



DeKalb, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT
RUDY ESPIRITU, ASSISTANT CITY MANAGER
TED KOZINSKI, CPA, COMPTROLLER & TREASURER

CITY OF DEKALB, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
June 30, 2009

Prepared by the Administrative Services Department

Rudy Espiritu
Assistant City Manager

Ted Kozinski
Comptroller/Treasurer

CITY OF DEKALB, ILLINOIS
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INTRODUCTORY SECTION

CITY OF DEKALB, ILLINOIS

PRINCIPAL OFFICIALS

June 30, 2009

LEGISLATIVE

Kris Povlsen, Mayor

Alderman Bertrand Simpson, Ward One

Alderman Tom Teresinski, Ward Two

Alderman Victor Wogen, Ward Three

Alderman Brendon Gallagher, Ward Four

Alderman Ronald Naylor, Ward Five

Alderman David Baker, Ward Six

Alderman Brent Keller, Ward Seven

Steve Kapitan, City Clerk

ADMINISTRATIVE

Mark Biernacki, City Manager

Rudy Espiritu, Assistant City Manager

William Feithen, Police Chief

Bruce Harrison, Fire Chief

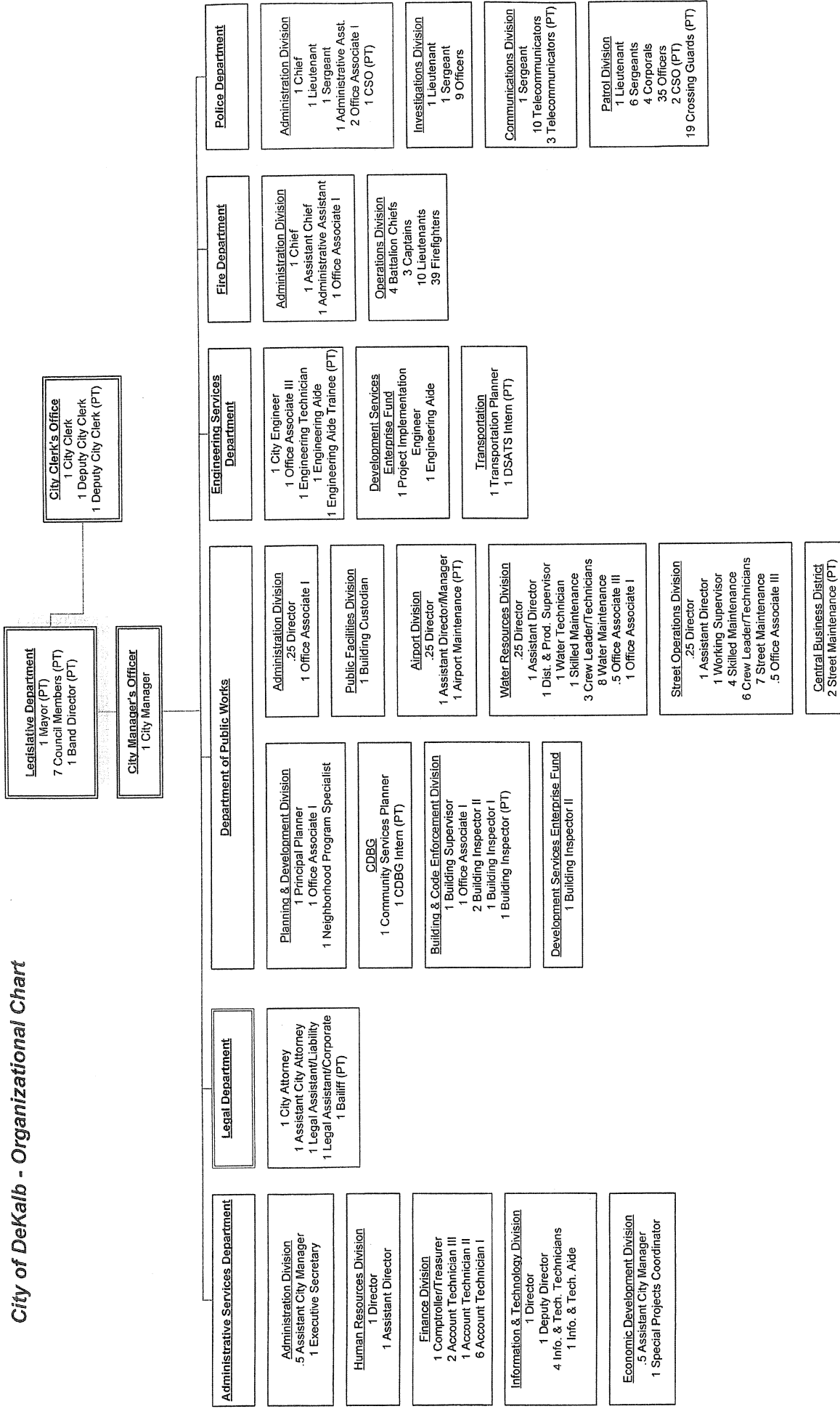
Joel Maurer, City Engineer

Rick Monas, Public Works Director

Norma Guess, City Attorney

Ted Kozinski, Comptroller/Treasurer

City of DeKalb - Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of DeKalb
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



President

Executive Director



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200 SOUTH FOURTH STREET.
DEKALB, ILLINOIS 60115
Phone: (815) 748-2000
Fax: (815) 748-2304**

December 14, 2009

Mayor Kris Povlsen & DeKalb City Council
Mr. Mark Biernacki, City Manager
Citizens of DeKalb

We are pleased to forward for your consideration the City of DeKalb's FY 2009 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. It has been done so in accordance with generally accepted governmental accounting principles and the Illinois Compiled Statutes.

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

Sikich LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A 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 45,912. 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 219 full-time and 37 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 participates in the Prairie Area Library System which allows patrons access to over 375 member agency collections.

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 re-budgeted 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 Northern Illinois State Normal School in 1895 enhanced the DeKalb community by adding the academic and research atmosphere to the region. The oldest building on 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. While in the 1930s, the DeKalb AgResearch Corporation marketed its first hybrid seed corn.

Economic Condition

Local economy

Like many other communities in our nation, the City ended FY2009 with its share of difficult financial challenges to overcome. The effects of the global recession on our local economy were demonstrated through unemployment rates at historical highs; slowing overall EAV growth (particularly in industrial and residential categories); and reduced local taxable sales.

Nonetheless, some stability is provided via the education and health industries. Northern Illinois University is a comprehensive teaching and research institution with student enrollment of more than 25,000. Kishwaukee Community Hospital also has a significant economic presence that provides employment to more than 1,200 healthcare professionals and staff. Other large employers include 3M, Walmart, the Target Distribution Center, Tegrant, American Marketing, 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 has ranged from a low of 3.6 percent (2000) to a decade high of 10.0 percent (2009).

Long-term Financial Planning

Excluding amounts reserved or designated for various purposes, the General Fund's June 30th, 2009 fund balance was 13.7 percent of its expenditures and transfers out. However, after taking into account the amounts committed toward other obligations, the "unreserved, undesignated fund balance" ended at 1.5 percent of expenditures and transfers out. While the 13.7% is above the policy guidelines set by the Council for budgetary and planning purposes (i.e., maintain a minimum of 12%)—the latter percentage is not.

Management understands the importance of maintaining an adequate fund balance and will bring corrective measures for Councils' consideration and approval. In addition, under consideration are the recommendations from the financial consultant's report issued in May 2009.

Also as part of the strategic plan, the Council and staff established several other FY 2009 budgetary goals:

- Reduce the General Fund's reliance on operating transfers from TIF and MFT Funds
- Raise the reserves of the Self-Insurance Funds

The City's current and prospective financial situation is monitored throughout the year. As such, Council and staff understand that some of these goals may not be attainable and/or new goals may need to be established.

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 and Accomplishments during the Year

During FY2009, 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 over \$211,000 of general revenues for the Human Services Program, benefiting numerous local social service agencies
- Sponsored 12 summer concerts by the DeKalb Municipal Band. The band started in 1854 and has had the longest continuous service in the State of Illinois.
- Continued sponsorship of 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

- Received unanimous support from other taxing bodies and had legislation signed into law that extended the Central Area TIF
- Joined the Intergovernmental Personnel Benefits Cooperative for our health, dental, pharmacy, and life insurance programs. This has resulted in a fixed monthly payment to the IPBC, rather than continuing to maintain and fully fund our own self-funded, third party administered Plan.
- Completed substantial broadcasting improvements and upgrades to the City's government access television station. Added broadcasts of plan commission meetings and also the ability to re-broadcast all recorded meetings and special events.
- Web Site improvements and enhancements including webcasts of committee of the whole and city council meetings. Also added Illinois e-pay and auto debit for water/sewer/refuse billing.

- Initiated the preparation of a redevelopment plan for the Pearl Street neighborhood.
- Members of the Finance and I&T staff worked together with staff from the Police and Legal Departments to find a new parking software and processing.
- Participated in collective bargaining negotiations with the FOP and AFSCME
- Achieved the Government Finance Officers Association Award for “Excellence in Financial Reporting” for the 15th consecutive year.

Legal Service Department

- The Juvenile Intervention Program dealt with 18 minors on charges ranging from curfew to retail theft – the majority dealt with alcohol and tobacco use. These children have performed over 700 hours of community service work for the elderly and not-for-profit agencies.
- Administrative Hearings prosecuted 27 code enforcement and 68 parking offenses, resulting in fines and costs collected of \$25,335 for code enforcement and \$8,279 for parking offenses.
- The City’s Accident Investigation Policy assisted in the collection and distribution of funds owed to or by the City for liability accidents. Funds collected, which were owed to the City, totaled \$20,614.

Police Department

- Upgraded Departmental computer systems to latest versions including CRIMES (record management system), CAD (computer aided dispatch), and the mobile data computers.
- Reduced traffic accidents at “high accident intersection” through directed patrols.
- Hosted last D.A.R.E. classes to local grade school children.
- Continued participation on the DeKalb School District #428 multi-cultural committee and the school safety committee.
- Participated in Prairie Shield partnership for radio system improvement.
- Continued school resources officer in DeKalb Middle Schools and DeKalb High School in partnership with DeKalb School District.
- Invited Illinois State Police, Cortland, Sycamore, and DeKalb County Sheriff’s Department to participate in annual Rapid Response training at Huntley Jr. High.
- Obtained federal traffic safety enforcement grant in the amount of \$136,326.
- Renewed state tobacco compliance check grant through the Illinois Liquor Commission for \$4,130.
- Continued monthly information sharing meetings with Juvenile Division, DeKalb County Juvenile Probation and a representative from DeKalb High School.
- Hosted 2nd Teen Police Academy.
- Replaced five in-car computers – there are a total of 20 in-car computers.
- Initiated new electronic parking enforcement ticket program.
- Presented Frauds & Scams presentations to community.

- Created a two-man gang unit, continued teaching “G.R.E.A.T.” (Gang Resistance Education and Training) program in middle schools, and incorporated gang meetings with monthly detective meetings and invited State’s Attorney’s office in information sharing.
- Added Starcom Licensing for tower site.

Fire Department

- Continued partnerships within the community and the region to enhance the service level to our citizens.
- Completed Hazardous Materials validation for the state team.
- Continued Citywide NIMS implementation.
- Received FEMA Assistance to Firefighters Grant for replacement of all SCBA.
- Continued to provide training for Resident Assistants at NIU.
- Trained and certified some members of department for Aircraft Rescue Fire Fighting.
- Continued to inspect all rooming houses, restaurants, gas stations, and places of assembly.
- Maintained status as a Level “A” Team under the MABAS Statewide Mutual Aid Plan.
- Enhanced the level of training of many team members using resources available through state and federal funds to reduce local costs.

Public Works Department

- Served as staff representatives to promote and implement the Downtown Revitalization Plan public rights-of-way improvements
- Maintained Hanging Flower Pots, banners, public parking lots
- Assist with the implementation of the downtown redevelopment plan
- Executed an Intergovernmental Agreement with the Town of Cortland consisting of the closure of one existing agreement and the creation of a boundary agreement between the parties.
- Coordinated both private and public interests in working with School District 428 in the preparation and execution of an annexation agreement and a development agreement for the District’s new High School on West Dresser Road.
- Purchased, demolished and implemented “green” landscaping improvements upon three vacant properties along Lincoln Highway.
- Sought Request for Proposals for the creation of a new waste disposal agreement
- Continued public education efforts on landscape waste disposal practices
- Pursued tree planting initiatives with the Tree Committee
- Completed construction and execution of the ground lease agreement for a 100 +/- unit airpark
- Completed the installation of the Glide Slope and MALSR lighting system inclusive of the FAA takeover of the maintenance of the nav-aid system
- Purchased approximately 68 acres of land area to secure the Runway Protection Zone for DTMA

- Received \$1.235 million dollars to purchase the Bright Star property and the Clarke property
- On April 18, 2009, implemented the Neighborhood Improvement Coordination Effort Program (NICE Program) as a means to promote positive community relationships in the pursuit of addressing property maintenance initiatives
- Attracted (2) new businesses to DeKalb Taylor Municipal Airport.
- Successfully provided emergency response measures in battling flood events and approximately 55" of annual snowfall.
- Continued aggressive meter change-out program with the goal to achieve 100% radio read devices.
- Achieved full compliance with all Federal and State EPA water standards.
- Adjusted water rates and capital connection fees to achieve rates that better reflect the true cost of providing water.
- Secured low electrical rates for Water Division by renewal of electrical energy contract with Mid-American Energy supplier.
- Monitor new electrical rates and pumping schedules to decrease electrical costs.

Community Development Department

- Participated in the redevelopment projects of "Renew DeKalb, Inc."
- Adopted Hybrid Code for Downtown.
- Adopted and began implementation of the Pearl Street Plan which included the cleanup of brownfield areas.
- Implemented recently adopted impact fees through annexation and development agreements.
- Transitioned targeted enforcement activities to commercial corridors.
- Continued to coordinate and administer the DeKalb-Sycamore Area Transportation System's adopted transportation improvement plans and programs.
- Increased public info and outreach through brochures and neighborhood meetings.
- Implemented "Existing Building" code to encourage rehabs of older buildings.
- Completed the residential neighborhood rezoning program.
- Implemented a Rental Inspection and Crime Free Housing Program and other new housing quality initiatives.
- Continued to implement Annexation and Development Agreements which provide for the highest standards of new development in the region.

Engineering Department

- Provided technical support and inspection of residential and commercial projects such as DeKalb Commons and NBT Square.
- Continued a multi-year alley and sidewalk replacement program for TIF areas.
- Coordinated construction of parking lot 4 with streetscape features.
- Interviewed and selected a consultant that commenced project studies and design for widening Peace Road between Pleasant Street and Route 38.

- Managed capital improvement projects of one million dollars including alley repairs, sidewalk replacement, TIF Street Maintenance, general striping, and patching.
- Responded to requests for job stimulus shovel ready projects and designed in-house Fairview Drive truck route overlay for 100% federal funding.
- Completed construction of Bethany Road widening project, East of N. 1st Street
- Drafted an action plan with the Stormwater Task Force Committee and made application for FEMA buyout funds.
- Completed construction of Fairview Drive Bridge Replacement.
- Bid and started construction of the East Lincoln Highway Traffic Enhancement project East of 4th Street.
- Coordinated design and started the downtown streetscape projects on 2nd and 3rd Streets.
- Completed various downtown building demolitions.
- Coordinated lane widening and drainage improvements for the new Dresser Road High School.

Major Initiatives for the Future

Recognizing that the City of DeKalb continues to change and evolve, 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 FY 2010 will include the following initiatives:

Strategic Goal #1: Encourage Actions to Continue Downtown's Role as the Viable Heart of the Community

- ❑ Administer and maintain the plan to improve the appearance and infrastructure of the downtown area
- ❑ Support ReNew DeKalb and its various programs
- ❑ Encourage residential development
- ❑ Demonstrate how downtown buildings can be economically viable
- ❑ Reduce truck traffic and improve the pedestrian environment
- ❑ Improve the pedestrian environment with the Downtown area
- ❑ Maintain adequate parking and work to change perceptions on parking space availability
- ❑ Target economic development efforts to attract an economically viable mix of unique shopping, restaurant, professional service & other uses to the downtown
- ❑ Complete downtown public improvement projects
- ❑ Acquire strategic parcels for future redevelopment opportunities
- ❑ Promote private investment

Strategic Goal #2: Coordinate Activities and Pursue Opportunities of Mutual Interest between the City and all of its Public and Private Partners

- ❑ Maintain intergovernmental agreements on tax abatements
- ❑ Prepare a viable plan to redevelop and improve the physical connections between the university and its neighboring areas
- ❑ Continue cooperation with the university on fiber optics projects
- ❑ Establish a more formal partnership group of university and town leaders
- ❑ Build on the value of the historic districts & the neighborhoods in the Fifth Ward North area
- ❑ Schedule joint School Board/City Council meetings and follow-up partner with School District in the approval of new school site construction on Dresser Road
- ❑ Maintain a school resource officer program at the High School

Strategic Goal #3: Continue to Support Projects and Programs that Improve and enhance the City's Appearance, Neighborhoods, and Quality of Life

- ❑ Improve the image of the City entryway corridors, particularly Route 38 & downtown, East Lincoln Highway, Pleasant & 7th Streets, Pearl Street, South 4th Street, and 1st & Hillcrest
- ❑ Acquire key parcels for future redevelopment or beautification projects
- ❑ Encourage the addition of more trees and other landscaping features along the corridors and in the downtown
- ❑ Promote higher design criteria and raise the bar on the aesthetic and functional standards of development
- ❑ Require high quality housing construction
- ❑ Redevelop dilapidated properties through the cleanup of brownfield areas and acquisition of selected properties
- ❑ Encourage the use of alternative energy sources

Strategic Goal #4: Enhance Work and Job Opportunities and Ensure Diversification of the Community's Tax Base

- ❑ Update tax abatement programs
- ❑ Continue cooperation with DCEDC & Kishwaukee Community College on job training
- ❑ Update and revise incentives guidelines
- ❑ Complete retail attraction strategy
- ❑ Update and revise guidelines for tax abatement program
- ❑ Maintain industrial opportunities inventory
- ❑ Continue Architectural Improvement Program
- ❑ Market the micro-loan and other small business programs
- ❑ Identify economic development opportunities to draw and retain the "creative class"
- ❑ Attract new ventures from existing larger businesses

Strategic Goal #5: Enhance and expand the public's mobility and transportation options

- ❑ Continue participation with the DeKalb Sycamore Area Transportation Study
- ❑ Continue participation with VAC and Huskie bus systems
- ❑ Promote the construction of additional bike trails and lanes
- ❑ Promote the continued development and use of DeKalb Taylor Municipal Airport

Strategic Goal #6: Enhance and Build on the City's Identity as a Leading Community in the Region

- ❑ Publish a community-wide e-newsletter
- ❑ Design a City logo that promotes the brand identity
- ❑ Enhance the City's web site to have broader appeal
- ❑ Integrate the City's vision statement in all promotional materials
- ❑ Establish a speaker's bureau
- ❑ Establish a neighborhood beautification recognition award
- ❑ Develop marketing campaigns aimed at present and prospective residents and business owners that reflect the community's vision
- ❑ Strengthen the broad identity of DeKalb as a vibrant, medium-sized community

Strategic Goal #7: Increase the Effectiveness of Communications from the City to the Public

- ❑ Produce new public service announcements (water quality, waste disposal sites, code enforcement) and work with NIU/School District on joint programs
- ❑ Webcast City Council meetings
- ❑ Add Geoweb map capabilities to website
- ❑ Add new website downloads such as maps and other information
- ❑ Improve "Virtual Newcomer" capability
- ❑ Investigate Spanish language capability
- ❑ Broadcast Plan Commission meetings and other special community events
- ❑ Regularly survey community residents to assess their opinions on quality of life and city services

Strategic Goal #8: Regularly Assess and Analyze the Cost Benefit of Core Services and New Initiatives to Project Financial Consequences of Future Actions

- ❑ Identify both short and long range goals and projects for implementation
- ❑ Retain the services of consultants with expertise in municipal finance to prepare a long range financial plan
- ❑ Modify financial and budget policies regularly
- ❑ Review financial and budget policies and modify when necessary
- ❑ Report on a quarterly basis the status of the municipal budget and identify trends, concerns and issues
- ❑ Re-examine tax rates regularly
- ❑ Modify fee waiver and other similar development incentive policies as appropriate
- ❑ Examine the effectiveness and utility of all of the boards and commissions and make adjustments if necessary
- ❑ Regularly assess the financial implications of all decisions and programs
- ❑ Communicate the consequences of financial decisions to the public and City employees

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, 2008. This was the fifteenth 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.

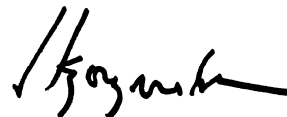
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Rudy Espiritu
Assistant City Manager



Ted Kozinski, CPA
Comptroller & Treasurer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



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 and the aggregate remaining fund information of the City of DeKalb, Illinois as of and for the year ended June 30, 2009, which collectively comprise the City of DeKalb, Illinois' 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, 2009. These financial statements are the responsibility of the City of DeKalb, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 and the aggregate remaining fund information of the City of DeKalb, Illinois as of June 30, 2009, 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 25, 2009 on our consideration of the City of DeKalb, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 and supplemental data in the 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.

A handwritten signature in dark ink, appearing to read "Schuch LLP", is located in the lower right area of the page.

Aurora, Illinois
November 25, 2009

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

The City of DeKalb's discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (i.e., the approved budget) and (5) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv) and the City's financial statements that follow.

FINANCIAL HIGHLIGHTS

- **Net Asset position and performance in total** – The City's total net assets increased from \$153,342,578 at June 30, 2008 to \$159,703,270 at June 30, 2009.
- **Governmental Activity summary** – Net assets for governmental activities grew from an FY 2008 restated balance of \$107,488,115 to an FY 2009 balance of \$112,025,492, a positive change of \$4,537,377.
- **Business-type Activity summary** – Net assets for business-type activities rose from \$45,854,463 at the end of FY 2008 to \$47,677,778 in FY 2009, an increase of \$1,823,315.
- **General Fund summary** – The General Fund's \$3,701,618 total fund balance represented an increase of \$784,511 from the previous year. In preparation for implementation of GASB 54 in FY 2010, we are reporting the undesignated portion of this fund balance at \$416,652 (or, 1.5% of FY 2009 budgeted expenditures and transfers out).
- **Budget vs. Actual** – Excluding the effects of transfers and other financing sources/(uses), the City's General Fund actual revenues were (\$647,922) less than budgeted revenues while General Fund actual expenditures were less than budgeted expenditures by (\$734,298).
- **Capital** – Total capital and infrastructure assets of Governmental and Business-Type Activities went from \$185,187,530 at the close of FY 2008 to \$188,442,581 in FY 2009, an increase of \$3,255,051. More detailed information regarding the City's capital assets debt can be found in Note 5 of the financial statements.
- **Debt Service** – Although there were no significant events in FY09, looking forward to FY2010, the City will need to refinance a \$4,000,000 G.O. Bond Anticipation Note due December 2009. 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

The financial section of the CAFR includes four components: MD&A, the basic financial statements, required supplementary information, and additional supplementary information. The basic financial statements focus on both the City as a whole (government-wide) and on the individual funds:

- 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	<ul style="list-style-type: none"> ▪ Statement of Net Assets ▪ Statement of Activities 	<ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> ▪ Statement of net assets ▪ Statement of revenues, expenses, and changes in net assets ▪ Statement of cash flows 	<ul style="list-style-type: none"> ▪ 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 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 intent is 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 Proprietary 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 requires that these assets be valued and reported within the Governmental Activities 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.

GOVERNMENT-WIDE STATEMENTS: A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

STATEMENT OF NET ASSETS: Table 1 reflects the condensed Statement of Net Assets:

**Table 1
Statement of Net Assets
As of June 30, 2008 and 2009**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
<i>Current and Other Assets</i>	31,127,815	32,811,764	1,363,057	1,908,173	32,490,872	34,719,937
<i>Capital Assets</i>	128,261,959	130,586,892	56,925,571	57,855,689	185,187,530	188,442,581
Total Assets	\$159,389,774	\$163,398,656	\$58,288,628	\$59,763,862	\$217,678,402	\$223,162,518
<i>Other Liabilities</i>	16,882,100	17,959,093	1,834,026	1,890,010	18,716,126	19,849,103
<i>Long-Term Liabilities</i>	35,088,922	33,414,071	10,600,139	10,196,074	45,689,061	43,610,145
Total Liabilities	\$51,971,022	\$51,373,164	\$12,434,165	\$12,086,084	\$64,405,187	\$63,459,248
<i>Net Assets:</i>						
<i>Invested in capital assets</i>	113,947,561	116,350,547	46,840,204	48,402,014	160,787,765	164,752,561
<i>Restricted</i>	10,131,297	10,401,769	0	0	10,131,297	10,401,769
<i>Unrestricted</i>	(16,660,106)	(14,726,824)	(985,741)	(724,236)	(17,645,847)	(15,451,060)
Total Net Assets*	\$107,418,752	\$112,025,492	\$45,854,463	\$47,677,778	\$153,273,215	\$159,703,270

**The data from 2008 has not been adjusted for restatements. Please refer to Note 14 of the financial statements for further details on net asset restatements.*

Normal Impacts-Net Assets

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

- Net Results of Activities – Impacts (i.e., increases or decreases) current assets and unrestricted net assets.
- Borrowing for Capital – Increases current assets and long-term debt.
- Spending Borrowed Proceeds on New Capital – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.
- Spending of Non-borrowed Current Assets on New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.
- Principal Payment on Debt – (a) Reduces current assets and reduces long-term debt; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.
- Reduction of Capital Assets through Depreciation – Reduces capital assets and invested in capital assets, net of debt.

Current Year Impacts-Net Assets

The City's combined net assets increased from \$153,273,215 to \$159,703,270. As is has been the case for a number of years, the main source of the increase was due to capital asset additions (e.g., airport land expansion, road and bridge projects, and downtown redevelopment).

Net assets of the City's governmental activities grew from an FY 2008 restated balance of \$107,488,115 to an FY 2009 balance of \$112,025,492, an increase of \$4,537,377. Besides additional cash in the Tax Increment Financing Fund #2 (which will be available for future projects), the other principal sources of the increase were: Annie Glidden Road reconstruction, widening of Bethany Road, the Fairview Drive bridgework, and completion of Van Buer Plaza in the downtown area.

Net assets of the City's business-type activities improved from \$45,854,463 at the end of FY 2008 to \$47,677,778 for FY 2009, an increase of \$1,823,315 that was due largely to additions to grant-related Airport infrastructure improvements as well as 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 total FY 2009 expenses of these Funds (excluding transfers) was \$7,493,617 compared to \$6,972,575 in FY2008, \$6,898,546 in FY 2007, \$6,579,467 in FY 2006, and \$6,037,692 in FY 2005.

Unrestricted net assets, available to finance the continuing operation of its business type activities, were (\$724,236) in FY 2009 compared to (\$985,741) in FY 2008, (\$805,537) in FY 2007, \$192,085 in FY 2006, and \$1,273,772 in FY 2005. The Airport Fund's operating deficits and reduced Water Fund developer contributions have been the primary source of this descending trend over the years.

STATEMENT OF CHANGES IN NET ASSETS: Table 2 reflects the condensed Statement of Changes in Net Assets.

Table 2
Changes in Net Assets
For the Fiscal Year Ended June 30, 2008 and 2009

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
REVENUES						
Program Revenues:						
Charges for Services	\$3,152,613	\$3,652,740	\$6,330,971	\$6,761,894	\$9,483,584	\$10,414,634
Operating grants	2,481,892	3,656,334	611	0	\$2,482,503	\$3,656,334
Capital grants	2,083,090	2,013,494	359,444	2,673,502	\$2,442,534	\$4,686,996
General Revenues:						
Property Taxes	10,366,305	12,446,812	0	0	\$10,366,305	\$12,446,812
Sales Taxes	12,556,557	13,515,623	0	0	\$12,556,557	\$13,515,623
Utility Tax	3,814,184	3,574,598	0	0	\$3,814,184	\$3,574,598
State Income Tax	4,274,684	3,954,000	0	0	\$4,274,684	\$3,954,000
Other Taxes	806,632	795,030	0	0	\$806,632	\$795,030
Investment Income	347,511	189,302	132	300	\$347,643	\$189,602
Contributions	5,352,674	2,625,579	1,407,430	4,380	\$6,760,104	\$2,629,959
Miscellaneous	266,064	346,658	45,400	106,269	\$311,464	\$452,927
Special Item	0	0	0	0	\$ 0	\$ 0
Total Revenues	\$45,502,206	\$46,770,170	\$8,143,988	\$9,546,345	\$53,646,194	\$56,316,515
EXPENSES						
General Government	\$9,084,220	\$10,441,675	\$0	\$0	\$9,084,220	\$10,441,675
Public Safety	17,889,697	19,020,552	0	0	\$17,889,697	\$19,020,552
Community Improvement	7,844,631	6,074,929	0	0	\$7,844,631	\$6,074,929
Highways And Streets	4,068,000	6,022,846	0	0	\$4,068,000	\$6,022,846
Interest	1,010,059	902,204	0	0	\$1,010,059	\$902,204
Water	0	0	4,146,713	4,347,248	\$4,146,713	\$4,347,248
Airport	0	0	994,597	1,111,227	\$994,597	\$1,111,227
Development Services	0	0	365,050	378,497	\$365,050	\$378,497
Refuse	0	0	1,466,215	1,656,645	\$1,466,215	\$1,656,645
Total Expenses	\$39,896,607	\$42,462,206	\$6,972,575	\$7,493,617	\$46,869,182	\$49,955,823
Change in Net Assets Before Transfers	\$5,605,599	\$4,307,964	\$1,171,413	\$2,052,728	\$6,777,012	\$6,360,692
Transfers In (Out)	232,052	229,413	(232,052)	(229,413)	\$ 0	\$ 0
Change in Net Assets	\$5,837,651	\$4,537,377	\$939,361	\$1,823,315	\$6,777,012	\$6,360,692
Restated Net Assets, July 1*	\$99,257,029	\$107,488,115	\$39,584,528	\$45,854,463	\$138,841,557	\$153,342,578
Net Assets, June 30	\$105,094,680	\$112,025,492	\$40,523,889	\$47,677,778	\$145,618,569	\$159,703,270

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

Normal Impacts- Changes In Net Assets

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

Revenues:

- Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.
- Increase/Decrease in City approved rates – While certain tax rates are set by statute, the City Council has authority to impose and periodically increase/decrease rates (water, sales tax, property tax, building permit fees, etc).
- Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.
- Market Impacts on Investment income – The City's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to two years for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

Expenses:

- Changes In Programs – Within the functional expense categories (General Government, Public Safety, Community Improvement, etc.) individual programs may be added, deleted or expanded to meet changing community needs.
- Changes in Authorized Personnel – Changes in service demand may cause the City Council to increase/decrease authorized staffing.
- Salary Increases (annual adjustments and step increases) – The City strives to maintain a competitive salary range position in the marketplace.
- Inflation – while overall inflation actually decreased (the year-over-year Consumer Price Index of All Urban Consumers was slightly over 1.42% as of June 30, 2009), 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 construction-related costs.

Current Year Impacts - Changes In Net Assets

Governmental Activities

Revenue:

Revenues from governmental activities totaled \$46,770,170. Sales taxes continue to be the City's largest source of tax revenues. Assisted by the 0.5% increase in the Home rule sales tax rate, FY 2009's \$13,515,623 in sales tax revenues jumped 7.6% from last year's \$12,556,557.

Since Sales and Other Taxes are the primary source of income, a short description of the major categories should be helpful:

- **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 1.75% (vs 1.25% in FY08).
- **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.

The largest dollar-changes from FY 2009 were noted in “Property Taxes” and “Operating Grants”. For DeKalb, property taxes are levied to cover the City’s Fire, Police, and IMRF pension obligations. Operating Grants cover increased federal and state participation in mass transit projects.

Many individual revenue line items increased or decreased from the prior fiscal year due to condition of the overall State and local economy (e.g., State Income Tax revenue sharing, Utility Taxes). One area in particular, the slowdown in the housing industry, has also hurt local revenues from Licenses and Permits and Developer Contributions of infrastructure.

Expenses:

Expenses for FY 2009 governmental activities totaled \$42,462,206 compared to FY 2008 \$39,896,607. Although expenses were negatively impacted by rising pension and healthcare costs, the additional outlays toward downtown redevelopment is anticipated to significantly boost the local economy through the attraction of new business and residential growth.

Business Type Activities

Revenue:

Revenue from business-type activities totaled \$9,546,345 in FY 2009. This \$1,402,357 increase from last year was primarily due to capital grants to fund Airport land acquisitions. Capital grant revenue normally varies greatly from year-to-year, so the significant revenue variances from this source are normal.

Expenses:

FY 2009 expenses for business-type activities totaled \$7,493,617. One important change from previous years has been the re-establishment of the administrative fee transfer from the Refuse Fund (about \$131,000) back into the General Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds: Overview

For the fiscal year ended June 30, 2009, the governmental funds reflect a combined fund balance of \$14,906,603 compared to \$13,812,238 in FY08. The increase was largely due to cash received from continued improvement in TIF Fund property tax revenues.

General Fund

The General Fund's FY 2009 total fund balance of \$3,701,618 equals about 7-weeks of FY09 budgeted expenditures. In order for the FY10 fund balance to remain above 12% of budgeted expenditures and transfers, the Council has taken measures to freeze personnel wages from Management employees as well as the Police, Fire, and AFSCME unions. After considering amounts set aside for reserves and designations, the General Fund's FY 2009 fund balance is a precarious \$417,000 (or, 1.5% of general fund expenditures and transfers out). Management is very concerned about the implications of having such a low balance and will present an action plan to the City Council in FY 2010 to re-establish a "rainy day reserve" by moving this percentage up to 25%.

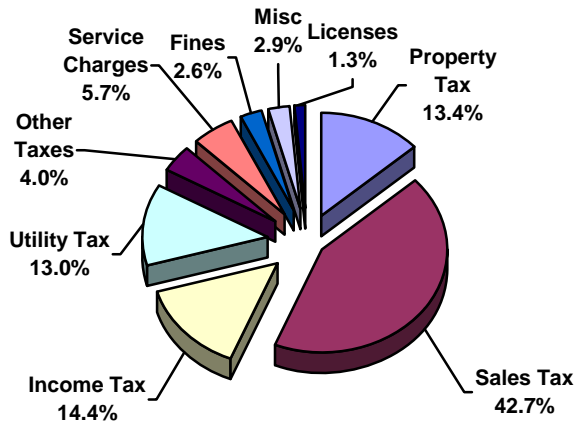
General Fund Budgetary Highlights

General Fund	FY09 Original Budget	FY09 Amended Budget	FY 2009 Actual	FY 2008 Actual
Revenues				
<i>Taxes</i>	\$25,288,689	\$25,288,689	\$24,068,467	\$23,646,928
<i>Licenses & Permits</i>	370,918	370,918	354,375	364,103
<i>Charges for Services</i>	1,468,400	1,468,400	1,560,704	1,483,576
<i>Fines & Forfeitures</i>	699,200	699,200	728,572	766,504
<i>Miscellaneous</i>	338,395	338,395	805,562	771,953
Total	\$28,165,602	\$28,165,602	\$27,517,680	\$27,033,064
Expenditures				
<i>General Government</i>	\$4,251,558	\$4,251,558	\$4,060,281	\$4,660,734
<i>Public Safety</i>	17,875,278	17,875,278	17,390,212	16,635,121
<i>Community Improvement</i>	3,988,934	3,988,934	3,930,979	4,529,707
Total	\$26,115,770	\$26,115,770	\$25,381,472	\$25,825,562
Other Financing Sources (Uses)				
<i>Proceeds on Sale of Capital Assets</i>	\$10,000	\$10,000	\$3,058	23,819
<i>Transfers In</i>	500,000	500,000	330,526	337,639
<i>Transfers Out</i>	(1,563,712)	(1,713,712)	(1,685,281)	(1,968,937)
Total	(\$1,053,712)	(\$1,203,712)	(\$1,351,697)	(\$1,607,479)
Change in Fund Balance	\$996,120	\$846,120	\$784,511	(\$399,977)

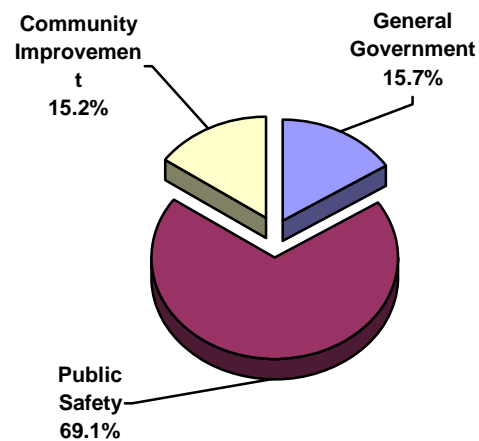
Due largely to shortfalls in budgeted state sales tax sharing, state income tax sharing, and utility taxes, the actual General Fund revenues came in less than original budgeted revenues by (\$647,922) during FY 2008.

Actual General Fund expenditures were less than the budget by (\$734,298) due to reductions in overtime and further reductions attained through workforce attrition.

2009 General Fund Revenues by Function



2009 General Fund Expenditures by Function



Note: The percentages are derived from the data presented in the "General Fund Budgetary Highlights" chart.

The only budgetary amendment was a transfer made to subsidize the creation of a Public Safety Building Fund. At this time, the main purpose of this Fund is to prepare for the construction of a new Police Station.

Other Major Governmental Funds:

- Tax Increment Funds #1 and #2 had FY 2009 ending fund balances of \$7,554,750 and \$1,220,083 respectively as compared to FY 2008 balances of \$8,153,738 and \$233,929. TIF #1 will fully expire in 2020 while TIF # 2 will expire in 2018.
- For the Motor Fuel Tax Fund, 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.

Proprietary Funds: Overview

For the fiscal year ended June 30, 2009, the Proprietary funds reflect combined net assets of \$47,677,778 compared to \$45,854,463 in FY08. The increase was largely due to federal grants received for airport expansion.

Airport Fund

The FY 2009 Airport Funds ended at \$26,218,305 compared to \$24,317,348 last year. Of ongoing concern are the operating deficits which have continued for a number of years—namely (\$778,324) in FY09, (\$645,131) in FY08, (\$720,557) in FY07, (\$467,332) in FY06, and (\$461,631) in FY05. These operating deficits have had an impact on the unrestricted net asset deficit which is presently (\$1,373,129).

To partially remediate the situation, management has taken steps to increase the participation of private partnerships and also seek out mechanisms for revenue enhancement. For example, in FY09 the City was able to sell one of its T-hangar units to a private firm.

Water Fund

The FY 2009 ending net assets of the Water Fund stands at \$21,262,824 compared to \$21,118,285 last year and \$20,726,414 in FY07. Although the change in Net Assets continues to be positive, the following chart ("Water Fund Highlights") clearly indicates a slowdown in development contributions related to sluggish building activity in the community.

Water Fund Highlights

Water Fund	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual
Operating Revenues					
Charges for Services					
Water Sales	\$3,634,382	\$3,979,822	\$3,901,470	\$4,253,270	\$4,769,726
Permits	649,654	466,622	283,691	134,050	18,665
Miscellaneous	31,061	17,796	22,397	29,777	33,622
Total	\$4,315,097	\$4,464,240	\$4,207,558	\$4,417,097	\$4,822,013
Operating Expenses					
Operating Expenses	(\$2,496,256)	(\$2,708,143)	(\$2,805,181)	(\$2,833,844)	(\$3,046,319)
Depreciation & Amortization	(1,050,606)	(1,088,404)	(1,099,162)	(1,029,619)	(1,037,643)
Total	(\$3,546,862)	(\$3,796,547)	(\$3,904,343)	(\$3,863,463)	(\$4,083,962)
Operating Income (Loss)	\$768,235	\$667,693	\$303,215	\$553,634	\$738,051
Non-Operating Financial Activity					
Non-Operating Revenues(Expenses)	(300,368)	(325,580)	(105,512)	(232,850)	(262,986)
Transfers In	0	0	0	0	0
Transfers Out	(426,458)	(397,443)	(377,587)	(322,052)	(330,526)
Developer Contributions	729,577	568,186	482,329	258,345	0
Total	\$2,751	(\$154,837)	(\$ 770)	(\$296,557)	(\$593,512)
Change in Net Assets	\$770,986	\$512,856	\$302,445	\$257,077	\$144,539

Partially due to planned water rate increases (which began in FY08), the unrestricted portion of these Net Assets continues to improve—the balance now stands at \$452,244 compared to (\$44,639) last year, (\$148,960) in FY07, \$123,938 in FY06, and \$1,608,613 in FY05.

DEBT SERVICE

The City incurred no unusual activity other than the normal, expected debt service payments. For FY 2010, however, we will need to refinance a \$4,000,000 general obligation bond anticipation notes used to cover costs associated with the architectural design of a police station and the redesign of the downtown district. 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.

CAPITAL ASSETS

The City's Governmental Funds had invested \$130,586,892 in a variety of capital assets and infrastructure as reflected in the following schedule.

Table 3
Governmental Funds
Change in Net Capital Assets

	<i>Balance June 30, 2008</i>	<i>Net Additions/ Deletions</i>	<i>Balance June 30, 2009</i>
Non-Depreciable Assets			
Land, Land Right of Way, & Construction in Progress	\$41,646,308	(\$4,445,136)	\$37,201,172
Depreciable Capital Assets			
Buildings and Improvements	5,848,874	0	5,848,874
Equipment and Vehicles	8,793,300	(109,326)	8,683,974
Infrastructure	132,789,597	10,408,853	143,198,450
Accumulated Depreciation on Capital Assets	(60,816,120)	(3,529,458)	(64,345,578)
Totals	\$128,261,959	\$2,324,933	\$130,586,892

Major additions to capital assets during the year included the completion of many downtown redevelopment projects. For more detailed information regarding capital assets, please see Note 5 of the financial statements.

The City's Business-Type Funds had invested \$57,855,689 in capital assets as reflected in the following schedule.

Table 4
Business-Type Funds
Change in Net Capital Assets

	<i>Balance June 30, 2008</i>	<i>Net Additions/ Deletions</i>	<i>Balance June 30, 2009</i>
Non-Depreciable Assets			
Land, Land Improvements, and Construction in Progress	\$17,232,764	\$870,053	\$18,102,817
Depreciable Capital Assets			
Buildings	5,211,864	(407,000)	4,804,864
Water Distribution System	38,242,686	466,364	38,709,050
Equipment and Vehicles	1,776,630	0	1,776,630
Airport Infrastructure	9,546,334	1,341,924	10,888,258
Accumulated Depreciation on Capital Assets	(15,084,707)	(1,341,223)	(16,425,930)
Totals	\$56,925,571	\$930,118	\$57,855,689

Key additions to the City's capital assets during the year principally included airport land purchases, the completion of the airport's glideslope project, and various water distribution system projects. For more detailed information regarding capital assets, please see Note 5 of the financial statements.

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 4th Street, DeKalb, Illinois 60115.

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET ASSETS

June 30, 2009

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and Investments	\$ 17,914,782	\$ 1,493,409	\$ 19,408,191	\$ 1,810,471
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	6,913,235	-	6,913,235	834,708
Accounts	-	1,734,227	1,734,227	-
Accrued Interest	3,333	-	3,333	2,649
Other	1,261,570	22,883	1,284,453	-
Prepaid Expenses	62,704	13,562	76,266	6,658
Due from Other Governments	4,118,220	113,845	4,232,065	85,262
Advance from (to) Other Funds	1,530,000	(1,530,000)	-	-
Restricted Assets				
Restricted Cash and Investments	578,835	-	578,835	-
Deferred Charges	218,064	60,247	278,311	-
Net Pension Asset	211,021	-	211,021	-
Capital Assets				
Not Depreciated	37,201,172	18,102,817	55,303,989	19,832
Depreciated (Net of Accumulated Depreciation)	93,385,720	39,752,872	133,138,592	280,766
Total Assets	163,398,656	59,763,862	223,162,518	3,040,346
LIABILITIES				
Accounts Payable	2,921,473	471,910	3,393,383	7,865
Claims Payable	1,439,740	-	1,439,740	-
Accrued Payroll	790,423	78,833	869,256	35,857
Accrued Interest Payable	266,871	137,176	404,047	-
Contracts Payable	111,100	-	111,100	-
Other Payables	85,982	35,307	121,289	-
Unearned Property Taxes	12,131,112	-	12,131,112	1,620,465
Other Unearned Revenue	212,392	221,173	433,565	-
Due to Other Governments	-	945,611	945,611	-
Long-Term Liabilities				
Due Within One Year	12,906,203	676,330	13,582,533	2,267
Due in More than One Year	20,507,868	9,519,744	30,027,612	27,938
Total Liabilities	51,373,164	12,086,084	63,459,248	1,694,392
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	116,350,547	48,402,014	164,752,561	300,598
Restricted for				
Public Safety	285,959	-	285,959	-
Economic Development	8,774,833	-	8,774,833	-
Maintenance of Roadways	641,698	-	641,698	-
Specific Purpose	120,323	-	120,323	-
Debt Service	578,956	-	578,956	-
Unrestricted (Deficit)	(14,726,824)	(724,236)	(15,451,060)	1,045,356
TOTAL NET ASSETS	\$ 112,025,492	\$ 47,677,778	\$ 159,703,270	\$ 1,345,954

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 10,441,675	\$ 292,071	\$ 2,258,402	\$ 2,004,563
Public Safety	19,020,552	2,631,448	188,238	-
Community Improvement	6,074,929	325,866	-	-
Highways and Streets	6,022,846	403,355	1,209,694	8,931
Interest	902,204	-	-	-
Total Governmental Activities	42,462,206	3,652,740	3,656,334	2,013,494
Business-Type Activities				
Water	4,347,248	4,788,391	-	-
Airport	1,111,227	261,655	-	2,673,502
Development Services	378,497	88,319	-	-
Refuse	1,656,645	1,623,529	-	-
Total Business-Type Activities	7,493,617	6,761,894	-	2,673,502
TOTAL PRIMARY GOVERNMENT	\$ 49,955,823	\$ 10,414,634	\$ 3,656,334	\$ 4,686,996
COMPONENT UNIT				
Library	\$ 1,520,992	\$ 36,611	\$ 91,512	\$ -

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	Library
	\$ (5,886,639)	\$ -	\$ (5,886,639)	\$ -
	(16,200,866)	-	(16,200,866)	-
	(5,749,063)	-	(5,749,063)	-
	(4,400,866)	-	(4,400,866)	-
	(902,204)	-	(902,204)	-
	(33,139,638)	-	(33,139,638)	-
	-	441,143	441,143	-
	-	1,823,930	1,823,930	-
	-	(290,178)	(290,178)	-
	-	(33,116)	(33,116)	-
	-	1,941,779	1,941,779	-
	(33,139,638)	1,941,779	(31,197,859)	-
	-	-	-	(1,392,869)
General Revenues				
Taxes				
Property	12,446,812	-	12,446,812	1,492,137
Home Rule Sales	5,726,033	-	5,726,033	-
Utility	3,574,598	-	3,574,598	-
Income	3,954,000	-	3,954,000	-
State Sales - Unrestricted	5,566,219	-	5,566,219	-
Restaurant/Bar	1,584,944	-	1,584,944	-
Local Use	638,427	-	638,427	-
Other	795,030	-	795,030	36,958
Investment Income	189,302	300	189,602	26,288
Miscellaneous	346,658	106,269	452,927	56,953
Contributions	2,625,579	4,380	2,629,959	-
Transfers In (Out)	229,413	(229,413)	-	-
Total	37,677,015	(118,464)	37,558,551	1,612,336
CHANGE IN NET ASSETS	4,537,377	1,823,315	6,360,692	219,467
NET ASSETS, JULY 1	107,418,752	45,854,463	153,273,215	1,126,487
Prior Period Adjustment	69,363	-	69,363	-
NET ASSETS, JULY 1, RESTATED	107,488,115	45,854,463	153,342,578	1,126,487
NET ASSETS, JUNE 30	\$ 112,025,492	\$ 47,677,778	\$ 159,703,270	\$ 1,345,954

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2009

	General	Motor Fuel Tax	Tax Increment Financing #1
ASSETS			
Cash and Investments	\$ 441,246	\$ 1,644,296	\$ 11,354,894
Restricted Cash and Investments	-	-	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	2,159,105	-	3,547,339
Accrued Interest	-	416	2,796
Other	1,108,041	-	-
Prepaid Items	54,646	-	3,847
Due from Other Governments	3,229,276	97,900	206,676
Due from Other Funds	225,973	30,306	422
Advances to Other Funds	1,965,000	-	12,000
TOTAL ASSETS	\$ 9,183,287	\$ 1,772,918	\$ 15,127,974
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 774,552	\$ 1,026,597	\$ 538,697
Accrued Payroll	787,011	-	-
Contracts Payable	-	-	107,538
Other Payables	85,561	-	421
Deferred Property Taxes	2,808,847	-	6,924,718
Other Deferred Revenue	1,022,277	41,436	-
Due to Other Funds	3,421	63,187	1,850
Advances from Other Funds	-	-	-
Total Liabilities	5,481,669	1,131,220	7,573,224
FUND BALANCES			
Reserved for Prepaid Items	54,646	-	3,847
Reserved for Public Safety	48,219	-	-
Reserved for Maintenance of Roadways	-	525,575	-
Reserved for Specific Purpose	-	-	1,385,357
Reserved for Advances to Other Funds	1,965,000	-	12,000
Reserved for Debt Service	-	-	-
Unreserved			
Designated for Internal Service Fund Deficits	957,000	-	-
Designated for Compensated Absences	243,400	-	-
Designated for Historic Milestone Projects	16,701	-	-
Designated for Sidewalk and Street Maintenance	-	116,123	-
Undesignated - General Fund	416,652	-	-
Undesignated (Deficit) - Special Revenue Funds	-	-	-
Undesignated - Capital Projects Funds	-	-	6,153,546
Total Fund Balances	3,701,618	641,698	7,554,750
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,183,287	\$ 1,772,918	\$ 15,127,974

Tax Increment Financing #2	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,249,160	\$ 1,728,176	\$ 17,417,772
-	578,835	578,835
1,043,894	162,897	6,913,235
-	121	3,333
-	153,195	1,261,236
-	912	59,405
-	584,368	4,118,220
2,999	-	259,700
-	-	1,977,000
\$ 3,296,053	\$ 3,208,504	\$ 32,588,736

\$ -	\$ 331,256	\$ 2,671,102
-	3,412	790,423
1,805	1,757	111,100
-	-	85,982
2,073,415	324,132	12,131,112
-	122,453	1,186,166
750	190,040	259,248
-	447,000	447,000
2,075,970	1,420,050	17,682,133
-	912	59,405
-	26,719	74,938
-	-	525,575
-	119,773	1,505,130
-	-	1,977,000
-	578,956	578,956
-	-	957,000
-	-	243,400
-	-	16,701
-	-	116,123
-	-	416,652
-	(362)	(362)
1,220,083	1,062,456	8,436,085
1,220,083	1,788,454	14,906,603
\$ 3,296,053	\$ 3,208,504	\$ 32,588,736

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 14,906,603
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	130,586,892
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	(266,871)
Compensated Absences Payable	(4,867,981)
Bonds Payable	(13,445,000)
Bond Anticipation Notes Payable	(10,500,000)
Capital Lease Payable	(1,583,900)
Due to Other Governments	(498,998)
Other Postemployment Benefit Payable	(2,365,658)
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	(152,534)
Issuance Costs and Losses on Refundings are Expenditures in Governmental Funds but are Capitalized and Amortized on the Statement of Net Assets	218,064
Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue in the Governmental Activities	740,719
The Net Assets of the Internal Service Fund are Included in the Governmental Activities in the Statement of Net Assets	(956,865)
The Net Pension Asset is not a Current Financial Resource and, Therefore, is not Reported in the Governmental Funds	211,021
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 112,025,492</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	General	Motor Fuel Tax	Tax Increment Financing #1
REVENUES			
Taxes	\$ 24,068,467	\$ -	\$ 8,243,142
Licenses and Permits	354,375	-	-
Intergovernmental	193,100	1,609,951	-
Charges for Services	1,560,704	-	-
Fines and Forfeitures	728,572	-	-
Investment Income	11,675	21,912	136,370
Miscellaneous	600,787	-	125,594
Total Revenues	27,517,680	1,631,863	8,505,106
EXPENDITURES			
Current			
General Government	4,060,281	-	-
Public Safety	17,390,212	-	-
Community Improvement	3,930,979	-	-
Highways and Streets	-	1,797,965	-
Capital Outlay	-	-	6,663,490
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	25,381,472	1,797,965	6,663,490
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,136,208	(166,102)	1,841,616
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	3,058	-	-
Transfers In	330,526	-	-
Transfers (Out)	(1,685,281)	(101,113)	(2,440,604)
Total Other Financing Sources (Uses)	(1,351,697)	(101,113)	(2,440,604)
NET CHANGE IN FUND BALANCES	784,511	(267,215)	(598,988)
FUND BALANCES, JULY 1	2,900,488	856,169	8,153,738
Prior Period Adjustment	16,619	52,744	-
FUND BALANCES, JULY 1, RESTATED	2,917,107	908,913	8,153,738
FUND BALANCES, JUNE 30	\$ 3,701,618	\$ 641,698	\$ 7,554,750

Tax Increment Financing #2	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,499,602	\$ 493,827	\$ 34,305,038
-	-	354,375
-	4,267,035	6,070,086
-	211,618	1,772,322
-	-	728,572
-	19,345	189,302
-	10,882	737,263
1,499,602	5,002,707	44,156,958
-	4,544,038	8,604,319
-	16,842	17,407,054
-	-	3,930,979
-	-	1,797,965
875,520	624,403	8,163,413
-	2,605,000	2,605,000
-	859,247	859,247
875,520	8,649,530	43,367,977
624,082	(3,646,823)	788,981
-	3,550	6,608
362,072	4,986,886	5,679,484
-	(1,223,073)	(5,450,071)
362,072	3,767,363	236,021
986,154	120,540	1,025,002
233,929	1,667,914	13,812,238
-	-	69,363
233,929	1,667,914	13,881,601
\$ 1,220,083	\$ 1,788,454	\$ 14,906,603

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,025,002
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	3,542,170
Contributions of Capital Assets are Reported Only in the Statement of Activities	2,625,579
Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue in the Governmental Activities	(18,975)
Gains (Losses) on the Disposal of Capital Assets are Reported in the Governmental Activities	(87,961)
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	3,409,640
Some Expenses in the Statement of Activities do not Require the Use of Current Financial Resources and, Therefore, are not Reported as Expenditures in Governmental Funds:	
Depreciation	(3,754,855)
Interest and Amortization of Bond Issuance Costs and Loss on Refunding	(42,957)
Compensated Absences	(695,440)
Other Postemployment Benefit	(1,065,746)
The Addition (Reduction) in Net Assets of Certain Activities of Internal Service Funds is Included in Governmental Funds	(364,677)
The Change in Net Pension Asset is not a Current Financial Resource and, Therefore, is not Reported in the Governmental Funds	(34,403)
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,537,377</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2009

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
CURRENT ASSETS					
Cash and Investments	\$ 754,314	\$ 74,966	\$ 664,129	\$ 1,493,409	\$ 497,010
Receivables					
Accounts	1,537,857	-	196,370	1,734,227	-
Other	4,221	18,662	-	22,883	334
Prepaid Expenses	9,422	4,140	-	13,562	3,299
Due from Other Governments	-	113,845	-	113,845	-
Total Current Assets	2,305,814	211,613	860,499	3,377,926	500,643
NONCURRENT ASSETS					
Advance to Other Funds	-	-	50,000	50,000	518,000
Deferred Charges	46,740	13,507	-	60,247	-
Total Noncurrent Assets	46,740	13,507	50,000	110,247	518,000
CAPITAL ASSETS					
Nondepreciable	528,648	17,574,169	-	18,102,817	-
Depreciable	42,194,617	13,984,186	-	56,178,803	-
Accumulated Depreciation	(13,823,828)	(2,602,103)	-	(16,425,931)	-
Net Capital Assets	28,899,437	28,956,252	-	57,855,689	-
Total Assets	31,251,991	29,181,372	910,499	61,343,862	1,018,643
CURRENT LIABILITIES					
Accounts Payable	166,576	50,607	254,727	471,910	16,982
Accrued Payroll	59,188	7,374	12,271	78,833	-
Accrued Interest Payable	103,155	34,021	-	137,176	-
Other Payables	17,522	17,785	-	35,307	-
Unearned Revenue	4,221	19,779	197,173	221,173	334
Due to Other Funds	-	-	-	-	452
Due to Other Governments	945,611	-	-	945,611	-
Claims Payable	-	-	-	-	1,439,740
General Obligation Bonds Payable	195,000	35,000	-	230,000	-
Capital Lease Payable	22,339	37,701	-	60,040	-
IEPA Loans Payable	360,963	-	-	360,963	-
Compensated Absences Payable	19,544	2,294	3,489	25,327	-
Total Current Liabilities	1,894,119	204,561	467,660	2,566,340	1,457,508

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS

June 30, 2009

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
LONG-TERM LIABILITIES					
General Obligation Bonds Payable	\$ 2,842,098	\$ 1,198,782	\$ -	\$ 4,040,880	\$ -
Capital Lease Payable	35,339	93,335	-	128,674	-
IEPA Loans Payable	4,633,118	-	-	4,633,118	-
Advance from Other Funds	50,000	1,400,000	130,000	1,580,000	518,000
Compensated Absences Payable	371,337	43,594	66,286	481,217	-
Net Post Employment Benefit Payable	163,156	22,795	49,904	235,855	-
Total Long-Term Liabilities	8,095,048	2,758,506	246,190	11,099,744	518,000
Total Liabilities	9,989,167	2,963,067	713,850	13,666,084	1,975,508
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	20,810,580	27,591,434	-	48,402,014	-
Unrestricted (Deficit)	452,244	(1,373,129)	196,649	(724,236)	(956,865)
TOTAL NET ASSETS	\$ 21,262,824	\$ 26,218,305	\$ 196,649	\$ 47,677,778	\$ (956,865)

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 4,788,391	\$ 261,655	\$ 1,711,848	\$ 6,761,894	\$ 5,998,954
Miscellaneous	33,622	2,329	-	35,951	32,629
Total Operating Revenues	4,822,013	263,984	1,711,848	6,797,845	6,031,583
OPERATING EXPENSES					
Administration	-	-	-	-	6,396,287
Operations	3,046,319	671,120	2,035,142	5,752,581	-
Depreciation and Amortization	1,037,643	371,188	-	1,408,831	-
Total Operating Expenses	4,083,962	1,042,308	2,035,142	7,161,412	6,396,287
OPERATING INCOME (LOSS)	738,051	(778,324)	(323,294)	(363,567)	(364,704)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	300	-	-	300	27
Refunds/Reimbursements	-	4,971	-	4,971	-
Interest Expense	(263,286)	(68,919)	-	(332,205)	-
Grant Revenue	-	2,673,502	-	2,673,502	-
Gain on Sale of Capital Assets	-	65,347	-	65,347	-
Total Nonoperating Revenues (Expenses)	(262,986)	2,674,901	-	2,411,915	27
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	475,065	1,896,577	(323,294)	2,048,348	(364,677)
TRANSFERS					
Transfers In	-	-	101,113	101,113	-
Transfers (Out)	(330,526)	-	-	(330,526)	-
Total Transfers	(330,526)	-	101,113	(229,413)	-
CONTRIBUTIONS					
Contributions of Capital Assets	-	4,380	-	4,380	-
Total Contributions	-	4,380	-	4,380	-
CHANGE IN NET ASSETS	144,539	1,900,957	(222,181)	1,823,315	(364,677)
NET ASSETS (DEFICIT), JULY 1	21,118,285	24,317,348	418,830	45,854,463	(592,188)
NET ASSETS (DEFICIT), JUNE 30	\$ 21,262,824	\$ 26,218,305	\$ 196,649	\$ 47,677,778	\$ (956,865)

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water	Airport			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 4,617,380	\$ 257,901	\$ 1,711,848	\$ 6,587,129	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	5,998,954
Receipts from Miscellaneous Revenues	31,324	40,275	-	71,599	35,471
Payments to Suppliers	(1,104,430)	(407,214)	(1,660,221)	(3,171,865)	(5,912,008)
Payments to Employees	(1,714,186)	(208,017)	(322,640)	(2,244,843)	-
Net Cash from Operating Activities	1,830,088	(317,055)	(271,013)	1,242,020	122,417
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental	-	2,652,929	-	2,652,929	-
Reimbursements/Refunds	-	4,971	-	4,971	-
Interfund Receivables	730,000	-	500,000	1,230,000	(1,179)
Interfund Payables	(570,000)	-	-	(570,000)	-
Transfers In	-	-	101,113	101,113	-
Transfers (Out)	(330,526)	-	-	(330,526)	-
Net Cash from Noncapital Financing Activities	(170,526)	2,657,900	601,113	3,088,487	(1,179)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Purchased	(87,099)	(2,586,862)	-	(2,673,961)	-
Proceeds from Sale of Capital Assets	-	450,641	-	450,641	-
Principal Payments on Long-Term Debt	(558,395)	(65,394)	-	(623,789)	-
Interest Payments on Long-Term Debt	(271,819)	(71,247)	-	(343,066)	-
Net Cash from Capital and Related Financing Activities	(917,313)	(2,272,862)	-	(3,190,175)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	300	-	-	300	27
Net Cash from Investing Activities	300	-	-	300	27
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	742,549	67,983	330,100	1,140,632	121,265
CASH AND CASH EQUIVALENTS, JULY 1	11,765	6,983	334,029	352,777	375,745
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 754,314	\$ 74,966	\$ 664,129	\$ 1,493,409	\$ 497,010

(This statement is continued on the following page.)

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

For the Year Ended June 30, 2009

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 738,051	\$ (778,324)	\$ (323,294)	\$ (363,567)	\$ (364,704)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,037,643	371,188	-	1,408,831	-
Changes in Assets and Liabilities					
Accounts Receivable	(172,394)	-	(3,911)	(176,305)	-
Other Receivables	(2,298)	37,946	-	35,648	2,508
Prepaid Expenses	1,784	40,953	204	42,941	157
Accounts Payable	(18,254)	(12,645)	7,978	(22,921)	7,909
Accrued Payroll	(12,886)	539	(1,448)	(13,795)	-
Due to Other Governments	100,788	-	-	100,788	-
Claims Payable	-	-	-	-	476,213
Other Payables	1,900	(667)	-	1,233	-
Unearned Revenue	1,383	(3,754)	3,911	1,540	334
Other Post Employment Benefit Compensated Absences	80,918	11,695	25,600	118,213	-
	73,453	16,014	19,947	109,414	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,830,088	\$ (317,055)	\$ (271,013)	\$ 1,242,020	\$ 122,417
CASH AND INVESTMENTS					
Cash and Cash Equivalents	\$ 754,314	\$ 74,966	\$ 664,129	\$ 1,493,409	\$ 497,010
Investments	-	-	-	-	-
TOTAL CASH AND INVESTMENTS	\$ 754,314	\$ 74,966	\$ 664,129	\$ 1,493,409	\$ 497,010
NONCASH TRANSACTIONS					
Contributed Capital Assets	\$ -	\$ 4,380	\$ -	\$ 4,380	\$ -

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

June 30, 2009

ASSETS

Cash and Short-Term Investments	\$ 2,748,466
Investments, at Fair Value	
Certificates of Deposit	95,595
Mutual Funds	14,632,259
Corporate Bonds	397,671
U.S. Treasury Securities	3,462,847
U.S. Agency Securities	16,698,104
Receivables	
Accrued Interest	<u>173,880</u>
Total Assets	<u>38,208,822</u>

LIABILITIES

Accounts Payable	14,697
Unearned Revenue	<u>1,391,310</u>
Total Liabilities	<u>1,406,007</u>

NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS

\$ 36,802,815

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

For the Year Ended June 30, 2009

ADDITIONS

Contributions

Employer Contributions \$ 2,350,518

Employee Contributions 914,507

Total Contributions 3,265,025

Investment Income

Net Appreciation (Depreciation) in Fair Value
of Investments (3,989,354)

Interest 1,249,833

Total Investment Income (2,739,521)

Less Investment Expense (70,025)

Net Investment Income (2,809,546)

Total Additions 455,479

DEDUCTIONS

Retirement Benefits 3,306,255

Disability Benefits 237,270

Administrative Expenses 55,028

Total Deductions 3,598,553

NET INCREASE (DECREASE) (3,143,074)

NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS

July 1 39,945,889

June 30 \$ 36,802,815

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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CITY OF DEKALB, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 GAAP, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

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

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

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

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

C. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following proprietary fund:

Internal Service Funds account for the City's self-insured property, casualty, workers' 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 Firefighters' 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Cash and Investments

Cash and Cash Equivalents

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 nonnegotiable certificates of deposit which are recorded at cost. Fair value has been based on quoted market prices at June 30 for debt and equity securities and contract values for insurance contracts. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the City’s fair value of the pool.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Interfund Receivables/Payables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

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

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

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

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

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

L. Compensated Absences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

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

In the fund financial statements, governmental 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 deficit fund balances/net assets as of June 30, 2009:

Fund	Deficit Balance
Capital Projects	\$ 297,490
County Home Tax Increment Financing District	11,148
Development Services	235,791
Workers' Compensation	1,800,154
Liability/Property Insurance	134,673

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 Firefighters' Pension investment policies also allow for investing in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and equity securities.

A. Deposits

To guard against credit risk for deposits with financial institutions, the City and the Pension Funds investment policies require that deposits with financial institutions in excess of FDIC be collateralized with collateral in excess of the uninsured deposits with the collateral held by a third-party acting as the agent of the City and Pension Plans.

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

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

As of June 30, 2009, the City had the following investments and maturities.

Investment Type	Investment Maturities (in Years)					
	Fair Value	0 to 6 months	6 months to 1 year	1-5	6-10	More than 10
Illinois Funds	\$ 10,446,079	\$ 10,446,079	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 10,446,079	\$ 10,446,079	\$ -	\$ -	\$ -	\$ -

As of June 30, 2009, the Police Pension Fund had the following investments and maturities in debt securities.

Investment Type	Investment Maturities (in Years)					
	Fair Value	0 to 6 months	6 months to 1 year	1-5	6-10	More than 10
U.S. Agencies	\$ 11,791,460	\$ -	\$ -	\$ 10,792,230	\$ -	\$ 999,230
TOTAL	\$ 11,791,460	\$ -	\$ -	\$ 10,792,230	\$ -	\$ 999,230

As of June 30, 2009, the Firefighters' Pension Fund had the following investments and maturities.

Investment Type	Investment Maturities (in Years)					
	Fair Value	0 to 6 month	6 months to 1 year	1-5	6-10	More than 10
U.S. Treasury	\$ 3,462,847	\$ -	\$ 606,258	\$ 1,281,296	\$ 1,575,293	\$ -
U.S. Agencies	4,906,644	-	127,149	1,330,852	418,361	3,030,282
Corporate Bonds	397,761	-	-	397,761	-	-
Illinois Funds	774,201	774,201	-	-	-	-
TOTAL	\$ 9,541,363	\$ 774,201	\$ 733,407	\$ 3,009,819	\$ 1,993,654	\$ 3,030,282

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

GASB 40 - Operating Funds

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-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.

At June 30, 2009, the City had greater than 5% of its overall portfolio invested in Illinois Funds (89%). 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 52% of its portfolio in fixed income securities, 45% in equities and the remaining 3% 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 issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The overall ratings of the agency's long-term debt, except for subordinated debt of which the Police Pension Fund does not own any, is "AAA" as rated by Moody's or Standard and Poor's.

At June 30, 2009, the Police Pension Fund had fixed income holdings that were approximately 56.39% of its investment portfolio. The investment policy diversifies its fixed income holdings with a range of 45% to 75% with a target of 52%. The Police Pension Fund had greater than 5% of its fixed income portfolio in FHLB notes.

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

GASB 40 - Police Pension Fund (Continued)

The Police Pension Fund invests 36.73% 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 Board diversifies its equity holdings as follows:

- International - a range of 0% to 50% with a target of 35%.
- Domestic - a range of 20% to 100% with a target of 65%.

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

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

GASB 40 - Firefighters' Pension Fund (Continued)

At June 30, 2009, the Firefighters' Pension Fund had approximately 53.16% 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 FNMA investments.

The Firefighters' Pension Fund invests 41% 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 2008 levy year attach as an enforceable lien on January 1, 2008, 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, 2009 and August 1, 2009, and are payable in two installments, on or about June 1, 2009 and September 1, 2009. 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 2008 tax levy has been recorded as unearned/deferred revenue on the financial statements. The 2009 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, 2009, the taxes will not be levied by the City or extended by the County until December 2009 and, therefore, the amount is not measurable at June 30, 2009.

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

5. CAPITAL ASSETS

A. Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 8,840,706	\$ 992,099	\$ 56,250	\$ 9,776,555
Land Right of Way	25,729,907	-	-	25,729,907
Construction in Progress	7,075,695	5,027,868	10,408,853	1,694,710
Total Capital Assets not Being Depreciated	41,646,308	6,019,967	10,465,103	37,201,172
Capital Assets Being Depreciated				
Buildings and Improvements	5,848,874	-	-	5,848,874
Vehicles	6,443,119	85,204	257,108	6,271,215
Equipment	2,350,181	62,578	-	2,412,759
Infrastructure	132,789,597	10,408,853	-	143,198,450
Total Capital Assets Being Depreciated	147,431,771	10,556,635	257,108	157,731,298
Less Accumulated Depreciation for				
Buildings and Improvements	2,692,490	101,796	-	2,794,286
Equipment	1,113,102	131,204	-	1,244,306
Vehicles	3,140,809	487,695	225,397	3,403,107
Infrastructure	53,869,719	3,034,160	-	56,903,879
Total Accumulated Depreciation	60,816,120	3,754,855	225,397	64,345,578
Total Capital Assets Being Depreciated, Net	86,615,651	6,801,780	31,711	93,385,720
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 128,261,959	\$ 12,821,747	\$ 10,496,814	\$ 130,586,892
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 15,108,573	\$ 2,586,863	\$ -	\$ 17,695,436
Land Improvements	407,381	-	-	407,381
Construction in Progress	1,716,810	12,119	1,728,929	-
Total Capital Assets not Being Depreciated	17,232,764	2,598,982	1,728,929	18,102,817
Capital Assets Being Depreciated				
Buildings	5,211,864	-	407,000	4,804,864
Water Distribution System	38,242,686	466,364	-	38,709,050
Vehicles	1,234,620	-	-	1,234,620
Equipment	542,010	-	-	542,010
Airport Infrastructure	9,546,334	1,341,924	-	10,888,258
Total Capital Assets Being Depreciated	54,777,514	1,808,288	407,000	56,178,802

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

5. CAPITAL ASSETS (Continued)

A. (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Buildings	\$ 1,312,496	\$ 95,009	\$ 21,707	\$ 1,385,798
Water Distribution System	11,685,302	874,704	-	12,560,006
Vehicles	720,106	88,819	-	808,925
Equipment	369,014	32,192	-	401,206
Airport Infrastructure	997,789	272,206	-	1,269,995
Total Accumulated Depreciation	15,084,707	1,362,930	21,707	16,425,930
Total Capital Assets Being Depreciated, Net	39,692,807	445,358	385,293	39,752,872
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 56,925,571	\$ 3,044,340	\$ 2,114,222	\$ 57,855,689

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 15,011
Public Safety	367,026
Community Improvement	59,954
Highways and Streets, Including Depreciation of General Infrastructure Assets	3,312,864

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 3,754,855

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
2 nd & 3 rd Street Project	\$ 1,751,819	\$ 366,462	\$ 1,385,357
East Lincoln Highway	98,662	-	98,662
Annie Glidden Road Contract #87330	1,620,908	1,089,890	531,018
Annie Glidden Road Contract #87335	274,537	208,571	65,966
Bethany Road Contract #87331	320,836	254,481	66,355
Fairview Bridge Contract #87339	390,878	58,180	332,698
TOTAL	\$ 4,457,640	\$ 1,977,584	\$ 2,480,056

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

6. RECEIVABLES

A. Other Receivables

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

GOVERNMENTAL ACTIVITIES	
Municipal Utility Tax	\$ 510,095
Restaurant and Bar	117,035
Fire Contracts	85,161
Ambulance (Net of Allowance)	188,841
Cable Franchise Fee	68,244
Gasoline and Diesel	24,276
Hotel/Motel Tax	16,043
Circuit Court Fines	25,748
Other Miscellaneous	87,921
Health Insurance Reinsurance	334
Lease	119,282
Due from Escrow	17,927
Police Services	663
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	<hr/> \$ 1,261,570 <hr/>
BUSINESS-TYPE ACTIVITIES	
Water Miscellaneous	\$ 4,221
Airport Rentals	18,662
	<hr/>
TOTAL BUSINESS-TYPE ACTIVITIES	<hr/> \$ 22,883 <hr/>

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	\$ 148,405
Sales Tax	1,252,372
City Sales Tax	1,472,945
Auto Rental Tax	2,621
Income Tax	297,519
Tax Increment Financing Sales Tax	199,614
Motor Fuel Tax	66,379
Home Rule Fuel Tax	31,520
Mass Transit Grants	145,720
Community Development Grant	161,569
Housing Rehab Grant	226,898
DeKalb County Government	41,250
Other Grants	71,408
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	<hr/> \$ 4,118,220 <hr/>
BUSINESS-TYPE ACTIVITIES	
Airport Grants	\$ 113,845
	<hr/>
TOTAL BUSINESS-TYPE ACTIVITIES	<hr/> \$ 113,845 <hr/>

7. RISK MANAGEMENT

The City is exposed to various risks including but not limited to losses from workers' compensation, employee health and general liability/property. The City is self-insured for its exposure to general liability/property and workers' compensation. As of January 1, 2008, the City began participating in the Intergovernmental Personnel Benefit Cooperative (IPBC) for employee health insurance.

IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain governmental, quasi governmental, and nonprofit public service entities. The IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers; a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

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

Health Insurance - Through December 31, 2007, the City was self-insured for \$100,000 per individual per year with a specific stop loss of \$100,000 and an annual aggregate stop loss of approximately \$1,000,000.

Workers' Compensation - There are no specific or aggregate stop loss policies for the years ended June 30, 2003 to 2009.

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

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

7. RISK MANAGEMENT (Continued)

A reconciliation of claims payable for the fiscal years ended June 30, 2009 and 2008 are as follows:

	Health		Workers' Compensation		Liability/Property	
	2009	2008	2009	2008	2009	2008
CLAIMS PAYABLE, JULY 1	\$ 815	\$ 533,878	\$ 801,212	\$ 528,623	\$ 161,500	\$ 100,000
Add Claims Incurred	-	4,601,357	1,312,942	659,074	51,033	123,961
Less Claims Paid	(815)	(5,134,420)	(824,414)	(386,485)	(62,533)	(62,461)
CLAIMS PAYABLE, JUNE 30	\$ -	\$ 815	\$ 1,289,740	\$ 801,212	\$ 150,000	\$ 161,500

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	\$ 2,090,000	\$ -	\$ 220,000	\$ 1,870,000	\$ 375,000
\$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	395,000	-	395,000	-	-

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

8. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$9,450,000 2000 Series General Obligation Bonds, dated November 1, 2000, due in annual installments of \$75,000 to \$225,000, plus interest of 4.900% to 5.750% through January 1, 2021	Water	\$ 350,000	\$ -	\$ 170,000	\$ 180,000	\$ 180,000
	General Debt Service	65,000	-	30,000	35,000	35,000
\$3,500,000 2002 Series General Obligation Bonds, dated August 1, 2002, due in annual installments of \$110,000 to \$315,000, plus interest of 2.500% to 4.450% through January 1, 2018	General Debt Service	2,605,000	-	215,000	2,390,000	225,000
\$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	1,195,000	-	185,000	1,010,000	190,000
\$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	1,195,000	-	435,000	760,000	445,000
\$3,355,000 2003 Series B General Obligation Bonds dated October 1, 2003, due in annual installments of \$35,000 to \$1,000,000, plus interest of 1.00% to 3.00% through December 1, 2009	General Debt Service	755,000	-	445,000	310,000	310,000

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

8. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	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	\$ 2,795,000	\$ -	\$ 15,000	\$ 2,780,000	\$ 15,000
	Airport	500,000	-	5,000	495,000	5,000
	General Debt Service	4,955,000	-	30,000	4,925,000	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	750,000	-	25,000	725,000	30,000
TOTAL		\$ 17,650,000	\$ -	\$ 2,170,000	\$ 15,480,000	\$ 1,840,000

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 \$775,000, plus interest of varied rates through January 1, 2013						
	TIF Debt Service	\$ 2,795,000	\$ -	\$ 650,000	\$ 2,145,000	\$ 715,000

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

8. LONG-TERM DEBT (Continued)

B. Revenue Bonds Payable (Continued)

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, 2009, rates were as follows:

INTEREST RATE SWAP

Fixed Payment to Counterparty	Fixed	3.90%
Variable Payment from Counterparty	BMA Index	(.40)%
NET INTEREST RATE SWAP PAYMENTS		<u>3.50%</u>

Fair Value - As of June 30, 2009, the swap had a negative fair value of \$74,500. 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, 2009, 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 Aa3 by Moody's Investors Service as of June 30, 2009.

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.

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

8. LONG-TERM DEBT (Continued)

B. Revenue Bonds Payable (Continued)

Debt service requirements to maturity for the debt are disclosed at the net interest rate of 3.50% at June 30, 2009. 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 1	Issuances	Retirements	Balances June 30	Current Portion
\$1,000,000 General Obligation Bond Anticipation Notes, Taxable Series 2007, dated March 13, 2007, due on December 1, 2010, with interest at 5.85%. Interest is due each June 1 and December 1 beginning June 1, 2007.	TIF Debt Service	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -
\$4,000,000 General Obligation Bond Anticipation Notes, dated October 1, 2007, due on December 1, 2009, 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, 2009 (0.92% at June 30, 2009)	General Debt Service	3,000,000	-	-	3,000,000	3,000,000
	TIF Debt Service	1,000,000	-	-	1,000,000	1,000,000
\$5,500,000 General Obligation Bond Anticipation Notes, Series 2008, dated June 12, 2008, due on June 1, 2010, 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 June 1, 2010 (0.92% at June 30, 2009)	TIF Debt Service	5,500,000	-	-	5,500,000	5,500,000
TOTAL GENERAL OBLIGATION BOND ANTICIPATION NOTES		\$ 10,500,000	\$ -	\$ -	\$ 10,500,000	\$ 9,500,000

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

8. LONG-TERM DEBT (Continued)

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	\$ 338,135	\$ -	\$ 91,541	\$ 246,594	\$ 95,510
Equipment	Capital Projects	443,165	-	92,343	350,822	95,745
Equipment	Capital Projects	1,107,240	-	120,756	986,484	147,550
Equipment	Water	79,089	-	21,411	57,678	22,339
Equipment	Airport	79,567	-	21,541	58,026	22,475
Equipment	Airport	44,103	-	9,190	34,913	9,528
Equipment	Airport	42,760	-	4,663	38,097	5,698
TOTAL		\$ 2,134,059	\$ -	\$ 361,445	\$ 1,772,614	\$ 398,845

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, 2009 was \$498,998.

F. IEPA Loan

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
IEPA Loan I	Waterworks and Sewerage	\$ 2,935,585	\$ -	\$ 193,279	\$ 2,742,306	\$ 198,209
IEPA Loan II	Waterworks and Sewerage	2,410,480	-	158,705	2,251,775	162,754
TOTAL		\$ 5,346,065	\$ -	\$ 351,984	\$ 4,994,081	\$ 360,963

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

8. LONG-TERM DEBT (Continued)

G. Debt Service Requirements to Maturity

Fiscal Year Ending June 30,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 1,610,000	\$ 459,171	\$ 230,000	\$ 187,377
2011	1,305,000	409,987	240,000	174,719
2012	1,360,000	353,479	240,000	166,287
2013	1,405,000	293,569	260,000	157,542
2014	1,470,000	237,597	265,000	146,632
2015	1,220,000	184,738	870,000	135,522
2016	1,280,000	130,663	315,000	89,900
2017	1,335,000	73,643	330,000	75,725
2018	315,000	14,017	-	60,875
2019	-	-	695,000	60,875
2020	-	-	360,000	33,075
2021	-	-	375,000	16,875
TOTAL	\$ 11,300,000	\$ 2,156,864	\$ 4,180,000	\$ 1,305,404

Fiscal Year Ending June 30,	Revenue Bonds		Capital Leases	
	Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2010	\$ 715,000	\$ 43,751	\$ 338,805	\$ 62,069
2011	775,000	29,167	352,840	48,033
2012	310,000	13,360	314,919	33,413
2013	345,000	7,037	220,364	21,590
2014	-	-	174,716	13,397
2015	-	-	182,256	5,857
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
TOTAL	\$ 2,145,000	\$ 93,315	\$ 1,583,900	\$ 188,359

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

8. LONG-TERM DEBT (Continued)

G. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending June 30,	Bond Anticipation Notes		Capital Leases	
	Governmental		Business-Type	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2010	\$ 9,500,000	\$ 240,715	\$ 60,040	\$ 7,244
2011	1,000,000	29,250	62,581	4,706
2012	-	-	40,576	2,056
2013	-	-	11,731	892
2014	-	-	6,747	517
2015	-	-	7,039	226
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
TOTAL	\$ 10,500,000	\$ 269,965	\$ 188,714	\$ 15,641

Fiscal Year Ending June 30,	Due to Other Governments		IEPA Loans	
	Governmental		Business-Type	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2010	\$ 498,998	\$ -	\$ 360,963	\$ 124,325
2011	-	-	370,172	115,116
2012	-	-	379,615	105,673
2013	-	-	389,298	95,990
2014	-	-	399,230	86,058
2015	-	-	409,414	75,874
2016	-	-	419,860	65,428
2017	-	-	430,570	54,718
2018	-	-	441,556	43,732
2019	-	-	452,818	32,470
2020	-	-	464,370	20,918
2021	-	-	476,215	9,073
TOTAL	\$ 498,998	\$ -	\$ 4,994,081	\$ 829,375

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

8. LONG-TERM DEBT (Continued)

H. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009:

	July 1	Additions	Reductions	June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds	\$ 13,255,000	\$ -	\$ 1,955,000	\$ 11,300,000	\$ 1,610,000
Revenue Bonds	2,795,000	-	650,000	2,145,000	715,000
Bond Anticipation Notes	10,500,000	-	-	10,500,000	9,500,000
Capital Leases	1,888,540	-	304,640	1,583,900	338,805
Due to Other Governments	998,998	-	500,000	498,998	498,998
Compensated Absences	4,172,541	1,112,695	417,255	4,867,981	243,400
Other Postemployment Benefit	1,299,912	1,065,746	-	2,365,658	-
Unamortized Premium	178,931	-	26,397	152,534	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 35,088,922	\$ 2,178,441	\$ 3,853,292	\$ 33,414,071	\$ 12,906,203
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds					
Water	\$ 3,145,000	\$ -	\$ 185,000	\$ 2,960,000	\$ 195,000
Airport	1,250,000	-	30,000	1,220,000	35,000
Total General Obligation Bonds	4,395,000	-	215,000	4,180,000	230,000
Capital Lease					
Water	79,089	-	21,411	57,678	22,339
Airport	166,430	-	35,394	131,036	37,701
Total Capital Lease	245,519	-	56,805	188,714	60,040
IEPA Loans					
Water	5,346,065	-	351,984	4,994,081	360,963

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

8. LONG-TERM DEBT (Continued)

H. Changes in Long-Term Liabilities (Continued)

	July 1	Additions	Reductions	June 30	Current Portion
BUSINESS-TYPE ACTIVITIES (Continued)					
Compensated Absences					
Water	\$ 317,428	\$ 105,196	\$ 31,743	\$ 390,881	\$ 19,544
Airport	29,874	19,001	2,987	45,888	2,294
Development Services	49,828	24,929	4,982	69,775	3,489
Total Compensated Absences	397,130	149,126	39,712	506,544	25,327
Other Postemployment Benefit					
Water	82,238	80,918	-	163,156	-
Airport	11,100	11,695	-	22,795	-
Development Services	24,304	25,600	-	49,904	-
Total Other Postemployment Benefit	117,642	118,213	-	235,855	-
Unamortized Premium	98,783	-	7,903	90,880	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 10,600,139	\$ 267,339	\$ 671,404	\$ 10,196,074	\$ 676,330

I. 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.

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

8. LONG-TERM DEBT (Continued)

J. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of June 30, 2009, there was no IDRBs outstanding as the last issue was called and paid.

K. Advance Refundings - General Obligation Bonds

On December 13, 2004, the City issued \$8,885,000 Series 2004 General Obligation Refunding Bonds to refund \$7,925,000 General Obligation Bonds, Series 2000. 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, 2009, \$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

	Due From	Due To
General		
Tax Increment Financing #1	\$ 1,850	\$ 422
Tax Increment Financing #2	750	2,999
Motor Fuel Tax	63,187	-
Nonmajor Governmental	160,186	-
Total General	225,973	3,421
Motor Fuel Tax		
General	-	63,187
Nonmajor Governmental	29,854	-
Internal service	452	-
Total Motor Fuel Tax	30,306	63,187
Tax Increment Financing #1		
General	422	1,850
Tax Increment Financing #2		
General	2,999	750

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

9. INTERFUND ASSETS/LIABILITIES (Continued)

A. Due From/To Other Funds (Continued)

	Due From	Due To
Nonmajor Governmental		
General	-	160,186
Motor Fuel Tax	-	29,854
Total Nonmajor Governmental	-	190,040
Internal Service		
Motor Fuel Tax	-	452
TOTAL	\$ 259,700	\$ 259,700

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

- \$63,187 due to the General Fund from the Motor Fuel Tax Fund consists of operating expenditures paid by the General Fund. Repayment is expected within one year.
- \$160,186 due to the General Fund from the Nonmajor Governmental Funds (CDBG Fund) consists of capital expenditures paid by the General Fund. Repayment is expected within one year.

B. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Airport	\$ 1,400,000
General	Nonmajor Governmental	435,000
General	Nonmajor Enterprise	130,000
Tax Increment Financing #1	Nonmajor Governmental	12,000
Internal Service	Internal Service	518,000
Nonmajor Enterprise	Water	50,000
TOTAL ALL FUNDS		\$ 2,545,000

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

9. INTERFUND ASSETS/LIABILITIES (Continued)

B. Advances To/From Other Funds (Continued)

In fiscal year 2008, the General Fund advanced \$670,000 to the Airport Fund, which will be repaid from future airport revenues, and in fiscal year 2009 the General Fund assumed the \$730,000 advance owed to the Water Fund, leaving a balance advanced of \$1,400,000. Also, in fiscal years 2001, 2002 and 2007 the County Home Tax Increment Financing Fund was advanced \$159,889, \$1,000,111 and \$17,000, respectively, by the Tax Increment Financing #1 Fund. \$125,000, \$100,000, \$375,000, \$280,000 and \$285,000 was repaid in 2004, 2005, 2006, 2008 and 2009, respectively, leaving a balance advanced at June 30, 2009 of \$12,000, which will be repaid from future incremental tax revenues. The Health Insurance Internal Service Fund advanced \$400,000 and \$118,000, in fiscal years 2008 and 2009, respectively, to the Worker's Compensation Internal Service Fund. The Refuse Fund (Nonmajor Enterprise) advanced \$420,000 to the Water Fund in fiscal 2008 to be paid from future water revenues. \$370,000 was repaid in fiscal year 2009, leaving a balance of \$50,000 to be repaid from future water revenues. The Water Fund advanced the Airport Fund \$630,000 in 2004 and \$104,100 in 2005. \$4,100 was repaid in 2008, and the General Fund assumed the remaining \$730,000 in 2009, leaving a balance advanced of \$0 to be repaid from future airport revenues. The General Fund advanced the Development Services Fund \$130,000 in fiscal year 2009. Finally, the General Fund advanced the Capital Projects Fund \$50,000 in 2008 and \$385,000 in 2009, for a total of \$435,000.

C. Interfund Transfers

Interfund transfers between funds for the year ended June 30, 2009 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ -	\$ 1,685,281
Water	330,526	-
Total General	330,526	1,685,281
Motor Fuel Tax		
Nonmajor Enterprise	-	101,113
Tax Increment Financing #1		
Tax Increment Financing #2	-	362,072
Nonmajor Governmental	-	2,078,532
Total Tax Increment Financing #1	-	2,440,604
Tax Increment Financing #2		
Tax Increment Financing #1	362,072	-
Total Tax Increment Financing #2	362,072	-

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

9. INTERFUND ASSETS/LIABILITIES (Continued)

C. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Nonmajor Governmental		
General	\$ 1,685,281	\$ -
Tax Increment Financing #1	2,078,532	-
Nonmajor Governmental	1,223,073	1,223,073
Total Nonmajor Governmental	4,986,886	1,223,073
Water		
General	-	330,526
Nonmajor Enterprise		
Motor Fuel Tax	101,113	-
Total Nonmajor Enterprise	101,113	-
TOTAL	\$ 5,780,597	\$ 5,780,597

The purpose of significant transfers is as follows:

- \$330,526 transferred from the Water Fund to the General Fund to cover general operating expenses. This transfer will not be repaid.
- \$1,685,281 transferred from the General Fund to the Nonmajor Governmental Funds consists of \$51,342 transferred to the Mass Transit Fund to reimburse prior year subsidies of transit service operations, \$1,431,689 to the General Debt Service Fund to cover current year debt service payments, \$52,250 to the Economic Development Fund to support agreements with outside agencies that promote tourism and provide economic development functions on behalf of the City, and \$150,000 to the Public Safety Building Fund to provide start-up funding for the construction of a new police station. These transfers will not be repaid.
- \$101,113 transferred from the Motor Fuel Tax Fund to the Nonmajor Enterprise Funds (Development Services Fund) to cover operating expenses. This transfer will not be repaid.
- \$362,072 transferred from the Tax Increment Financing #1 Fund to the Tax Increment Financing #2 Fund to move property tax collections to the correct fund due to misidentification of Target parcels by the County. This transfer will not be repaid.
- \$2,078,532 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Governmental Funds (Tax Increment Financing Debt Service) to cover current year debt service payments. This transfer will not be repaid.
- \$1,223,073 transferred from the Nonmajor Governmental Funds (Capital Projects) to the Nonmajor Governmental Funds (Public Safety Building Fund) to provide funding for the construction of a new police station. 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, 2009, the City has incurred \$1,686,919 in rebates.

The City has entered into an additional development agreement whereby it has committed up to \$775,000 in sales tax rebates through the year February 28, 2013. As of June 30, 2009, the City has incurred \$367,146 in rebates.

D. Property Tax Rebates

The City has entered into a development agreement whereby it has committed to abate 90%, 80%, 70%, 60% and 50%, respectively, of a certain company's TIF and non-TIF property taxes for years 1 through 5 after the issuance of occupancy permits. In addition, the company is entitled to property tax rebates of 50% for the TIF property for years 6 through 10 after the issuance of occupancy permits but no later than December 31, 2017. As of June 30, 2009, the City has incurred \$325,865 in rebates.

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

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

Membership

At June 30, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	116
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	
Vested	138
Nonvested	81
	<hr/>
TOTAL	335
	<hr/>
Participating Employers	1
	<hr/>

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute a percentage of the actuarially determined premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees via the health insurance plan (pay as you go). For the fiscal year ended June 30, 2009, retirees contributed \$161,799 and the City contributed \$1,108,429. Active employees do not contribute to the plan until retirement.

Annual OPEB Costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of June 30, 2007 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2008. The City's annual OPEB cost (expense) of \$2,163,129 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of June 30, 2007. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 was as follows (information for the preceding year is not available as an actuarial valuation was performed for the first time as of June 30, 2008):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	\$ 2,163,129	\$ 740,640	34.2%	\$ 1,422,489
June 30, 2009	2,294,993	1,108,429	48.3%	2,609,053

The net OPEB obligation (NOPEBO) as June 30, 2009, was calculated as follows:

Annual Required Contribution	\$ 2,271,285
Interest on Net OPEB Obligation	71,124
Adjustment to Annual Required Contribution	<u>(47,416)</u>
Annual OPEB Cost	2,294,993
Contributions Made	<u>1,108,429</u>
Increase (Decrease) in Net OPEB Obligation	1,186,564
Net OPEB Obligation, Beginning of Year	<u>1,422,489</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 2,609,053</u></u>

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$ 40,419,324
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	40,419,324
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 15,459,449
UAAL as a Percentage of Covered Payroll	261.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2009 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 5.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.0% with an ultimate healthcare cost trend rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

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, 2009, the City's remaining contributions due under the program were \$1,108,789. In accordance with GASB Statement 47, this amount is not reported as a liability on the City's financial statements and is recorded through their IMRF plan under the rules prescribed in GASB Statement 27. The change in the actuarially accrued liability due to the early retirement incentive is not available from IMRF.

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.

13. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2008 was 13.83% 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 Police Pension Plan as a pension trust fund. At June 30, 2009, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	37
Terminated Employees Entitled to Benefits but not yet Receiving Them	2
Current Employees	
Vested	40
Nonvested	21
	<hr/>
TOTAL	<hr/> <hr/> 100

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.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Employees are required by Illinois Compiled Statutes 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 Police Pension Plan are financed through investment earnings. The City is required to contribute the remaining amounts necessary to finance the Police Pension 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, 2009, the City's contribution was 18.44% 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 Firefighters' Pension Plan as a pension trust fund. At June 30, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	47
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	33
Nonvested	25
	<hr/>
TOTAL	<u>105</u>

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.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension 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, 2009, the City's contribution was 34.23% 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
Firefighters' Pension	Vanguard 500 Index Fund	\$ 2,944,181
Firefighters' Pension	Vanguard Mid Cap Index Fund	1,425,865
Firefighters' Pension	Vanguard International Growth	1,339,105
Firefighters' Pension	Vanguard Small Cap Index Fund	<u>1,241,807</u>
		<u>\$ 6,950,958</u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2006	June 30, 2008	June 30, 2008
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	26 Years, Closed	25 Years, Closed	25 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
d) Postretirement Benefit Increases	3.00%	3.00%	3.00%

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

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

	Illinois Municipal Retirement*	Police Pension*	Firefighters' Pension*
Annual Pension Cost (APC)	\$ 995,369 1,072,905 1,106,440	\$ 806,778 861,580 862,467	\$ 1,176,465 1,365,695 1,522,454
Actual Contribution	\$ 995,369 1,072,905 1,106,440	\$ 810,799 865,936 849,705	\$ 1,183,848 1,373,886 1,500,813
Percentage of APC Contributed	100.0% 100.0% 100.0%	100.5% 100.5% 98.5%	100.6% 100.6% 98.6%
NPO (Asset)	\$ - - -	\$ (70,084) (74,440) (61,678)	\$ (162,793) (170,984) (149,343)

* Police and Firefighters' Pension information presented is for the fiscal years ended June 30, 2007, 2008 and 2009. The information for the Illinois Municipal Retirement is for the calendar years 2006, 2007 and 2008.

The NPO at June 30, 2009 has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 864,215	\$ 1,526,469
Interest on Net Pension Obligation	(5,955)	(13,679)
Adjustment to Annual Required Contribution	4,207	9,664
Annual Pension Cost	862,467	1,522,454
Contributions Made	849,705	1,500,813
Increase in Net Pension Obligation	12,762	21,641
Net Pension Obligation (Asset) Beginning of Year	(74,440)	(170,984)
NET PENSION OBLIGATION (ASSET) END OF YEAR	\$ (61,678)	\$ (149,343)

13. DEFINED BENEFIT PENSION PLANS (Continued)

D. Funded Status

The funded status of the plans as of June 30, 2009, based on actuarial valuations performed as of December 31, 2008 for Illinois Municipal Retirement and June 30, 2009 for the Police and Firefighters' Pension, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 13-C:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 22,686,206	\$36,596,848	\$ 40,461,554
Actuarial Value of Plan Assets	13,768,272	20,462,341	16,340,474
Unfunded Actuarial Accrued Liability (UAAL)	8,917,934	16,134,507	24,121,080
Funded Ratio (Actuarial Value of Plan Assets/AAL)	60.69%	55.9%	40.4%
Covered Payroll (Active Plan Members)	\$ 8,000,291	\$ 4,607,728	\$ 4,384,298
UAAL as a Percentage of Covered Payroll	111.47%	350.2%	550.2%

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

14. RESTATEMENTS

Net assets used in governmental activities and fund balance of governmental funds was increased by \$69,363 to properly account for grant and forfeiture activity and to remove a duplicate expenditure for the Annie Glidden road project.

15. SUBSEQUENT EVENT

On September 14, 2009, the City approved a supplemental agreement with School District Number 428. The agreement calls for the City to make payments to the school district for the repurposing of several area schools, with payments due on January 1, 2010, April 1, 2010 and January 1, 2011 totaling \$4,786,072. This is to be repaid by the City from future tax increment financing revenues.

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

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, 2009:

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Assets
ASSETS						
Cash and Investments	\$ 1,353,436	\$ 222,337	\$ 234,698	\$ 1,810,471	\$ -	\$ 1,810,471
Receivables						
Property Taxes	834,708	-	-	834,708	-	834,708
Accrued Interest	303	1,141	1,205	2,649	-	2,649
Prepaid Items/Expenses	6,658	-	-	6,658	-	6,658
Due from Other Governments	85,262	-	-	85,262	-	85,262
Capital Assets						
Not Being Depreciated	-	-	-	-	19,832	19,832
Net of Accumulated Depreciation	-	-	-	-	280,766	280,766
Total Assets	2,280,367	223,478	235,903	2,739,748	300,598	3,040,346
LIABILITIES						
Accounts Payable	7,865	-	-	7,865	-	7,865
Accrued Payroll	35,857	-	-	35,857	-	35,857
Deferred Property Taxes Compensated	1,620,465	-	-	1,620,465	-	1,620,465
Absences Payable	-	-	-	-	22,665	22,665
Other Postemployment Benefit	-	-	-	-	7,540	7,540
Total Liabilities	1,664,187	-	-	1,664,187	30,205	1,694,392
FUND BALANCES						
Reserved for Prepaid Items	6,658	-	-	6,658	(6,658)	-
Unreserved	609,522	223,478	235,903	1,068,903	(1,068,903)	-
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	-	-	-	-	300,598	300,598
Unrestricted	-	-	-	-	1,045,356	1,045,356
TOTAL FUND BALANCES/ NET ASSETS	\$ 616,180	\$ 223,478	\$ 235,903	\$ 1,075,561	\$ 270,393	\$ 1,345,954

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

16. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

A. Summary Financial Information (Continued)

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
REVENUES						
Property Taxes	\$ 1,492,137	\$ -	\$ -	\$ 1,492,137	\$ -	\$ 1,492,137
Replacement Taxes	36,958	-	-	36,958	-	36,958
State Grants	75,512	-	-	75,512	-	75,512
Federal Grants	16,000	-	-	16,000	-	16,000
Charges for Services	36,611	-	-	36,611	-	36,611
Investment Income	16,751	4,612	4,925	26,288	-	26,288
Miscellaneous	56,953	-	-	56,953	-	56,953
Total Revenues	1,730,922	4,612	4,925	1,740,459	-	1,740,459
EXPENDITURES/EXPENSES						
Culture and Recreation	1,540,405	-	-	1,540,405	(19,413)	1,520,992
Total Expenditures/Expenses	1,540,405	-	-	1,540,405	(19,413)	1,520,992
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	190,517	4,612	4,925	200,054	(19,413)	219,467
OTHER FINANCING SOURCES (USES)						
Transfers In	8,565	-	-	8,565	(8,565)	-
Transfers (Out)	-	-	(8,565)	(8,565)	8,565	-
Total Other Financing Sources (Uses)	8,565	-	(8,565)	-	-	-
NET CHANGE IN FUND BALANCES/NET ASSETS	199,082	4,612	(3,640)	200,054	19,413	219,467
FUND BALANCES/NET ASSETS, JULY 1	417,098	218,866	239,543	875,507	250,980	1,126,487
FUND BALANCES/NET ASSETS, JUNE 30	\$ 616,180	\$ 223,478	\$ 235,903	\$ 1,075,561	\$ 270,393	\$ 1,345,954

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

16. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

B. Deposits and Investments

Statutes authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and 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, 2009, the Library had the following investments and maturities.

	Investment Maturities (in Years)					
	Fair Value	0 to 6 months	6 months to 1 year	1-5	6-10	More than 10
Negotiable Certificates of Deposit	\$ 345,088	\$ 140,027	\$ 140,164	\$ 64,897	\$ -	\$ -
U.S. Treasury	127,196	-	-	32,369	94,827	-
TOTAL	\$ 472,284	\$ 140,027	\$ 140,164	\$ 97,266	\$ 94,827	\$ -

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 short-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, 2009, the Library had greater than 5% of its overall portfolio invested in U.S. Treasury Securities (7.03%) and Negotiable Certificates of Deposit (19.06%). The investment policy does not include any limitations on individual investment types.

16. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

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 2008 levy year attach as an enforceable lien on January 1, 2008, 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, 2009 and August 1, 2009, and are payable in two installments, on or about June 1, 2009 and September 1, 2009. 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 2008 tax levy has been recorded as deferred revenue on the balance sheet for governmental funds. The 2008 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, 2009, the taxes will not be levied by the Library or extended by the County until December 2009 and, therefore, the amount is not measurable at June 30, 2009.

D. Capital Assets

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

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

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

16. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

D. Capital Assets (Continued)

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

	Years
Buildings and Building Improvements	40
Equipment and Furniture	10

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

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Equipment Under Construction	-	9,832	-	9,832
Total Capital Assets not Being Depreciated	10,000	9,832	-	19,832
Capital Assets Being Depreciated				
Buildings	561,806	-	-	561,806
Equipment	52,331	20,054	-	72,385
Total Capital Assets Being Depreciated	614,137	20,054	-	634,191
Less Accumulated Depreciation for				
Buildings	292,326	9,235	-	301,561
Equipment	48,873	2,991	-	51,864
Total Accumulated Depreciation	341,199	12,226	-	353,425
Total Capital Assets Being Depreciated, Net	272,938	7,828	-	280,766
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 282,938	\$ 17,660	\$ -	\$ 300,598

E. Long-Term Debt

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

	July 1	Additions	Reductions	June 30	Current Portion
Compensated Absences	\$ 27,023	\$ -	\$ 4,358	\$ 22,665	\$ 2,267
Other Postemployment Benefit	4,935	2,605	-	7,540	-
TOTAL	\$ 31,958	\$ 2,605	\$ 4,358	\$ 30,205	\$ 2,267

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 25,288,689	\$ 25,288,689	\$ 24,068,467
Licenses and Permits	370,918	370,918	354,375
Intergovernmental	-	-	193,100
Charges for Services	1,468,400	1,468,400	1,560,704
Fines and Forfeitures	699,200	699,200	728,572
Investment Income	50,000	50,000	11,675
Miscellaneous	288,395	288,395	600,787
Total Revenues	28,165,602	28,165,602	27,517,680
EXPENDITURES			
General Government	4,251,558	4,251,558	4,060,281
Public Safety	17,875,278	17,875,278	17,390,212
Community Improvement	3,988,934	3,988,934	3,930,979
Total Expenditures	26,115,770	26,115,770	25,381,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,049,832	2,049,832	2,136,208
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	10,000	10,000	3,058
Transfers In	500,000	500,000	330,526
Transfers (Out)	(1,563,712)	(1,713,712)	(1,685,281)
Total Other Financing Sources (Uses)	(1,053,712)	(1,203,712)	(1,351,697)
NET CHANGE IN FUND BALANCE	<u>\$ 996,120</u>	<u>\$ 846,120</u>	784,511
FUND BALANCE, JULY 1			2,900,488
Prior Period Adjustment			<u>16,619</u>
FUND BALANCE, JULY 1, RESTATED			<u>2,917,107</u>
FUND BALANCE, JUNE 30			<u>\$ 3,701,618</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,300,000	\$ 1,300,000	\$ 1,209,694
Local Fuel Tax	400,000	400,000	400,257
Investment Income	115,000	115,000	21,912
Total Revenues	1,815,000	1,815,000	1,631,863
EXPENDITURES			
Current			
Highways and Streets			
Motor Fuel Tax Projects	2,189,000	2,189,000	1,797,965
Total Expenditures	2,189,000	2,189,000	1,797,965
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(374,000)	(374,000)	(166,102)
OTHER FINANCING (USES)			
Transfer (Out)	(105,000)	(105,000)	(101,113)
Total Other Financing (Uses)	(105,000)	(105,000)	(101,113)
NET CHANGE IN FUND BALANCE			
	\$ (479,000)	\$ (479,000)	(267,215)
FUND BALANCE, JULY 1			
			856,169
Prior Period Adjustment			52,744
FUND BALANCE, JULY 1, RESTATED			
			908,913
FUND BALANCE, JUNE 30			
			\$ 641,698

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2009

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. During the year, there were no budget amendments.

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 several amendments to the budget.

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
Mass Transit	\$ 1,286,594
Housing Rehabilitation	250,828
Heritage Ridge	1,938
Community Development Block Grant	609,532
Greek Row Special Service Area #6	988
TIF Debt Service	30,425
Development Services	11,381
Workers' Compensation	821,739
Liability/Property Insurance	1,706

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2009

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
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%
2006	15,476,579	20,079,812	77.08%	4,603,233	7,014,583	65.62%
2007	16,802,732	20,883,283	80.46%	4,080,551	7,566,326	53.93%
2008	13,768,272	22,686,206	60.69%	8,917,934	8,000,291	111.47%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

June 30, 2009

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)
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%
2007	23,101,860	32,253,546	71.63%	9,151,686	4,262,706	214.69%
2008	22,366,852	34,739,394	64.38%	12,372,542	4,495,088	275.25%
2009	20,462,341	36,596,848	55.91%	16,134,507	4,607,728	350.16%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

June 30, 2009

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)
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%
2007	17,655,231	35,169,427	50.20%	17,514,196	4,048,510	432.61%
2008	17,579,037	38,081,949	46.16%	20,502,912	4,272,897	479.84%
2009	16,340,474	40,461,554	40.39%	24,121,080	4,384,298	550.17%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT

June 30, 2009

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)
2007	\$ -	\$ 29,419,780	0.00%	\$ 29,419,780	\$ 15,227,815	193.20%
2008	-	40,419,324	0.00%	40,419,324	15,459,449	261.45%

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008. Information for prior years is not available.

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2009

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ 60,914	\$ 60,914	100.00%
2004	572,051	572,051	100.00%
2005	766,714	766,714	100.00%
2006	995,369	995,369	100.00%
2007	1,072,905	1,072,905	100.00%
2008	1,106,440	1,106,440	100.00%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

June 30, 2009

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2004	\$ 652,502	\$ 647,960	100.70%
2005	711,075	707,922	100.45%
2006	749,471	747,742	100.23%
2007	810,799	808,519	100.28%
2008	865,936	863,331	100.30%
2009	849,705	864,215	98.32%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

June 30, 2009

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2007	1,183,848	1,180,561	100.28%
2008	1,373,886	1,369,761	100.30%
2009	1,500,813	1,526,469	98.32%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT

June 30, 2009

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2008	\$ 740,670	\$ 2,163,129	34.24%
2009	1,108,429	2,271,285	48.80%

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008.
Information for prior years is not available.

(See independent auditor's report.)

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

MAJOR GOVERNMENTAL FUNDS

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 3,872,937	\$ 3,872,937	\$ 4,042,279
Home Rule Sales	5,790,942	5,790,942	5,745,008
Income	4,323,281	4,323,281	3,954,000
Local Use	662,511	662,511	638,427
Utilities	3,973,340	3,973,340	3,574,598
State Sales	4,337,442	4,337,442	3,920,409
Franchise	445,200	445,200	437,977
Replacement	169,950	169,950	158,980
Restaurant/Bar	1,699,086	1,699,086	1,584,944
Miscellaneous	14,000	14,000	11,845
Total Taxes	25,288,689	25,288,689	24,068,467
Licenses and Permits			
Licenses			
Amusement	4,700	4,700	3,825
Liquor	170,868	170,868	134,512
Rooming House	14,650	14,650	16,755
Other	27,000	27,000	53,322
Permits			
Building	90,000	90,000	60,030
Electric	22,300	22,300	20,208
HVAC	20,700	20,700	12,394
Parking	700	700	2,637
Other	20,000	20,000	50,692
Total Licenses and Permits	370,918	370,918	354,375
Intergovernmental			
Federal Grants	-	-	188,238
State Grants	-	-	4,862
Total Intergovernmental	-	-	193,100
Charges for Services			
Fire Protection	689,700	689,700	819,955
Ambulance Fees	725,000	725,000	717,494
Police Services	12,000	12,000	7,545
Planning/Zoning Fees	30,000	30,000	8,750
Zoning Fees	9,500	9,500	5,390

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for Services (Continued)			
Rents	\$ 1,200	\$ 1,200	\$ 1,200
Other	1,000	1,000	370
Total Charges for Services	1,468,400	1,468,400	1,560,704
Fines and Forfeitures			
Circuit Court	350,000	350,000	355,427
Parking	20,000	20,000	8,911
Police	250,000	250,000	218,385
Abatement	18,000	18,000	7,568
False Fire Alarm	-	-	1,100
Other	61,200	61,200	137,181
Total Fines and Forfeitures	699,200	699,200	728,572
Investment Income	50,000	50,000	11,675
Miscellaneous			
Refunds/Reimbursements	100,000	100,000	369,626
Miscellaneous	188,395	188,395	231,161
Total Miscellaneous	288,395	288,395	600,787
Total Revenues	28,165,602	28,165,602	27,517,680
EXPENDITURES			
General Government			
Legislative			
Personal Services	167,868	167,868	161,749
Commodities	3,400	3,400	2,541
Contractual Services	297,400	297,400	297,795
Other Services	66,000	66,000	109,610
Total Legislative	534,668	534,668	571,695
Administrative Services			
Personal Services	2,308,129	2,308,129	2,298,398
Commodities	61,107	61,107	64,194
Contractual Services	91,732	91,732	82,224
Other Services	162,500	162,500	155,780
Equipment	10,500	10,500	5,356
Total Administrative Services	2,633,968	2,633,968	2,605,952

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
City Clerk			
Personal Services	\$ 208,147	\$ 208,147	\$ 203,656
Commodities	1,950	1,950	2,746
Contractual Services	9,925	9,925	9,404
Total City Clerk	220,022	220,022	215,806
Legal			
Personal Services	426,291	426,291	428,731
Commodities	4,900	4,900	5,404
Contractual Services	23,412	23,412	21,434
Other Services	7,500	7,500	4,059
Total Legal	462,103	462,103	459,628
General Fund Support Service			
Personal Services	200,047	200,047	175,033
Commodities	124,700	124,700	159,327
Contractual Services	153,800	153,800	148,986
Other Services	55,000	55,000	51,078
Total General Fund Support Service	533,547	533,547	534,424
Total General Government	4,384,308	4,384,308	4,387,505
Less Administrative Costs Charged to Other Departments and Funds	(132,750)	(132,750)	(327,224)
Net General Government	4,251,558	4,251,558	4,060,281
Public Safety			
Police Protection			
Personal Services	8,515,513	8,515,513	8,417,968
Commodities	242,598	242,598	254,190
Contractual Services	164,141	164,141	147,966
Equipment	9,900	9,900	4,258
Total Police Protection	8,932,152	8,932,152	8,824,382

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
Fire Protection			
Fire Administration Services			
Personal Services	\$ 639,520	\$ 639,520	\$ 516,309
Commodities	68,877	68,877	49,983
Contractual Services	52,649	52,649	66,360
Total Fire Administration Services	761,046	761,046	632,652
Fire Service			
Personal Services	7,878,769	7,878,769	7,616,692
Commodities	140,191	140,191	166,110
Contractual Services	157,174	157,174	140,835
Other Services	5,261	5,261	4,960
Equipment	685	685	4,581
Total Fire Service	8,182,080	8,182,080	7,933,178
Total Fire Protection	8,943,126	8,943,126	8,565,830
Total Public Safety	17,875,278	17,875,278	17,390,212
Community Improvement			
Public Works			
Personal Services	2,195,497	2,195,497	2,253,926
Commodities	500,266	500,266	508,589
Contractual Services	612,220	612,220	349,312
Other Services	25,000	25,000	31,321
Equipment	17,700	17,700	16,134
Total Public Works	3,350,683	3,350,683	3,159,282
Community Development			
Personal Services	1,288,814	1,288,814	1,047,204
Commodities	33,646	33,646	16,954
Contractual Services	64,262	64,262	80,700
Equipment	-	-	3,433
Total Community Development	1,386,722	1,386,722	1,148,291

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Community Improvement (Continued)			
Engineering Services			
Personal Services	\$ 401,075	\$ 401,075	\$ 402,928
Commodities	15,234	15,234	7,898
Contractual Services	22,820	22,820	17,318
Other Services	5,200	5,200	-
Total Engineering Services	444,329	444,329	428,144
Total Community Improvement	5,181,734	5,181,734	4,735,717
Less Administrative Costs Charged to Other Departments and Funds	(1,192,800)	(1,192,800)	(804,738)
Net Community Improvement	3,988,934	3,988,934	3,930,979
Total Expenditures	26,115,770	26,115,770	25,381,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,049,832	2,049,832	2,136,208
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	10,000	10,000	3,058
Transfers In			
Water Fund	500,000	500,000	330,526
Total Transfers In	500,000	500,000	330,526
Transfers (Out)			
Mass Transit Fund	(43,209)	(43,209)	(51,342)
Economic Development Fund	(14,500)	(14,500)	(52,250)
General Debt Service Fund	(1,506,003)	(1,506,003)	(1,431,689)
Public Safety Building Fund	-	(150,000)	(150,000)
Total Transfers (Out)	(1,563,712)	(1,713,712)	(1,685,281)
Total Other Financing Sources (Uses)	(1,053,712)	(1,203,712)	(1,351,697)
NET CHANGE IN FUND BALANCE	\$ 996,120	\$ 846,120	784,511
FUND BALANCE, JULY 1			2,900,488
Prior Period Adjustment			16,619
FUND BALANCE, JULY 1, RESTATED			2,917,107
FUND BALANCE, JUNE 30			\$ 3,701,618

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,300,000	\$ 1,300,000	\$ 1,209,694
Local Fuel Tax	400,000	400,000	400,257
Investment Income	115,000	115,000	21,912
Total Revenues	1,815,000	1,815,000	1,631,863
EXPENDITURES			
Current			
Highways and Streets			
Contractual Services	161,000	161,000	760,986
Permanent Improvements	2,028,000	2,028,000	1,036,979
Total Expenditures	2,189,000	2,189,000	1,797,965
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(374,000)	(374,000)	(166,102)
OTHER FINANCING (USES)			
Transfer (Out)			
Development Services Fund	(105,000)	(105,000)	(101,113)
Total Other Financing (Uses)	(105,000)	(105,000)	(101,113)
NET CHANGE IN FUND BALANCE			
	\$ (479,000)	\$ (479,000)	(267,215)
FUND BALANCE, JULY 1			
			856,169
Prior Period Adjustment			52,744
FUND BALANCE, JULY 1, RESTATED			
			908,913
FUND BALANCE, JUNE 30			
			\$ 641,698

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 6,593,643	\$ 6,593,643	\$ 6,597,332
Sales	1,692,102	1,692,102	1,645,810
Investment Income	170,000	170,000	136,370
Miscellaneous			
Rental	7,500	7,500	-
Refunds/Reimbursements	-	-	125,594
Total Revenues	8,463,245	8,463,245	8,505,106
EXPENDITURES			
Capital Outlay			
Contractual Services	300,000	300,000	322,538
Permanent Improvements	7,441,143	7,441,143	6,340,952
Total Expenditures	7,741,143	7,741,143	6,663,490
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	722,102	722,102	1,841,616
OTHER FINANCING SOURCES (USES)			
Transfer (Out)			
Tax Increment Financing #2 Fund	(362,072)	(362,072)	(362,072)
TIF Debt Service Fund	(1,986,020)	(1,986,020)	(2,078,532)
Notes Issued	5,500,000	5,500,000	-
Total Other Financing Sources (Uses)	3,151,908	3,151,908	(2,440,604)
NET CHANGE IN FUND BALANCE			
	\$ 3,874,010	\$ 3,874,010	(598,988)
FUND BALANCE, JULY 1			
			8,153,738
FUND BALANCE, JUNE 30			
			\$ 7,554,750

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,503,863	\$ 1,503,863	\$ 1,499,602
Total Revenues	1,503,863	1,503,863	1,499,602
EXPENDITURES			
Capital Outlay			
Contractual Services	746,174	746,174	759,565
Permanent Improvements	180,000	180,000	115,955
Total Expenditures	926,174	926,174	875,520
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	577,689	577,689	624,082
OTHER FINANCING SOURCES			
Transfer In			
Tax Increment Financing #1 Fund	362,072	362,072	362,072
Total Other Financing Sources	362,072	362,072	362,072
NET CHANGE IN FUND BALANCE	\$ 939,761	\$ 939,761	986,154
FUND BALANCE, JULY 1			233,929
FUND BALANCE, JUNE 30			\$ 1,220,083

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 199,629	\$ -	\$ 1,528,547	\$ 1,728,176
Restricted Cash and Investments	-	578,835	-	578,835
Receivables				
Property Taxes	7,492	-	155,405	162,897
Accrued Interest	-	121	-	121
Other	16,043	-	137,152	153,195
Prepaid Items	912	-	-	912
Due from Other Governments	534,187	-	50,181	584,368
TOTAL ASSETS	\$ 758,263	\$ 578,956	\$ 1,871,285	\$ 3,208,504
LIABILITIES				
Accounts Payable	\$ 322,325	\$ -	\$ 8,931	\$ 331,256
Accrued Payroll	3,412	-	-	3,412
Other Payables	1,757	-	-	1,757
Deferred Property Taxes	13,176	-	310,956	324,132
Other Deferred Revenues	80,511	-	41,942	122,453
Due to Other Funds	190,040	-	-	190,040
Advances from Other Funds	-	-	447,000	447,000
Total Liabilities	611,221	-	808,829	1,420,050
FUND BALANCES				
Reserved for Prepaid Items	912	-	-	912
Reserved for Public Safety	26,719	-	-	26,719
Reserved for Specific Purpose	119,773	-	-	119,773
Reserved for Debt Service	-	578,956	-	578,956
Unreserved - Undesignated (Deficit)	(362)	-	1,062,456	1,062,094
Total Fund Balances	147,042	578,956	1,062,456	1,788,454
TOTAL LIABILITIES AND FUND BALANCES	\$ 758,263	\$ 578,956	\$ 1,871,285	\$ 3,208,504

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 208,678	\$ -	\$ 285,149	\$ 493,827
Intergovernmental	4,258,104	-	8,931	4,267,035
Charges for Services	-	-	211,618	211,618
Investment Income	790	7,105	11,450	19,345
Miscellaneous	10,882	-	-	10,882
Total Revenues	4,478,454	7,105	517,148	5,002,707
EXPENDITURES				
Current				
General Government	4,544,038	-	-	4,544,038
Public Safety	16,842	-	-	16,842
Capital Outlay	-	-	624,403	624,403
Debt Service				
Principal Retirement	-	2,605,000	-	2,605,000
Interest and Fiscal Charges	-	859,247	-	859,247
Total Expenditures	4,560,880	3,464,247	624,403	8,649,530
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82,426)	(3,457,142)	(107,255)	(3,646,823)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	3,550	3,550
Transfers In	103,592	3,510,221	1,373,073	4,986,886
Transfers (Out)	-	-	(1,223,073)	(1,223,073)
Total Other Financing Sources (Uses)	103,592	3,510,221	153,550	3,767,363
NET CHANGE IN FUND BALANCES	21,166	53,079	46,295	120,540
FUND BALANCES, JULY 1	125,876	525,877	1,016,161	1,667,914
FUND BALANCES, JUNE 30	\$ 147,042	\$ 578,956	\$ 1,062,456	\$ 1,788,454

See accompanying notes to financial statements.

NONMAJOR GOVERNMENTAL 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 through 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.

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

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

June 30, 2009

	Foreign Fire Insurance Tax	Mass Transit	Housing Rehabilitation
ASSETS			
Cash and Investments	\$ 27,186	\$ 55,243	\$ 70,992
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Other	-	-	-
Prepaid Items	-	362	-
Due from Other Governments	-	145,720	226,898
TOTAL ASSETS	\$ 27,186	\$ 201,325	\$ 297,890
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 467	\$ 117,952	\$ 195,287
Accrued Payroll	-	3,412	-
Other Payables	-	-	-
Deferred Property Taxes	-	-	-
Other Deferred Revenues	-	79,961	-
Due to Other Funds	-	-	29,853
Total Liabilities	467	201,325	225,140
FUND BALANCES			
Reserved for Prepaid Items	-	362	-
Reserved for Public Safety	26,719	-	-
Reserved for Specific Purpose	-	-	72,750
Unreserved - Undesignated (Deficit)	-	(362)	-
Total Fund Balances	26,719	-	72,750
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,186	\$ 201,325	\$ 297,890

Heritage Ridge Special Service Area #3	Community Development Block Grant	Knolls Special Service Area #4	Greek Row Special Service Area #6	Economic Development	Total
\$ 2,613	\$ 18,201	\$ 9,748	\$ 15,088	\$ 558	\$ 199,629
423	-	980	6,089	-	7,492
-	-	-	-	16,043	16,043
-	550	-	-	-	912
-	161,569	-	-	-	534,187
\$ 3,036	\$ 180,320	\$ 10,728	\$ 21,177	\$ 16,601	\$ 758,263
\$ -	\$ 1,382	\$ 350	\$ 887	\$ 6,000	\$ 322,325
-	-	-	-	-	3,412
-	1,757	-	-	-	1,757
850	-	2,000	10,326	-	13,176
-	550	-	-	-	80,511
-	160,187	-	-	-	190,040
850	163,876	2,350	11,213	6,000	611,221
-	550	-	-	-	912
-	-	-	-	-	26,719
2,186	15,894	8,378	9,964	10,601	119,773
-	-	-	-	-	(362)
2,186	16,444	8,378	9,964	10,601	147,042
\$ 3,036	\$ 180,320	\$ 10,728	\$ 21,177	\$ 16,601	\$ 758,263

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Foreign Fire Insurance Tax	Mass Transit	Housing Rehabilitation
REVENUES			
Taxes	\$ 34,877	\$ -	\$ -
Intergovernmental	-	2,993,759	247,667
Investment Income	-	-	790
Miscellaneous	-	1,320	2,100
Total Revenues	34,877	2,995,079	250,557
EXPENDITURES			
Current			
General Government	-	3,046,421	272,328
Public Safety	16,842	-	-
Total Expenditures	16,842	3,046,421	272,328
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,035	(51,342)	(21,771)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	51,342	-
Total Other Financing Sources (Uses)	-	51,342	-
NET CHANGE IN FUND BALANCES	18,035	-	(21,771)
FUND BALANCES (DEFICIT), JULY 1	8,684	-	94,521
FUND BALANCES, JUNE 30	\$ 26,719	\$ -	\$ 72,750

Heritage Ridge Special Service Area #3	Community Development Block Grant	Knolls Special Service Area #4	Greek Row Special Service Area #6	Economic Development	Total
\$ 1,001	\$ -	\$ 10,433	\$ 11,016	\$ 151,351	\$ 208,678
-	1,016,678	-	-	-	4,258,104
-	-	-	-	-	790
-	7,462	-	-	-	10,882
1,001	1,024,140	10,433	11,016	151,351	4,478,454
2,788	1,016,678	1,835	10,988	193,000	4,544,038
-	-	-	-	-	16,842
2,788	1,016,678	1,835	10,988	193,000	4,560,880
(1,787)	7,462	8,598	28	(41,649)	(82,426)
-	-	-	-	52,250	103,592
-	-	-	-	52,250	103,592
(1,787)	7,462	8,598	28	10,601	21,166
3,973	8,982	(220)	9,936	-	125,876
\$ 2,186	\$ 16,444	\$ 8,378	\$ 9,964	\$ 10,601	\$ 147,042

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
<hr/>			
REVENUES			
Taxes			
Foreign Fire Insurance Tax	\$ 27,500	\$ 27,500	\$ 34,877
	<hr/>		
Total Revenues	27,500	27,500	34,877
	<hr/>		
EXPENDITURES			
Current			
Public Safety			
Commodities	6,935	6,935	6,152
Contractual Services	8,825	8,825	7,970
Equipment	12,700	12,700	1,499
Permanent Improvements	-	-	1,221
	<hr/>		
Total Expenditures	28,460	28,460	16,842
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (960)	\$ (960)	18,035
	<hr/>		
FUND BALANCE, JULY 1			8,684
	<hr/>		
FUND BALANCE, JUNE 30			\$ 26,719
	<hr/>		

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ 175,862	\$ 175,862	\$ 989,196
State Grants	1,540,000	1,540,000	2,004,563
Miscellaneous	-	-	1,320
Total Revenues	1,715,862	1,715,862	2,995,079
EXPENDITURES			
Current			
General Government			
Personal Services	144,008	144,008	118,829
Commodities	5,000	5,000	2,122
Professional/Contractual Services	1,602,177	1,602,177	2,135,592
Equipment	8,642	8,642	789,878
Total Expenditures	1,759,827	1,759,827	3,046,421
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(43,965)	(43,965)	(51,342)
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	43,965	43,965	51,342
Total Other Financing Sources (Uses)	43,965	43,965	51,342
NET CHANGE IN FUND BALANCE			
	\$ -	\$ -	-
FUND BALANCE, JULY 1			
			-
FUND BALANCE, JUNE 30			
			\$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ -	\$ -	\$ 247,667
Investment Income	2,000	2,000	790
Miscellaneous			
Recouped Loan	-	-	2,100
Total Revenues	2,000	2,000	250,557
EXPENDITURES			
Current			
General Government			
Contractual Services	1,500	1,500	3,379
Other Services	10,000	10,000	263,949
Permanent Improvements	10,000	10,000	5,000
Total Expenditures	21,500	21,500	272,328
NET CHANGE IN FUND BALANCE			
	<u>\$ (19,500)</u>	<u>\$ (19,500)</u>	(21,771)
FUND BALANCE, JULY 1			<u>94,521</u>
FUND BALANCE, JUNE 30			<u><u>\$ 72,750</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 1,000	\$ 1,000	\$ 1,001
Total Revenues	1,000	1,000	1,001
EXPENDITURES			
General Government			
Commodities	-	-	1,950
Contractual Services	850	850	838
Total Expenditures	850	850	2,788
NET CHANGE IN FUND BALANCE	\$ 150	\$ 150	(1,787)
FUND BALANCE, JULY 1			3,973
FUND BALANCE, JUNE 30			\$ 2,186

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ 407,155	\$ 407,155	\$ 1,016,678
Miscellaneous			
Refunds/Reimbursements	-	-	7,462
Total Revenues	407,155	407,155	1,024,140
EXPENDITURES			
General Government			
Commodities	250	250	2,827
Contractual Services	261,896	261,896	260,593
Other Services	10,000	10,000	15,034
Permanent Improvements	135,000	135,000	738,224
Total Expenditures	407,146	407,146	1,016,678
NET CHANGE IN FUND BALANCE	\$ 9	\$ 9	7,462
FUND BALANCE, JULY 1			8,982
FUND BALANCE, JUNE 30			\$ 16,444

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 10,422	\$ 10,422	\$ 10,433
Total Revenues	10,422	10,422	10,433
EXPENDITURES			
General Government			
Contractual Services	1,750	1,750	1,835
Permanent Improvements	200	200	-
Total Expenditures	1,950	1,950	1,835
NET CHANGE IN FUND BALANCE	<u>\$ 8,472</u>	<u>\$ 8,472</u>	8,598
FUND BALANCE (DEFICIT), JULY 1			<u>(220)</u>
FUND BALANCE, JUNE 30			<u>\$ 8,378</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 11,000	\$ 11,000	\$ 11,016
Total Revenues	11,000	11,000	11,016
EXPENDITURES			
General Government			
Contractual Services	-	-	10,988
Permanent Improvements	10,000	10,000	-
Total Expenditures	10,000	10,000	10,988
NET CHANGE IN FUND BALANCE	\$ 1,000	\$ 1,000	28
FUND BALANCE, JULY 1			9,936
FUND BALANCE, JUNE 30			\$ 9,964

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 200,000	\$ 200,000	\$ 151,351
Total Revenues	200,000	200,000	151,351
EXPENDITURES			
Current			
General Government			
Professional/Contractual Services	214,500	214,500	193,000
Total Expenditures	214,500	214,500	193,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,500)	(14,500)	(41,649)
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	14,500	14,500	52,250
Total Other Financing Sources (Uses)	14,500	14,500	52,250
NET CHANGE IN FUND BALANCE	\$ -	\$ -	10,601
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ 10,601

(See independent auditor's report.)

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.

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

June 30, 2009

	General Debt Service	Tax Increment Financing Debt Service	Total
ASSETS			
Restricted Cash and Investments	\$ -	\$ 578,835	\$ 578,835
Accrued Interest Receivable	-	121	121
TOTAL ASSETS	\$ -	\$ 578,956	\$ 578,956
LIABILITIES AND FUND BALANCES			
LIABILITIES			
None	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
FUND BALANCES			
Reserved for Debt Service	-	578,956	578,956
Total Fund Balances	-	578,956	578,956
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 578,956	\$ 578,956

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	General Debt Service	Tax Increment Financing Debt Service	Total
REVENUES			
Investment Income	\$ -	\$ 7,105	\$ 7,105
Total Revenues	-	7,105	7,105
EXPENDITURES			
Debt Service			
Principal Retirement	940,000	1,665,000	2,605,000
Interest	491,689	367,558	859,247
Total Expenditures	1,431,689	2,032,558	3,464,247
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,431,689)	(2,025,453)	(3,457,142)
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	1,431,689	-	1,431,689
Tax Increment Financing Fund	-	2,078,532	2,078,532
Total Other Financing Sources (Uses)	1,431,689	2,078,532	3,510,221
NET CHANGE IN FUND BALANCES	-	53,079	53,079
FUND BALANCES, JULY 1	-	525,877	525,877
FUND BALANCES, JUNE 30	\$ -	\$ 578,956	\$ 578,956

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Debt Service			
Principal Retirement	940,000	940,000	940,000
Interest and Fiscal Charges	566,003	566,003	491,689
Total Expenditures	1,506,003	1,506,003	1,431,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,506,003)	(1,506,003)	(1,431,689)
OTHER FINANCING SOURCES (USES)			
Transfer In			
General Fund	1,506,003	1,506,003	1,431,689
Total Other Financing Sources (Uses)	1,506,003	1,506,003	1,431,689
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ 10,800	\$ 10,800	\$ 7,105
Total Revenues	10,800	10,800	7,105
EXPENDITURES			
Debt Service			
Principal Retirement	1,665,000	1,665,000	1,665,000
Interest and Fiscal Charges	337,133	337,133	367,558
Total Expenditures	2,002,133	2,002,133	2,032,558
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,991,333)	(1,991,333)	(2,025,453)
OTHER FINANCING SOURCES (USES)			
Transfer In			
Tax Increment Financing Fund	1,972,133	1,972,133	2,078,532
Total Other Financing Sources (Uses)	1,972,133	1,972,133	2,078,532
NET CHANGE IN FUND BALANCE	\$ (19,200)	\$ (19,200)	53,079
FUND BALANCE, JULY 1			525,877
FUND BALANCE, JUNE 30			\$ 578,956

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR CAPITAL PROJECTS FUNDS

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.

Public Safety Building Fund - to account for resources set aside to construct a new Public Safety Facility.

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2009

	Capital Projects	County Home Tax Increment Financing District	Public Safety Building	Total
ASSETS				
Cash and Investments	\$ 1,050	\$ 156,403	\$ 1,371,094	\$ 1,528,547
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	-	155,405	-	155,405
Other	137,152	-	-	137,152
Due from Other Governments	50,181	-	-	50,181
TOTAL ASSETS	\$ 188,383	\$ 311,808	\$ 1,371,094	\$ 1,871,285
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 8,931	\$ -	\$ -	\$ 8,931
Deferred Property Taxes	-	310,956	-	310,956
Other Deferred Revenue	41,942	-	-	41,942
Advances from Other Funds	435,000	12,000	-	447,000
Total Liabilities	485,873	322,956	-	808,829
FUND BALANCES				
Unreserved - Undesignated (Deficit)	(297,490)	(11,148)	1,371,094	1,062,456
Total Fund Balances (Deficit)	(297,490)	(11,148)	1,371,094	1,062,456
TOTAL LIABILITIES AND FUND BALANCES	\$ 188,383	\$ 311,808	\$ 1,371,094	\$ 1,871,285

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Capital Projects	County Home Tax Increment Financing District	Public Safety Building	Total
REVENUES				
Taxes	\$ -	\$ 285,149	\$ -	\$ 285,149
Intergovernmental	8,931	-	-	8,931
Charges for Services	211,618	-	-	211,618
Investment Income	1,775	-	9,675	11,450
Total Revenues	222,324	285,149	9,675	517,148
EXPENDITURES				
Capital Outlay				
Commodities	7,312	-	-	7,312
Contractual Services	11,163	-	11,654	22,817
Other Services	400,872	-	-	400,872
Equipment	191,528	-	-	191,528
Permanent Improvements	1,874	-	-	1,874
Total Expenditures	612,749	-	11,654	624,403
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(390,425)	285,149	(1,979)	(107,255)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	3,550	-	-	3,550
Transfers In	-	-	1,373,073	1,373,073
Transfers (Out)	(1,223,073)	-	-	(1,223,073)
Total Other Financing Sources (Uses)	(1,219,523)	-	1,373,073	153,550
NET CHANGE IN FUND BALANCES	(1,609,948)	285,149	1,371,094	46,295
FUND BALANCES (DEFICIT), JULY 1	1,312,458	(296,297)	-	1,016,161
FUND BALANCES (DEFICIT), JUNE 30	\$ (297,490)	\$ (11,148)	\$ 1,371,094	\$ 1,062,456

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ -	\$ -	\$ 8,931
Charges for Services			
Rental Income	75,000	75,000	88,271
Traffic Impact Fees	10,000	10,000	1,250
Refunds/Reimbursements	90,000	90,000	118,479
Public Building Construction Fees	-	-	3,097
Annexation Fees	-	-	521
Investment Income	15,000	15,000	1,775
Total Revenues	190,000	190,000	222,324
EXPENDITURES			
Capital Outlay			
Commodities	-	-	7,312
Contractual Services	585,000	585,000	11,163
Other Services	408,137	408,137	400,872
Equipment	140,000	140,000	191,528
Permanent Improvements	-	-	1,874
Total Expenditures	1,133,137	1,133,137	612,749
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(943,137)	(943,137)	(390,425)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	32,000	32,000	3,550
Transfers In (Out)			
General Fund	393,750	393,750	-
Public Safety Building Fund	-	-	(1,223,073)
Total Other Financing Sources (Uses)	425,750	425,750	(1,219,523)
NET CHANGE IN FUND BALANCE			
	<u>\$ (517,387)</u>	<u>\$ (517,387)</u>	(1,609,948)
FUND BALANCE, JULY 1			
			<u>1,312,458</u>
FUND BALANCE (DEFICIT), JUNE 30			
			<u>\$ (297,490)</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 284,755	\$ 284,755	\$ 285,149
Total Revenues	284,755	284,755	285,149
EXPENDITURES			
None	-	-	-
Total Expenditures	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 284,755</u>	<u>\$ 284,755</u>	285,149
FUND BALANCE (DEFICIT), JULY 1			<u>(296,297)</u>
FUND BALANCE (DEFICIT), JUNE 30			<u>\$ (11,148)</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY BUILDING FUND

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 12,500	\$ 12,500	\$ -
Charges for Services			
Miscellaneous Water Service Fees	375,000	375,000	-
Fines and Forfeitures			
Police	37,500	37,500	-
Investment Income	-	-	9,675
Total Revenues	425,000	425,000	9,675
EXPENDITURES			
Capital Outlay			
Contractual Services	1,250,000	1,250,000	11,654
Total Expenditures	1,250,000	1,250,000	11,654
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(825,000)	(825,000)	(1,979)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
General Fund	150,000	150,000	150,000
Capital Projects Fund	1,250,000	1,250,000	1,223,073
General Debt Service Fund	(425,000)	(425,000)	-
Total Other Financing Sources (Uses)	975,000	975,000	1,373,073
NET CHANGE IN FUND BALANCE	\$ 150,000	\$ 150,000	1,371,094
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ 1,371,094

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Operations and Maintenance			System Construction				Totals		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Eliminations	Original Budget	Final Budget	Actual
OPERATING REVENUES										
Charges for Services										
Water Sales	\$ 4,716,914	\$ 4,716,914	\$ 4,769,726	\$ -	\$ -	\$ -	\$ -	\$ 4,716,914	\$ 4,716,914	\$ 4,769,726
Permits	191,200	191,200	7,987	-	-	10,678	-	191,200	191,200	18,665
Miscellaneous	12,200	12,200	33,622	-	-	-	-	12,200	12,200	33,622
Total Operating Revenues	4,920,314	4,920,314	4,811,335	-	-	10,678	-	4,920,314	4,920,314	4,822,013
OPERATING EXPENSES EXCLUDING DEPRECIATION										
Personal Services	1,861,101	1,861,101	1,855,671	-	-	-	-	1,861,101	1,861,101	1,855,671
Commodities	423,900	423,900	407,931	-	-	-	-	423,900	423,900	407,931
Contractual Services	851,474	851,474	684,082	-	-	-	-	851,474	851,474	684,082
Other Services/Expenses	25,000	25,000	25,000	-	-	-	-	25,000	25,000	25,000
Equipment	150,000	150,000	43,811	-	-	-	-	150,000	150,000	43,811
Permanent Improvements	-	-	29,824	-	-	-	-	-	-	29,824
Total Operating Expenses Excluding Depreciation	3,311,475	3,311,475	3,046,319	-	-	-	-	3,311,475	3,311,475	3,046,319
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	1,608,839	1,608,839	1,765,016	-	-	10,678	-	1,608,839	1,608,839	1,775,694
DEPRECIATION AND AMORTIZATION	-	-	1,037,643	-	-	-	-	-	-	1,037,643
OPERATING INCOME	1,608,839	1,608,839	727,373	-	-	10,678	-	1,608,839	1,608,839	738,051

	Operations and Maintenance			System Construction				Totals		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Eliminations	Original Budget	Final Budget	Actual
NONOPERATING REVENUES (EXPENSES)										
Investment Income	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
Interest Expense	(830,215)	(830,215)	(263,286)	-	-	-	-	(830,215)	(830,215)	(263,286)
Grant Revenue	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(830,215)	(830,215)	(262,986)	-	-	-	-	(830,215)	(830,215)	(262,986)
NET INCOME BEFORE TRANSFERS	778,624	778,624	464,387	-	-	10,678	-	778,624	778,624	475,065
TRANSFERS										
Transfers In (Out)										
General Fund	(330,526)	(330,526)	(330,526)	-	-	-	-	(330,526)	(330,526)	(330,526)
Water Operations and Maintenance	-	-	-	-	-	(397,983)	397,983	-	-	-
Water System Construction	-	-	397,983	-	-	-	(397,983)	-	-	-
Total Transfers	(330,526)	(330,526)	67,457	-	-	(397,983)	-	(330,526)	(330,526)	(330,526)
CHANGE IN NET ASSETS	<u>\$ 448,098</u>	<u>\$ 448,098</u>	531,844	<u>\$ -</u>	<u>\$ -</u>	(387,305)	<u>\$ -</u>	<u>\$ 448,098</u>	<u>\$ 448,098</u>	144,539
NET ASSETS, JULY 1			<u>19,944,977</u>			<u>1,173,308</u>				<u>21,118,285</u>
NET ASSETS, JUNE 30			<u>\$ 20,476,821</u>			<u>\$ 786,003</u>				<u>\$ 21,262,824</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION
WATER FUND

For the Year Ended June 30, 2009

	Capital Assets				Accumulated Depreciation				
	Balances July 1	Additions	Retirements	Balances June 30	Balances July 1	Provisions	Retirements	Balances June 30	Asset Value
Land	\$ 528,648	\$ -	\$ -	\$ 528,648	\$ -	\$ -	\$ -	\$ -	\$ 528,648
Construction in Progress	379,265	7,740	387,005	-	-	-	-	-	-
Buildings and Improvements	2,544,389	-	-	2,544,389	549,900	50,888	-	600,788	1,943,601
Water System	38,242,686	466,364	-	38,709,050	11,685,302	874,704	-	12,560,006	26,149,044
Vehicles	616,258	-	-	616,258	385,759	53,158	-	438,917	177,341
Equipment	324,920	-	-	324,920	198,325	25,792	-	224,117	100,803
TOTAL	<u>\$ 42,636,166</u>	<u>\$ 474,104</u>	<u>\$ 387,005</u>	<u>\$ 42,723,265</u>	<u>\$ 12,819,286</u>	<u>\$ 1,004,542</u>	<u>\$ -</u>	<u>\$ 13,823,828</u>	<u>\$ 28,899,437</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Rents/Taxes	\$ 330,000	\$ 330,000	\$ 253,737
Airport Operators	19,000	19,000	7,918
Miscellaneous	2,000	2,000	2,329
Total Operating Revenues	351,000	351,000	263,984
OPERATING EXPENSES			
Boards/Commissions	200	200	-
Personal Services	216,414	216,414	236,265
Commodities	47,000	47,000	40,379
Contractual Services	130,050	130,050	136,128
Other Services	354,850	354,850	43,861
Equipment	41,000	41,000	58,692
Permanent Improvements	4,295,750	4,295,750	155,795
Total Operating Expenses	5,085,264	5,085,264	671,120
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(4,734,264)	(4,734,264)	(407,136)
DEPRECIATION AND AMORTIZATION	-	-	371,188
OPERATING INCOME (LOSS)	(4,734,264)	(4,734,264)	(778,324)
NONOPERATING REVENUES (EXPENSES)			
Refunds/Reimbursements	55,000	55,000	4,971
Interest Expense	(125,640)	(125,640)	(68,919)
Grant Revenue	3,782,100	3,782,100	2,673,502
Gain on Sale of Capital Assets	-	-	65,347
Total Nonoperating Revenues (Expenses)	3,711,460	3,711,460	2,674,901
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	(1,022,804)	(1,022,804)	1,896,577
CONTRIBUTIONS			
Contributions of Capital Assets	-	-	4,380
CHANGE IN NET ASSETS	\$ (1,022,804)	\$ (1,022,804)	1,900,957
NET ASSETS, JULY 1			24,317,348
NET ASSETS, JUNE 30			\$ 26,218,305

(See independent auditor's report.)

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.

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS

June 30, 2009

	Development Services	Refuse	Total Nonmajor Enterprise
CURRENT ASSETS			
Cash and Investments	\$ 1,190	\$ 662,939	\$ 664,129
Receivables			
Accounts	-	196,370	196,370
Total Current Assets	1,190	859,309	860,499
NONCURRENT ASSETS			
Advance to Other Funds	-	50,000	50,000
Total Noncurrent Assets	-	50,000	50,000
Total Assets	1,190	909,309	910,499
CURRENT LIABILITIES			
Accounts Payable	631	254,096	254,727
Accrued Payroll	12,271	-	12,271
Unearned Revenue	-	197,173	197,173
Compensated Absences Payable	3,489	-	3,489
Total Current Liabilities	16,391	451,269	467,660
LONG-TERM LIABILITIES			
Advance from Other Funds	130,000	-	130,000
Compensated Absences Payable	66,286	-	66,286
Other Postemployment Benefit Payable	49,904	-	49,904
Total Long-Term Liabilities	246,190	-	246,190
Total Liabilities	262,581	451,269	713,850
NET ASSETS			
Unrestricted (Deficit)	(261,391)	458,040	196,649
TOTAL NET ASSETS (DEFICIT)	\$ (261,391)	\$ 458,040	\$ 196,649

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Development Services	Refuse	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for Services	\$ 88,319	\$ 1,623,529	\$ 1,711,848
Total Operating Revenues	88,319	1,623,529	1,711,848
OPERATING EXPENSES			
Personal Services	364,765	-	364,765
Commodities	6,905	-	6,905
Contractual Services	4,853	1,656,645	1,661,498
Equipment	1,974	-	1,974
Total Operating Expenses	378,497	1,656,645	2,035,142
OPERATING INCOME (LOSS)	(290,178)	(33,116)	(323,294)
TRANSFERS IN			
Motor Fuel Tax Fund	101,113	-	101,113
Total Transfers In	101,113	-	101,113
CHANGE IN NET ASSETS	(189,065)	(33,116)	(222,181)
NET ASSETS (DEFICIT), JULY 1	(72,326)	491,156	418,830
NET ASSETS (DEFICIT), JUNE 30	\$ (261,391)	\$ 458,040	\$ 196,649

See accompanying notes to financial statements.

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

For the Year Ended June 30, 2009

	Development Services	Refuse	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 88,319	\$ 1,623,529	\$ 1,711,848
Payments to Suppliers	(11,284)	(1,648,937)	(1,660,221)
Payments to Employees	(322,640)	-	(322,640)
Net Cash from Operating Activities	(245,605)	(25,408)	(271,013)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Receivables/Advance To	130,000	370,000	500,000
Transfers In	101,113	-	101,113
Net Cash from Noncapital Financing Activities	231,113	370,000	601,113
CASH FLOWS FROM INVESTING ACTIVITIES			
None	-	-	-
Net Cash from Investing Activities	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(14,492)	344,592	330,100
CASH AND CASH EQUIVALENTS, JULY 1	15,682	318,347	334,029
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 1,190	\$ 662,939	\$ 664,129
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (290,178)	\$ (33,116)	\$ (323,294)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Accounts Receivables	-	(3,911)	(3,911)
Prepaid Expenses	204	-	204
Accounts Payable	270	7,708	7,978
Accrued Payroll	(1,448)	-	(1,448)
Deferred Revenue	-	3,911	3,911
Other Postemployment Benefit	25,600	-	25,600
Compensated Absences	19,947	-	19,947
NET CASH FROM OPERATING ACTIVITIES	\$ (245,605)	\$ (25,408)	\$ (271,013)
CASH AND INVESTMENTS			
Cash and Cash Equivalents	\$ 1,190	\$ 662,939	\$ 664,129

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Permits	\$ 180,000	\$ 180,000	\$ 88,319
Total Operating Revenues	180,000	180,000	88,319
OPERATING EXPENSES			
Personal Services	315,516	315,516	364,765
Commodities	11,950	11,950	6,905
Contractual Services	12,050	12,050	4,853
Equipment	2,000	2,000	1,974
Total Operating Expenses	341,516	341,516	378,497
OPERATING INCOME (LOSS)	(161,516)	(161,516)	(290,178)
TRANSFERS IN			
Motor Fuel Tax Fund	105,000	105,000	101,113
Total Transfers In	105,000	105,000	101,113
CHANGE IN NET ASSETS	<u>\$ (56,516)</u>	<u>\$ (56,516)</u>	(189,065)
NET ASSETS (DEFICIT), JULY 1			<u>(72,326)</u>
NET ASSETS (DEFICIT), JUNE 30			<u><u>\$ (261,391)</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 1,636,000	\$ 1,636,000	\$ 1,623,529
Total Operating Revenues	1,636,000	1,636,000	1,623,529
OPERATING EXPENSES			
Contractual Services	1,676,250	1,676,250	1,656,645
Equipment	50,000	50,000	-
Total Operating Expenses	1,726,250	1,726,250	1,656,645
OPERATING INCOME (LOSS)	(90,250)	(90,250)	(33,116)
TRANSFERS (OUT)			
Capital Projects Fund	393,750	393,750	-
Total Transfers (Out)	393,750	393,750	-
CHANGE IN NET ASSETS	\$ (484,000)	\$ (484,000)	(33,116)
NET ASSETS, JULY 1			491,156
NET ASSETS, JUNE 30			\$ 458,040

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

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

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

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

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2009

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Total
CURRENT ASSETS				
Cash and Investments	\$ 10,556	\$ 459,181	\$ 27,273	\$ 497,010
Receivables				
Other	-	334	-	334
Prepaid Expenses	-	3,000	299	3,299
Total Current Assets	10,556	462,515	27,572	500,643
NONCURRENT ASSETS				
Advance to Other Funds	-	518,000	-	518,000
Total Noncurrent Assets	-	518,000	-	518,000
Total Assets	10,556	980,515	27,572	1,018,643
CURRENT LIABILITIES				
Accounts Payable	2,518	2,219	12,245	16,982
Unearned Revenue	-	334	-	334
Due to Other Funds	452	-	-	452
Claims Payable	1,289,740	-	150,000	1,439,740
Total Current Liabilities	1,292,710	2,553	162,245	1,457,508
LONG-TERM LIABILITIES				
Advance from Other Funds	518,000	-	-	518,000
Total Long-Term Liabilities	518,000	-	-	518,000
Total Liabilities	1,810,710	2,553	162,245	1,975,508
NET ASSETS				
Unrestricted (Deficit)	(1,800,154)	977,962	(134,673)	(956,865)
TOTAL NET ASSETS (DEFICIT)	\$ (1,800,154)	\$ 977,962	\$ (134,673)	\$ (956,865)

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended June 30, 2009

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Contributions	\$ 558,538	\$ 558,538	\$ 615,618	\$ 5,280,038	\$ 5,280,038	\$ 5,300,836
Miscellaneous	-	-	-	-	-	-
Total Operating Revenues	558,538	558,538	615,618	5,280,038	5,280,038	5,300,836
OPERATING EXPENSES						
Administration						
Commodities	250	250	566	-	-	-
Contractual Services	35,500	35,500	38,981	14,500	14,500	12,754
Claims	495,000	495,000	1,312,942	4,990,115	4,990,115	4,881,838
Other	-	-	-	-	-	-
Total Operating Expenses	530,750	530,750	1,352,489	5,004,615	5,004,615	4,894,592
OPERATING INCOME (LOSS)	27,788	27,788	(736,871)	275,423	275,423	406,244
NONOPERATING REVENUES						
Investment Income	-	-	-	2,000	2,000	27
Total Nonoperating Revenues	-	-	-	2,000	2,000	27
CHANGE IN NET ASSETS	\$ 27,788	\$ 27,788	(736,871)	\$ 277,423	\$ 277,423	406,271
NET ASSETS (DEFICIT), JULY 1			(1,063,283)			571,691
NET ASSETS (DEFICIT), JUNE 30			\$ (1,800,154)			\$ 977,962

Liability/ Property Insurance			Totals		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 82,500	\$ 82,500	\$ 82,500	\$ 5,921,076	\$ 5,921,076	\$ 5,998,954
40,000	40,000	32,629	40,000	40,000	32,629
122,500	122,500	115,129	5,961,076	5,961,076	6,031,583
-	-	-	250	250	566
91,500	91,500	96,916	141,500	141,500	148,651
55,000	55,000	51,033	5,540,115	5,540,115	6,245,813
1,000	1,000	1,257	1,000	1,000	1,257
147,500	147,500	149,206	5,682,865	5,682,865	6,396,287
(25,000)	(25,000)	(34,077)	278,211	278,211	(364,704)
-	-	-	2,000	2,000	27
-	-	-	2,000	2,000	27
\$ (25,000)	\$ (25,000)	(34,077)	\$ 280,211	\$ 280,211	(364,677)
		(100,596)			(592,188)
		\$ (134,673)			\$ (956,865)

(See independent auditor's report.)

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

For the Year Ended June 30, 2009

	Workers'	Health	Liability/ Property	
	Compensation	Insurance	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Interfund Services Transactions	\$ 615,618	\$ 5,300,836	\$ 82,500	\$ 5,998,954
Receipts from Miscellaneous Revenue	-	-	35,471	35,471
Payments to Suppliers	(862,253)	(4,901,710)	(148,045)	(5,912,008)
Net Cash from Operating Activities	(246,635)	399,126	(30,074)	122,417
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund Receivables/Advances to	452	-	(1,631)	(1,179)
Interfund Payables/Advances from	68,000	(118,000)	50,000	-
Net Cash from Noncapital Financing Activities	68,452	(118,000)	48,369	(1,179)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received on Investments	-	27	-	27
Net Cash from Investing Activities	-	27	-	27
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(178,183)	281,153	18,295	121,265
CASH AND CASH EQUIVALENTS, JULY 1	188,739	178,028	8,978	375,745
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 10,556</u>	<u>\$ 459,181</u>	<u>\$ 27,273</u>	<u>\$ 497,010</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (736,871)	\$ 406,244	\$ (34,077)	\$ (364,704)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities				
Changes in Assets and Liabilities				
Other Receivables	-	(334)	2,842	2,508
Prepaid Expenses	-	(1,000)	1,157	157
Accounts Payable	1,708	(5,303)	11,504	7,909
Claims Payable	488,528	(815)	(11,500)	476,213
Deferred Revenue	-	334	-	334
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (246,635)</u>	<u>\$ 399,126</u>	<u>\$ (30,074)</u>	<u>\$ 122,417</u>
CASH AND INVESTMENTS				
Cash and Cash Equivalents	<u>\$ 10,556</u>	<u>\$ 459,181</u>	<u>\$ 27,273</u>	<u>\$ 497,010</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 10,556</u>	<u>\$ 459,181</u>	<u>\$ 27,273</u>	<u>\$ 497,010</u>

See accompanying notes to financial statements.

FIDUCIARY FUNDS

Pension Trust Funds

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

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

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

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

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS

June 30, 2009

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 1,437,906	\$ 1,310,560	\$ 2,748,466
Investments, at Fair Value			
Certificates of Deposit	-	95,595	95,595
Mutual Funds	7,681,300	6,950,959	14,632,259
Corporate Bonds	-	397,671	397,671
U.S. Treasury Securities	-	3,462,847	3,462,847
U.S. Agency Securities	11,791,460	4,906,644	16,698,104
Receivables			
Accrued Interest	102,932	70,948	173,880
Total Assets	21,013,598	17,195,224	38,208,822
LIABILITIES			
Accounts Payable	11,657	3,040	14,697
Unearned Revenue	539,600	851,710	1,391,310
Total Liabilities	551,257	854,750	1,406,007
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
	\$ 20,462,341	\$ 16,340,474	\$ 36,802,815

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS

For the Year Ended June 30, 2009

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 849,705	\$ 1,500,813	\$ 2,350,518
Employee Contributions	474,975	439,532	914,507
Total Contributions	1,324,680	1,940,345	3,265,025
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(2,250,036)	(1,739,318)	(3,989,354)
Interest	706,012	543,821	1,249,833
Total Investment Income	(1,544,024)	(1,195,497)	(2,739,521)
Less Investment Expense	(30,684)	(39,341)	(70,025)
Net Investment Income	(1,574,708)	(1,234,838)	(2,809,546)
Total Additions	(250,028)	705,507	455,479
DEDUCTIONS			
Retirement Benefits	1,614,655	1,691,600	3,306,255
Disability Benefits	19,187	218,083	237,270
Administrative Expenses	20,641	34,387	55,028
Total Deductions	1,654,483	1,944,070	3,598,553
NET INCREASE (DECREASE)	(1,904,511)	(1,238,563)	(3,143,074)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
July 1	22,366,852	17,579,037	39,945,889
June 30	\$ 20,462,341	\$ 16,340,474	\$ 36,802,815

See accompanying notes to financial statements.

LONG-TERM DEBT PAYABLE FROM GOVERNMENTAL FUNDS

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

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

	General Obligation				
	Compensated Absences	Capital Lease	Other Government Payable	Bond Series of 1997A	Bond Series of 2000
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
Amount Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Amount to be Provided for Retirement of General Long-Term Debt	4,867,981	1,583,900	498,998	1,870,000	35,000
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT	\$ 4,867,981	\$ 1,583,900	\$ 498,998	\$ 1,870,000	\$ 35,000
GENERAL LONG-TERM DEBT PAYABLE					
Due to Other Governments	\$ -	\$ -	\$ 498,998	\$ -	\$ -
Compensated Absences Payable	4,867,981	-	-	-	-
Bond Anticipation Note Payable	-	-	-	-	-
Capital Lease Payable	-	1,583,900	-	-	-
General Obligation Bonds Payable	-	-	-	1,870,000	35,000
Revenue Bonds Payable	-	-	-	-	-
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ 4,867,981	\$ 1,583,900	\$ 498,998	\$ 1,870,000	\$ 35,000

General Obligation					Bond	Bond	Bond	TIF Revenue	
Bond Series of 2002	Bond Series of 2002A	Bond Series of 2003A	Bond Series of 2003B	Bond Series of 2004	Anticipation Note of 2007	Anticipation Note of 2008	Anticipation Note of 2008	Bond Series of 2003	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 578,956	\$ 578,956
2,390,000	1,010,000	760,000	310,000	4,925,000	1,000,000	4,000,000	5,500,000	1,566,044	30,316,923
\$ 2,390,000	\$ 1,010,000	\$ 760,000	\$ 310,000	\$ 4,925,000	\$ 1,000,000	\$ 4,000,000	\$ 5,500,000	\$ 2,145,000	\$ 30,895,879
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,998
-	-	-	-	-	-	-	-	-	4,867,981
-	-	-	-	-	1,000,000	4,000,000	5,500,000	-	10,500,000
-	-	-	-	-	-	-	-	-	1,583,900
2,390,000	1,010,000	760,000	310,000	4,925,000	-	-	-	-	11,300,000
-	-	-	-	-	-	-	-	2,145,000	2,145,000
\$ 2,390,000	\$ 1,010,000	\$ 760,000	\$ 310,000	\$ 4,925,000	\$ 1,000,000	\$ 4,000,000	\$ 5,500,000	\$ 2,145,000	\$ 30,895,879

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2008	\$ 375,000	\$ 90,890	\$ 465,890	2009	\$ 45,445	2010	\$ 45,445
2009	730,000	72,890	802,890	2010	36,445	2011	36,445
2010	765,000	37,485	802,485	2011	18,743	2012	18,742
	<u>\$ 1,870,000</u>	<u>\$ 201,265</u>	<u>\$ 2,071,265</u>		<u>\$ 100,633</u>		<u>\$ 100,632</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 6,181	\$ 6,181			2009	\$ 6,181
2009	\$ 215,000	6,181	221,181	2010	\$ 6,181		
	<u>\$ 215,000</u>	<u>\$ 12,362</u>	<u>\$ 227,362</u>		<u>\$ 6,181</u>		<u>\$ 6,181</u>

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 1,006	\$ 1,006			2009	\$ 1,006
2009	\$ 35,000	1,006	36,006	2010	\$ 1,006		
	<u>\$ 35,000</u>	<u>\$ 2,012</u>	<u>\$ 37,012</u>		<u>\$ 1,006</u>		<u>\$ 1,006</u>

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 5,175	\$ 5,175			2009	\$ 5,175
2009	\$ 180,000	5,175	185,175	2010	\$ 5,175		
	<u>\$ 180,000</u>	<u>\$ 10,350</u>	<u>\$ 190,350</u>		<u>\$ 5,175</u>		<u>\$ 5,175</u>

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2002

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 48,620	\$ 48,620			2009	\$ 48,620
2009	\$ 225,000	93,161	318,161	2010	\$ 48,620	2010	44,541
2010	230,000	84,885	314,885	2011	44,541	2011	40,344
2011	240,000	76,188	316,188	2012	40,344	2012	35,844
2012	250,000	66,688	316,688	2013	35,844	2013	30,844
2013	265,000	56,388	321,388	2014	30,844	2014	25,544
2014	275,000	45,313	320,313	2015	25,544	2015	19,769
2015	290,000	33,303	323,303	2016	19,769	2016	13,534
2016	300,000	20,543	320,543	2017	13,534	2017	7,009
2017	315,000	7,008	322,008	2018	7,008		
	<u>\$ 2,390,000</u>	<u>\$ 532,097</u>	<u>\$ 2,922,097</u>		<u>\$ 266,048</u>		<u>\$ 266,049</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 30	Amount	December 30	Amount
2008	\$ 190,000	\$ 19,962	\$ 209,962			2009	\$ 19,962
2009	195,000	32,800	227,800	2010	\$ 16,400	2010	16,400
2010	200,000	25,000	225,000	2011	12,500	2011	12,500
2011	210,000	17,000	227,000	2012	8,500	2012	8,500
2012	215,000	8,600	223,600	2013	4,300	2013	4,300
	<u>\$ 1,010,000</u>	<u>\$ 103,362</u>	<u>\$ 1,113,362</u>		<u>\$ 41,700</u>		<u>\$ 61,662</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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 3.50% at June 30, 2009
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Northern Trust Company, Chicago, Illinois

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 21,876	\$ 21,876			2009	\$ 21,876
2009	\$ 715,000	36,459	751,459	2010	\$ 21,875	2010	14,584
2010	775,000	21,263	796,263	2011	14,583	2011	6,680
2011	310,000	10,199	320,199	2012	6,680	2012	3,519
2012	345,000	3,518	348,518	2013	3,518		
	<u>\$ 2,145,000</u>	<u>\$ 93,315</u>	<u>\$ 2,238,315</u>		<u>\$ 46,656</u>		<u>\$ 46,659</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2008	\$ 445,000	\$ 12,075	\$ 457,075			2009	\$ 12,075
2009	85,000	10,800	95,800	2010	\$ 5,400	2010	5,400
2010	80,000	8,144	88,144	2011	4,072	2011	4,072
2011	75,000	5,344	80,344	2012	2,672	2012	2,672
2012	75,000	2,718	77,718	2013	1,359	2013	1,359
	<u>\$ 760,000</u>	<u>\$ 39,081</u>	<u>\$ 799,081</u>		<u>\$ 13,503</u>		<u>\$ 25,578</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On	
	Principal	Interest	Totals	December 1	Amount
2008	\$ 310,000	\$ 4,650	\$ 314,650	2009	\$ 4,650
	<u>\$ 310,000</u>	<u>\$ 4,650</u>	<u>\$ 314,650</u>		<u>\$ 4,650</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 173,336	\$ 173,336			2009	\$ 173,336
2009	\$ 50,000	345,924	395,924	2010	\$ 173,336	2010	172,588
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		
	<u>\$ 8,200,000</u>	<u>\$ 2,349,717</u>	<u>\$ 10,549,717</u>		<u>\$ 1,174,856</u>		<u>\$ 1,174,861</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (DEBT SERVICE FUND SHARE)

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 105,271	\$ 105,271			2009	\$ 105,271
2009	\$ 30,000	210,093	240,093	2010	\$ 105,271	2010	104,822
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		
	<u>\$ 4,925,000</u>	<u>\$ 1,274,397</u>	<u>\$ 6,199,397</u>		<u>\$ 637,198</u>		<u>\$ 637,199</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (WATER FUND SHARE)

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 57,401	\$ 57,401			2009	\$ 57,401
2009	\$ 15,000	114,579	129,579	2010	\$ 57,402	2010	57,177
2010	205,000	111,072	316,072	2011	57,176	2011	53,896
2011	205,000	104,359	309,359	2012	53,896	2012	50,463
2012	225,000	96,425	321,425	2013	50,462	2013	45,963
2013	230,000	87,324	317,324	2014	45,962	2014	41,362
2014	240,000	77,326	317,326	2015	41,363	2015	35,963
2015	250,000	66,299	316,299	2016	35,962	2016	30,337
2016	265,000	54,713	319,713	2017	30,338	2017	24,375
2017	-	48,750	48,750	2018	24,375	2018	24,375
2018	555,000	37,650	592,650	2019	24,375	2019	13,275
2019	290,000	20,025	310,025	2020	13,275	2020	6,750
2020	300,000	6,750	306,750	2021	6,750		
	<u>\$ 2,780,000</u>	<u>\$ 882,673</u>	<u>\$ 3,662,673</u>		<u>\$ 441,336</u>		<u>\$ 441,337</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004 (AIRPORT FUND SHARE)

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 10,664	\$ 10,664			2009	\$ 10,664
2009	\$ 5,000	21,252	26,252	2010	\$ 10,663	2010	10,589
2010	5,000	21,098	26,098	2011	10,589	2011	10,509
2011	5,000	20,933	25,933	2012	10,508	2012	10,425
2012	5,000	20,750	25,750	2013	10,425	2013	10,325
2013	5,000	20,550	25,550	2014	10,325	2014	10,225
2014	55,000	19,213	74,213	2015	10,225	2015	8,988
2015	65,000	16,512	81,512	2016	8,987	2016	7,525
2016	65,000	13,587	78,587	2017	7,525	2017	6,062
2017	-	12,126	12,126	2018	6,063	2018	6,063
2018	140,000	9,325	149,325	2019	6,062	2019	3,263
2019	70,000	4,949	74,949	2020	3,262	2020	1,687
2020	75,000	1,688	76,688	2021	1,688		
	<u>\$ 495,000</u>	<u>\$ 192,647</u>	<u>\$ 687,647</u>		<u>\$ 96,322</u>		<u>\$ 96,325</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2009

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2008		\$ 20,663	\$ 20,663			2009	\$ 20,663
2009	\$ 30,000	40,043	70,043	2010	\$ 20,235	2010	19,808
2010	30,000	38,333	68,333	2011	19,380	2011	18,953
2011	30,000	36,622	66,622	2012	18,525	2012	18,097
2012	30,000	34,912	64,912	2013	17,670	2013	17,242
2013	30,000	33,202	63,202	2014	16,815	2014	16,387
2014	575,000	15,960	590,960	2015	15,960		
	<u>\$ 725,000</u>	<u>\$ 219,735</u>	<u>\$ 944,735</u>		<u>\$ 108,585</u>		<u>\$ 111,150</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND ANTICIPATION NOTE OF 2007

June 30, 2009

Date of Issue	March 13, 2007
Date of Maturity	December 1, 2010
Authorized Issue	\$1,000,000
Denomination of Notes	\$5,000
Interest Rates	5.85%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company, Chicago, Illinois

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	December 1	Amount	June 1	Amount
2010		\$ 58,500	\$ 58,500	2009	\$ 29,250	2010	\$ 29,250
2011	\$ 1,000,000	29,250	1,029,250	2010	29,250		
	<u>\$ 1,000,000</u>	<u>\$ 87,750</u>	<u>\$ 1,087,750</u>		<u>\$ 58,500</u>		<u>\$ 29,250</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND ANTICIPATION NOTE OF 2007

June 30, 2009

Date of Issue	October 1, 2007
Date of Maturity	December 1, 2009
Authorized Issue	\$4,000,000
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 (.92% at June 30, 2009)
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company, Chicago, Illinois

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	December 1	Amount	June 1	Amount
2010	\$ 4,000,000	\$ 48,400	\$ 4,048,400	2009	\$ 48,400		\$ -
	\$ 4,000,000	\$ 48,400	\$ 4,048,400		\$ 48,400		\$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND ANTICIPATION NOTE OF 2008

June 30, 2009

Date of Issue	June 12, 2008
Date of Maturity	June 1, 2010
Authorized Issue	\$5,500,000
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 (.92% at June 30, 2009)
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company, Chicago, Illinois

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	December 1	Amount	June 1	Amount
2010	\$ 5,500,000	\$ 133,815	\$ 5,633,815	2009	\$ 66,908	2010	\$ 66,907
	<u>\$ 5,500,000</u>	<u>\$ 133,815</u>	<u>\$ 5,633,815</u>		<u>\$ 66,908</u>		<u>\$ 66,907</u>

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of DeKalb, Illinois' 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.

<u>Contents</u>	<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.	143-149
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	150-156
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.	157-160
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.	161-162
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	163-166

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.

CITY OF DEKALB, ILLINOIS

NET ASSETS BY COMPONENT

Last Seven Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES							
Invested in Capital Assets							
Net of Related Debt	\$ 67,806,348	\$ 79,281,779	\$ 104,193,560	\$ 107,038,191	\$ 109,228,834	\$ 113,947,561	\$ 116,350,547
Restricted	5,554,546	3,395,377	1,524,630	3,295,898	3,159,513	10,131,297	10,401,769
Unrestricted (Deficit)	(17,759,129)	(14,013,207)	(10,463,117)	(12,063,288)	(10,790,695)	(16,660,106)	(14,726,824)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 55,601,765	\$ 68,663,949	\$ 95,255,073	\$ 98,270,801	\$ 101,597,652	\$ 107,418,752	\$ 112,025,492
BUSINESS-TYPE ACTIVITIES							
Invested in Capital Assets							
Net of Related Debt	\$ 26,779,195	\$ 34,483,474	\$ 37,052,275	\$ 39,392,443	\$ 45,585,845	\$ 46,840,204	\$ 48,402,014
Restricted	-	-	-	-	-	-	-
Unrestricted	2,237,149	1,631,020	1,273,772	(279,115)	(805,537)	(985,741)	(724,236)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 29,016,344	\$ 36,114,494	\$ 38,326,047	\$ 39,113,328	\$ 44,780,308	\$ 45,854,463	\$ 47,677,778
PRIMARY GOVERNMENT							
Invested in Capital Assets							
Net of Related Debt	\$ 94,585,543	\$ 113,765,253	\$ 141,245,835	\$ 146,430,634	\$ 154,814,679	\$ 160,787,765	\$ 164,752,561
Restricted	5,554,546	3,395,377	1,524,630	3,295,898	3,159,513	10,131,297	10,401,769
Unrestricted	(15,521,980)	(12,382,187)	(9,189,345)	(12,342,403)	(11,596,232)	(17,645,847)	(15,451,060)
TOTAL PRIMARY GOVERNMENT	\$ 84,618,109	\$ 104,778,443	\$ 133,581,120	\$ 137,384,129	\$ 146,377,960	\$ 153,273,215	\$ 159,703,270
COMPONENT UNIT:							
DEKALB PUBLIC LIBRARY							
Invested in Capital Assets							
Net of Related Debt	\$ 80,551	\$ 73,269	\$ -	\$ 87,992	\$ 294,990	\$ 282,938	\$ 300,598
Restricted	-	-	-	-	-	-	-
Unrestricted	903,959	733,968	820,776	841,774	868,869	843,549	1,045,356
TOTAL COMPONENT UNIT GOVERNMENT ACTIVITIES	\$ 984,510	\$ 807,237	\$ 820,776	\$ 929,766	\$ 1,163,859	\$ 1,126,487	\$ 1,345,954

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.

Data Source

Audited Financial Statements

CITY OF DEKALB, ILLINOIS

CHANGE IN NET ASSETS

Last Seven Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
EXPENSES							
Governmental Activities							
General Government	\$ 4,025,445	\$ 3,800,583	\$ 6,565,079	\$ 6,505,926	\$ 8,553,164	\$ 9,084,220	\$ 10,441,675
Public Safety	11,921,125	13,161,608	14,495,797	14,009,805	16,371,735	17,889,697	19,020,552
Community Improvement	6,675,918	5,880,017	5,455,783	7,706,447	6,133,081	7,844,631	6,074,929
Highways and Streets	8,232,178	4,872,446	10,481,051	4,743,859	4,888,810	4,068,000	6,022,846
Interest	912,735	1,049,120	1,026,539	1,154,903	960,500	1,010,059	902,204
Total Governmental Activities Expenses	31,767,401	28,763,774	38,024,249	34,120,940	36,907,290	39,896,607	42,462,206
Business-Type Activities							
Water	3758743	3830129	3,876,880	4,131,341	4,206,023	4,146,713	4,347,248
Airport	466286	692739	766,597	839,450	1,039,450	994,597	1,111,227
Developmental Services	1194973	1256963	194,977	294,791	249,295	365,050	378,497
Refuse	-	-	1,199,238	1,313,885	1,403,778	1,466,215	1,656,645
Total Business-Type Activities Expenses	5,420,002	5,779,831	6,037,692	6,579,467	6,898,546	6,972,575	7,493,617
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 37,187,403	\$ 34,543,605	\$ 44,061,941	\$ 40,700,407	\$ 43,805,836	\$ 46,869,182	\$ 49,955,823
PROGRAM REVENUES							
Governmental Activities							
Charges for Services							
General Government	\$ 255,956	\$ 248,199	\$ 266,806	\$ 337,340	\$ 259,887	\$ 303,453	\$ 292,071
Public Safety	1,614,741	2,021,775	4,961,170	2,281,500	2,325,586	2,440,715	2,631,448
Community Improvement	762,876	1,147,291	791,567	555,022	433,385	333,154	325,866
Highways and Streets	226,137	196,922	667,701	-	-	75,291	403,355
Operating Grants and Contributions	2,006,762	2,521,542	3,378,028	2,867,194	2,148,087	2,481,892	3,656,334
Capital Grants and Contributions	282,853	537,433	2,197,952	3,036,831	1,609,289	2,083,090	2,013,494
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	5,149,325	6,673,162	12,263,224	9,077,887	6,776,234	7,717,595	9,322,568
Business-Type Activities							
Charges for Services							
Water	4,088,655	4,634,512	4,284,036	4,446,444	4,185,161	4,387,320	4,788,391
Airport	251,265	245,688	264,547	280,532	235,999	262,783	261,655
Development Services	-	-	81,349	249,957	230,060	96,580	88,319
Refuse	1,240,911	1,277,131	1,318,513	1,407,499	1,501,041	1,584,288	1,623,529
Operating Grants and Contributions	-	-	-	-	-	611	-
Capital Grants and Contributions	85,918	18,015	1,521,358	257,211	2,865,831	359,444	2,673,502
Total Business-Type Activities Program Revenues	5,666,749	6,175,346	7,469,803	6,641,643	9,018,092	6,691,026	9,435,396
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 10,816,074	\$ 12,848,508	\$ 19,733,027	\$ 15,719,530	\$ 15,794,326	\$ 14,408,621	\$ 18,757,964
NET (EXPENSE) REVENUE							
Governmental Activities	\$ (26,618,076)	\$ (22,090,612)	\$ (25,761,025)	\$ (25,043,053)	\$ (30,131,056)	\$ (32,179,012)	\$ (33,139,638)
Business-type Activities	246,747	395,515	1,432,111	62,176	2,119,546	(281,549)	1,941,779
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (26,371,329)	\$ (21,695,097)	\$ (24,328,914)	\$ (24,980,877)	\$ (28,011,510)	\$ (32,460,561)	\$ (31,197,859)

CITY OF DEKALB, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Seven Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
COMPONENT UNIT:							
'DEKALB PUBLIC LIBRARY							
Program Expenses	\$ 1,122,163	\$ 1,269,783	\$ 1,096,560	\$ 1,081,637	\$ 1,352,920	\$ 1,515,527	\$ 1,520,992
Total Component Unit Program Expenses	\$ 1,122,163	\$ 1,269,783	\$ 1,096,560	\$ 1,081,637	\$ 1,352,920	\$ 1,515,527	\$ 1,520,992
Program Revenues							
Charges for Services	\$ 33,936	\$ 33,624	\$ 46,235	\$ 36,149	\$ 37,784	\$ 36,879	\$ 36,611
Operating Grants and Contributions	113,346	128,959	52,733	82,439	300,084	88,797	91,512
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Component Unit Program Revenues	\$ 147,282	\$ 162,583	\$ 98,968	\$ 118,588	\$ 337,868	\$ 125,676	\$ 128,123
TOTAL COMPONENT UNIT NET (EXPENSE) REVENUE	\$ (974,881)	\$ (1,107,200)	\$ (997,592)	\$ (963,049)	\$ (1,015,052)	\$ (1,389,851)	\$ (1,392,869)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS							
Governmental Activities							
Taxes							
Property	\$ 5,700,437	\$ 6,506,752	\$ 6,907,239	\$ 7,408,007	\$ 8,799,430	\$ 10,366,305	\$ 12,446,812
Home Rule Sales	1,988,464	3,968,456	4,947,494	5,670,587	4,296,267	4,301,049	5,726,033
State Sales	4,327,436	4,040,222	3,790,727	3,960,365	5,864,315	5,950,520	5,566,219
Local Use	-	-	459,261	517,848	557,376	644,076	638,427
Franchise Tax	289,125	313,263	337,088	361,374	414,003	416,056	416,056
Utility	3,425,787	3,426,971	3,596,132	3,671,553	3,663,782	3,814,184	3,574,598
State Income	2,544,001	2,322,932	3,023,210	3,362,748	3,689,547	4,274,684	3,954,000
Restaurant/Bar	1,170,231	1,231,736	1,261,936	1,404,579	1,557,627	1,660,912	1,584,944
Other	261,576	281,406	286,863	329,846	354,557	390,576	378,974
Investment Income	247,457	106,229	169,202	340,505	428,938	347,511	189,302
Miscellaneous	205,287	263,369	324,002	353,141	281,650	266,064	346,658
Gain on Sale of Capital Assets	(14,677)	(4,998)	-	-	-	-	-
Contributions	2,730,508	12,498,893	12,257,511	1,004,424	1,525,564	5,352,674	2,625,579
Transfers In (Out)	115,450	227,600	122,958	172,713	168,837	232,052	229,413
Special Item	-	-	-	-	869,786	-	-
Total Governmental Activities	22,991,082	35,182,831	37,483,623	28,557,690	32,471,679	38,016,663	37,677,015
Business-Type Activities							
Property Tax	74,587	75,539	74,674	75,194	-	-	-
Investment Income	119,957	30,607	30,356	9,214	-	132	300
Miscellaneous	97,075	47,864	37,269	41,634	43,633	45,400	106,269
Gain on Sale of Capital Assets	-	13,823	-	-	-	-	-
Contributions	1,398,700	4,987,144	729,577	771,776	3,201,438	1,407,430	4,380
Transfers In (Out)	(115,450)	(227,600)	(122,958)	(172,713)	(168,837)	(232,052)	(229,413)
Total Business-Type Activities	1,574,869	4,927,377	748,918	725,105	3,076,234	1,220,910	(118,464)
TOTAL PRIMARY GOVERNMENT	\$ 24,565,951	\$ 40,110,208	\$ 38,232,541	\$ 29,282,795	\$ 35,547,913	\$ 39,237,573	\$ 37,558,551
CHANGE IN NET ASSETS							
Governmental Activities	\$ (3,626,994)	\$ 13,092,219	\$ 11,722,598	\$ 3,514,637	\$ 2,340,623	\$ 5,837,651	\$ 4,537,377
Business-Type Activities	1,821,616	5,322,892	2,181,029	787,281	5,195,780	939,361	1,823,315
Prior Period Adjustment							
Governmental Activities	(30,956)	(30,035)	14,868,526	(498,909)	986,228	(16,551)	69,363
Business-Type Activities	11,511,976	1,775,258	30,524	-	471,200	134,794	-
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ 9,675,642	\$ 20,160,334	\$ 28,802,677	\$ 3,803,009	\$ 8,993,831	\$ 6,895,255	\$ 6,430,055

CITY OF DEKALB, ILLINOIS
CHANGE IN NET ASSETS (Continued)

Last Seven Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
COMPONENT UNIT GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS							
General Revenues							
Property Tax	\$ 842,901	\$ 888,769	\$ 931,257	\$ 976,603	\$ 1,078,384	\$ 1,213,354	\$ 1,492,137
Other Taxes	20,347	22,879	26,800	34,409	38,246	42,157	36,958
Investment Income	30,280	3,589	31,316	27,541	62,378	51,137	26,288
Miscellaneous	13,311	14,690	21,232	33,486	70,137	45,831	56,953
Total Component Unit Activities	906,839	929,927	1,010,605	1,072,039	1,249,145	1,352,479	1,612,336
CHANGE IN NET ASSETS							
Component Unit Activities	(68,042)	(177,273)	13,013	108,990	234,093	(37,372)	219,467
Prior Period Adjustment	80,551	-	526	-	-	-	-
TOTAL COMPONENT UNIT CHANGE IN NET ASSETS	\$ 906,839	\$ 929,927	\$ 13,539	\$ 108,990	\$ 234,093	\$ (37,372)	\$ 219,467

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.

CITY OF DEKALB, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL FUND										
Reserved	\$ 53,600	\$ 746,246	\$ 75,865	\$ 62,650	\$ 105,452	\$ 58,705	\$ 70,296	\$ 147,508	\$ 738,577	\$ 2,067,865
Unreserved - Designated										
Designated for Internal Service Fund Deficits	-	-	-	-	-	-	-	-	-	957,000
Designated for Compensated Absences	-	-	-	-	363,544	392,659	368,156	-	-	243,400
Designated for Historic Milestone Projects	-	-	-	-	-	-	-	-	-	16,701
Unreserved - Undesignated	4,396,608	3,790,422	3,022,286	2,546,211	2,791,825	3,139,542	3,387,191	2,713,822	2,161,911	416,652
TOTAL GENERAL FUND	\$ 4,450,208	\$ 4,536,668	\$ 3,098,151	\$ 2,608,861	\$ 3,260,821	\$ 3,590,906	\$ 3,825,643	\$ 3,303,177	\$ 2,900,488	\$ 3,701,618
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 1,959,711	\$ 2,890,207	\$ 3,568,683	\$ 3,851,405	\$ 4,323,494	\$ 3,345,268	\$ 4,643,715	\$ 3,166,191	\$ 1,808,174	\$ 2,653,139
Unreserved - Designated										
Designated for Sidewalk and Street Maintenance	-	-	-	-	-	-	-	-	-	116,123
Unreserved, Undesignated (Deficit) Reported In										
Special Revenue Funds	(119,644)	(249,071)	951,911	862,086	(22,476)	(20,788)	(18,120)	(8,808)	(445)	(362)
Capital Project Funds	365,932	(2,831,186)	(5,225,145)	(2,023,015)	(2,446,767)	(1,991,201)	(1,346,797)	(1,076,165)	9,104,021	8,436,085
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 2,205,999	\$ (190,050)	\$ (704,551)	\$ 2,690,476	\$ 1,854,251	\$ 1,333,279	\$ 3,278,798	\$ 2,081,218	\$ 10,911,750	\$ 11,204,985

Data Source

Audited Financial Statements

CITY OF DEKALB, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	\$ 18,238,747	\$ 18,445,896	\$ 19,259,411	\$ 19,851,614	\$ 22,032,400	\$ 24,548,569	\$ 26,710,135	\$ 29,097,231	\$ 31,898,673	\$ 34,305,038
Licenses and Permits	213,893	327,385	277,282	487,590	846,571	618,029	598,657	448,192	364,103	354,375
Intergovernmental	6,188,512	2,718,625	3,472,940	2,361,278	3,061,974	5,522,101	4,558,814	3,724,715	4,347,447	6,070,086
Charges for Services	1,059,119	1,275,196	1,265,342	1,503,096	1,840,495	4,613,201	1,796,958	1,685,991	1,721,234	1,772,322
Fines and Forfeitures	452,612	445,129	494,815	468,009	638,815	654,353	696,551	672,403	766,504	728,572
Investment Income	524,068	752,626	462,446	247,457	106,229	169,202	340,505	428,938	347,511	189,302
Miscellaneous	241,311	309,432	270,064	273,079	351,754	399,324	2,794,723	515,750	734,928	737,263
Total Revenues	26,918,262	24,274,289	25,502,300	25,192,123	28,878,238	36,524,779	37,496,343	36,573,220	40,180,400	44,156,958
EXPENDITURES										
General Government	3,292,070	3,208,680	3,287,387	3,426,581	4,088,975	5,619,515	5,990,453	6,740,822	6,925,455	8,604,319
Public Safety	9,140,755	9,816,496	10,561,436	11,388,426	12,432,869	13,915,879	14,990,271	15,719,852	16,666,201	17,407,054
Community Improvement	4,438,812	4,797,312	4,891,235	4,406,307	3,928,040	3,432,725	3,780,017	4,425,779	4,529,707	3,930,979
Highways and Streets	623,037	973,772	1,219,971	1,255,596	763,579	3,609,518	2,821,395	1,843,360	2,322,976	1,797,965
Culture and Recreation	1,474,184	339,074	666,392	-	-	-	-	-	-	-
Capital Outlay	7,980,029	6,218,592	5,338,715	10,333,537	6,432,217	8,157,674	8,835,397	6,647,200	6,843,723	8,163,413
Debt Service										
Principal Retirement	953,747	6,184,795	953,313	1,185,000	1,545,000	1,810,000	2,220,000	2,835,214	4,465,000	2,605,000
Interest and Fiscal Charges	1,036,818	944,902	1,046,318	884,632	1,071,575	1,032,874	1,085,767	906,585	882,467	859,247
Total Expenditures	28,939,452	32,483,623	27,964,767	32,880,079	30,262,255	37,578,185	39,723,300	39,118,812	42,635,529	43,367,977
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,021,190)	(8,209,334)	(2,462,467)	(7,687,956)	(1,384,017)	(1,053,406)	(2,226,957)	(2,545,592)	(2,455,129)	788,981

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 3,818,689	\$ 3,020,151	\$ 3,827,469	\$ 2,890,076	\$ 3,242,930	\$ 3,282,821	\$ 4,631,683	\$ 4,054,351	\$ 4,032,407	\$ 5,679,484
Transfers (Out)	(3,368,084)	(2,525,151)	(3,327,469)	(2,774,626)	(3,015,330)	(3,202,021)	(4,458,970)	(3,885,514)	(3,800,355)	(5,450,071)
Bonds Issued	-	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	650,000	-	-	-	-	-	3,450,000	1,000,000	9,500,000	-
Capital Lease Issued	109,825	-	-	552,502	447,498	598,102	651,958	79,114	1,107,240	-
Sale of Capital Assets	18,347	39,488	9,449	4,533	7,744	112,517	18,309	36,433	60,231	6,608
Total Other Financing Sources (Uses)	1,228,777	5,960,470	509,449	10,624,649	748,624	862,519	4,292,980	1,284,384	10,899,523	236,021
NET CHANGE IN FUND BALANCES	\$ (792,413)	\$ (2,248,864)	\$ (1,953,018)	\$ 2,936,693	\$ (635,393)	\$ (190,887)	\$ 2,066,023	\$ (1,261,208)	\$ 8,444,394	\$ 1,025,002
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	7.90%	22.88%	7.49%	6.79%	9.01%	7.72%	9.76%	10.38%	13.44%	8.70%

Data Source

Audited Financial Statements

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ 102,303,583	\$ 107,398,627	\$ 116,785,242	\$ 128,539,781	\$ 142,530,983	\$ 160,665,590	\$ 163,641,647	\$ 170,225,753	\$ 171,985,064	\$ 164,736,328
Food	45,632,341	48,695,221	50,842,583	48,701,136	43,870,967	37,275,809	43,927,833	47,170,335	53,207,066	60,740,900
Drinking and Eating Places	37,894,038	40,056,975	44,122,259	45,196,455	49,213,644	52,351,156	52,849,443	60,927,328	65,260,253	67,402,498
Apparel	4,063,605	4,844,688	4,578,283	8,827,618	8,578,046	8,087,885	8,247,873	10,754,613	9,626,133	7,332,715
Furniture & H.H. & Radio	7,261,674	8,956,866	9,391,436	9,544,614	13,100,491	25,392,698	28,350,657	29,988,920	33,834,022	28,883,333
Lumber, Building Hardware	43,492,760	32,325,368	26,466,524	26,441,207	27,609,867	28,061,388	26,795,706	27,977,040	26,936,010	24,505,165
Automobile and Filling Stations	75,264,172	80,161,850	84,676,584	78,031,930	76,853,556	79,773,554	85,140,723	91,978,172	93,408,943	94,746,090
Drugs and Miscellaneous Retail	50,094,636	53,136,670	56,952,023	64,099,407	65,747,938	67,637,829	70,477,891	81,006,583	83,283,571	84,314,769
Agriculture and All Others	30,839,707	43,483,031	42,302,269	46,850,438	48,715,480	47,817,252	48,845,881	48,715,922	41,446,148	39,136,195
Manufacturers	6,860,199	3,811,216	2,240,756	2,666,709	1,500,600	6,481,064	11,253,745	12,975,167	15,254,811	18,224,889
TOTAL	\$ 403,706,715	\$ 422,870,512	\$ 438,357,959	\$ 458,899,295	\$ 477,721,572	\$ 513,544,225	\$ 539,531,399	\$ 581,719,833	\$ 594,242,021	\$ 590,022,882
CITY DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Data available for Calendar Year only

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY - HOME RULE

Last Ten Calendar Years

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ 70,180,573	\$ 72,077,700	\$ 77,180,871	\$ 83,069,119	\$ 91,964,969	\$ 103,347,408	\$ 107,910,203	\$ 111,235,234	\$ 110,641,629	\$ 105,718,900
Food	10,049,008	13,528,915	15,369,629	15,137,372	14,016,749	11,255,490	12,926,058	14,228,867	16,220,246	17,771,292
Drinking and Eating Places	37,702,125	39,979,040	43,719,836	44,382,469	48,265,899	51,038,005	51,883,076	59,524,764	63,696,181	65,892,248
Apparel	4,058,336	4,842,752	4,577,347	8,814,596	8,576,497	8,081,341	8,247,458	10,750,251	9,619,122	7,316,764
Furniture, H.H. and Radio	7,261,117	8,904,828	9,390,829	9,531,051	13,071,912	25,258,574	28,326,789	29,956,258	33,782,135	28,777,827
Lumber, Building Hardware	43,482,664	32,318,163	26,465,701	26,387,077	27,609,659	27,928,079	26,795,221	27,950,165	26,884,766	24,259,864
Automobile and Filling Stations	20,174,633	25,330,233	20,696,897	23,011,393	26,521,109	30,939,395	34,610,098	38,130,323	43,057,278	44,642,599
Drugs and Miscellaneous Retail	37,794,115	38,375,132	40,812,307	48,040,163	48,469,493	49,234,368	50,940,432	58,390,055	58,432,889	59,739,818
Agriculture and All Others	27,481,135	40,107,583	38,181,264	42,675,080	44,057,392	42,983,219	44,282,933	41,914,235	37,826,626	35,885,916
Manufacturers	6,638,668	3,741,736	2,220,680	2,357,819	1,099,009	5,952,384	11,013,882	12,663,868	14,914,125	17,841,691
TOTAL	\$ 264,822,374	\$ 279,206,082	\$ 278,615,361	\$ 303,406,139	\$ 323,652,688	\$ 356,018,263	\$ 376,936,150	\$ 404,744,020	\$ 415,074,996	\$ 407,846,919
CITY DIRECT SALES TAX RATE	0.75%	0.75%	0.75%	0.75%	0.75%	1.25%	1.25%	1.25%	1.25%	1.25% & 1.75% ¹

Data Source

Illinois Department of Revenue

Data available for Calendar Year only

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

CITY OF DEKALB, ILLINOIS

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
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%
2006	1.25%	1.00%	0.25%	5.00%	7.50%
2007	1.25%	1.00%	0.25%	5.00%	7.50%
2008 ¹	1.75%	1.00%	0.25%	5.00%	8.00%

Data Source

City, County, and State Records

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

CITY OF DEKALB, ILLINOIS
PROPERTY TAX RATES, LEVIES, AND COLLECTIONS
Last Ten Levy Years

Tax Levy Year	City of DeKalb				DeKalb Library				Totals			
	Rates per \$100	Total Tax Levy Requested	Collections	Percent of Levy Collected**	Rates per \$100	Total Tax Levy Requested	Collections	Percent of Levy Collected**	Rates per \$100	Total Tax Levy Requested	Collections	Percent of Levy Collected**
1999	0.5089	\$ 1,809,337	\$ 1,815,089	100.32%	0.2154	\$ 766,000	\$ 768,475	100.32%	0.7243	\$ 2,575,337	\$ 2,583,564	100.32%
2000	0.5049	1,891,028	1,888,665	99.88%	0.2145	804,000	802,657	99.83%	0.7194	2,695,028	2,691,322	99.86%
2001	0.5299	2,120,977	2,118,402	99.88%	0.2108	844,000	842,901	99.87%	0.7407	2,964,977	2,961,303	99.88%
2002	0.6057	2,511,511	2,531,345	100.79%	0.2132	884,000	888,769	100.54%	0.8189	3,395,511	3,420,114	100.72%
2003	0.5967	2,599,938	2,644,082	101.70%	0.2130	928,000	931,257	100.35%	0.8097	3,527,938	3,575,339	101.34%
2004	0.6000	2,861,055	2,740,571	95.79%	0.2135	974,400	975,324	100.09%	0.8135	3,835,455	3,715,895	96.88%
2005	0.5930	3,022,052	3,023,467	100.05%	0.2110	1,075,498	1,075,972	100.04%	0.8041	4,097,550	4,099,439	100.05%
2006	0.5967	3,400,000	3,410,256	100.30%	0.2124	1,210,003	1,213,354	100.28%	0.8091	4,610,003	4,623,610	100.30%
2007	0.6000	3,742,937	3,679,970	98.32%	0.2437	1,520,000	1,492,137	98.17%	0.8437	5,262,937	5,172,107	98.27%
2008	0.6000	3,889,007	1,879,047 *	48.32%	0.2509	1,620,420	785,757 *	48.49%	0.8509	5,509,427	2,664,804	48.37%

Data Source

Office of the County Clerk

* Amount reflects collections through June 30, 2009

** Collections may exceed 100% due to interest posted by the County Treasurer

CITY OF DEKALB, ILLINOIS

EQUALIZED ASSESSED VALUES BY PROPERTY CLASS

Last Ten Levy Years

Levy Year	Residential	Commercial	Industrial	Farm	Railroad	Total
1999	\$ 215,841,683	\$ 113,732,914	\$ 24,995,674	\$ 716,072	\$ 394,379	\$ 355,680,722
2000	223,083,073	120,621,718	30,027,874	714,414	411,299	374,858,378
2001	240,103,156	128,376,794	30,653,801	724,766	429,997	400,288,514
2002	249,835,479	131,987,707	31,572,837	784,642	511,155	414,691,820
2003	269,635,069	133,004,731	31,995,654	585,425	553,020	435,773,899
2004	283,926,434	137,737,281	33,506,906	548,207	623,213	456,342,041
2005	325,079,355	145,545,712	37,922,484	488,038	587,227	509,622,816
2006	369,659,572	155,565,480	43,514,766	494,098	572,356	569,806,272
2007	407,662,378	163,615,149	51,250,520	666,539	628,255	623,822,841
2008	420,413,802	172,166,813	51,905,133	686,727	682,620	645,855,095

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TAX RATES										
City of DeKalb	0.5089	0.5049	0.5299	0.6057	0.5967	0.6000	0.5930	0.5967	0.6000	0.6000
DeKalb Library	0.2154	0.2145	0.2108	0.2132	0.2130	0.2135	0.2110	0.2124	0.2437	0.2509
	0.7243	0.7194	0.7407	0.8189	0.8097	0.8135	0.8041	0.8091	0.8437	0.8509
DeKalb County	0.8497	0.8531	0.8672	0.8666	0.8622	0.8679	0.8547	0.8668	0.8449	0.8495
DeKalb Township	0.3579	0.3569	0.3532	0.3525	0.3494	0.3480	0.3361	0.3084	0.2990	0.2938
Forest Preserve District	0.0272	0.0274	0.0278	0.0278	0.0274	0.0276	0.0269	0.0548	0.0677	0.0678
Sanitary District	0.1113	0.1088	0.1075	0.1085	0.1079	0.1078	0.1015	0.0952	0.0913	0.0927
School Districts	5.7041	5.7976	5.8063	5.7035	5.6659	5.6217	5.5142	5.4362	5.2785	5.7546
Park District	0.6363	0.6206	0.6055	0.6108	0.6235	0.6106	0.5826	0.5494	0.5247	0.5131
TOTAL TAX RATE PER \$100 ASSESSED VALUATION										
	8.4108	8.4838	8.5082	8.4886	8.4460	8.3970	8.2200	8.1199	7.9498	8.4224
SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY										
	8.61%	8.48%	8.71%	9.65%	9.59%	9.69%	9.78%	9.96%	10.61%	10.10%

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PRINCIPAL TAXPAYERS

June 30, 2009

Taxpayers	Type of Business	2009 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Target	Warehouse/Distributor	\$ 14,799,511	1	2.29%			
Goodyear	Warehouse/Distributor	8,214,864	2	1.27%			
Nestle	Warehouse/Distributor	7,947,613	3	1.23%	7,280,113	1	2.05%
Northland Plaza	Retail	6,620,344	4	1.03%			
Panduit Corporation	Manufacturing	6,338,438	5	0.98%	5,882,714	2	1.65%
3M	Warehouse/Distributor	5,421,007	6	0.84%	4,666,958	3	1.31%
University Village I & II	Apartments	5,066,371	7	0.78%	3,764,801	4	1.06%
Faiview MSFP II, LLC	Warehouse/Distributor	4,905,099	8	0.76%			
Dream Fund LLC	Apartments	4,793,503	9	0.74%			
JLAR	Apartments/Retail	4,163,791	10	0.64%			
DeKalb County Shopping Center	Retail	4,007,388	11	0.62%			
DeKalb Area Retirement Center	Retirement Center	3,801,647	12	0.59%	2,039,670	10	0.57%
Walmart Stores	Retail				2,528,040	5	0.71%
Paul Sauser	Apartments				2,441,197	6	0.69%
Herbert Katz	Apartments				2,308,435	7	0.65%
Robert Cagann	Apartments				2,198,596	8	0.62%
A.O. Smith	Manufacturing				2,137,179	9	0.60%
TOTAL		<u>\$ 76,079,576</u>		<u>11.77%</u>	<u>\$ 35,247,703</u>		<u>9.91%</u>

Data Source

County Assessors Office (not adjusted for unreported title transfers)

City of DeKalb

CITY OF DEKALB, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income*	Per Capita*
	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			
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	-	55,667,021	2.69%	1,426.70
2004	25,942,116	-	2,998,998	5,024,958	-	689,400	7,580,117	404,740	8,256,764	-	50,897,093	2.22%	1,178.94
2005	23,391,241	-	2,498,998	4,486,748	-	1,297,964	6,495,554	401,387	7,764,608	110,994	46,447,494	1.98%	1,050.23
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	46,076,495	1.93%	1,023.85
2007	18,422,582	2,044,300	1,498,998	3,383,188	1,204,750	1,136,932	6,304,679	-	6,794,032	280,806	41,070,267	1.69%	897.73
2008	15,938,598	11,059,080	998,998	2,931,072	-	2,169,133	5,899,685	-	6,308,744	271,639	45,576,949	1.87%	993.03
2009	13,456,864	10,769,965	448,998	2,238,315	-	1,772,259	5,485,404	-	5,823,456	204,355	40,199,616	1.65%	875.58

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

* See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF DEKALB, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2009

Governmental Unit	Gross Bonded Debt ¹	Percentage of Debt Applicable to the City	City's Share of Debt
City of DeKalb	\$ 23,945,000	100.00%	\$ 23,945,000
<u>Overlapping</u>			
DeKalb County	13,020,000	29.33%	3,818,766
DeKalb Community Unit School District #428	34,970,000	77.11%	26,965,367
Kishwaukee College #523	15,315,000	28.23%	4,323,425
DeKalb Sanitary District	-	98.91%	-
DeKalb Park District	5,700,000	100.78%	5,744,460
Total Overlapping	<u>\$ 69,005,000</u>		<u>\$ 40,852,018</u>
PER CAPITA OVERLAPPING DEBT			<u>\$ 889.79</u>

¹ 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, 2009

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.

CITY OF DEKALB, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds and Notes							
	Incremental Property Taxes	Incremental Sales Tax	Less: Excluded Contractual Obligations	Available for Debt Service	Debt Service		Coverage	
					Principal	Interest		
2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	NA	
2001	-	-	-	-	-	-	NA	
2002	-	-	-	-	-	-	NA	
2003 ¹	3,020,094	-	(500,000)	2,520,094	-	146,083	17.25	
2004	3,248,202	1,000,678	(500,000)	3,748,880	-	167,439	22.39	
2005	3,421,773	942,246	(500,000)	3,864,019	110,000	174,964	13.56	
2006 ²	3,727,681	1,329,249	(500,000)	4,556,930	450,000	312,377	5.98	
2007 ³	4,596,145	1,506,288	(500,000)	5,602,433	1,005,214	112,592	5.01	
2008	5,360,771	1,576,559	(500,000)	6,437,330	570,000	87,629	9.79	
2009	6,597,332	1,645,810	(498,998)	7,744,144	650,000	87,122	10.51	

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

NA = Information Unavailable

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

² The City issued Tax Increment Financing Notes in the amount of \$1,450,000 which was paid off in FY07.

³ The City issued Tax Increment Financing Notes in the amount of \$1,000,000.

CITY OF DEKALB, ILLINOIS
DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Median Family Income	Unemployment Rate
2000	36,315	\$ 355,680,722	\$ 1,925,312,355	\$ 53,017	3.1 %
2001	39,018	374,858,378	2,068,617,306	53,017	3.9 %
2002	39,018	400,288,514	2,068,617,306	53,017	4.5 %
2003	39,018	414,691,820	2,068,617,306	53,017	5.6 %
2004	43,172	435,773,899	2,288,849,924	53,017	4.7 %
2005	44,226	456,342,041	2,344,729,842	53,017	4.8 %
2006	45,003	509,622,816	2,385,924,051	53,017	4.3 %
2007	45,749	569,806,272	2,425,474,733	53,017	4.0%
2008	45,897	623,822,841	2,433,321,249	53,017	5.3%
2009	45,912	645,855,095	2,434,116,504	53,017	10.0%

Data Source

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

CITY OF DEKALB, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2009			2000		
	Rank	Employees	% of Total City Population	Rank	Employees	% of Total City Population
Northern Illinois University	1	3596	7.83%	1	3478	9.58%
Kishwaukee Community Hospital	2	1291	2.81%	2	500	1.38%
3M	3	572	1.25%			
Walmart	4	525	1.14%	5	323	0.89%
Target Distribution Center	5	450	0.98%			
Tegant	6	295	0.64%	3	400	1.10%
American Marketing	7	271	0.59%			
Nestle Distribution	8	265	0.58%	8	200	0.55%
Jewel/Osco	9	200	0.44%	7	236	0.65%
Ideal Industries	10	125	0.27%	10	125	0.34%
DeKalb Genetics				2	500	1.38%
Electro Mechanical Devices				4	375	1.03%
Caterpillar				6	300	0.83%
A. O. Smith Harvestore				9	195	0.54%

Data Source

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

CITY OF DEKALB, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES (Budgeted) ¹

Last Eight Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009
General Government								
Legislative ²	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Administrative Services	20.70	20.70	20.00	28.00	28.00	25.00	25.00	23.00
City Clerk	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Legal	-	-	-	-	-	4.20	4.20	4.20
General Fund Support	-	-	-	-	-	-	-	-
	32.20	32.20	31.50	39.50	39.50	40.70	40.70	38.70
Public Safety								
Police								
Officers	54.00	57.00	57.00	60.00	60.00	61.00	63.00	63.00
Civilians	20.32	20.57	21.57	20.32	20.57	22.57	21.07	20.07
	74.32	77.57	78.57	80.32	80.57	83.57	84.07	83.07
Fire								
Firefighters	52.00	55.00	56.00	56.00	59.00	60.00	60.00	60.00
Staff	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	54.00	57.00	58.00	58.00	61.00	62.00	62.00	62.00
Community Improvement								
Community Development	18.00	18.00	18.65	15.65	16.15	16.15	17.15	13.65
Engineering Services	-	-	-	3.50	3.50	3.50	3.50	3.83
Public Works								
Administration	2.00	2.00	2.00	1.50	1.50	1.50	1.50	0.59
Public Facilities	3.00	2.00	2.00	2.00	2.00	2.50	2.50	1.00
Engineering	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00
Information & Technology	7.00	7.00	6.00	0.00	0.00	0.00	0.00	0.00
Streets	22.50	22.10	23.80	24.80	24.80	25.80	25.80	23.25
	57.50	56.10	57.45	47.45	47.95	49.45	50.45	42.32
Water Division	14.00	16.00	18.00	18.00	17.00	16.50	16.50	15.75
Airport Division	-	1.50	1.50	2.50	2.50	3.00	3.00	2.08
Development Services	-	-	-	3.00	3.50	3.50	3.50	3.50
Mass Transit	-	-	0.35	1.35	1.85	1.85	1.85	1.85
Total Full-time Equivalent Employees	232.02	240.37	245.37	250.12	253.87	260.57	262.07	249.27

(1) This schedule lists positions budgeted but not necessarily filled

(2) These positions are part-time

Data Source

City Budget Records

Information prior to 2002 is not available

CITY OF DEKALB, ILLINOIS

OPERATING INDICATORS

Last Eight Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL GOVERNMENT								
Finance								
Accounts Payable Checks Processed	7,490	7,620	6,250	6,805	6,664	6,589	5,895	5,332
Accounts Payable Invoices Processed	16,781	16,069	14,641	15,658	15,788	15,798	14,300	13,701
Payroll Checks Issued	8,249	8,176	7,771	7,939	8,037	7,789	7,765	7,265
Utility Bills Issued: Originals	41,184	41,476	43,586	44,393	43,376	43,566	45,045	45,369
Utility Bills Issued: Past Due	7,084	7,164	7,755	10,440	10,235	8,701	9,654	9,748
Receipts Processed	51,190	52,024	55,844	61,396	62,473	59,464	60,218	58,403
Community Development								
Building Permits Issued								
Residential Permits Issued:								
New Construction	N/A	172	332	293	205	76	43	3
Remodel	N/A	56	77	71	78	84	58	82
Industrial/Commercial Permits Issued:								
New Construction	N/A	38	33	18	24	27	33	9
Remodel	N/A	43	31	42	26	23	60	25
Other Permits	N/A	729	835	698	779	700	726	681
Total Number of Permits	N/A	1,038	1,308	1,122	1,112	910	920	800
Total Building Permit Valuation	N/A	\$ 48,722,649	\$ 82,646,830	\$ 67,271,969	\$ 62,775,315	\$ 22,371,977	\$ 28,965,290	\$ 9,917,109
PUBLIC SAFETY								
Police								
Physical arrests	2,105	2,041	2,212	2,524	2,339	2,396	2,359	3,023
Traffic violations	5,504	6,063	6,468	6,557	6,235	6,149	6,102	10,530
Parking violations	16,622	17,050	17,774	16,150	17,418	17,405	13,386	12,986
Fire								
Fire Responses (Fire & Non-Fire)	1,715	1,949	2,050	2,275	2,397	2,333	2,908	2,641
Emergency Medical Services Responses	2,713	3,029	3,029	3,197	3,284	4,035	4,091	4,018

	2002	2003	2004	2005	2006	2007	2008	2009
PUBLIC WORKS								
Vehicles Maintained by Dept	93	97	119	121	124	126	130	132
Street construction (miles)	2.07	1.77	1.94	3.68	1.49	0.43	0.00	0.00
Street reconstruction (miles)	0.49	0.26	0.32	0.74	0.70	0.00	1.30	0.64
Street resurfacing (miles)	1.29	1.42	2.80	0.85	0.75	0.92	1.48	1.48
WATER								
Average Daily Consumption 12/31:								
Industrial/Commercial	581,272	516,196	527,834	542,655	561,094	563,572	527,709	486,251
Residential	2,345,978	2,214,748	2,279,568	2,254,169	2,357,833	2,366,717	2,278,428	2,269,127
Government/Church/School	813,449	884,843	737,971	776,828	705,612	690,318	677,008	702,722
	3,740,699	3,615,787	3,545,373	3,573,652	3,624,539	3,620,607	3,483,145	3,458,100
Water Billing Accounts on 12/31:								
Industrial/Commercial	661	685	701	719	728	747	774	787
Residential	8,184	8,355	8,599	9,005	9,384	9,838	9,993	10,007
Government/Church/School	166	170	195	206	206	210	230	239
	9,011	9,210	9,495	9,930	10,318	10,795	10,997	11,033

NA = Information Unavailable or Program Non-Existent

Data Source

Various City Departments

Information prior to 2002 is not available.

CITY OF DEKALB, ILLINOIS

CAPITAL ASSET STATISTICS

Last Eight Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009
PUBLIC SAFETY								
Police								
Stations/Municipal Center	1	1	1	1	1	1	1	1
Patrol Vehicles	21	24	26	28	29	26	26	28
Fire								
Stations	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	5	5	5	5
Fire Trucks	5	5	5	4	4	5	5	4
PUBLIC WORKS								
Residential Streets (miles)	112	114	116	119	124	125	125	126
Traffic Signals	17	18	19	19	20	20	21	22
WATER								
Water Towers	5	5	5	5	5	5	5	5
Storage capacity (MG)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Water Wells	9.00	9.00	9.00	9.00	9.00	9.00	9	9
Water Mains (miles)	145	151	155	159	167	170	172	175

Data Source

Various City Departments

Information prior to 2002 is not available.