceeds on Sale of Capital Assets         3.000         3.000         3.074           Transfers In Transfers (Out)         767,617         767.617         397,443           Transfers (Out)         (1.890,702)         (1.890,702)         (2.118.521)           Total Other Financing Sources (Uses)         (1,120.085)         (1,120.085)         (1,718.004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225.075         120.504           FUND BALANCE, JULY I         3,590,906           Prior Period Adjustment         114.233           FUND BALANCE, JULY I. RESTATED         3.705.139	•		. ,		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES  1,345.160  3,000  3,000  3,074  767,617  767,617  397,443  (1,890,702)  (1,1890,702)  (1,120,085)  (1,120,085)  (1,718,004)  NET CHANGE IN FUND BALANCE  \$ 225,075 \$ 225.075  120,504  FUND BALANCE, JULY 1  3,590,906  Prior Period Adjustment  114,233  FUND BALANCE, JULY 1, RESTATED  3,705,139	Community improvement	 3,004,733	3,804,733		3,780,017
OVER EXPENDITURES         1,345.160         1,345.160         1,838.508           OTHER FINANCING SOURCES (USES)         3.000         3,000         3,074           Proceeds on Sale of Capital Assets         3.000         3,000         3,074           Transfers In         767,617         767.617         397,443           Transfers (Out)         (1.890,702)         (1.890,702)         (2.118.521)           Total Other Financing Sources (Uses)         (1,120.085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225.075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1. RESTATED         3,705.139	Total Expenditures	 22,233,347	 22.233,347	_	22,690,475
OVER EXPENDITURES         1,345.160         1,345.160         1,838.508           OTHER FINANCING SOURCES (USES)         3.000         3,000         3,074           Proceeds on Sale of Capital Assets         3.000         3,000         3,074           Transfers In         767,617         767.617         397,443           Transfers (Out)         (1.890,702)         (1.890,702)         (2.118.521)           Total Other Financing Sources (Uses)         (1,120.085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225.075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1. RESTATED         3,705.139	EXCESS (DEFICIENCY) OF REVENIUS				
Proceeds on Sale of Capital Assets         3.000         3,000         3,074           Transfers In         767,617         767,617         397,443           Transfers (Out)         (1.890,702)         (1.890,702)         (2.118.521)           Total Other Financing Sources (Uses)         (1,120.085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225.075         120.504           FUND BALANCE, JULY I         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY I. RESTATED         3,705.139	· · · · · · · · · · · · · · · · · · ·	 1,345.160	 1,345,160		1.838,508
Proceeds on Sale of Capital Assets         3.000         3,000         3,074           Transfers In         767,617         767,617         397,443           Transfers (Out)         (1.890,702)         (1.890,702)         (2.118.521)           Total Other Financing Sources (Uses)         (1,120.085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225.075         120.504           FUND BALANCE, JULY I         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY I. RESTATED         3,705.139	OTHER EINANCING SOURCES (LISES)				
Transfers In Transfers (Out)       767,617 (1.890,702)       767,617 (2.118,521)         Total Other Financing Sources (Uses)       (1,120.085)       (1,120,085)       (1,718,004)         NET CHANGE IN FUND BALANCE       \$ 225,075       \$ 225.075       120.504         FUND BALANCE, JULY 1       3,590,906         Prior Period Adjustment       114,233         FUND BALANCE, JULY 1. RESTATED       3,705.139	· · · · · · · · · · · · · · · · · · ·	2 000	2 000		2.074
Transfers (Out)         (1.890,702)         (1.890,702)         (2.118,521)           Total Other Financing Sources (Uses)         (1,120.085)         (1,120,085)         (1,718,004)           NET CHANGE IN FUND BALANCE         \$ 225,075         \$ 225.075         120.504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1. RESTATED         3,705.139					
Total Other Financing Sources (Uses) (1,120.085) (1,120,085) (1,718,004)  NET CHANGE IN FUND BALANCE \$ 225,075 \$ 225.075 120.504  FUND BALANCE, JULY 1 3,590,906  Prior Period Adjustment 114.233  FUND BALANCE, JULY 1, RESTATED 3,705.139					
NET CHANGE IN FUND BALANCE         \$ 225,075 \$ 225.075         120,504           FUND BALANCE, JULY 1         3,590,906           Prior Period Adjustment         114,233           FUND BALANCE, JULY 1. RESTATED         3,705,139	Transicis (Out)	 (1,890,702)	(1.890,702)		(2,110,321)
FUND BALANCE, JULY 1 3,590,906 Prior Period Adjustment 114,233 FUND BALANCE, JULY 1. RESTATED 3,705.139	Total Other Financing Sources (Uses)	 (1,120.085)	 (1,120,085)		(1,718,004)
Prior Period Adjustment 114,233 FUND BALANCE, JULY 1. RESTATED 3,705,139	NET CHANGE IN FUND BALANCE	\$ 225,075	\$ 225.075		120.504
FUND BALANCE, JULY 1. RESTATED  3,705,139	FUND BALANCE, JULY 1				3,590,906
	Prior Period Adjustment				114,233
FUND BALANCE. JUNE 30 \$ 3.825.643	FUND BALANCE, JULY 1, RESTATED				3,705.139
	FUND BALANCE. JUNE 30			\$	3.825,643

(See independent auditor's report.)

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

For the Year Ended June 30, 2006

		Original Budget	Final		A -41
		Duaget	Budget		Actual
REVENUES					
Intergovernmental					
Federal Grants	\$	- 9	-	\$	471,200
State Grants		-	-		179,704
State Motor Fuel Tax		1,300,000	1,300,000		1,264,519
Investment Income		20,000	20,000		84,783
Miscellaneous		-	-		2,359,887
Total Revenues		1,320,000	1,320,000		4,360,093
		<del></del>	·····	_	
EXPENDITURES					
Current					
Highways and Streets					
Motor Fuel Tax Projects		1,571,000	1,571,000		2,821,395
Takal Farman Para		1.551.000	4 554 000		
Total Expenditures		1,571,000	1,571,000		2,821,395
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES		(251,000)	(251,000)		1.520.600
OVER EXPENDITURES		(251,000)	(251,000)		1,538,698
OTHER FINANCING (USES)					
Transfer (Out)		(85,000)	(85,000)		(50.720)
Transfer (Out)		(85,000)	(83,000)		(59,730)
Total Other Financing (Uses)		(85,000)	(85,000)		(59,730)
3( )		(,,-	(02,000)		(33,130)
NET CHANGE IN FUND BALANCE	_\$	(336,000) \$	(336,000)		1,478,968
FUND BALANCE, JULY 1					732,456
PINID DALANGE HERESS				_	- <del></del>
FUND BALANCE, JUNE 30			:	\$	2,211,424

#### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2006

#### 1. 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, there were no budget transfers.

# 2. 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
General	\$ 457,128
Motor Fuel Tax	1.250.395
TIF#1	1.009,404
Foreign Fire Insurance	5.003
Housing Rehabilitation	17.683
Greek Row Special Service Area #6	10,251
Capital Projects	1,484,898
General Debt Service	27,642
TIF Debt Service	215,678
Worker's Compensation	148,780
Liability/Property Insurance	26.747

# SCHEDULE OF FUNDING PROGRESS ILLINOIS MUNICIPAL RETIREMENT FUND

		(2)				UAAL
		Actuarial		(4)		As a
Actuarial	(1)	Accrued	(3)	Unfunded		Percentage
Valuation	Actuarial	Liability	Funded	AAL	(5)	of Covered
Date	Value of	(AAL)	Ratio	(UAAL)	Covered	Payroll
December 31.	 Assets	Entry-Age	(1)/(2)	(2) - (1)	Payroll	(4)/(5)
			-			
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%
2005	13,165,532	17.993,285	73.17%	4,827,753	6,643,966	72.66%
		*			, . ,	

# SCHEDULE OF FUNDING PROGRESS POLICE PENSION FUND

	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)
_	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%
	2006	20,716,777	30,810,308	67.24%	10.093,531	3.985,743	253.24%

# SCHEDULE OF FUNDING PROGRESS FIREFIGHTERS' PENSION FUND

Actuarial	(1)	(2) Actuarial Accrued	(3)	(4) Unfunded		UAAL As a Percentage
Valuation	Actuarial	Liability	Funded	AAL	(5)	of Covered
Date	Value of	(AAL)	Ratio	(UAAL)	Covered	Payroll
 June 30.	Assets	Entry-Age	(1)/(2)	(2) - (1)	Payroll	(4)/(5)
2001	\$ 12.021.032	\$ 21,079,229	57.03%		\$ 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%
2006	15,749,950	31,856,437	49.44%	16,106,487	3,809,902	422.75%

# SCHEDULE OF EMPLOYER CONTRIBUTIONS ILLINOIS MUNICIPAL RETIREMENT FUND

Calendar Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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	572,051	572.051	100.00%
2005	766,714	766,714	100.00%

# SCHEDULE OF EMPLOYER CONTRIBUTIONS POLICE PENSION FUND

Fiscal Year	mployer ntributions	R Coi	Annual equired ntribution (ARC)	Percentage Contributed
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		707,922	100.45%
2006	749,471		747,742	100.23%

## SCHEDULE OF EMPLOYER CONTRIBUTIONS FIREFIGHTERS' PENSION FUND

June 30, 2006

Fiscal Year	nployer tributions	R Co:	Annual equired ntribution (ARC)	Percentage Contributed
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		1,014.769	100.44%
2006	1,062,734		1,060,282	100.23%

## COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

# MAJOR GOVERNMENTAL FUNDS

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

	Original Budget	Final Budget	Actual
REVENUES			
TAXES			
Property	\$ 2,772,907 \$	2,772,907 \$	2,778,286
Home Rule Sales	3,988,425	3,988,425	4,186,077
Income	3,023,100	3.023,100	3,362,748
Local Use	468,000	468,000	517,848
Utilities	3,622,500	3,622,500	3,671,553
State Sales	4,232,175	4,232,175	4,138,854
Franchise	330,000	330,000	361,374
Replacement	110,000	110,000	150,768
Restaurant/Bar	1,391,000	1,391,000	1,404.579
Hotel/Motel	150,000	150,000	139,137
Miscellaneous	11,000	11,000	13,283
Total Taxes	20,099,107	20,099,107	20,724.507
LICENSES AND PERMITS			
Licenses			
Amusement	5.000	5,000	5,525
Liquor	115,000	115,000	160,064
Rooming House	11,000	11,000	17,525
Other	20,000	20,000	39,360
Permits			
Building	375,000	375,000	269,005
Electric	60,000	60,000	45,312
HVAC	55,000	55,000	38,052
Parking	5,000	5,000	3,765
Other	20,000	20,000	20,049
Total Licenses and Permits	666,000	666,000	598,657
INTERGOVERNMENTAL			
Federal Grants	90,000	90,000	452,536
State Grants	80,000	80,000	21,470
Total Intergovernmental	170,000	170,000	474,006
CHARGES FOR SERVICES			
Fire Protection	671,200	671,200	726,157
Ambulance Fees	523,200	523,200	724,054
Police Services	20,000	20,000	17,763
Planning/Zoning Fees	85,000	85,000	64,432
Engineering Plan Review	215,000	215,000	<u>-</u>
Zoning Fees	10,000	10,000	14,770

## DETAILED SCHEDULE OF REVENUES. EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued) GENERAL FUND

	Original	Final	Actual
	Budget	Budget	Actual
REVENUES (Continued)			
CHARGES FOR SERVICES (Continued)	\$ 3,000	\$ 3,000 \$	<b>60</b> 0
Rents	3 3,000	\$ 5,000 \$ -	1,170
Other		<u> </u>	1,170
Total Charges for Services	1.527,400	1,527,400	1,548,946
FINES AND FORFEITURES			
Circuit Court	370,000	370,000	365,491
Parking	20,000	20,000	19,241
Police	220,000	220,000	231,056
Abatement	12,000	12,000	10,403
False Fire Alarm	2,000	2,000	4,100
Other	125,000	125,000	66,260
Total Fines and Forfeitures	749,000	749,000	696.551
INVESTMENT INCOME	110,000	110,000	181,380
MISCELLANEOUS	150,000	160,000	145,995
Refunds/Reimbursements	150,000	150,000	
Miscellaneous	107,000	107.000	158,941
Total Miscellaneous	257,000	257,000	304.936
Total Revenues	23,578,507	23,578,507	24,528,983
EXPENDITURES			
GENERAL GOVERNMENT			
Legislative		146 820	144.010
Personal Services	146,829	146.829	144,019
Commodities	2,075	2,075	3,187 262,815
Contractual Services	268,600	268,600	18,043
Other Services	12,250	12,250	3,852
Equipment	<del></del>		3,632
Total Legislative	429,754	429.754	431.916
Administrative Services			
Personal Services	2,469,270	2,469,270	2,492,453
Commodities	59,100	59,100	71,623
Contractual Services	132,775	132,775	123,111
Other Services	160,000	160.000	135,346
Equipment	13.500	13,500	13,999
Total Administrative Services	2,834,645	2,834,645	2,836,532

## DETAILED SCHEDULE OF REVENUES. EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued) GENERAL FUND

	,	Original	Final	
		Budget	Budget	Actual
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
City Clerk	_			1.7.6.000
Personal Services	\$	166,556 \$	166,556 \$	156.239
Commodities		1.750	1,750	1,653
Contractual Services		9,225	9,225	9.324
Total City Clerk		177.531	177,531	167,216
General Fund Support Service				
Personal Services		141,000	141,000	126,863
Commodities		98,000	98,000	138,179
Contractual Services		337,000	337,000	331,296
Other Services		15,195	15,195	66,965
Total General Fund Support Service		591,195	591.195	663,303
Total General Government		4,033,125	4,033,125	4,098,967
Less Administrative Costs Charged to				
Other Departments and Funds		(1,100)	(1,100)	(151,657)
Net General Government		4,032,025	4,032,025	3,947,310
PUBLIC SAFETY				
Police Protection				
Personal Services		7,066,309	7,066,309	7,096,932
Commodities		189,230	189,230	229,568
Contractual Services		160,655	160,655	158,661
Equipment		13,135	13.135	14,024
Total Police Protection		7,429,329	7,429,329	7,499,185
Fire Protection				
Fire Administration Services				
Personal Services		521,756	521,756	546.003
Commodities		41,300	41,300	53,047
Contractual Services		50,298	50,298	56,992
Equipment		<u> </u>		5,661
Total Fire Administration Services		613,354	613,354	661,703
Fire Service				
Personal Services		5,995.579	5,995,579	6.428,060
Commodities		129,937	129,937	150,421
Contractual Services		156,703	156,703	208,319

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

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
PUBLIC SAFETY (Continued)			
Fire Service (Continued)	\$ 4,650 S	4,650 \$	4,725
Other Services	7,015	7.015	10,735
Equipment		7,015	10,733
Total Fire Service	6,293,884	6,293,884	6,802,260
Total Fire Protection	6,907,238	6.907,238	7.463,963
Total Public Safety	14,336,567	14,336,567	14.963,148
COMMUNITY IMPROVEMENT			
Public Works			2.047.050
Personal Services	2,135,955	2,135,955	2.067,059
Commodities	427,150	427,150	370,336 521,932
Contractual Services	587,900 24,000	58 <b>7,</b> 900 24,000	23,181
Other Services Equipment	24,000	22,000	19.313
Equipment		22,000	17.515
Total Public Works	3.197,005	3,197,005	3.001,821
Community Development			
Personal Services	1,134,258	1.134,258	1,248,679
Commodities	20,000	20,000	24,669
Contractual Services	67,600	67.600	58,310
Equipment	500	500	-
Total Community Development	1,222,358	1,222,358	1,331.658
Engineering Services			
Personal Services	361,332	361,332	353,653
Commodities	11,900	11,900	10,478
Contractual Services	22,500	22,500	17,415
Other Services	5,300	5.300	-
Total Engineering Services	401,032	401,032	381,546
Total Community Improvement	4,820,395	4,820,395	4,715,025
Less Administrative Costs Charged to			
Other Departments and Funds	(955,640)	(955,640)	(935,008)
Net Community Improvement	3,864,755	3,864,755	3,780,017
• •			

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

		Original Budget		Final Budget	Actual
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES		1,345,160	S	1,345,160	\$ 1,838,508
OTHER FINANCING SOURCES (USES)					
Proceeds on Sale of Capital Assets		3,000		3,000	3,074
Transfers In					
Water Fund		548,000		548.000	397,443
Mass Transit Fund		219,617		219,617	-
Total Transfers In		767,617		767,617	397,443
Transfers (Out)				(50.000)	
Liability/Property Insurance Fund		(50,000)		(50,000)	- (50.005)
Mass Transit Fund		(32,510)		(32.510)	(79.987)
General Debt Service Fund		(1,378,192)		(1,378,192)	(1,405,834)
Capital Projects Fund		(430,000)		(430,000)	(632,700)
Total Transfers Out		(1,890,702)		(1.890,702)	 (2,118,521)
Total Other Financing Sources (Uses)		(1,120,085)		(1,120,085)	 (1,718,004)
NET CHANGE IN FUND BALANCE	<u>_\$</u>	225,075	\$	225.075	120,504
FUND BALANCE, JULY 1					3,590,906
Prior Period Adjustment				-	 114,233
FUND BALANCE, JULY 1, RESTATED				-	3,705,139
FUND BALANCE, JUNE 30				=	\$ 3,825.643

# DETAILED SCHEDULE OF REVENUES. EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MOTOR FUEL TAX FUND

	 Original Budget		Final Budget		Actual
REVENUES Intergovernmental					
Federal Grants	\$ _	\$	_	\$	471,200
State Grants	-	-	-	•	179.704
State Motor Fuel Tax	1,300,000		1,300,000		1,264,519
Investment Income	20,000		20,000		84,783
Miscellaneous	 <u>-</u>		-		2,359,887
Total Revenues	 1,320,000		1,320,000		4,360,093
EXPENDITURES Current Highways and Streets					
Contractual Services	46,000		46,000		304,037
Permanent Improvements	1,525,000		1,525,000		2,517,358
Total Expenditures	 1,571,000		1,571,000		2,821,395
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	 (251,000)		(251,000)		1,538,698
OTHER FINANCING (USES) Transfer (Out)					
Development Services Fund	 (85,000)		(85,000)		(59,730)
Total Other Financing (Uses)	 (85,000)		(85,000)		(59,730)
NET CHANGE IN FUND BALANCE	\$ (336,000)	\$	(336,000)		1,478,968
FUND BALANCE, JULY 1			-		732,456
FUND BALANCE, JUNE 30			<u>-</u>	\$	2,211,424

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

REVENUES         Final Budget         Actual           Taxes         Property         \$ 3.729,513         \$ 3.729,513         \$ 3.729,681           Property         \$ 3.729,513         \$ 3.729,513         \$ 3.729,681           Sales         1,200,000         1.200,000         1.329,249           Investment Income         20,000         20,000         31,627           Miscellaneous         Refunds/Reimbursements         1,000         1.000         3,895           Recouped Loans         -         -         -         890           Total Revenues         4,950,513         4,950,513         5.093,342           EXPENDITURES         Capital Outlay         259,450         316,934           Other Services         50,000         50,000         -           Permanent Improvements         3,543,750         3,543,750         4,545,670           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1,097,313         230,738           OTHER FINANCING SOURCES (USES)         1,097,313         1,097,313         230,738           OTHER FINANCING SOURCES (USES)         1,097,313         1,097,313         230,738           OTHER FINANCING SOURCES (USES)         1,1450,000         1,450,000					
REVENUES			_		
Taxes         Property         \$ 3,729,513 \$ 3,729,513 \$ 3,729,549         \$ 3,729,549         \$ 3,729,549         \$ 3,729,549         \$ 1,200,000 \$ 1,200,000 \$ 1,329,249         \$ 1,200,000 \$ 20,000 \$ 31,627         \$ 3,729,548         \$ 3,729,549         \$ 3,729,543         \$ 3,729,543         \$ 3,729,543         \$ 3,729,549         \$ 3,729,543         \$ 3,729,549         \$ 31,627           Miscellaneous         Refunds/Reimbursements         1,000 \$ 1,000 \$ 3,895         3,895         \$ 890           Recouped Loans         890         890         \$ 890           Total Revenues         4,950,513 \$ 4,950,513 \$ 5.093,342         \$ 5.093,342           EXPENDITURES         259,450 \$ 259,450 \$ 316,934         \$ 316,934           Other Services         50,000 \$ 50,000 \$ - 50,000 \$ 50,000 \$ - 50,000 \$			Budget	Budget	Actual
Property Sales         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,513         \$ 3.729,249           Investment Income         20.000         20,000         31,627           Miscellaneous         1,000         1.000         3,895           Recouped Loans         -         -         890           Total Revenues         4,950,513         4,950,513         5.093,342           EXPENDITURES         Capital Outlay         259,450         259,450         316,934           Other Services         50,000         50,000         -           Other Services         50,000         50,000         -           Total Expenditures         3,853,200         3,853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1,097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out)         (165,000)         (165,000)         (165,000)           Airport Fund         (1,674,912)         (1,674,912)         (2,115,719)           Notes Issued         -         -         1,450,000           Total Other Financing Sources (	REVENUES				
Sales         1,200,000         1,200,000         1,329,249           Investment Income         20,000         20,000         31,627           Miscellaneous         3,895         3,895           Recouped Loans         1,000         1,000         3,895           Total Revenues         4,950,513         4,950,513         5,093,342           EXPENDITURES         Capital Outlay         259,450         259,450         316,934           Other Services         50,000         50,000         -           Permanent Improvements         3,543,750         3,543,750         4,545,670           Total Expenditures         3,853,200         3,853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1,097,313         230,738           OTHER FINANCING SOURCES (USES)         1,450,000         (165,000)         (165,000)         (165,000)         (165,000)         (165,000)         (1,674,912)         (2,115,719)         (1,67					
Investment Income   20.000   20,000   31,627		\$	•	•	
Miscellaneous Refunds/Reimbursements Recouped Loans         1,000         1.000         3,895 890           Total Revenues         4,950,513         4.950,513         5.093,342           EXPENDITURES Capital Outlay Contractual Services         259,450         259,450         316,934           Other Services Permanent Improvements         50,000         50,000         60,					•
Refunds/Reimbursements         1,000         1.000         3,895           Recouped Loans         -         -         890           Total Revenues         4,950,513         4.950,513         5.093,342           EXPENDITURES         Capital Outlay         259,450         259,450         316,934           Other Services         50,000         50,000         -         -           Permanent Improvements         3,543,750         3.543,750         4.545,670           Total Expenditures         3,853,200         3,853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1.097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out)			20,000	20,000	31,627
Total Revenues			1.000		2.00
Total Revenues			1,000	1.000	•
EXPENDITURES Capital Outlay Contractual Services 259,450 259,450 316,934 Other Services 50,000 50,000 - Permanent Improvements 3,543,750 3.543,750 4,545,670  Total Expenditures 3,853,200 3.853,200 4,862,604  EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES 1,097,313 1.097,313 230,738  OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund (165,000) (165,000) (165,000) TIF Debt Service Fund (1,674,912) (1,674,912) (2.115,719) Notes Issued 1,450,000  Total Other Financing Sources (Uses) (1,839,912) (1839,912) (830,719)  NET CHANGE IN FUND BALANCE \$ (742,599) \$ (742,599) (599,981)  FUND BALANCE, JULY 1	Recouped Loans		-	-	890
Capital Outlay         259,450         259,450         316,934           Other Services         50,000         50,000         -           Permanent Improvements         3,543,750         3.543,750         4.545,670           Total Expenditures         3,853,200         3.853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1.097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund         (165,000)         (165,000)         (165,000)           TIF Debt Service Fund         (1,674,912)         (1,674,912)         (2,115,719)           Notes Issued         -         -         1,450,000           Total Other Financing Sources (Uses)         (1,839,912)         (1.839,912)         (830,719)           NET CHANGE IN FUND BALANCE         \$ (742,599)         \$ (742,599)         (599,981)           FUND BALANCE, JULY 1         879,436	Total Revenues		4,950,513	4,950,513	5,093,342
Contractual Services         259,450         259,450         316,934           Other Services         50,000         50,000         -           Permanent Improvements         3,543,750         3.543,750         4.545,670           Total Expenditures         3,853,200         3.853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1,097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund         (165,000)         (165,000)         (165,000)           TIF Debt Service Fund Notes Issued         (1,674,912)         (1,674,912)         (2,115,719)           Notes Issued         -         -         1,450,000           Total Other Financing Sources (Uses)         (1,839,912)         (1,839,912)         (830,719)           NET CHANGE IN FUND BALANCE         \$ (742,599)         \$ (742,599)         (599,981)           FUND BALANCE, JULY I         879,436	EXPENDITURES				
Other Services         50,000         50,000         -           Permanent Improvements         3,543,750         3.543,750         4.545,670           Total Expenditures         3,853,200         3,853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1.097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out)	Capital Outlay				
Permanent Improvements         3,543,750         3.543,750         4.545,670           Total Expenditures         3,853,200         3,853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1.097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out)	Contractual Services		259,450	259,450	316,934
Total Expenditures         3,853,200         3,853,200         4,862,604           EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES         1,097,313         1.097,313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund         (165,000)         (165,000)         (165,000)         (165,000)         (165,000)         (165,000)         (1674,912)         (2.115,719)         Notes Issued         -         -         1,450,000         1,450,000         1,450,000         1,839,912)         (1,839,912)         (1,839,912)         (830,719)         1,839,912         (1,839,912)         (1,839,912)         (599,981)         1,450,000	Other Services		50,000	50,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES  1,097,313  1.097.313  230,738  OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund (165.000) TIF Debt Service Fund (1,674,912) Notes Issued  Total Other Financing Sources (Uses)  NET CHANGE IN FUND BALANCE  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,913)	Permanent Improvements		3,543,750	3.543,750	4.545,670
OVER EXPENDITURES         1,097,313         1.097.313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund (165.000) TIF Debt Service Fund (1,674,912) Notes Issued (1,674,912) Total Other Financing Sources (Uses) (1,839,912) Total Other Financing Sources (Uses) (1,839,912) NET CHANGE IN FUND BALANCE (1,839,912) TOTAL OTHER FINANCE (1,674,912) (1,674,912) (1,674,912) (1,674,912) (1,839,91	Total Expenditures		3,853,200	3,853,200	4,862,604
OVER EXPENDITURES         1,097,313         1.097.313         230,738           OTHER FINANCING SOURCES (USES) Transfer (Out) Airport Fund (165.000) TIF Debt Service Fund (1,674,912) Notes Issued (1,674,912) Total Other Financing Sources (Uses) (1,839,912) Total Other Financing Sources (Uses) (1,839,912) NET CHANGE IN FUND BALANCE (1,839,912) TOTAL OTHER FINANCE (1,674,912) (1,674,912) (1,674,912) (1,674,912) (1,839,91	EXCESS (DEFICIENCY) OF REVENLIES				
OTHER FINANCING SOURCES (USES)  Transfer (Out)  Airport Fund  TIF Debt Service Fund  Notes Issued  Total Other Financing Sources (Uses)  NET CHANGE IN FUND BALANCE  FUND BALANCE, JULY I  O(165.000)  (165.000)  (165.000)  (165,000)  (165,000)  (1,674,912)  (1,674,912)  (1,674,912)  (1,839,912)  (1,839,912)  (1,839,912)  (1,839,912)  (599.981)  879,436	·		1 097 313	1 097 313	230 738
Transfer (Out)       (165.000)       (165,000)       (165,000)         TIF Debt Service Fund       (1,674,912)       (1,674,912)       (2.115,719)         Notes Issued       -       -       1,450,000         Total Other Financing Sources (Uses)       (1,839,912)       (1.839,912)       (830,719)         NET CHANGE IN FUND BALANCE       \$ (742.599)       \$ (742,599)       (599.981)         FUND BALANCE, JULY 1       879,436	OVER EM ENDITORES		1,007,010	1,077,515	250,750
Airport Fund       (165.000)       (165,000)       (165,000)         TIF Debt Service Fund       (1,674,912)       (1,674,912)       (2.115,719)         Notes Issued       -       -       -       1,450,000         Total Other Financing Sources (Uses)       (1,839,912)       (1.839,912)       (830,719)         NET CHANGE IN FUND BALANCE       \$ (742.599)       \$ (742,599)       (599.981)         FUND BALANCE, JULY 1       879,436					
TIF Debt Service Fund Notes Issued  (1,674,912) (1,674,912) (2.115,719)  1,450,000  Total Other Financing Sources (Uses)  (1,839,912) (1.839,912) (830,719)  NET CHANGE IN FUND BALANCE  (1,674,912) (1,674,912) (2.115,719)  (830,719)  (830,719)  FUND BALANCE, JULY 1			(165,000)	(165,000)	(165,000)
Notes Issued       -       -       1,450,000         Total Other Financing Sources (Uses)       (1,839,912)       (1.839,912)       (830,719)         NET CHANGE IN FUND BALANCE       \$ (742.599)       \$ (742,599)       (599,981)         FUND BALANCE, JULY I       879,436	•		, ,	•	,
NET CHANGE IN FUND BALANCE       \$ (742.599) \$ (742,599)       (599.981)         FUND BALANCE, JULY 1       879,436			-	-	• • • •
FUND BALANCE, JULY 1 879,436	Total Other Financing Sources (Uses)		(1,839,912)	(1.839,912)	(830,719)
	NET CHANGE IN FUND BALANCE	_\$_	(742.599)	\$ (742,599)	(599.981)
FUND BALANCE, JUNE 30 \$ 279,455	FUND BALANCE, JULY 1				879,436
	FUND BALANCE, JUNE 30				\$ 279,455

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

	Original Budget		Actual		
REVENUES Taxes					
Property	\$ 636.370	\$_	636,370	\$	635,277
Total Revenues	636,370	_	636,370	_	635,277
EXPENDITURES Capital Outlay					
Contractual Services	350.000		350,000		245.948
Permanent Improvements	120,000		120,000		151,985
Total Expenditures	 470,000		470,000		397,933
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 166.370	\$	166,370	:	237,344
FUND BALANCE (DEFICIT), JULY 1					(1.155,456)
FUND BALANCE (DEFICIT), JUNE 30				\$	(918,112)

#### NONMAJOR GOVERNMENTAL FUNDS

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2006

ASSETS		Special Revenue		Debt Service		Capital Projects		Total Nonmajor overnmental Funds
Cash and Investments	\$	165,711	\$	_	\$	1.289,311	\$	1.455.022
Restricted Cash and Investments	•	-	Ť	709.534	•	-	•	709.534
Receivables								
Property Taxes		13.577		-		131.139		144,716
Accrued Interest		-		2.399		-		2,399
Other		-		=		162,200		162,200
Prepaid Items		1,487		-		141,609		143,096
Due from Other Governments		404,317		-		34,860		439,177
Due from Other Funds		-		-		183.000		183,000
TOTAL ASSETS	\$	585,092	\$	711,933	\$	1,942,119	\$	3,239,144
LIADILITIES								
LIABILITIES Accounts Payable	\$	261,521	\$		\$	64,813	\$	226 224
Accounts rayable Accrued Payroll	Ф	3,243	Ф	-	Ф	04,813	Þ	326,334 3.243
Other Payables		4,441		-		_		4,441
Deferred Property Taxes		25.563		_		262.279		287.842
Other Deferred Revenues		588		_		37,212		37.800
Due to Other Funds		155,691		_		157.762		313.453
Advances from Other Funds		-		-		560.000		560,000
Total Liabilities		451,047		<u>-</u>		1,082,066		1,533,113
FUND BALANCES								
Reserved for Prepaid Items		1,487		_		141.609		143,096
Reserved for Public Safety		7,030		-		-		7,030
Reserved for Specific Purpose		143,648		-		-		143,648
Reserved for Debt Service		-		711,933		-		711,933
Unreserved - Undesignated (Deficit)		(18,120)	_	-		718,444		700,324
Total Fund Balances		134,045		711,933		860,053		1,706,031
TOTAL LIABILITIES AND	•		_					
FUND BALANCES	\$	585,092	\$	711,933	\$	1,942,119	<u>\$</u>	3,239,144

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

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor vernmental Funds
REVENUES				
Taxes	\$ - 1	\$ -	\$ 249,526	\$ 293,421
Intergovernmental	1.935,169	-	234,216	2,169,385
Charges for Services	-	22.106	248.012	248.012
Investment Income	4,248	27,106	11,361	42,715
Miscellaneous	 50,115		75.000	125,115
Total Revenues	 2,033,427	27,106	818.115	2,878,648
EXPENDITURES Current				
General Government	2,043,143	-	-	2,043,143
Public Safety	27.123	-	-	27,123
Capital Outlay	-	-	3,574.860	3.574,860
Debt Service				
Principal Retirement	-	2,220.000	-	2.220,000
Interest and Fiscal Charges	 -	 1.085.767	 -	1.085,767
Total Expenditures	 2,070,266	3,305,767	3.574.860	 8,950,893
EVOCCS (DEFICIENCY) OF DEVENIUES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,839)	(3,278,661)	(2,756,745)	(6.072,245)
OVER EXITERDITORES	 (50,057)	(5.270,001)	(2,750,715)	 (0:072,2:0)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	15,235	15.235
Transfers In	79,987	3,521.553	632,700	4,234.240
Notes Issued	-	-	2,000.000	2,000,000
Capital Lease Issued	 -	<u>-</u>	651.958	 651,958
Total Other Financing Sources (Uses)	 79,987	3,521,553	3,299,893	 6,901.433
NET CHANGE IN FUND BALANCES	43,148	242.892	543,148	829,188
FUND BALANCES, JULY 1	 90,897	469,041	 316.905	876,843
FUND BALANCES, JUNE 30	\$ 134,045	\$ 711,933	\$ 860,053	\$ 1,706,031

#### NONMAJOR GOVERMENTAL FUNDS

#### NONMAJOR 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.

Greek Row Special Service Area #6 Fund - to account for the accumulation of resources for improvements for Special Service Area #6.

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2006

<u>ln:</u>		Mass Transit		lousing abilitation
ASSETS				
Cash and Investments \$ Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	11.382	\$ -	\$	141.333
Property Taxes	-	- 5.4 <b>9</b>		-
Prepaid Items	390	547		-
Due from Other Governments		380,303		
TOTAL ASSETS	11,772	\$ 380,850	\$	141,333
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable \$	4,352	\$ 233,616	\$	911
Accrued Payroll	_	3,243		-
Other Payables	-	-		-
Deferred Property Taxes	-	-		-
Other Deferred Revenues	-	-		-
Due to Other Funds	-	143,991		<del>-</del>
Total Liabilities	4,352	380.850		911
FUND BALANCES				
Reserved for Prepaid Items	390	547		-
Reserved for Public Safety	7,030	-		-
Reserved for Specific Purpose	-	-		140,422
Unreserved - Undesignated (Deficit)		(547)	ı	
Total Fund Balances (Deficit)	7.420			140,422
TOTAL LIABILITIES AND FUND BALANCES \$	11,772	\$ 380,850	\$	141,333

Heri	itage Ridge	C	ommunity		Knolls Greek Row			
Spec	Special Service Developme		velopment	Sp	ecial Service	Spe	ecial Service	
	Area #3	В	lock Grant		Area #4		Area #6	 Total
\$	3.781	\$	1,813	\$	101	\$	7,301	\$ 165,711
	558		-		4,832		8,187	13.577
	-		550		-		, -	1.487
			24.014				-	404,317
\$	4.339	\$	26,377	\$_	4,933	\$	15,488	\$ 585.092
\$	-	\$	21,248	\$	540	\$	854	\$ 261,521
	-		-		-		-	3,243
	-		4,441		-		-	<b>4,44</b> 1
	1,113		-		9,450		15,000	25,563
	-		588		-		-	588
			100		11.600		-	 155,691
	1.113		26,377		21.590		15,854	451.047
	-		550		-		-	1,487
	-		-		-		-	7,030
	3,226		-		-		-	143,648
	-		(550)		(16.657)		(366)	 (18,120)
	3.226		-		(16,657)		(366)	 134.045
\$	4.339	\$	26,377	\$	4,933	\$	15,488	\$ 585.092

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

	eign Fire rance Tax	Mass Transit	Housing Rehabilitation	
REVENUES Taxes Intergovernmental Investment Income Miscellaneous	\$ 26,658 \$	1,446.235 - -	\$ - 43.657 4.248 50.115	
Total Revenues	 26,658	1,446,235	98,020	
EXPENDITURES Current General Government Public Safety	 27.123 27.123	1.526.222	58.683	
Total Expenditures  EXCESS (DEFICIENCY) OF REVENUES  OVER EXPENDITURES	 (465)	(79,987)	39,337	
OTHER FINANCING SOURCES (USES) Transfers In	 	79,987		
Total Other Financing Sources (Uses)	 <u> </u>	79,987		
NET CHANGE IN FUND BALANCES	(465)	-	39,337	
FUND BALANCES (DEFICIT), JULY 1	 7,885		101.085	
FUND BALANCES (DEFICIT), JUNE 30	\$ 7,420 \$	<u>-</u>	\$ 140,422	

	ge Ridge I Service	Community Development	Sr	Knolls becial Service	Greek Row Special Service		
Are	ea #3	Block Grant	•	Area #4	Area #6		Total
\$	1.061	\$ -	\$	6,291	\$ 9.885	\$	43,895
	-	445.277		, -	-	-	1.935,169
	-	-		-	-		4.248
	-				<u>-</u>		50.115
	1.061	445,277		6.291	9.885		2,033.427
					· —		
	550	445.277		2,160	10.251		2,043,143
	<del>-</del>			-	-		27.123
	550	445,277		2.160	10.251		2,070,266
	511	<u> </u>		4,131	(366)	_	(36.839)
	-	<u>.</u>		<u>-</u>	~		79.987
	-			-	<u>-</u>		79,987
	511	-		4.131	(366)		43,148
	2,715			(20.788)	` ,		90,897
	2,113	<u>-</u>		(20.788)	<del>-</del>		90.097
\$	3,226	\$ -	\$	(16,657)	\$ (366)	\$	134,045

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

			Final Budget		Actual	
REVENUES						
Taxes						
Foreign Fire Insurance Tax		25,000	_\$_	25,000	\$_	26,658
Total Revenues		25.000		25,000		26,658
EXPENDITURES Current Public Safety						
Commodities		17,032		17,032		19,489
Contractual Services		3,165		3,165		3,137
Equipment		4,000		4,000		4,497
Total Expenditures		24.197		24,197	•	27,123
NET CHANGE IN FUND BALANCE	\$	803	\$	803	<u>.</u>	(465)
FUND BALANCE, JULY 1						7.885
FUND BALANCE, JUNE 30					<u>\$</u>	7,420

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

					<u>_</u> _	
		Original	Final	1		
		Budget	Budget		Actual	
REVENUES						
Intergovernmental						
Federal Grants	\$	926,214 \$	926,214	\$	139,494	
State Grants		1,400.000	1,400,000		1,306,741	
Total Revenues		2,326,214	2,326,214		1.446.235	
EXPENDITURES						
Current						
General Government						
Personal Services		105.285	105,285		106,797	
Commodities		2,250	2,250		2,573	
Professional/Contractual Services		2.247,189	2,247,189		1,404,816	
Equipment	_	4.000	4,000		12.036	
Total Expenditures		2.358.724	2,358,724		1,526,222	
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES		(32,510)	(32,510)		(79,987)	
OTHER FINANCING SOURCES (USES) Transfer In						
General Fund		32,510	32,510		79,987	
General Fund		32,310	32,310		19,901	
Total Other Financing Sources (Uses)		32.510	32,510		79.987	
NET CHANGE IN FUND BALANCE	\$	- \$	<u>-</u>		-	
FUND BALANCE, JULY 1					-	
FUND BALANCE, JUNE 30				_\$_	-	

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

	Original Budget	Final Budget		Actual	
REVENUES					
Intergovernmental					
Federal Grants	\$ -	\$	-	\$	43,657
Investment Income	1,000		1,000		4,248
Miscellaneous					
Miscellaneous	-		-		11,323
Refunds/Reimbursements	-		-		25,000
Recouped Loan	 <u> </u>		<u>-</u>		13,792
Total Revenues	 1,000		1,000		98.020
EXPENDITURES					
Current					
General Government					
Contractual Services	1,000		1,000		974
Other Services	30,000		30,000		47,459
Permanent Improvements	 10,000		10.000		10,250
Total Expenditures	 41,000		41,000		58,683
NET CHANGE IN FUND BALANCE	 (40,000)	\$	(40,000)		39,337
FUND BALANCE, JULY 1					101,085
FUND BALANCE, JUNE 30			:	<u>\$</u>	140,422

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

	Original Budget			Final Budget		Actual
REVENUES						
Taxes Property Taxes	\$	1.060	\$	1,060	\$	1,061
Total Revenues		1,060	·	1,060		1,061
EXPENDITURES General Government						
Commodities		100		100		-
Contractual Services		650		650		550
Permanent Improvements		100		100		<u> </u>
Total Expenditures		850		850		550
NET CHANGE IN FUND BALANCE	\$	210	\$	210	:	511
FUND BALANCE, JULY 1						2,715
FUND BALANCE. JUNE 30					<u>\$</u>	3,226

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

	Original Budget		Final Budget		Actual
REVENUES					
Intergovernmental					
Grants	\$ 470.615	\$	470,615	\$	445,277
Total Revenues	 470,615		470.615		445,277
EXPENDITURES					
General Government					
Commodities	500		500		203
Contractual Services	259,115		259,115		304,987
Other Services	135,000		135,000		60,131
Equipment	1.000		1,000		-
Permanent Improvements	 75,000		75,000	_	79,956
Total Expenditures	 470,615		470,615		445,277
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$_			-
FUND BALANCE, JULY 1				<u></u>	
FUND BALANCE, JUNE 30			:	\$	-

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

	Original Final Budget Budget			Actual		
REVENUES						
Taxes Property Taxes	\$	6,300	_\$_	6,300	\$_	6,291
Total Revenues		6,300	_	6,300	_	6,291
EXPENDITURES General Government Contractual Services Permanent Improvements		3,550 100		3.550 100		2.160
Total Expenditures		3,650		3,650		2,160
NET CHANGE IN FUND BALANCE	\$	2,650	\$	2,650	:	4,131
FUND BALANCE (DEFICIT), JULY 1						(20,788)
FUND BALANCE (DEFICIT), JUNE 30					\$	(16,657)

# SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GREEK ROW SPECIAL SERVICE AREA #6 FUND

		Original		Final		
	Budget			Budget		Actual
REVENUES						
Taxes						
Property Taxes		10,000	\$	10,000	\$	9,885
Total Revenues		10,000		10,000		9.885
EXPENDITURES						
General Government						
Contractual Services		<u> </u>		<u>-</u>		10,251
Total Expenditures		-		<u>-</u>		10.251
NET CHANGE IN FUND BALANCE	\$	10,000	\$	10,000	:	(366)
FUND BALANCE, JULY 1						<u>-</u>
FUND BALANCE (DEFICIT). JUNE 30					\$	(366)

#### NONMAJOR GOVERNMENTAL FUNDS

#### NONMAJOR 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.

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

## COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

June 30, 2006

	Tax Increment General Financing Debt Service Debt Service			Total		
ASSETS						
Restricted Cash and Investments Accrued Interest Receivable	\$	<u>-</u>	\$	709,534 2,399	\$	709,534
TOTAL ASSETS	\$		\$	711,933	\$	711.933
LIABILITIES AND FUND BALANCES						
LIABILITIES None	\$	<del>_</del> _	\$	_ <del>_</del>	\$_	
Total Liabilities						
FUND BALANCES Reserved for Debt Service		-		711,933	<u>.</u>	711,933
Total Fund Balances				711,933		711.933
TOTAL LIABILITIES AND FUND BALANCES	_\$	<u> </u>	\$_	711,933	\$	711,933

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

		Tax Increment General Financing Debt Service Debt Service			Total
REVENUES Investment Income	_\$		\$	27,106	\$ 27,106
Total Revenues		<u>-</u>		27,106	 27,106
EXPENDITURES  Debt Service  Principal Retirement Interest		845,000 560.834		1,375,000 524,933	2,220,000 1,085,767
Total Expenditures		1.405.834		1,899.933	 3.305,767
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1.405.834)		(1,872.827)	 (3,278.661)
OTHER FINANCING SOURCES (USES) Transfers In General Fund Tax Increment Financing Fund		1.405,834		2,115,719	 1,405,834 2,115,719
Total Other Financing Sources (Uses)	_	1,405,834		2,115,719	 3,521,553
NET CHANGE IN FUND BALANCES		-		242,892	242,892
FUND BALANCES, JULY 1				469,041	469,041
FUND BALANCES, JUNE 30		<del>.</del>	\$	711.933	\$ 711.933

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

		Original Budget		Final Budget		Actual	
REVENUES None	_\$	<del>-</del>	\$		\$		
Total Revenues				<u>-</u>		<u>-</u>	
EXPENDITURES  Debt Service  Principal Retirement  Interest and Fiscal Charges		845.000 533.192		845,000 533.192		845,000 560,834	
Total Expenditures		1,378,192		1,378,192		1,405,834	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,378,192)		(1,378,192)	_	(1,405,834)	
OTHER FINANCING SOURCES (USES) Transfer In General Fund		1.378,192		1,378,192		1,405,834	
Total Other Financing Sources (Uses)		1,378,192		1,378,192		1,405,834	
NET CHANGE IN FUND BALANCE		<u>.</u>	\$	<u>-</u>	=	-	
FUND BALANCE, JULY 1							
FUND BALANCE, JUNE 30						<u>-</u>	

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

		Original Budget		Final Budget		Actual
REVENUES Investment Income	_\$_			<u>-</u>	\$	27,106
Total Revenues		<del></del>		-		27.106
EXPENDITURES Debt Service Principal Retirement Interest and Fiscal Charges		1,375,000 309,255		1,375,000 309,255		1,375.000 524,933
Total Expenditures		1,684,255		1,684,255		1,899,933
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,684,255)		(1,684,255)		(1,872,827)
OTHER FINANCING SOURCES (USES) Transfer In Tax Increment Financing Fund		1,674,912		1,674,912		2,115,719
Total Other Financing Sources (Uses)		1,674,912		1.674,912		2,115,719
NET CHANGE IN FUND BALANCE		(9.343)	\$	(9.343)	:	242,892
FUND BALANCE, JULY 1					_	469,041
FUND BALANCE, JUNE 30						711,933

#### NONMAJOR GOVERNMENTAL FUNDS

#### NONMAJOR CAPITAL PROJECTS FUND

Capital Projects Fund - to account for the City's major activities, including infrastructure, buildings and equipment expenditures.

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

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2006

ASSETS		Capital Projects	<u> </u>			Total
Cash and Investments	\$	1,279,968	\$	9,343	\$	1,289,311
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	Ψ	1,277,700	Ψ	7,543	Ψ	1,207,511
Property Taxes		_		131,139		131,139
Other		162,200		-		162,200
Prepaid Items		141,609		-		141,609
Due from Other Governments		34,860		-		34,860
Due from Other Funds		183.000				183,000
TOTAL ASSETS		1,801,637	\$	140,482	\$	1,942,119
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$	64.813	\$	_	\$	64,813
Deferred Property Taxes		-		262,279		262,279
Other Deferred Revenue		37,212		-		37,212
Due to Other Funds		-		157,762		157,762
Advances from Other Funds		<del>-</del>		560,000		560,000
Total Liabilities		102,025		980,041		1,082.066
FUND BALANCES						
Reserved for Prepaid Items		141,609		-		141,609
Unreserved - Undesignated (Deficit)		1,558,003		(839,559)		718,444
Total Fund Balances (Deficit)		1,699.612		(839.559)		860,053
TOTAL LIABILITIES AND						
FUND BALANCES	\$	1,801,637	\$	140,482	\$	1,942,119

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

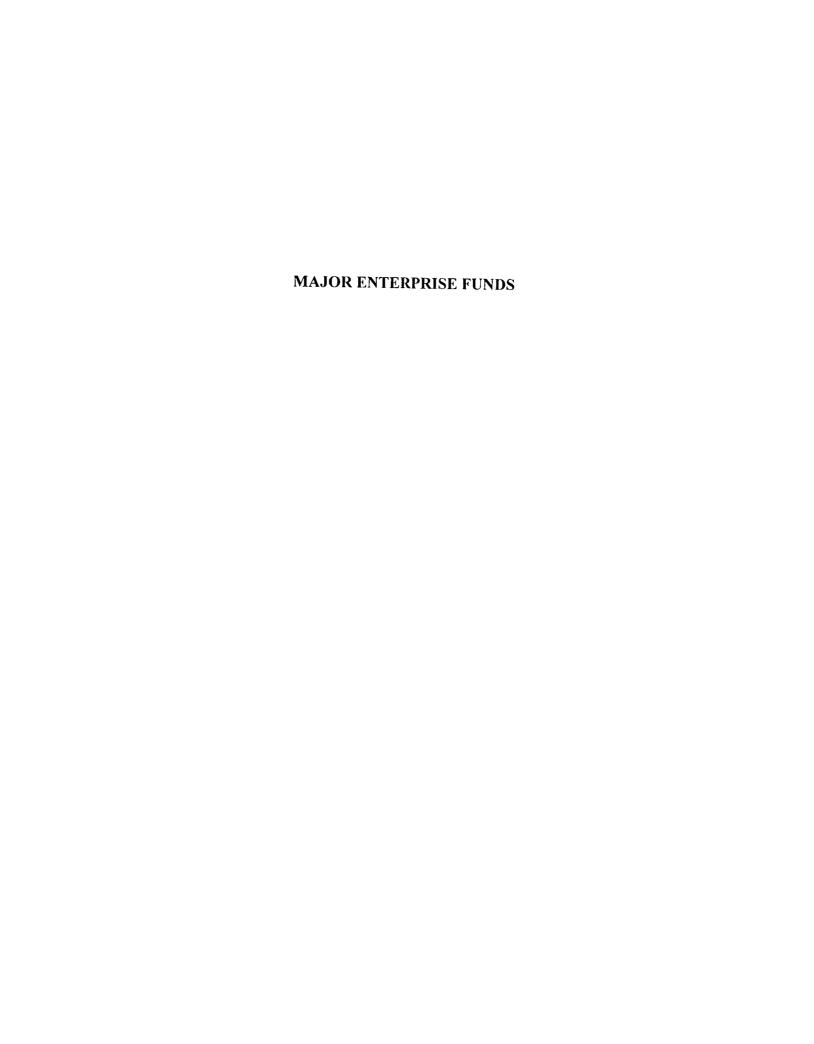
	Capital Projects	County Home Tax Increment Financing District	Total	
REVENUES Taxes Intergovernmental Charges for Services Investment Income Miscellaneous	\$ - 234.216 248.012 11,361 75.000	\$ 249.526 \$ - - - -	249.526 234,216 248,012 11.361 75,000	
Total Revenues	568,589	249,526	818,115	
EXPENDITURES Capital Outlay Commodities Contractual Services Other Services Equipment Permanent Improvements	9,812 270.403 396,999 1,017,901 1,721,983	- 157.762 - - -	9.812 428,165 396,999 1.017,901 1.721,983	
Total Expenditures	3,417.098	157.762	3,574,860	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2.848,509)	91,764	(2,756,745)	
OTHER FINANCING SOURCES (USES) Proceeds from Sale of Capital Assets Transfer In Notes Issued Capital Lease Issued	15,235 632,700 2,000,000 651,958	- - -	15.235 632,700 2.000.000 651,958	
Total Other Financing Sources (Uses)	3,299.893		3,299.893	
NET CHANGE IN FUND BALANCES	451,384	91,764	543,148	
FUND BALANCES (DEFICIT), JULY 1	1,248.228	(931,323)	316,905	
FUND BALANCES (DEFICIT), JUNE 30	\$ 1.699,612	\$ (839.559) \$	860,053	

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

	 Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental		_	
Federal Grants	\$ - :	\$ -	\$ 187.046
State Grants	-	•	15,200
Local Grants	-	-	31,970
Charges for Services	110 500	110.500	77.044
Rental Income	110,500	110.500	77.944 57.000
Traffic Impact Fees	50.000	50,000	57,000
Refunds/Reimbursements	180,400	180,400	112,684 384
Public Building Construction Fees	12.000	12,000	11,361
Investment Income	12,000	12,000	75,000
Miscellaneous	 		75,000
Total Revenues	 352,900	352,900	568.589
EXPENDITURES			
Capital Outlay			
Commodities	-	-	9,812
Contractual Services	55.000	55.000	270,403
Other Services	430,000	430,000	396,999
Equipment	1,274,600	1,274.600	1.017,901
Permanent Improvements	 172,600	172.600	1,721,983
Total Expenditures	 1,932,200	1,932,200	3,417,098
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	 (1,579,300)	(1,579,300)	(2,848,509)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	-	15,235
Transfer In	0.5.4.0.4.0	054.010	(22.700
General Fund	854,818	854.818	632,700 2,000,000
Notes Issued	725 (00	725 600	651,958
Capital Lease Issued	 725,600	725,600	051,938
Total Other Financing Sources (Uses)	 1,580,418	1.580.418	3.299,893
NET CHANGE IN FUND BALANCE	\$ 1,118	\$ 1,118	451,384
FUND BALANCE, JULY 1			1,248,228
FUND BALANCE. JUNE 30			\$ 1.699,612

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

		Original Budget		Final Budget		Actual
REVENUES Taxes						
Property Taxes	_\$_	249,199	\$	249,199	\$	249,526
Total Revenues		249,199		249,199		249,526
EXPENDITURES Capital Outlay						
Contractual Services		157,762		157,762		157,762
Total Expenditures		157,762		157,762		157,762
NET CHANGE IN FUND BALANCE	\$	91,437	\$	91,437	=	91,764
FUND BALANCE (DEFICIT), JULY 1						(931,323)
FUND BALANCE (DEFICIT), JUNE 30						(839,559)



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

	(	perations and			System					
		Maintenance			Construction		Eliminations		Totals	
	Original	Final		Original	Final			Original	Final	
	Budget	Budget	Actual	Budget	Budget	Actual	Actual	Budget	Budget	Actual
OPERATING REVENUES										
Charges for Services										
Water Sales	\$ 4,120,000	4,120,000	\$ 3,979,822	\$ -	\$ -	\$ -	\$ -	\$ 4,120,000	\$ 4,120,000	\$ 3,979,822
Permits	157,000	157,000	129,934	500,000	500,000	336,688	-	657,000	657,000	466,622
Miscellaneous	40,000	40,000	17,796	•	•	-		40,000	40,000	17,796
Total Operating Revenues	4,317,000	4,317,000	4,127,552	500,000	500,000	336,688		4,817,000	4,817,000	4,464,240
OPERATING EXPENSES EXCLUDING DEPRECIATION										
Personal Services	1,357,363	1,357,363	1,459,669	-	•	-	•	1,357,363	1,357,363	1,459,669
Commodities	402,900	402,900	351,315	•	•	•	•	402,900	402,900	351,315
Contractual Services	699,800	699,800	756,463	•	-	-	-	699,800	<b>699,8</b> 00	756,463
Other Services/Expenses	•	-	28,179	-	-	-	-	-	-	28,179
Equipment	501,000	501,000	68,863	-	+	+	-	501,000	501,000	68,863
Permanent Improvements	182,000	182,000	43,654	500,000	500,000	<del></del>	-	682,000	682,000	43,654
Total Operating Expenses Excluding										
Depreciation	3,143,063	3,143,063	2,708,143	500,000	500,000	•	· ·	3,643,063	3,643,063	2,708,143
OPERATING INCOME BEFORE DEPRECIATION AND										
AMORTIZATION	1,173,937	1,173,937	1,419,409	-	-	336,688	-	1,173,937	1,173,937	1,756,097
DEPRECIATION AND AMORTIZATION			1,088,404	·		<u> </u>	<u> </u>	<u> </u>	<u> </u>	1,088,404
OPERATING INCOME	1,173,937	1,173,937	331,005	-		336,688		1,173,937	1,173,937	667,693

	(	Operations and Maintenance			System Construction		Eliminations		Totals	
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Actual	Original Budget	Final Budget	Actual
NONOPERATING REVENUES (EXPENSES) Investment Income Interest Expense Grant Revenue	\$ 40,000 (1,382,945)	\$ 40,000 (1,382,945)	\$ 9,214 (334,794)	\$ - - 470,000	\$ - 470,000	\$ - : -		\$ 40,000 \$ (1,382,945) 470,000	3 40,000 5 (1,382,945) 470,000	\$ 9,214 (334,794)
Total Nonoperating Revenues (Expenses)	(1,342,945)	(1,342,945)	(325,580)	470,000	470,000		<u> </u>	(872,945)	(872,945)	(325,580)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(169,008)	(169,008)	5,425	470,000	470,000	336,688	<u>.</u>	300,992	300,992	342,113
TRANSFERS Transfers In System Construction Fund Transfers (Out) General Fund	- (565,000)	- (565,000)	1,121,595 (397,443)		-		(587,394)	- (565,000)	- (565,000)	534,201 (397,443)
Operations and Maintenance Fund	(303,000)	(303,000)	(377,443)	-		(1,121,595)	587,394		•	(534,201)
Total Transfers	(565,000)	(565,000)	724,152		-	(1,121,595)		(565,000)	(565,000)	(397,443)
CONTRIBUTIONS Contributions of Capital Assets	<u> </u>		568,186	<del>.</del>	<del>.</del>	<u>:</u>	<u>.</u>	<u>.</u>	<u>.</u>	568,186
CHANGE IN NET ASSETS	\$ (734,008)	\$ (734,008)	1,297,763	\$ 470,000	\$ 470,000	(784,907)		\$ (264,008) \$	(264,008)	512,856
NET ASSETS, JULY I		_	17,585,002			1,854,911			_	19,439,913
NET ASSETS, JUNE 30		=	\$ 18,882,765			\$ 1,070,004			_3	19,952,769

# SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION WATER FUND

		Capita	l Assets							
	Balances July 1	Additions	Retirements	Balances June 30		ances ily l	Provisions	Retirements	Balances June 30	Asset Value
Land	\$ 528,648	\$ -	\$ -	\$ 528,648	\$	-	\$ -	\$ -	\$ -	\$ 528,648
Buildings and Improvements	2,544,389	-	-	2,544,389		397,236	50,888	-	448,124	2,096,265
Water System	34,318,426	1,894,160	-	36,212,586	8,	977,676	912,711	-	9.890,387	26,322,199
Vehicles	596,573	68,790	49,105	616,258		256,044	59,318	45,923	269,439	346,819
Equipment	225,492	80,000		305,492		99,951	45,349	-	145,300	160,192
TOTAL	\$ 38,213,528	\$ 2,042,950	\$ 49,105	\$ 40,207,373	\$ 9,	730,907	\$ 1,068,266	\$ 45,923	\$ 10,753,250	\$ 29,454,123

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

		Original	Final	
		Budget	Budget	Actual
ODER ATING REVENUES				
OPERATING REVENUES Charges for Services				
Rents/Taxes	\$	342.000 \$	342.000 \$	274,983
Airport Operators	Ψ	42.000	42,000	5,549
Miscellaneous		2,000	2.000	17,984
Total Operating Revenues		386.000	386.000	298,516
OPERATING EXPENSES				
Boards/Commissions		350	350	_
Personal Services		188,366	188,366	200,149
Commodities		38.350	38.350	31,614
Contractual Services		107,550	107.550	116.847
Other Services		249,700	249,700	46,559
Equipment		72.000	72,000	20,562
Permanent Improvements		667,925	667,925	92,415
Total Operating Expenses		1,324,241	1,324,241	508.146
OPERATING INCOME (LOSS) BEFORE				
DEPRECIATION AND AMORTIZATION		(938,241)	(938,241)	(209,630)
DEPRECIATION AND AMORTIZATION		<u> </u>	<del>-</del>	257.702
OPERATING INCOME (LOSS)		(938,241)	(938.241)	(467,332)
NONOPERATING REVENUES (EXPENSES)				
Property Taxes		75.000	75,000	75,194
Investment Income		1.000	1,000	-
Refunds/Reimbursements		200,000	200.000	5,854
Interest Expense		(62.872)	(62,872)	(73,602)
Grant Revenue		530,000	530,000	257,211
Total Nonoperating Revenues (Expenses)		743,128	743.128	264,657
NET INCOME (LOSS) BEFORE				
TRANSFERS AND CONTRIBUTIONS		(195,113)	(195,113)	(202.675)

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

	 Original Budget	Final Budget	Actual
TRANSFERS IN (OUT) Tax Increment Financing Fund Property/Liability Insurance Fund	\$ 165,000 \$ (5,000)	165,000 \$ (5,000)	165,000
Total Transfers In (Out)	 160,000	160.000	165,000
CONTRIBUTIONS Contributions of Capital Assets	 -	<u>-</u>	203,590
CHANGE IN NET ASSETS	\$ (35,113) \$	(35.113)	165,915
NET ASSETS, JULY 1		_	18.679,056
NET ASSETS, JUNE 30			18,844,971

# NONMAJOR ENTERPRISE FUNDS Development Services Fund - to provide inspection and plan review services primarily in support of new development within the community. Refuse Fund - to account for billing, collection and payment for refuse collection.

# COMBINING STATEMENT OF NET ASSETS NONMAJOR ENTERPRISE FUNDS

June 30, 2006

		elopment ervices	Refuse	Total Nonmajor Enterprise		
CURRENT ASSETS						
Cash and Investments	\$	49,795	\$ 828	\$	50,623	
Receivables						
Accounts		-	178,448		178,448	
Prepaid Expenses		195			195	
Due from Other Funds		29,334	 503,457	_	532,791	
Total Current Assets		79.324	 682.733	. "	762.057	
CURRENT LIABILITIES						
Accounts Payable		1,366	221,791		223,157	
Accrued Payroll		7,969	,·		7,969	
Deferred Revenue		-	178,448		178,448	
Due to Other Funds		-	6,674		6,674	
Compensated Absences Payable		3.022			3.022	
Total Current Liabilities		12.357	 406,913		419.270	
LONG-TERM LIABILITIES						
Compensated Absences Payable	<del></del>	27.199	<del></del>		27,199	
Total Long-Term Liabilities		27.199	-		27,199	
Total Liabilities		39.556	406,913		446,469	
NET ASSETS						
Unrestricted		39.768	275,820		315.588	
TOTAL NET ASSETS	\$	39,768	\$ 275,820	\$	315.588	

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

		velopment Services	Refuse	Total Nonmajor Enterprise			
OPERATING REVENUES	ф	240.057 #	1 405 400	ф. 1.65 <b>7.</b> 456			
Charges for Services		249.957 \$	1,407.499	\$ 1.657,456			
Total Operating Revenues		249,957	1,407,499	1.657,456			
OPERATING EXPENSES							
Personal Services		282,086	_	282,086			
Commodities		2,141	-	2,141			
Contractual Services		8,267	1,313,885	1,322,152			
Equipment		2,297	<u>-</u>	2,297			
Total Operating Expenses		294,791	1,313,885	1,608,676			
OPERATING INCOME (LOSS)		(44,834)	93,614	48,780			
TRANSFERS IN							
Motor Fuel Tax Fund		59,730	<u>-</u>	59,730			
Total Transfers In		59,730		59,730			
CHANGE IN NET ASSETS		14,896	93,614	108,510			
NET ASSETS, JULY 1		24.872	182,206	207,078			
NET ASSETS, JUNE 30	_\$	39,768 \$	275,820	\$ 315,588			

# COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS

	De	velopment				
		Services	Refuse	Total		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	s	249.957 \$	1,407,499 \$	1,657,456		
Payments to Suppliers	ŭ	(11.346)	(1.298.668)	(1,310,014)		
Payments to Employees		(277,881)	-	(277,881)		
Net Cash from Operating Activities		(39,270)	108,831	69,561		
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES						
Interfund Receivables		29,166	(503.457)	(474,291)		
Interfund Payables		-	6,674	6.674		
Transfers In		59,730	<del>-</del>	59.730		
Net Cash from Noncapital						
Financing Activities		88,896	(496.783)	(407,887)		
CASH FLOWS FROM INVESTING ACTIVITIES						
None		-	_	-		
		- · · · · · · · · · · · · · · · · · · ·		<del></del>		
Net Cash from Investing Activities			-	-		
NET INCREASE (DECREASE) IN CASH AND						
CASH EQUIVALENTS		49.626	(387,952)	(338,326)		
CASH AND CASH EQUIVALENTS, JULY 1		169	388.780	388,949		
CASH AND CASH EQUIVALENTS, JUNE 30	_\$	49.795 \$	828 9	50,623		
RECONCILIATION OF OPERATING INCOME						
(LOSS) TO NET CASH FLOWS FROM						
OPERATING ACTIVITIES						
Operating Income (Loss)	\$	(44.834) \$	93,614	48,780		
Adjustments to Reconcile Operating Income (Loss)	•	(**************************************	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, 10,700		
to Net Cash From Operating Activities						
Changes in Assets and Liabilities						
Accounts Receivables		-	(13,384)	(13,384)		
Prepaid Expenses		299	<u>-</u>	299		
Accounts Payable		1,060	15.217	16.277		
Accrued Payroll		2.558	-	2,558		
Deferred Revenue		-	13,384	13.384		
Compensated Absences		1,647	<del>-</del>	1,647		
NET CASH FROM OPERATING ACTIVITIES	_\$	(39,270) \$	108.831	69,561		
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$	49.795 \$	828 5	50.623		
•	===					

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

		Priginal Budget	Final Budget	Actual
OPERATING REVENUES Charges for Services Permits	\$	230,000 \$	230,000	\$ 249,957
Termits	<u> </u>	230,000 \$	230,000	\$ 249,957
Total Operating Revenues		230,000	230,000	249,957
OPERATING EXPENSES				
Personal Services		289,647	289,647	282,086
Commodities		10,700	10,700	2,141
Contractual Services		11.600	11,600	8,267
Equipment	<del></del>	2,700	2,700	2,297
Total Operating Expenses		314,647	314,647	294,791
OPERATING INCOME (LOSS)		(84,647)	(84,647)	(44,834)
TRANSFERS IN				
Motor Fuel Tax Fund		85,000	85,000	59,730
Total Transfers In		85,000	85,000	59,730
CHANGE IN NET ASSETS	\$	353 \$	353	14,896
NET ASSETS, JULY 1				24.872
NET ASSETS, JUNE 30				\$ 39,768

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

		Original Budget	Final Budget	Actual
OPERATING REVENUES Charges for Services	_\$_	1,500,000 \$	1,500,000	\$ 1,407,499
Total Operating Revenues		1,500,000	1,500,000	1,407,499
OPERATING EXPENSES Contractual Services Equipment		1,480,000 50,000	1,480,000 50,000	 1,313,885
Total Operating Expenses		1,530,000	1,530,000	 1,313,885
CHANGE IN NET ASSETS	<u>\$</u>	(30,000) \$	(30,000)	93,614
NET ASSETS, JULY 1				182,206
NET ASSETS, JUNE 30				\$ 275,820

### **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.

# COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS

June 30, 2006

		Workers' npensation	Health Insurance			Liability/ Property Insurance		Total		
CURRENT ASSETS										
Cash and Investments	\$	774 \$	\$	1,469,168	\$	116,803	\$	1.586.745		
Receivables				603				603		
Accrued Interest		-		603		-				
Other		-		195,600		1 456		195,600		
Prepaid Expenses		-		5.033		1.456	6,489 406,000			
Due from Other Funds		<del>-</del>	_	406,000		<del>-</del>		400,000		
Total Current Assets	774			2,076,404		118,259		2,195,437		
CURRENT LIABILITIES										
Accounts Payable		2,637		62,709		17.175		82,521		
Claims Payable		486,936		407,554		90,000		984,490		
Due to Other Funds		406,000						406,000		
Total Current Liabilities		895,573		470,263		107.175		1,473,011		
NET ASSETS										
Unrestricted (Deficit)		(894,799)		1.606,141		11.084		722,426		
TOTAL NET ASSETS	\$	(894,799)	\$	1.606,141	\$	11,084	\$	722,426		

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

	,	Vorkei	rs' Compensa	ation	1		I	leal	lth Insurance	2	
	Original		Final			O	riginal		Final		
	Budget	Budget		_	Actual	В	udget		Budget		Actual
OPERATING REVENUES Charges for Services Contributions Miscellaneous	\$ 451,84	12 \$	451,842 -	\$	515.397	\$ 3.	,629,283 	\$	3,629,283	\$	4.064,411
Total Operating Revenues	451,84	12	451,842		515,397	3	,629.283		3,629,283		4,064,411
OPERATING EXPENSES Administration Commodities Contractual Services Claims Other	27,4: 449,0		27,424 449,000		208 28,685 596,311	3	100 336,630 ,593,823		100 336,630 3,593.823		369,915 3.229,027
Total Operating Expenses	476,4	24	476,424		625,204	3	,930,553		3,930,553	_	3,598,942
OPERATING INCOME (LOSS)	(24,5	82)	(24,582)		(109.807)	·	(301.270)		(301,270)		465,469
NONOPERATING REVENUES Investment Income		_	<u>-</u>		227		20,000		20,000		10,647
Total Nonoperating Revenues			-		227		20,000		20,000		10.647
CHANGE IN NET ASSETS	\$ (24,5	82) \$	(24.582)	<u>.</u>	(109,580)	\$	(281,270)	\$	(281,270)	=	476,116
NET ASSETS (DEFICIT), JULY 1					(785,219)	-				_	1,130.025
NET ASSETS (DEFICIT), JUNE 30					(894,799)					<u>\$</u>	1,606,141

			_		_		<u></u>		
		I	iability/						
	Pr		rty Insuranc	e			Totals		
	Original		Final			Original	Final		
1	Budget		Budget		Actual	Budget	Budget		Actual
\$	75,000	\$	75,000	\$	80,000	\$ 4,156,125	\$ 4,156,125	\$	4,659,808
	15,000		15.000		41,730	15,000	15,000		41.730
	90.000		90,000	-	121,730	4,171,125	4,171,125		4,701,538
	· ·							•	
	•		_		-	100	100		208
	68,500		68.500		82,245	432,554	432,554		480,845
	50,000		50,000		50,104	4,092,823	4.092,823		3.875,442
	1,000		1.000		13,898	1,000	1,000		13,898
	119,500		119,500		146.247	4.526,477	4.526,477		4,370,393
	(29,500)		(29,500)		(24,517)	(355,352)	(355,352)		331,145
	-		_		-	20,000	20,000		10.874
			-		-	20.000	20,000		10,874
\$	(29.500)	\$	(29,500)		(24,517)	\$ (335,352)	\$ (335,352)		342,019
					35,601				380,407
			;	\$	11,084		;	\$	722,426

# COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

559,808
53,870) 541,705)
(35,767)
106,000) 104,000
(2,000)
197.346) 396,000 10,028
208,682
170,915
217,768
388,683
331,145
195,600) 25,461 71,515 268,288)
(35,767)
388,683 198,062
586,745

### 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.

# COMBINING STATEMENT OF NET ASSETS PENSION TRUST FUNDS

June 30, 2006

		Pensio	n Tr	ust		
		Police	F	irefighters'	•	
		Pension		Pension		Total
ASSETS						
Cash and Short-Term Investments	\$	851,991	\$	1,265,081	\$	2,117,072
Investments, at Fair Value	,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-	,,	_	_,,
Certificates of Deposit		150,000		82,716		232,716
Mutual Funds		10,055,964		6.908,700		16,964,664
U.S. Treasury Securities		-		3.304,439		3,304,439
U.S. Agency Securities		9,926,501		4,507,970		14,434,471
Receivables						,
Accrued Interest		102,011		95,652		197,663
Other Receivables		43,098		189,106		232,204
Total Assets		21,129,565		16,353,664		37,483,229
LIABILITIES						
Accounts Payable		5,317		8,766		14,083
Deferred Revenue		407,471		594,948		1,002,419
			_			
Total Liabilities		412,788		603,714		1,016,502
NET ASSETS HELD IN TRUST						
FOR PENSION BENEFITS	_\$_	20,716,777	\$	15,749,950	\$	36,466,727

# COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS PENSION TRUST FUNDS

		Pensio	,, T.	net		
		Police		irefighters'	•	
		Pension	1	Pension		Total
ADDITIONS						
Contributions						
Employer Contributions	\$	749,471	\$	1.062,734	\$	1,812,205
Employee Contributions	*	389,055	•	351,855	•	740,910
Other Contributions		269,848		189,106		458,954
Total Contributions		1,408,374		1.603,695		3.012,069
Investment Income						
Net Appreciation in Fair Value						
of Investments		866,396		387,510		1,253,906
Interest		525,980		533,780		1,059,760
Total Investment Income		1,392,376		921,290		2,313,666
Less Investment Expense		(16,560)		(38,905)		(55,465)
Net Investment Income		1,375,816		882,385		2,258,201
Total Additions		2,784,190		2,486,080		5,270,270
DEDUCTIONS						
Retirement Benefits		1,210,434		1,099,715		2,310,149
Disability Benefits		38,375		220,063		258,438
Administrative Expenses		11,163		17,669		28,832
Total Deductions		1,259,972		1,337,447		2,597,419
NET INCREASE		1,524,218		1,148,633		2,672,851
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS						
July 1	•	19,192,559		14,601,317		33,793,876
June 30	\$	20,716,777	\$	15,749,950	\$	36,466,727

# LONG-TERM DEBT PAYABLE FROM GOVERNMENTAL FUNDS To account for the noncurrent portion of the governmental fund's liabilities.

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

June 30, 2006

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF	Compensated Absences	Capital Lease	Other Government Payable	Termination Benefit	TIF Note Payable
GENERAL LONG-TERM DEBT					
Amount Available for Debt Service Amount to be Provided for Retirement of General Long-Term Debt	\$ - - 4,171,622	\$ - 1,259,669	\$ - 1,998,998	\$ - 1,445,066	\$ - 1,450,000
TOTAL AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT	<b>\$</b> 4,171.622	\$1,259,669	\$ 1,998,998	\$ 1,445,066	\$ 1,450,000
GENERAL LONG-TERM DEBT PAYABLE					
Due to Other Governments Compensated Absences Payable Termination Benefit Payable TIF Note Payable Bond Anticipation Note Payable Capital Lease Payable General Obligation Bonds Payable	\$ - 4,171,622 - - - -	\$ - - - - 1,259,669	\$1,998,998	\$ - 1,445,066 - -	\$ - - 1,450,000
Revenue Bonds Payable		-	•	<u> </u>	<u> </u>
TOTAL GENERAL LONG-TERM DEBT PAYABLE	<b>\$</b> 4,171,622	\$ 1,259,669	\$ 1,998,998	\$ 1,445,066	\$ 1,450,000

					General	Obli	gation												
	d Series 1997A	Bond Serie of 1997B	-	ond Series of 2000	Bond Series of 2002		ond Series		nd Series 2003A		nd Series 2003B		d Series 2004	Antic	ond cipation lote	Bon	Revenue d Series 2003		Totals
S	-	s -	\$	-	<b>s</b> -	\$	-	\$	-	\$	•	s	•	s	-	\$	711,933	s	711,93
2,	480,000	1,190,000	)	120,000	3,010,000	1	1,550,000	1,	980,000	1,	635,000	5,1	015,000	2,0	00,000	3.0	78,067	32	2,383,42
<b>3</b> 2,	480,000	\$1,190,000	) \$	120,000	\$ 3,010,000	\$	1,550,000	\$ 1,	980,000	\$1,	,635,000	\$ 5,	015,000	\$ 2,0	00,000	\$3,	790,000	\$3:	3,095,35
•	-	<b>s</b> -	\$	-	s -	\$		s	-	\$	-	\$		\$		s	_	S	1,998,99
	-	-		-	-		-		-		-		-		-		-		4,171,62
	-	-		-	-		•		•		•		-		-		•		1,445,00
	•	-		-	-		-		•		•		-		<del>.</del>		•		1,450,0
	•	-		-	-		•		-		•		-	2,0	00,000		•		2,000,0
_	400 000	1 100 000		120.000			-		•		-				-		-		1,259,6
2,	480,000	1,190,000	,	120,000	3,010,000		1,550,000	1,	980,000	Ι,	,635,000	5,	015,000		-	٠.	-		5,980,00
	-	-		-	•										•	٠,٠	<b>790,0</b> 00		3,790,0



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

June 30, 2006

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

Tax		יי	1			1	D	
Levy		1	ax Levy	 		interest	Due on	
Year	 Principal		Interest	Totals	July 1	Amount	January 1	Amount
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
	\$ 2,480,000	\$	531,630	\$ 3.011,630		\$ 265.816	•	\$ 265,814

# LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES OF 1997B (TIF)

June 30. 2006

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

Tax Levy	_	-	Гах Levy			Interest	Due on	
Year	Principal		Interest	Totals	July 1	Amount	January 1	Amount
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
	\$ 1,190,000	\$	105,750	\$ 1,295.750	•	\$ 52,875	,	\$ 52,875

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

June 30, 2006

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			Т	ax Levy				Interest	Due on	
Үеаг	F	Principal		Interest	Totals	January 1	I	Amount	July 1	 Mount
2005			\$	22,569	\$ 22,569				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		
	\$	785,000	\$	116.149	\$ 901,149		\$	58,074		\$ 58.075

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.

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

June 30, 2006

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			Ta	ax Levy				Interest	Due on		
Year	P	rincipal	I	nterest	Totals	January 1	Α	mount	July 1	A	mount
2005			\$	3,450	\$ 3,450				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			
	\$	120,000	\$	18,112	\$ 138,112	•	\$	9,056		\$	9.056

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.

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

June 30. 2006

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

Levy			Та	ax Levy				Interest	Due on		
Year	F	Principal	<u> </u>	nterest	Totals	January 1	F	mount	July 1	A	Amount
2005			\$	19,119	\$ 19,119				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			
	\$	665,000	\$	98.037	\$ 763.037		\$	49,018		\$	49,019

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.

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

June 30, 2006

Date of IssueNovember 1, 2000Date of MaturityJanuary 1, 2021Authorized Issue\$450.000Denomination of Notes\$5.000Interest Rates4.35% to 6.00%

Interest Dates January I and July 1

Principal Maturity Date January 1

Payable at Depository Trust Company, New York, NY

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Levy			Tax	Levy				Interest	Due on		
Year	Pri	ncipal	Int	erest	Totals	January 1	Aı	nount	July 1	An	nount
2005			\$	_	\$ _				2006	\$	_
2006	\$	-		-	-	2007	\$	-	2007		-
2007		-		-	-	2008		-	2008		-
2008		-		-	-	2009		-	2009		_
2009		-		-	-	2010		-			
	\$	-	\$	-	\$ -	<del>-</del>	\$		•	\$	_

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.

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

June 30. 2006

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

Tax											
Levy			Т	ax Levy				Interest	Due on		
Year	F	Principal		Interest	Totals	January 1	Amount		July 1	Amount	
					<u> </u>						
2005			\$	58.585	\$ 58,585				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			•
	\$	3.010,000	\$	865.201	\$ 3.875,201		\$	432.600		\$	432,601

# LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES OF 2002A (TIF)

June 30, 2006

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

Tax Levy		7	ax Levy					Intere	st Due on		
Year	 Principal	Interest		Totals		June 30	Amount		December 30	Amount	
2005	\$ 175.000	\$	27.959	\$	202,959				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
	\$ 1,550,000	\$	249,688	\$	1.799,688		\$	110,865	-	\$	138,823

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

June 30, 2006

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 (0.415% at June 30, 2006)

Interest Dates January 1 and July 1

Principal Maturity Date January 1

Payable at Northern Trust Company. Chicago, Illinois

Tax Levy		Т	ax Levy					Interest	Due on		
Year	Princi <b>p</b> al	Interest		Totals		January 1	Amount		July 1	Amount	
2005		\$	7,865	\$	7,865				2006	\$	7.865
2006	\$ 425,000		14,848		439,848	2007	\$	7,865	2007		6,983
2007	570,000		12,783		582,783	2008		6.983	2008		5,800
2008	650,000		10,251		660,251	2009		5,800	2009		4,451
2009	715,000		7,419		722,419	2010		4,451	2010		2,968
2010	775,000		4,327		779,327	2011		2,968	2011		1,359
2011	310,000		2,075		312.075	2012		1.359	2012		716
2012	345,000		716		345,716	2013		716			
	\$ 3,790,000	\$	60,284	\$	3,850,284	-	\$	30,142		\$	30.142

# LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION REFUNDING BOND SERIES OF 2003A (TIF)

June 30, 2006

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

Thicipal Maturity Date December 1

Payable at Depository Trust Company, New York, NY

Tax Levy		Т	ax Levy			Interest Due on						
Year	 Principal	Interest		Totals		June 1	Amount		December 1	Amount		
2005	\$ 350,000	\$	26,450	\$	376,450				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	
	\$ 1,980,000	\$	158,532	\$	2,138,532		\$	66,041		\$	92,491	

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

June 30, 2006

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

Tax Levy			7	Tax Levy				Interes	t Due on		
Year		Principal		Interest	Totals	June 1	F	Mount	December 1		Amount
2005 2006	\$	425,000 455,000	\$	20,150 31,800	\$ 445,150 486,800	2006 2007	\$	15,900	2006 2007	\$	20,150 15,900
2007 2008		445,000 310,000		20,425 9,300	465,425 319,300	2008 2009	<del></del>	10,213 4,650	2008 2009		10,212 4,650
	_\$	1,635,000	\$	81.675	\$ 1,716,675		_\$	30,763	_	_\$	50,912

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

June 30, 2006

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

Tax Levy		Tax Levy			Interes	t Due on	
Year	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2005 2006 2007 2008	\$ 425,000 455,000 445,000 310,000	\$ 20.150 31.800 20,425 9,300	\$ 445,150 486,800 465,425 319,300	2007 2008 2009	\$ 15,900 10,213 4,650	2006 2007 2008 2009	\$ 20,150 15,900 10,212 4,650
	\$ 1,635,000	\$ 81,675	\$ 1,716.675	2307	\$ 30,763		\$ 50,912

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

June 30, 2006

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

Tax							
Levy		Tax Levy			Interest	Due on	
Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2005		\$ 175,094	\$ 175,094			2006	\$ 175,094
2006	\$ 45,000	349,694	394.694	2007	\$ 175.095	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	
	\$ 8.340,000	\$ 3,397,175	\$ 11,737,175	•	\$ 1,698,585		\$ 1.698,590

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

June 30, 2006

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

Tax							
Levy		Tax Levy			Interest	Due on	
Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
	<del> </del>		· <del>-</del> -		-		
2005		\$ 106,397	\$ 106.397			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	
	\$ 5,015,000	\$ 1,910,705	\$ 6,925,705		\$ 955,351		\$ 955,354
							<del></del>

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

June 30, 2006

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

Т---

Payable at Depository Trust Company, New York, NY

Tax							
Levy		Tax Levy			Interest	Due on	
Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
						•	
2005		\$ 57,901	\$ 57,901			2006	\$ 57.901
2006	\$ 15,000	115,638	130,638	2007	\$ 57,902	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		
	\$ 2,820,000	\$ 1,229,170	\$ 4,049,170	•	\$ 614,585		\$ 614,585
						•	

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

June 30, 2006

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

Tax										
Levy			Τ	`ax Levy			Interest	Due on		
Year	F	Principal		Interest	Totals	January 1	Amount	July 1	- 1	Amount
_						-	<del>-</del>	· · · · · ·		
2005			\$	10,796	\$ 10,796			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			
	\$	505,000	\$	257,300	\$ 762,300		\$ 128,649		\$	128,651
		·		·			 			

# LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES OF 2005 (AIRPORT FUND)

June 30, 2006

Date of Issue July 1, 2005 Date of Maturity January 1, 2015 Authorized Issue \$800,000 Denomination of Notes \$5,000 Interest Rates 5.70% Interest Dates January 1 and July 1

Principal Maturity Date January 1 and July 1

Payable at Depository Trust Company, New York, NY

Levy	Tax Levy					Interest Due on							
Year	Principal Interest T		Totals	January 1		Amount	July 1	P	Amount				
2005 2006 2007	\$	20,000 20,000	\$	22,515 44,175 43,035	\$	22,515 64,175 63,035	2007 2008	\$	22.230 21,660	2006 2007 2008	\$	22,515 21,945 21,375	
2008 2009 2010		25,000 30,000 30.000		41,753 40,043 38,333		66,753 70,043 68.333	2009 2010 2011		21,090 20,235 19,380	2009 2010 2011		20,663 19,808 18,953	
2011 2012 2013		30,000 30,000 30,000		36.622 34.912 33,202		66.622 64,912 63,202	2012 2013 2014		18.525 17.670 16.815	2012 2013 2014		18,097 17,242 16,387	
2014	\$	575,000 790.000	\$	15,960 350,550	\$	590,960 1,140,550	2015	\$	15,960 173,565		\$	176,985	

# LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND ANTICIPATION NOTE OF 2006

#### June 30, 2006

Date of Issue	January 23, 2006
Date of Maturity	December 1, 2007
Authorized Issue	\$2.000,000
Denomination of Notes	\$5.000
Interest Rates	Variable rate of 70% of the rate per annum determined
	by adding 1.00% to the 30 day London InterBank
	offered rates in effect on the next to last business
	day of each month (4.216% at June 30, 2006)
Interest Dates	December 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company. Chicago, Illinois

# FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal		Requ	uirements			Inter	est Due on	
Year	Principal	I	nterest	Totals	A	mount	December 1	Amount
2007		\$	84,315	\$ 84,315			2006	\$ 84,315
2008	\$ 2,000,000		42,158	2.042,158			2007	42,158
	\$ 2,000,000	\$	126,473	\$ 2,126,473			-	\$ 126,473

These notes may be redeemed in whole or in part in increments of \$5,000 at anytime prior to maturity with no penalty.

#### STATISTICAL SECTION

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

Contents	<u>Page</u>
Financial Trends  These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	149-156
Revenue Capacity  These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	157-161
Debt Capacity  These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	162-165
Demographic and Economic Information  These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	166-167
Operating Information  These schedules contain service and infrastructure data to help the reader understand how the information in the village's financial report relates to the services the city provides and the activities it performs.	168-170

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City of DeKalb, Illinois implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

#### NET ASSETS BY COMPONENT

#### Last Four Fiscal Years

						<u> </u>		
		2003		2004		2005		2006
GOVERNMENTAL ACTIVITIES Invested in Capital Assets, Net of Related Debt	\$	67,806.348	\$	79,281,779	\$	104,193,560	\$	107,038,191
Restricted		5,554,546		3,395,377		1,524.630		3,295,898
Unrestricted (Deficit)		(17,759,129)		(14,013,207)		(10,463,117)		(12,063,288)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$</u>	55,601,765	\$	68,663,949	\$	95.255,073	\$	98,270.801
BUSINESS-TYPE ACTIVITIES Invested in Capital Assets, Net of Related Debt	\$	26,779,195	\$	34,483,474	\$	37,052,275	\$	39,392,443
Restricted		-		-		-		-
Unrestricted (Deficit)		2,237,149		1,631,020		1,273,772		(279,115)
TOTAL BUSINESS-TYPE ACTIVITIES	\$	29.016,344	<u>\$</u>	36,114,494	\$	38,326,047	\$	39,113,328
PRIMARY GOVERNMENT Invested in Capital Assets, Net of Related Debt	\$	94,585,543	\$	113,765,253	s	141,245,835	\$	146,430,634
Restricted		5,554,546		3.395,377		1.524.630		3,295,898
Unrestricted (Deficit)		(15,521,980)		(12,382,187)		(9,189,345)		(12.342,403)
TOTAL PRIMARY GOVERNMENT	<u>s</u>	84,618,109	\$	104.778.443	\$	133,581.120	\$	137,384,129
COMPONENT UNIT: DEKALB PUBLIC LIBRARY Invested in Capital Assets, Net of Related Debt Restricted	\$	80,551 -	\$	73,269 -	\$		\$	87. <del>9</del> 92 -
Unrestricted		903,959		733,968		820,776	<u>-</u>	841,774
TOTAL COMPONENT UNIT OF GOVERNMENT	\$	984,510	\$	807,237	\$	820,776	\$	929,766

#### Data Source

#### **Audited Financial Statements**

The implementation of GASB Statement No. 34 was completed for fiscal year ending June 30, 2003. Therefore, information prior to fiscal year 2003 is unavailable.

#### **CHANGE IN NET ASSETS**

#### Last Four Fiscal Years

				Fisca	l Va	ar.		
		2003		2004	1 1 0	2005		2006
EXPENSES								
Governmental Activities								
General Government	S	4.025,445	s	3,800,583	S	6,565,079	S	6,505,926
Public Safety	•	11,921,125	J	13,161,608	3	14,495,797	Ą	14.009,805
Community Improvement		6,675,918		5,880,017		5.455,783		7,706,447
Highways and Streets		8,232,178		4,872,446		10,481,051		4,743,859
Interest		912,735	_	1,049,120		1,026,539		1,154,903
Total Governmental Activities								
Expenses		31.767,401		28,763,774		38,024.249		34,120,940
Business-Type Activities								
Water		3758743		3830129		3,876,880		4,131,341
Airport		466286		692739		766,597		839,450
Developmental Services		1194973		1256963		194,977		294,791
Refuse		•		-		1,199,238		1,313,885
Total Business-Type Activities								
Expenses		5,420,002		5,779,831		6,037,692		6,579,467
TOTAL PRIMARY GOVERNMENT								
EXPENSES	\$	37,187,403	\$	34,543,605	\$	44,061,941	\$	40,700,407
PROGRAM REVENUES								
Governmental Activities								
Charges for Services								
General Government	\$	255,956	\$	248,199	\$	266,806	\$	337.340
Public Safety		1.614,741		2,021,775		4,961,170		2,281.500
Community Improvement		762.876		1,147,291		791,567		555,022
Highways and Streets		226,137		196,922		667.701		-
Operating Grants and Contributions		2,006,762		2,521,542		3,378,028		2,867,194
Capital Grants and Contributions		282,853		537,433		2,197,952		3,036,831
TOTAL GOVERNMENTAL ACTIVITIES								
PROGRAM REVENUES		5,149,325		6,673,162		12,263,224		9,077,887

# CHANGE IN NET ASSETS (Continued)

#### Last Four Fiscal Years

				Fiscal	Ye	аг	
		2003		2004		2005	2006
BUSINESS-TYPE ACTIVITIES Charges for Services Water Airport Development Services Refuse	\$	4,088,655 251,265 - 1,240,911	\$	4,634,512 245,688 - 1,277,131	\$	4,284,036 264,547 81,349 1,318,513	\$ 4,446,444 280,532 249,957 1,407,499
Operating Grants and Contributions		1,240,911		1,277,131		1,310,313	1,407,499
Capital Grants and Contributions		85,918		18,015		1,521,358	257,211
Total Business-Type Activities Program Revenues		5,666,749		6,175,346		7,469,803	6,641,643
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES		10,816,074	\$	12,848,508	\$	19,733,027	\$ 15,719,530
NET (EXPENSE) REVENUE Governmental Activities Business-Type Activities	\$	(26,618,076) 246,747	\$	(22,090,612) 395,515	\$	(25,761,025) 1,432,111	\$ (25,043,053) 62,176
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	_\$_	(26,371,329)	\$	(21,695,097)	\$	(24,328,914)	\$ (24,980,877)
COMPONENT UNIT: DEKALB PUBLIC LIBRARY Program Expenses	_\$_	1,122,163	\$	1,269,783	\$	1,096,560	\$ 1,081,637
Total Component Unit Program Expenses	<u>_</u> \$	1,122,163	\$	1,269,783	\$	1.096,560	\$ 1,081,637
Program Revenues Charges for Services Operating Grants and Contributions Capital Grants and Contributions	\$	33,936 113,346	s	33,624 128,959	\$	46,235 52,733	\$ 36,149 82,439
Total Component Unit Program Revenues	_\$_	147,282	\$	162,583	\$	98,968	\$ 118,588
TOTAL COMPONENT UNIT NET (EXPENSE) REVENUE	<u>\$</u>	(974,881)	\$	(1,107,200)	\$	(997,592)	\$ (963,049)

# CHANGE IN NET ASSETS (Continued)

#### Last Four Fiscal Years

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS Governmental Activities  Taxes Property Prop				ar		
CHANGES IN NET ASSETS Governmental Activities			2003	2004	2005	2006
Property   S 5,700,437   S 6,506,752   S 6,007,239   S 7,408,007   Home Rule Sales   1,988,464   3,968,456   4,947,494   5,670,587   State Sales   4,327,436   4,040,222   3,790,727   3,960,365   Local Use   459,261   517,848   Franchise Tax   289,125   313,263   337,088   361,374   Utility   3,425,787   3,426,971   3,596,132   3,671,553   State Income   2,544,001   2,322,992   3,023,210   3,362,748   Restaurant/Bar   1,170,231   1,231,736   1,261,936   1,404,579   Other   261,576   281,406   286,863   329,846   Investment Income   247,457   106,229   169,202   340,505   Miscellaneous   205,287   263,369   324,002   353,141   Gain on Sale of Capital Assets   (14,677)   (4,998)   -     -   -   -   -   -   -   -	CHANGES IN NET ASSETS					
Home Rule Sales	Taxes					
Home Rule Sales   1,988,464   3,968,456   4,947,494   5,670,587   State Sales   4,327,436   4,040,222   3,790,727   3,960,365   Local Use	Property	\$	5,700.437 \$	6,506,752 \$	6,907,239 \$	7,408,007
State Sales         4,327,436         4,040,222         3,790,727         3,960,365           Local Use         -         -         459,261         517,848           Franchise Tax         289,125         313,263         337,088         361,374           Utility         3,425,787         3,426,971         3,596,132         3,671,553           State Income         2,544,001         2,322,932         3,023,210         3,362,748           Restaurant/Bar         1,170,231         1,231,736         1,261,936         1,404,579           Other         261,576         281,406         286,863         329,846           Investment Income         247,457         106,222         360,202         340,505           Miscellaneous         205,287         263,369         324,002         353,141           Gain on Sale of Capital Assets         (14,677)         (4,998)         -         -         -           Contributions         2,730,508         12,498,893         12,257,511         1,004,424           Transfers In (Out)         115,450         227,600         122,958         172,713           Business-Type Activities         74,587         75,539         74,674         75,194           Investment Income			1,988,464	3,968,456	4,947,494	5,670,587
Local Use	State Sales				3,790,727	3,960,365
Franchise Tax Utility         289,125 3,425,787         3,426,971 3,426,971         337,088 3506,132         361,374 3,61,353           State Income         2,544,001 2,312,932         3,023,210 3,023,210         3,362,748           Restaurant/Bar         1,170,231 1,170,231         1,231,736         1,261,936         1,404,579 0,160           Other         261,576         281,406         286,863 286,863         329,846           Investment Income         247,457 106,229         169,202 169,202         340,505 340,505           Miscellaneous         205,287 205,287         263,369 263,369         324,002 324,002         353,141 373,141           Gain on Sale of Capital Assets         (14,677) (14,978)         1,298,30         12,257,511 1,004,424           Transfers In (Out)         115,450         227,600         122,958         172,713           Total Governmental Activities         22,991,082         35,182,831         37,483,623         28,557,690           Business-Type Activities         74,587 97,075         75,539 30,607         74,674 30,269         75,194 41,634           Miscellaneous         97,075 47,864         37,269 30,607         30,356 30,207         92,14 41,634           Miscellaneous         1,398,700 4,987,144         729,577 77,777         771,776           Total Business			-	· -	459,261	517,848
Utility         3.425.787         3,426.971         3.596,132         3.671,553           State Income         2.544,001         2.322.932         3.023,210         3,362.748           Restaurant/Bar         1,170,231         1,231,736         1,261,936         1,404,579           Other         261,576         281,406         286,863         329,846           Investment Income         247,457         106,229         169,202         340,505           Miscellaneous         205,287         263,369         324,002         353,141           Gain on Sale of Capital Assets         (14,677)         (4,998)         -         -           Contributions         2,730,508         12,498,893         12,257,511         1,004,424           Transfers In (Out)         115,450         227,600         122,958         172,713           Total Governmental Activities         22,991,082         35,182,831         37,483,623         28,557,690           Business-Type Activities           Property Tax         74,587         75,539         74,674         75,194           Investment Income         119,957         30,607         30,366         9,214           Miscellaneous         97,075         47,864         3			289.125	313,263	·	361,374
State   Income   2.544,001   2.322,932   3.023,210   3.362,748   RestaurantPar   1.170,231   1.231,736   1.261,936   1.404,579   Other   261,576   281,406   286,863   329,846   Investment Income   247,457   106,229   169,202   340,505   Miscellaneous   205,287   263,369   324,002   353,141   Gain on Sale of Capital Assets   (14,677)   (4,998)   (4,988)   (4,998)						
Restaurant/Bar	· · · · · · · · · · · · · · · · · · ·					
Other Investment Income         261,576         281,406         286,863         329,846           Investment Income         247,457         106,229         169,202         340,505           Miscellaneous         205,287         263,369         324,002         353,141           Gain on Sale of Capital Assets         (14,677)         (4,998)         -         -           Contributions         2,730,508         12,498,893         12,257,511         1,004,424           Transfers In (Out)         115,450         227,600         122,958         172,713           Total Governmental Activities         22,991,082         35,182,831         37,483,623         28,557,690           Business-Type Activities           Property Tax         74,587         75,539         74,674         75,194           Investment Income         119,957         30,607         30,356         9,214           Miscellaneous         97,075         47,864         37,269         41,634           Gain on Sale of Capital Assets         1,398,700         4,987,144         729,577         771,776           Transfers In (Out)         (115,450)         (227,600)         (122,958)         (172,713)           Total Business-Type Activi						
Investment Income						
Miscellaneous         205.287         263,369         324,002         353,141           Gain on Sale of Capital Assets         (14.677)         (4,998)         -         -           Contributions         2,730,508         12,498,893         12,257,511         1,004,424           Transfers In (Out)         115,450         227,600         122,958         172,713           Total Governmental Activities           Property Tax         74,587         75,539         74,674         75,194           Investment Income         119,957         30,607         30,336         9,214           Miscellaneous         97,075         47,864         37,269         41,634           Gain on Sale of Capital Assets         -         13,823         -         -           Contributions         1,398,700         4,987,144         729,577         771,776           Transfers In (Out)         (115,450)         (227,600)         (122,958)         (172,713)           Total Business-Type Activities         1,574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24,565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS           <						
Gain on Sale of Capital Assets         (14,677)         (4,998)         -         -           Contributions         2,730,508         12,498,893         12,257,511         1,004,424           Transfers In (Out)         115,450         227,600         122,958         172,713           Total Governmental Activities         22,991,082         35,182,831         37,483,623         28,557,690           Business-Type Activities         74,587         75,539         74,674         75,194           Property Tax         74,587         75,539         74,674         75,194           Miscellaneous         97,075         47,864         37,269         41,634           Gain on Sale of Capital Assets         -         13,823         -         -           Contributions         1,398,700         4,987,144         729,577         771,776           Transfers In (Out)         (115,450)         (227,600)         (122,958)         (172,713)           Total Business-Type Activities         1,574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24,565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS         6         (30,266,994)         \$ 13,092,219	*****					
Contributions Transfers In (Out)         2.730.508 115.450         12.498.893 227,600         12.257.511 122.958         1,004,424 172,713           Total Governmental Activities         22.991.082         35,182.831         37,483,623         28.557.690           Business-Type Activities Property Tax Investment Income         74.587         75,539         74.674         75,194           Miscellaneous Gain on Sale of Capital Assets         97.075         47,864         37.269         41.634           Contributions Transfers In (Out)         1,398,700         4,987,144         729.577         771.776           Transfers In (Out)         (115.450)         (227.600)         (122.958)         (172.713)           Total Business-Type Activities         1.574.869         4,927,377         748.918         725.105           TOTAL PRIMARY GOVERNMENT         \$ 24.565.951         \$ 40,110,208         \$ 38.232.541         \$ 29.282,795           CHANGE IN NET ASSETS Governmental Activities         \$ (3,626.994)         \$ 13.092.219         \$ 11,722.598         \$ 3,514,637           Business-Type Activities         \$ (3,626.994)         \$ 13.092.219         \$ 11,722.598         \$ 3,514,637           Prior Period Adjustment Governmental Activities         \$ (30,956)         \$ (30,035)         \$ 14.868.526         \$ (498,909) <th< td=""><td></td><td></td><td></td><td>·</td><td></td><td></td></th<>				·		
Transfers In (Out)         115.450         227.600         122.958         172.713           Total Governmental Activities         22.991.082         35,182.831         37,483,623         28.557.690           Business-Type Activities         74.587         75,539         74.674         75,194           Investment Income         119,957         30.607         30.356         9.214           Miscellaneous         97.075         47,864         37.269         41.634           Gain on Sale of Capital Assets         1,398,700         4,987,144         729,577         771,776           Contributions         1,398,700         4,987,144         729,577         771,776           Transfers In (Out)         (115,450)         (227,600)         (122,958)         (172,713)           TOTAL PRIMARY GOVERNMENT         \$ 24,565,951         \$ 40,110,208         \$ 38,232.541         \$ 29,282,795           CHANGE IN NET ASSETS           Governmental Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Business-Type Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Prior Period Adjustment         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,51				• •		
Total Governmental Activities   22,991,082   35,182,831   37,483,623   28,557,690						
Business-Type Activities	Transfers in (Out)		115,450	227,000	122.938	172,713
Property Tax	Total Governmental Activities		22,991,082	35,182,831	37,483,623	28,557.690
Property Tax	Business-Type Activities					
Investment Income			74 587	75 530	74 674	75 194
Miscellaneous         97.075         47,864         37.269         41.634           Gain on Sale of Capital Assets         -         13.823         -         -           Contributions         1,398,700         4,987,144         729,577         771,776           Transfers In (Out)         (115.450)         (227.600)         (122,958)         (172,713)           Total Business-Type Activities         1.574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24.565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS Governmental Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Business-Type Activities         1,821,616         5,322,892         2,181,029         787,281           Prior Period Adjustment Governmental Activities         \$ (30,956)         \$ (30,035)         \$ 14,868,526         \$ (498,909)           Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT						
Gain on Sale of Capital Assets         -         13.823         -         -           Contributions         1,398,700         4,987,144         729,577         771,776           Transfers In (Out)         (115,450)         (227,600)         (122,958)         (172,713)           Total Business-Type Activities         1.574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24,565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS         Governmental Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Business-Type Activities         \$ (30,956)         \$ (30,035)         \$ 14,868,526         \$ (498,909)           Prior Period Adjustment         Governmental Activities         \$ (30,956)         \$ (30,035)         \$ 14,868,526         \$ (498,909)           Business-Type Activities         \$ 11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT						
Contributions Transfers In (Out)         1,398,700 (115.450)         4,987,144 (227.600)         729,577 (122,958)         771,776 (172,713)           Total Business-Type Activities         1.574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24,565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS Governmental Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Business-Type Activities         1,821,616         5,322,892         2,181,029         787,281           Prior Period Adjustment Governmental Activities         \$ (30,956)         \$ (30,035)         \$ 14,868,526         \$ (498,909)           Business-Type Activities         \$ 11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT			91,013		37,209	41,034
Transfers In (Out)         (115.450)         (227.600)         (122,958)         (172.713)           Total Business-Type Activities         1.574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24.565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS                   Governmental Activities			1 200 700		720 577	771 776
Total Business-Type Activities         1.574,869         4,927,377         748,918         725,105           TOTAL PRIMARY GOVERNMENT         \$ 24,565,951         \$ 40,110,208         \$ 38,232,541         \$ 29,282,795           CHANGE IN NET ASSETS             Governmental Activities             Business-Type Activities             1,821,616             5,322,892             2,181,029             787,281            Prior Period Adjustment             Governmental Activities             Governmental Activities             \$ (30,956)             \$ (30,035)             \$ 14,868,526             \$ (498,909)             Business-Type Activities             11,511,976             1,775,258             30,524             -            TOTAL PRIMARY GOVERNMENT						
TOTAL PRIMARY GOVERNMENT  \$ 24,565.951 \$ 40,110,208 \$ 38,232,541 \$ 29,282,795  CHANGE IN NET ASSETS Governmental Activities \$ (3,626,994) \$ 13,092,219 \$ 11,722,598 \$ 3,514,637  Business-Type Activities \$ 1,821,616 \$ 5,322,892 \$ 2,181,029 \$ 787,281  Prior Period Adjustment Governmental Activities \$ (30,956) \$ (30,035) \$ 14,868,526 \$ (498,909)  Business-Type Activities \$ 11,511,976 \$ 1,775,258 \$ 30,524 \$ -  TOTAL PRIMARY GOVERNMENT	Transfers in (Out)		(115,450)	(227.000)	(122,938)	(1/2,/13)
CHANGE IN NET ASSETS  Governmental Activities \$ (3,626,994) \$ 13,092,219 \$ 11,722,598 \$ 3,514,637  Business-Type Activities \$ 1,821,616 \$ 5,322,892 \$ 2,181,029 \$ 787,281  Prior Period Adjustment  Governmental Activities \$ (30,956) \$ (30,035) \$ 14,868,526 \$ (498,909)  Business-Type Activities \$ 11,511,976 \$ 1,775,258 \$ 30,524 \$ -	Total Business-Type Activities		1,574,869	4,927,377	748,918	725,105
Governmental Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Business-Type Activities         1,821,616         5,322,892         2,181,029         787,281           Prior Period Adjustment           Governmental Activities         \$ (30,956)         \$ (30,035)         \$ 14,868,526         \$ (498,909)           Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT	TOTAL PRIMARY GOVERNMENT	<u> </u>	24,565.951 \$	40,110,208 \$	38,232,541 \$	29,282,795
Governmental Activities         \$ (3,626,994)         \$ 13,092,219         \$ 11,722,598         \$ 3,514,637           Business-Type Activities         1,821,616         5,322,892         2,181,029         787,281           Prior Period Adjustment           Governmental Activities         \$ (30,956)         \$ (30,035)         \$ 14,868,526         \$ (498,909)           Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT	CHANGE IN NET ASSETS					
Business-Type Activities         1.821,616         5.322,892         2,181,029         787,281           Prior Period Adjustment         Governmental Activities         \$ (30,956) \$ (30,035) \$ 14,868.526 \$ (498,909)         Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT		·	(3.626.004) \$	13 002 210 \$	11 722 508 \$	2 514 627
Prior Period Adjustment  Governmental Activities \$ (30,956) \$ (30,035) \$ 14,868.526 \$ (498,909)  Business-Type Activities 11,511,976 1,775,258 30,524 -  TOTAL PRIMARY GOVERNMENT		J	• • • •			
Governmental Activities         \$ (30,956) \$ (30,035) \$ 14,868.526 \$ (498,909)           Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT	Business-Type Activities		1,021,010	3,322,692	2,101,029	707,201
Governmental Activities         \$ (30,956) \$ (30,035) \$ 14,868.526 \$ (498,909)           Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT	Prior Period Adjustment					
Business-Type Activities         11,511,976         1,775,258         30,524         -           TOTAL PRIMARY GOVERNMENT		S	(30.956) \$	(30.035) \$	14.868.526 \$	(498,909)
TOTAL PRIMARY GOVERNMENT		•				-
	_ admedd - ype - ioni, med	_	,,,,,,	.,,	2 3,2 2 .	
	TOTAL PRIMARY GOVERNMENT					
	CHANGE IN NET ASSETS	_\$_	9,675,642 \$	20,160,334 \$	28,802.677 \$	3,803,009

#### CHANGE IN NET ASSETS (Continued)

#### Last Four Fiscal Years

			Fiscal Ye	ar	
		2003	2004	2005	2006
COMPONENT UNIT GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS General Revenues Property Tax Other Taxes Investment Income	S	842,901 \$ 20,347 30,280	888,769 \$ 22,879 3,589	931,257 \$ 26,800 31,316	976,603 34,409 27,541
Miscellaneous		13,311	14,690	21,232	33,486
Total Component Unit Activities		906,839	929,927	1,010.605	1,072,039
CHANGE IN NET ASSETS Component Unit Activities		(68,042)	(177,273)	13,013	108,990
Prior Period Adjustment		80,551	<u>.</u>	526	
TOTAL COMPONENT UNIT CHANGE IN NET ASSETS	\$	12.509 \$	(177,273) \$	13,539 \$	108,990

#### **Data Source**

#### **Audited Financial Statements**

The implementation of GASB Statement No. 34 was completed for fiscal year ending June 30, 2003. Therefore, information prior to fiscal year 2003 is unavailable.

#### FUND BALANCES OF GOVERNMENTAL FUNDS

#### Last Ten Fiscal Years

	 1997		1998	1999	2000	2001		2002		003	_	2004		2005		2006
GENERAL FUND																
Reserved	\$ 34,711	\$	43,396 \$	42,029	\$ 53,600 \$	746,2	16 \$	75,865	\$	62,650	\$	105,452	S	58,705	\$	70,296
Unreserved - Designated Designated for Contingency	-		-	-		-		_		_				•		-
Designated for Compensated Absences	•		-	-	-	-		-		-		363,544		392,659		368,156
Designated for Capital Projects	-		-	-	-	-		-		-		-		-		-
Designated for Capital Outlay	•		-	•	-	-		-		-		-		-		-
Unreserved - Undesignated	 3,666,088		3,514,126	3,535,542	 4,396,608	3,790,4	22	3,022,286	:	2,546,211		2,791,825		3,139,542		3,387,191
TOTAL GENERAL FUND	\$ 3,700,799	\$_	3,557,522 \$	3,577,571	\$ 4,450,208 \$	4,536,6	58 \$	3,098,151	<u>s</u> :	2,608,861	\$	3,260,821	\$	3,590,906	<u>\$</u>	3,825,643
ALL OTHER GOVERNMENTAL FUNDS																
Reserved Unreserved, Undesignated (Deficit) Reported In	\$ 1,973,682	\$	2,143,538 \$	1,979,770	\$ 1,959,711 \$	2,890,20	07 \$	3,568,683	\$ :	3,851,405	•	4,323,494.00	\$	3,345,268	\$	4,643,715
Special Revenue Funds	490,798		312,670	(158,217)	(119,644)	(249,0	71)	951,911		862,086		(22,476)		(20,788)		(18,120)
Capital Project Funds	 728,734		155,232	2,075,875	 365,932	(2,831,1	36)	(5,225,145)	(:	2,023,015)		(2,446,767)		(1,991,201)		(1,346,797)
TOTAL ALL OTHER GOVERNMENTAL																
FUNDS	\$ 3,193,214	\$	2,611,440 \$	3,897,428	\$ 2,205,999 \$	(1 <b>90,</b> 0:	50) \$	(704,551)	s :	,690,476	\$	1,854,251	\$	1,333,279	\$	3,278,798

Data Source

**Audited Financial Statements** 

#### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

#### Last Ten Fiscal Years

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES											
Taxes	\$	15,263,302 \$	15,874,608 \$	16,936,098 \$	18,238,747 \$	18,445,896 \$	19,259,411 \$	19,851,614	\$ 22,032,400 \$	24,548,569 \$	26,710,135
Licenses and Permits		272,700	361,358	251,359	213,893	327,385	277,282	487,590	846,571	618,029	598,657
Intergovernmental		1,999,284	2,300,211	1,964,591	6,188,512	2,718,625	3,472,940	2,361,278	3,061,974	5,522,101	4,558,814
Charges for Services		802,364	822,897	936,684	1,059,119	1,275,196	1,265,342	1,503,096	1,840,495	4,613,201	1,796,958
Fines and Forfeitures		459,514	407,152	454,261	452,612	445,129	494,815	468,009	638,815	654,353	696,551
Investment Income		389,733	477,188	393,812	524,068	752,626	462,446	247,457	106,229	169,202	340,505
Miscellaneous		286,975	336,019	380,887	241,311	309,432	270,064	273,079	351,754	399,324	2,794,723
Total Revenues		19,473,872	20,579,433	21,317,692	26,918,262	24,274,289	25,502,300	25,192,123	28,878,238	36,524,779	37,496,343
EXPENDITURES											
General Government		4,204,653	4,416,119	2,977,696	3,292,070	3,208,680	3,287,387	3,426,581	4,088,975	5,619,515	5,990,453
Public Safety		6,609,302	6,825,323	8,521,496	9,140,755	9,816,496	10,561,436	11,388,426	12,432,869	13,915,879	14,990,271
Community Improvement		3,849,618	3,612,904	4,381,877	4,438,812	4,797,312	4,891,235	4,406,307	3,928,040	3,432,725	3,780,017
Highways and Streets		840,989	1,018,789	1,245,709	623,037	973,772	1,219,971	1,255,596	763,579	3,609,518	2,821,395
Culture and Recreation		496,617	437,953	487,170	1,474,184	339,074	666,392	-	-	-	
Capital Outlay		4,758,208	4,140,840	5,915,026	7,980,029	6,218,592	5,338,715	10,333,537	6,432,217	8,157,674	8,835,397
Debt Service											
Principal Retirement		3,325,000	7,813,545	923,537	953,747	6,184,795	953,313	1,185,000	1,545,000	1,810,000	2,220,000
Interest and Fiscal Charges		1,027,541	979,782	1,012,238	1,036,818	944,902	1,046,318	884,632	1,071,575	1,032,874	1,085,767
Other Charges		-	-	-	•	-	-	-	-	•	-
Intergovernmental		•	-	-	•	•	<del></del>	-	· · · · ·	•	<u> </u>
Total Expenditures	2	25,111,928	29,245,255	25,464,749	28,939,452	32,483,623	27,964,767	32,880,079	30,262,255	37,578,185	39,723,300
EXCESS OF REVENUES OVER											
(UNDER) EXPENDITURES	(	(5,638,056)	(8,665,822)	(4,147,057)	(2,021,190)	(8,209,334)	(2,462,467)	(7,687,956)	(1,384,017)	(1,053,406)	(2,226,957)

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
OTHER FINANCING SOURCES (USES)											
Transfers In	\$	8,681,794 \$	4,968,944 \$	4,376,082 \$	3,818,689 \$	3,020,151 \$	3,827,469 \$	2,890,076 \$	3,242,930 \$	3,282,821 \$	4,631,683
Transfers Out		(7,982,357)	(4,171,296)	(3,925,695)	(3,368,084)	(2,525,151)	(3,327,469)	(2,774,626)	(3,015,330)	(3,202,021)	(4,458,970)
Bonds Issued		•	6,882,062	•	•	5,425,982	•	9,900,000	4,890,000	5,025,000	•
Premium (Discount) on Bonds Issued		•	•	-	-	•	•	52,164	46,962	191,795	-
Payment to Bond Escrow Agent		-	-	-	-	-	-	-	(4,871,180)	(5,145,695)	•
Notes Issued		-	-	5,000,000	650,000	•	-	•	•	•	3,450,000
Capital Lease Issued		_	-	-	109,825	-	-	552,502	447,498	598,102	651,958
Sale of Capital Assets		223,638	493,773	2,707	18,347	39,488	9,449	4,533	7,744	112,517	18,309
Total Other Financing Sources (Uses)		923,075	8,173,483	5,453,094	1,228,777	5,960,470	509,449	10,624,649	748,624	862,519	4,292,980
NET CHANGE IN FUND BALANCES	<u>\$</u>	(4,714,981) \$	(492,339) \$	1,306,037 \$	(792,413) \$	(2,248,864) \$	(1,953,018) \$	2,936,693 \$	(635,393) \$	(190,887) \$	2,066,023
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES		21.38%	35.03%	9.90%	9.50%	27.15%	8.84%	9.18%	10.98%	9.66%	10.70%

#### Data Source

**Audited Financial Statements** 

#### TAXABLE SALES BY CATEGORY

#### Last Ten Calendar Years

Calendar Year		1996		1997		1998	 1999	2000	_	2001		2002	2003	2004	2005
General Merchandise	\$	54,790,995	\$	76,725,726	\$	92,307,914	\$ 102,303,583	\$ 107,398,627	\$	116,785,242	\$	128,539,781	\$ 142,530,983	\$ 160,665,590	\$ 163,641,647
Food		63,237,210		50,814,615		46,073,908	45,632,341	48,695,221		50,842,583		48,701,136	43,870,967	37,275,809	43,927,833
Drinking and Eating Places		37,821,034		40,634,239		37,138,476	37,894,038	40,056,975		44,122,259		45,196,455	49,213,644	52,351,156	52,849,443
Apparel		3,414,012		3,371,171		3,691,822	4,063,605	4,844,688		4,578,283		8,827,618	8,578,046	8,087,885	8,247,873
Furniture & H.H. & Radio		5,973,490		1,451,878		7,414,490	7,261,674	8,956,866		9,391,436		9,544,614	13,100,491	25,392,698	28,350,657
Lumber, Building Hardware		44,678,416		40,701,281		38,640,661	43,492,760	32,325,368		26,466,524		26,441,207	27,609,867	28,061,388	26,795,706
Automobile and Filling Stations		57,788,056		56,493,632		69,325,851	75,264,172	80,161,850		84,676,584		78,031,930	76,853,556	79,773,554	85,140,723
Drugs and Miscellaneous Retail		33,591,886		45,223,114		44,155,349	50,094,636	53,136,670		56,952,023		64,099,407	65,747,938	67,637,829	70,477,891
Agriculture and All Others		12,935,217		11,805,473		28,537,752	30,839,707	43,483,031		42,302,269		46,850,438	48,715,480	47,817,252	48,845,881
Manufacturers		5,558,433		5,784,187		8,034,508	6,860,199	3,811,216		2,240,756		2,666,709	1,500,600	6,481,064	11,253,745
TOTAL	_\$	319,788,749	s	333,005,316	s	375,320,731	\$ 403,706,715	\$ 5,523,144	\$	5,621,206	s	5,257,010	\$ 477,721,572	\$ 513,544,225	\$ 539,531,399
CITY DIRECT SALES TAX RATE		1.00%		1.00%		1.00%	1.00%	1.00%		1.00%		1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Data available for Calendar Year only

#### TAXABLE SALES BY CATEGORY - HOME RULE

#### Last Ten Calendar Years

Calendar Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Merchandise	\$ 48,082,333	2 \$ 58,416,752	\$ 64,467,872	\$ 70,180,573	\$ 72,077,700	\$ 77,180,871	\$ 83,069,119	\$ 91,964,969	\$ 103,347,408	\$ 107,910,203
Food	13,208,32:	10,192,436	9,540,380	10,049,008	13,528,915	15,369,629	15,137,372	14,016,749	11,255,490	12,926,058
Drinking and Eating Places	37,658,98	40,133,347	36,788,723	37,702,125	39,979,040	43,719,836	44,382,469	48,265,899	51,038,005	51,883,076
Apparel	3,413,86	3,371,032	3,691,667	4,058,336	4,842,752	4,577,347	8,814,596	8,576,497	8,081,341	8,247,458
Furniture & H.H. & Radio	5,973,250	1,451,732	7,413,392	7,261,117	8,904,828	9,390,829	9,531,051	13,071,912	25,258,574	28,326,789
Lumber, Building Hardware	44,616,204	40,634,380	38,639,464	43,482,664	32,318,163	26,465,701	26,387,077	27,609,659	27,928,079	26,795,221
Automobile and Filling Stations	26,859,559	22,815,057	16,424,581	20,174,633	25,330,233	20,696,897	23,011,393	26,521,109	30,939,395	34,610,098
Drugs and Miscellaneous Retail	26,232,94	36,984,312	34,990,743	37,794,115	38,375,132	40,812,307	48,040,163	48,469,493	49,234,368	50,940,432
Agriculture and All Others	12,716,623	11,399,501	25,456,440	27,481,135	40,107,583	38,181,264	42,675,080	44,057,392	42,983,219	44,282,933
Manufacturers	5,357,77	5,581,564	7,782,720	6,638,668	3,741,736	2,220,680	2,357,819	1,099,009	5,952,384	11,013,882
TOTAL	\$ 224,119,865	\$ 230,980,113	\$ 245,195,982	\$ 264,822,374	\$ 279,206,082	\$ 278,615,361	\$ 303,406,139	\$ 323,652,688	\$ 356,018,263	\$ 376,936,150
CITY DIRECT SALES TAX RATE	0.759	% 0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0,75%	1.25%	1.25%

### Data Source

Illinois Department of Revenue

Data available for Calendar Year only

# DIRECT AND OVERLAPPING SALES TAX RATES

### Last Ten Calendar Years

Calendar Year	City Home Rule Rate	Municipal Retailers Occupation Tax	County Rate	State Rate	Total
1996	0.75%	1.00%	0.25%	5.00%	7.00%
1997	0.75%	1.00%	0.25%	5.00%	7.00%
1998	0.75%	1.00%	0.25%	5.00%	7.00%
1999	0.75%	1.00%	0.25%	5.00%	7.00%
2000	0.75%	1.00%	0.25%	5.00%	7.00%
2001	0.75%	1.00%	0.25%	5.00%	7.00%
2002	0.75%	1.00%	0.25%	5.00%	7.00%
2003	0.75%	1.00%	0.25%	5.00%	7.00%
2004	1.25%	1.00%	0.25%	5.00%	7.50%
2005	1.25%	1.00%	0.25%	5.00%	7.50%

# Data Source

City, County, and State Records

#### PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS

#### Last Ten Levy Years

Tax Levy Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TAX RATES										
City of DeKalb	0.5286	0.5184	0.5208	0.5089	0.5049	0.5299	0.6057	0.5967	0.6000	0.5930
DeKalb Library	0.2245	0.2193	0.2205	0.2154	0.2145	0.2108	0.2132	0.2130	0.2135	0.2110
-	0.7531	0.7377	0.7413	0.7243	0.7194	0.7407	0.8189	0.8097	0.8135	0.8041
DeKalb County	0.8171	0.8354	0.8343	0.8497	0.8531	0.8672	0.8666	0.8622	0.8679	0.8547
DeKalb Township	0.3084	0.3024	0.3604	0.3579	0.3569	0.3532	0.3525	0.3494	0.3480	0.3361
Forest Preserve District	0.0279	0.0276	0.0274	0.0272	0.0274	0.0278	0.0278	0.0274	0.0276	0.0269
Sanitary District	0.1124	0.1107	0.1116	0.1113	0.1088	0.1075	0.1085	0.1079	0.1078	0.1015
School Districts	5.6497	5.5981	5.6071	5.7041	5.7976	5.8063	5.7035	5.6659	5.6217	5.5142
Park District	0.4358	0.5205	0.6454	0.6363	0.6206	0.6055	0.6108	0.6235	0.6106	0.5826
TOTAL TAX RATE PER \$100 ASSESSED VALUATION	8.1044	8.1324	8.3275	8,4108	8.4838	8.5082	8.4886	8.4460	8.3970	8.2199
SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY	9.29%	9.07%	8.90%	8.61%	8.48%	8.71%	9.65%	9.59%	9.69%	9.78%

Data Source

Office of the County Clerk

#### PRINCIPAL TAXPAYERS

June 30, 2006

Taxpayers	Type of Business		2005 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	1996 Assessed Valuation	Rank_	Percentage of Total Assessed Valuation
Goodyear	Warehouse/Distributor	S	8,249,263	1	1.62%			
Nestle	Warehouse/Distributor		7,845,922	2	1.54%	\$ 8,333,333	1	2.81%
Panduit Corporation	Manufacturing		5,846,909	3	1.15%			
3M	Warehouse/Distributor		5,500,367	4	1.08%	2,630,271	3	0.89%
Northland Plaza	Retail		5,302,363	5	1.04%			
University Village I & II	Apartments		4,437,104	6	0.87%	3,445,765	2	1.16%
Dream Fund LLC	Apartments		4,102,135	7	0.80%			
DeKalb Area Retirement Center	Retirement Center		3,329,465	8	0.65%	1,865,028	8	0.63%
DeKalb County	Retail		3,193,884	9	0.63%			
JLAR	Apartments/Retail		3,128,017	10	0.61%			
GM DeKalb Partners	Shopping Center					2,400,841	4	0.81%
A.O. Smith	Manufacturing					2,079,628	5	0.70%
Lincolnshire West Ltd.	Apartments					2,012,280	6	0.68%
Lowe's Home Centers	Retail					1,935,729	7	0.65%
University Plaza	Apartments					1,752,831	9	0.59%
Northridge I Limited	Real Estate					1,568,181	10	0.53%
TOTAL		<u>\$</u>	50,935,429		9.99%	\$ 28,023,887		9.45%

#### Data Source

County Assessors Office {not adjusted for unreported title transfers} City of DeKalb

#### RATIOS OF OUTSTANDING DEBT BY TYPE

#### Last Ten Fiscal Years

			Governm	ental Activities				Business-Ty	pe Activities			Percentage	
Fiscal Year Ended	G.O. Bonds	G.O. Bond Anticipation Notes	Due to Other Governments	Tax Increment Financing Revenue Bonds	Tax Increment Financing Note	Capital Leases	G.O. Bonds	G.O. Bond Anticipation Notes	IEPA Loan Payable	Capital Leases	Total Primary Government	of Personal Income*	Per Capita*
1997	\$ 18,558,327	\$ 7,460,518	s -	s -	s -	351,840	s -	s -	<b>s</b> -	s -	\$ 26,370,685	1.91%	705.10
1998	26,525,321	-	5,998,998	-	•	307,860	-	-	•	•	32,832,179	2.42%	892.35
1999	24,305,912	5,944,019	5,498,998	-	-	263,880	3,943,379	•	•	-	39,956,188	2.01%	1,066.04
2000	22,049,044	6,817,152	4,998,998	•	-	277,725	3,389,811	-	•	-	37,532,730	1.95%	1,033.53
2001	26,351,112	481,760	4,498,998	•	-	254,102	9,475,884	-	•	•	41,061,856	1.98%	1,052.38
2002	24,365,505	428,938	3,998,998	•	•	42,098	8,632,957	-	9,056,628	•	46,525,124	2.25%	1,192.40
2003	28,824,415	-	3,498,998	5,151,978	•	485,853	8,549,101	414,220	8,742,456	•	46,510,345	2.25%	1,192.02
2004	25,942,116	•	2,998,998	5,024,958	•	689,400	7,580,117	404,740	8,256,764	•	42,235,589	1.85%	978.31
2005	23,391,241	-	2,498,998	4,486,748	•	1,297,964	6,495,554	401,387	7,764,608	110,994	38,170,505	1.63%	863.08
2006	20,901,293	2,126,473	1,998,998	3,850,284	1,450,000	1,417,995	6,715,057	•	7,279,320	337,075	38,460,100	1,61%	854.61

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

<sup>\*</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

#### DIRECT AND OVERLAPPING BONDED DEBT

June 30. 2006

Governmental Unit	B	Gross onded Debt'	Percentage of Debt Applicable to the City	SI	City's
City of DeKalb	_\$_	22,770,000	100.00%	\$	22,770,000
Overlapping DeKalb County		15,550,000	30.47		4,738,085
DeKalb Community Unit School District #428		7.690,000	76.67		5.895,923
Kishwaukee College #523		17,315.000	51.23		8,870,475
DeKalb Sanitary District		730,000	99.02		722,846
DeKalb Park District		7.650.000	98.95		7,569,675
Total Overlapping	\$	48.935,000		<u>\$</u>	27.797.004
PER CAPITA OVERLAPPING DEBT				\$	617.67

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

# Data Source

Office of the County Clerk

# CITY OF DEKALB, ILLINOIS SCHEDULE OF LEGAL DEBT MARGIN

June 30, 2006

The City is a home rule municipality.

Article VII. Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

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

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

#### PLEDGED-REVENUE COVERAGE

#### Last Ten Fiscal Years

Tax Increment Financing Bonds and Notes

Fiscal Year		cremental Property Taxes	operty Sales				Less: Excluded Contractual Obligations		Available for Debt Service			Debt Ser Principal	vice Interest	Coverage
1997	\$	_	•	_	\$		\$	_	\$	- 4		NA		
1998	Φ	_	Ф	<u>-</u>	Ф	-	Φ	_	Ψ	- J	, - -	NA NA		
1999		-		_		_		_		-	-	NA		
2000		-		-		-		_		_	_	NA		
2001		-		-		-		-			-	NA		
2002		-		-		-		-		-	-	NA		
2003 <sup>1</sup>		3,020,094		-		(500,000)		2,520,094		-	43,599	57.80		
2004		3,248,202		1,000,678		(500,000)		3,748,880		-	173,469	21.61		
2005		3,421,773		942,246		(500.000)		3,864,018		110,000	185,139	13.09		
$2006^{2}$		3,727,681		1,329,249		(500,000)		4,556,929		450,000	338,178	5.78		

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

The City issued a Tax Increment Financing Revenue Bond in the amount of \$4,350,000.
 The City issued Tax Increment Financing Notes in the amount of \$1,450,000.

# DEMOGRAPHIC AND ECONOMIC INFORMATION

#### Last Ten Fiscal Years

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Median Family Income	Unemployment Rate	
2006	45,003	\$ 509,622,816	\$ 2,385,924,051	\$ 53,017	4.3 %	
2005	44,226	456,342.041	2,344,729.842	53.017	4.8 %	
2004	43,172	435,773,899	2,288,849,924	53.017	4.7 %	
2003	39,018	414,691,820	2,068,617.306	53,017	5.6 %	
2002	39.018	400,288,514	2,068.617,306	53,017	4.5 %	
2001	39.018	374,858.378	2.068,617.306	53.017	3.9 %	
2000	36.315	355,680,722	1.925,312,355	53,017	3.1 %	
1999	37,481	331,157,791	1.987.130.177	53,017	3.0 %	
1998	36.793	317.159,688	1.357,514.528	36,896	3.1 %	
1997	37.400	296.553.853	1.379,910.400	36,896	3.3 %	

# Data Source

City Records, U.S. Census Bureau, and Office of the County Clerk

#### PRINCIPAL EMPLOYERS

#### 2006 and Ten Years Ago

		2006		1997		
Employer	Rank	Employees	% of Total Village Population	Rank	Employees	% of Total Village Population
Northern Illinois University	1	3600	8.00%	1	3450	7.67%
Kishwaukee Community Hospital	2	700	1.56%	2	500	1.11%
Target Distribution Center	3	650	1.44%			
Wal-Mart	4	450	1.00%	6	375	0.83%
SCA Consumer Packaging	5	320	0.71%	3	400	0.89%
3M	6	290	0.64%			
Jewel/Osco	7	260	0.58%	8	240	0.53%
Nestle Distribution	8	250	0.56%	10	170	0.38%
American Marketing	9	200	0.44%			
Ideal Industries	10	125	0.28%	13	125	0.28%
GE Motors	11	120	0.27%	12	130	0.29%
Electro Mechanical Devices			0.00%	7	375	0.83%
Spaulding Composites			0.00%	11	150	0.33%
Caterpillar			0.00%	5	400	0.89%
A. O. Smith Harvestore			0.00%	9	195	0.43%
DeKalb Genetics			0.00%	4	400	0.89%

#### Data Source

Illinois Manufacturers Directory. Illinois Services Directory, DeKalb County Economic Development Corporation, City Records

# FULL-TIME EQUIVALENT EMPLOYEES

# Last Five Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006
General Government						
Legislative '	9.00	9.00	9.00	9.00	9.00	9.00
Administrative Services	20.70	20.70	20.70	20.00	28.00	28.00
City Clerk	2.50	2.50	2.50	2.50	2.50	2.50
General Fund Support	-	-	-	-	-	-
	32.20	32.20	32.20	31.50	39.50	39.50
Public Safety						
Police						
Officers	54.00	54.00	57.00	57.00	60.00	60.00
Civilians	17.07	20.32	20.57	17.07	20.32	20.57
	71.07	74.32	77.57	74.07	80.32	80.57
Fire						
Firefighters	52.00	52.00	55.00	56.00	56.00	59.00
Staff	2.00	2.00	2.00	2.00	2.00	2.00
	54.00	54.00	57.00	58.00	58.00	61.00
Community Improvement						
Community Development	18.00	18.00	18.00	19.00	16.00	17.00
Engineering Services	-	-	-	-	3.50	3.50
Public Works						
Administration	2.00	2.00	2.00	2.00	1.50	1.50
Public Facilities	3.00	3.00	2.00	2.00	2.00	2.00
Engineering	5.00	5.00	5.00	5.00	0.00	0.00
Information & Technology	6.00	7.00	7.00	6.00	0.00	0.00
Streets	20.00	20.00	20.00	20.00	20.00	20.00
	54.00	55.00	54.00	54.00	43.00	44.00
Water Division	13.00	14.00	18.00	18.00	18.00	17.00
Airport Division	-	-	1.50	1.50	2.50	2.50
Development Services	-	-	-	-	3.00	3.00
Mass Transit	-	-	-	0.35	1.35	1.35
Total Full-time						
Equivalent Employees	224.27	229.52	240.27	237.42	245.67	248.92

# (1) These positions are Part-time

Data Source

City Budget Records

#### **OPERATING INDICATORS**

#### Last Five Fiscal Years

Traffic violations         16,622         17,050         17,774         16,150         17,405           Fire Fire Responses (Fire & Non-Fire) Emergency Medical Services Responses         1,715         1.949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water         Average Daily Consumption 12/31:           Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           3,740,699         3,615,787						
Finance	_	2002	2003	2004	2005	2006
Accounts Payable Checks Processed   7,490   7,620   6,250   6,805   6,664	General Government					
Accounts Payable Invoices Processed   16,781   16,069   14,641   15,658   15,788   Payroll Checks Issued   8,249   8,176   7,771   7,793   8,037   Utility Bills Issued: Originals   41,184   41,476   43,586   44,393   46,272   Utility Bills Issued: Past Due   7,084   7,164   7,755   10,440   10,235	Finance					
Payroll Checks Issued   \$3,249   \$1,76   7,771   7,999   \$0,037   \$10,11119   Bills Issued: Past Due   7,084   7,164   7,755   10,440   10,235   Receipts Processed   51,190   52,024   66,202   64,294   75,285   \$10,400   10,235   \$10,000   \$10,000   \$10,		7,490		6,250	6,805	6,664
Utility Bills Issued: Originals   41,184   41,476   43,586   44,393   46,272		-	16,069	14,641	15,658	15,788
Unitly Bills Issued: Past Due   7,084   7,164   7,755   10,440   10,235		8,249	8,176	7,771	7,939	8,037
Receipts Processed   \$1,190   \$2,024   \$66,202   \$64,294   \$75,285		•	•		44,393	46,272
Community Development   Building Permits Issued   Residential Permits Issued   NA		·		7,755	10,440	10,235
Building Permits Issued   Residential Permits Issued:   New Construction   NA   172   332   293   206   Remodel   NA   56   77   71   78   78   Industrial/Commercial Permits Issued:   New Construction   NA   38   33   18   24   26   60   60   60   60   60   60   60	Receipts Processed	51,190	52,024	66,202	64,294	75,285
Residential Permits Issued:   New Construction   NA   172   332   293   206     Remodel   NA   56   77   71   78     Industrial/Commercial Permits Issued:   NA   38   33   18   24     Remodel   NA   43   31   42   26     Other Permits   NA   729   835   698   793     Total Number of Permits   NA   1,038   1,308   1,122   1,127     Total Building Permit Valuation   NA   \$48,722.649   \$82,646,830   \$67,271,969   \$62,775,315     Public Safety   Police   Physical arrests   2,105   2,041   2,212   2,524   2,339     Parking violations   3,918   4,259   4,739   4,847   4,665     Traffic violations   16,622   17,050   17,774   16,150   17,405     Fire   Fire Responses (Fire & Non-Fire)   1,715   1,949   2,050   2,275   2,397     Emergency Medical Services Responses   2,713   3,029   3,029   3,197   3,284     Public Works   Vehicles Maintained by Dept   93   97   119   99   101     Street construction (miles)   2,07   1,77   1,94   3,68   1,49     Street resurfacing (miles)   2,07   1,77   1,94   3,68   1,49     Street resurfacing (miles)   2,049   0,26   0,32   0,74   0,75     Street resurfacing (miles)   2,129   1,42   2,80   0,85   0,75     Water   Average Daily Consumption 12/31:						
New Construction   NA   172   332   293   206   Remodel   NA   36   77   71   78   78   78   78   78   78						
Remodel   NA   56   77   71   78   78   10   78   10   10   10   10   10   10   10   1	Residential Permits Issued:					
Industrial/Commercial Permits Issued: New Construction   NA   38   33   318   24   26   26   26   26   26   26   26	New Construction	NA	172	332	293	206
New Construction   NA   38   33   18   24     Remodel   NA   43   31   42   26     Other Permits   NA   729   835   698   793     Total Number of Permits   NA   1,038   1,308   1,122   1,127     Total Building Permit Valuation   NA   \$48,722,649   \$82,646,830   \$67,271,969   \$62,775,315     Public Safety   Police   Physical arrests   2,105   2,041   2,212   2,524   2,339     Parking violations   3,918   4,259   4,739   4,847   4,665     Traffic violations   16,622   17,050   17,774   16,150   17,405     Fire   Fire Responses (Fire & Non-Fire)   1,715   1,949   2,050   2,275   2,397     Emergency Medical Services Responses   2,713   3,029   3,029   3,197   3,284     Public Works   Vehicles Maintained by Dept   93   97   119   99   101     Street construction (miles)   2,07   1,77   1,94   3,68   1,49     Street reconstruction (miles)   3,49   0,26   0,32   0,74   0,70     Street resurfacing (miles)   1,29   1,42   2,80   0,85   0,75    Water   Average Daily Consumption 12/31:		NA	56	77	71	78
Remodel Other Permits         NA         43         31         42         26           Other Permits         NA         729         835         698         793           Total Number of Permit Valuation         NA         1,038         1,308         1,122         1,127           Total Building Permit Valuation         NA         48,722.649         \$ 82,646,830         \$ 67,271,969         \$ 62,775,315           Public Safety           Police         Physical arrests         2,105         2,041         2,212         2,524         2,339           Parking violations         3,918         4,259         4,739         4,847         4,665           Traffic violations         16,622         17,050         17,774         16,150         17,405           Fire           Fire         Fire Responses (Fire & Non-Fire)         1,715         1.949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2,07         1,77						
Other Permits         NA         729         835         698         793           Total Number of Permits         NA         1,038         1,308         1,122         1,127           Total Building Permit Valuation         NA         \$ 48,722.649         \$ 82,646,830         \$ 67,271,969         \$ 62,775,315           Public Safety         Police           Physical arrests         2,105         2,041         2,212         2,524         2,339           Parking violations         3,918         4,259         4,739         4,847         4,665           Traffic violations         16,622         17,050         17,774         16,150         17,405           Fire         Fire Responses (Fire & Non-Fire)         1,715         1,949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2,07         1,77         1,94         3,68         1,49           Street resurfacing (miles)         1,29         1,42         2,80					18	24
Total Number of Permits   NA   1,038   1,308   1,122   1,127   Total Building Permit Valuation   NA   \$ 48,722.649   \$ 82,646,830   \$ 67,271,969   \$ 62,775,315   Public Safety   Police   Physical arrests   2,105   2,041   2,212   2,524   2.339   Parking violations   3,918   4,259   4,739   4,847   4,665   Traffic violations   16,622   17,050   17,774   16,150   17,405   Traffic violations   16,622   17,050   17,774   16,150   17,405   Traffic violations   1,715   1,949   2,050   2,275   2,397   Emergency Medical Services Responses   2,713   3,029   3,029   3,197   3,284   Public Works   Vehicles Maintained by Dept   93   97   119   99   101   Street construction (miles)   2,07   1,77   1,94   3,68   1,49   Street reconstruction (miles)   0,49   0,26   0,32   0,74   0,70   Street resurfacing (miles)   1,29   1,42   2,80   0,85   0,75   0,75    Water   Average Daily Consumption 12/31:						26
Public Safety   Police   Physical arrests   2,105   2,041   2,212   2,524   2,339   2,345		NA		835	698	793
Public Safety Police Physical arrests 2,105 2,041 2,212 2,524 2.339 Parking violations 3.918 4,259 4,739 4,847 4,665 Traffic violations 16,622 17,050 17,774 16,150 17,405  Fire Fire Responses (Fire & Non-Fire) 1,715 1.949 2,050 2,275 2,397 Emergency Medical Services Responses 2,713 3,029 3,029 3,197 3,284  Public Works Vehicles Maintained by Dept 93 97 119 99 101 Street construction (miles) 2,07 1,77 1.94 3,68 1.49 Street reconstruction (miles) 0,49 0,26 0,32 0,74 0,70 Street resurfacing (miles) 1.29 1,42 2,80 0,85 0,75  Water  Average Daily Consumption 12/31: Industrial/Commercial 581,272 516,196 527,834 538,822 561,309 Residential 2,345,978 2,214,748 2,279,568 2,251,369 2,355,173 Government/Church/School 813,449 884,843 737,971 776,576 705,612  Water Billing Accounts on 12/31: Industrial/Commercial 661 685 701 719 728 Residential 8,184 8,355 8,599 9,005 9,384 Government/Church/School 166 170 195 206 206		NA		•	1,122	1,127
Police	Total Building Permit Valuation	NA .	\$ 48,722.649	\$ 82,646,830	\$ 67,271,969 \$	62,775,315
Physical arrests         2,105         2,041         2,212         2,524         2.339           Parking violations         3.918         4,259         4,739         4,847         4,665           Traffic violations         16,622         17,050         17,774         16,150         17,405           Fire         Fire Responses (Fire & Non-Fire)         1,715         1.949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water         Average Daily Consumption 12/31:           Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748	Public Safety					
Parking violations         3.918         4,259         4,739         4,847         4,665           Traffic violations         16,622         17,050         17,774         16,150         17,405           Fire Price Responses (Fire & Non-Fire)         1,715         1.949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works           Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water           Average Daily Consumption 12/31:         1         1         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         3,740,699	Police					
Traffic violations         16,622         17,050         17,774         16,150         17,405           Fire         Fire Responses (Fire & Non-Fire)         1,715         1.949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water         Average Daily Consumption 12/31:           Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           3,740,699         3,615,787         3		2,105	2,041	2,212	2,524	2.339
Fire Fire Responses (Fire & Non-Fire) Fire Responses (Fire & Non-Fire) Emergency Medical Services Responses  1,715 1,949 2,050 2,275 2,397 3,284  Public Works  Vehicles Maintained by Dept 93 97 119 99 101 Street construction (miles) 2,07 1,77 1,94 3,68 1,49 Street reconstruction (miles) 0,49 0,26 0,32 0,74 0,70 Street resurfacing (miles) 1,29 1,42 2,80 0,85 0,75  Water  Average Daily Consumption 12/31: Industrial/Commercial 2,345,978 2,214,748 2,279,568 2,251,369 2,355,173 Government/Church/School 813,449 884,843 737,971 776,576 705,612 3,740,699 3,615,787 3,545,373 3,566,767 3,622,094  Water Billing Accounts on 12/31: Industrial/Commercial 661 685 701 719 728 Residential 8,184 8,355 8,599 9,005 9,384 Government/Church/School 166 170 195 206 206		3.918	4,259	4,739	4,847	4,665
Fire Responses (Fire & Non-Fire)         1,715         1.949         2,050         2,275         2,397           Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water         Average Daily Consumption 12/31:           Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           Water Billing Accounts on 12/31:         11         11         11         11         11         11         11         12         12           Water Billing A	Traffic violations	16,622	17,050	17,774	16,150	17,405
Emergency Medical Services Responses         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water         Average Daily Consumption 12/31:         Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           Water Billing Accounts on 12/31:         Industrial/Commercial         661         685         701         719         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206	Fire					
Public Works         2,713         3,029         3,029         3,197         3,284           Public Works         Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water         Average Daily Consumption 12/31:         Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           Water Billing Accounts on 12/31:         Industrial/Commercial         661         685         701         719         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206	Fire Responses (Fire & Non-Fire)	1,715	1,949	2,050	2,275	2,397
Vehicles Maintained by Dept         93         97         119         99         101           Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water           Average Daily Consumption 12/31:           Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           Water Billing Accounts on 12/31:         1         1         70         70         70         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206	Emergency Medical Services Responses	2,713	3,029	3,029	3,197	
Street construction (miles)         2.07         1.77         1.94         3.68         1.49           Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water           Average Daily Consumption 12/31:         12/31:         1.10         1.10         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           Water Billing Accounts on 12/31:         1.10         1.10         1.10         1.10         1.10         1.10         1.10         1.10         1.10         1.10         2.06         2.06         2.06	Public Works					
Street reconstruction (miles)         0.49         0.26         0.32         0.74         0.70           Street resurfacing (miles)         1.29         1.42         2.80         0.85         0.75           Water           Average Daily Consumption 12/31:           Industrial/Commercial         581,272         516,196         527,834         538,822         561,309           Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           3,740,699         3,615,787         3,545,373         3,566,767         3,622.094           Water Billing Accounts on 12/31:         Industrial/Commercial         661         685         701         719         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206	Vehicles Maintained by Dept	93	97	119	99	101
Street resurfacing (miles)       1.29       1.42       2.80       0.85       0.75         Water         Average Daily Consumption 12/31:         Industrial/Commercial       581,272       516,196       527,834       538,822       561,309         Residential       2,345,978       2,214,748       2,279,568       2,251,369       2,355,173         Government/Church/School       813,449       884,843       737,971       776,576       705,612         3,740,699       3,615,787       3,545,373       3,566,767       3,622.094         Water Billing Accounts on 12/31:       Industrial/Commercial       661       685       701       719       728         Residential       8,184       8,355       8,599       9,005       9,384         Government/Church/School       166       170       195       206       206	Street construction (miles)	2.07	1.77	1.94	3.68	1.49
Water         Average Daily Consumption 12/31:         Industrial/Commercial       581,272       516,196       527,834       538,822       561,309         Residential       2,345,978       2,214,748       2,279,568       2,251,369       2,355,173         Government/Church/School       813,449       884,843       737,971       776,576       705,612         3,740,699       3,615,787       3,545,373       3,566,767       3,622.094         Water Billing Accounts on 12/31:       Industrial/Commercial       661       685       701       719       728         Residential       8,184       8,355       8,599       9,005       9,384         Government/Church/School       166       170       195       206       206	Street reconstruction (miles)	0.49	0.26	0.32	0.74	0.70
Average Daily Consumption 12/31: Industrial/Commercial 581,272 516,196 527,834 538,822 561,309 Residential 2,345,978 2,214,748 2,279,568 2,251,369 2,355,173 Government/Church/School 813,449 884,843 737,971 776,576 705,612 3,740,699 3,615,787 3,545,373 3,566,767 3,622,094 Water Billing Accounts on 12/31: Industrial/Commercial 661 685 701 719 728 Residential 8,184 8,355 8,599 9,005 9,384 Government/Church/School 166 170 195 206 206	Street resurfacing (miles)	1.29	1.42	2.80	0.85	0.75
Industrial/Commercial   581,272   516,196   527,834   538,822   561,309   Residential   2,345,978   2,214,748   2,279,568   2,251,369   2,355,173   Government/Church/School   813,449   884,843   737,971   776,576   705,612   3,740,699   3,615,787   3,545,373   3,566,767   3,622.094   Water Billing Accounts on 12/31:	Water					
Industrial/Commercial   581,272   516,196   527,834   538,822   561,309   Residential   2,345,978   2,214,748   2,279,568   2,251,369   2,355,173   Government/Church/School   813,449   884,843   737,971   776,576   705,612   3,740,699   3,615,787   3,545,373   3,566,767   3,622.094   Water Billing Accounts on 12/31:	Average Daily Consumption 12/31:					
Residential         2,345,978         2,214,748         2,279,568         2,251,369         2,355,173           Government/Church/School         813,449         884,843         737,971         776,576         705,612           3,740,699         3,615,787         3,545,373         3,566,767         3,622,094           Water Billing Accounts on 12/31:         661         685         701         719         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206		581,272	516,196	527,834	538.822	561,309
Government/Church/School         813,449         884,843         737,971         776,576         705,612           3,740,699         3,615,787         3,545,373         3,566,767         3,622.094           Water Billing Accounts on 12/31:         Industrial/Commercial         661         685         701         719         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206	Residential					
3,740,699   3,615,787   3,545,373   3,566,767   3,622,094	Government/Church/School					
Water Billing Accounts on 12/31:         Industrial/Commercial       661       685       701       719       728         Residential       8,184       8,355       8,599       9,005       9,384         Government/Church/School       166       170       195       206       206	-					
Industrial/Commercial         661         685         701         719         728           Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206	Water Billing Accounts on 12/31:	,	, <b>,</b>	-,,- / -	- ,- 001. 0.	-,
Residential         8,184         8,355         8,599         9,005         9,384           Government/Church/School         166         170         195         206         206		661	685	701	719	728
Government/Church/School 166 170 195 206 206						
	Government/Church/School					206
	-	9,011	9.210	9,495		10,318

NA = Information Unavailable or Program Non-Existent

Data Source

Various City Departments

#### CAPITAL ASSET STATISTICS

#### Last Five Fiscal Years

Function/Program	2002	2003	2004	2005	2006
Public Safety					
Police					
Stations/Municipal Center	1	1	1	1	1
Patrol Vehicles	21	24	26	28	29
Fire				20	27
Stations	3	3	3	3	3
Ambulances	5	5	5	5	5
Fire Trucks	5	5	5	4	4
Public Works					
Residential Streets (miles)	112	114	116	119	124
Traffic Signals	17	18	19	19	20
Water					
Water Towers	5	5	5	5	5
Storage capacity (MG)	5.75	5.75	5.75	5.75	5.75
Water Wells	9.00	9.00	9.00	9.00	9.00
Water Mains (miles)	217	223	227	230	239

# Data Source

Various City Departments