

DeKalb, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

Prepared by the Administrative Services Department

Rudy Espiritu
Assistant City Manager

Ted Kozinski
Comptroller/Treasurer

CITY OF DEKALB, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials.....	i
Organizational Chart	ii
Certificate of Achievement for Excellence in Financial Reporting	iii
Letter of Transmittal.....	iv-xviii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT.....	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities.....	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet	6-7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets.....	8
Statement of Revenues, Expenditures and Changes in Fund Balances	9-10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	11

CITY OF DEKALB, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Assets	12-13
Statement of Revenues, Expenses and Changes in Net Assets	14
Statement of Cash Flows	15-16

Fiduciary Funds

Statement of Fiduciary Net Assets	17
Statement of Changes in Fiduciary Net Assets	18

Index to Notes to Financial Statements	19
--	----

Notes to Financial Statements	20-66
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	67
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Motor Fuel Tax Fund	68
Notes to Required Supplementary Information	69
Schedule of Funding Progress	
Illinois Municipal Retirement Fund	70
Police Pension Fund	71
Firefighters' Pension Fund	72
Other Postemployment Benefit Plan	73
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	74
Police Pension Fund	75
Firefighters' Pension Fund	76
Other Postemployment Benefit Plan	77

CITY OF DEKALB, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78-82
Motor Fuel Tax Fund	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	83
Tax Increment Financing Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Tax Increment Financing #1 Fund	84
Tax Increment Financing #2 Fund	85
Tax Increment Financing Debt Service Fund	86

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Nonmajor Special Revenue Funds	
Combining Balance Sheet	89-90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	91-92
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Foreign Fire Insurance Tax Fund	93
Mass Transit Fund	94
Housing Rehabilitation Fund	95
Heritage Ridge Special Service Area #3 Fund	96
Community Development Block Grant Fund	97
Knolls Special Service Area #4 Fund	98
Greek Row Special Service Area #6 Fund	99
Economic Development Fund	100
Nonmajor Debt Service Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Debt Service Fund	101

CITY OF DEKALB, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
NONMAJOR GOVERNMENTAL FUNDS (Continued)	
Nonmajor Capital Projects Funds	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	103
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Projects Fund.....	104
County Home Tax Increment Financing District Fund	105
Public Safety Building Fund	106
MAJOR ENTERPRISE FUNDS	
Combining Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Water Department Accounts.....	107-108
Schedule of Capital Assets and Depreciation - Water Fund	109
Schedule of Operating Revenues, Expenses and Changes in Net Assets - Budget and Actual - Airport Fund	110
NONMAJOR ENTERPRISE FUNDS	
Combining Statement of Net Assets	111
Combining Statement of Revenues, Expenses and Changes in Net Assets.....	112
Combining Statement of Cash Flows	113
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Development Services Fund	114
Refuse Fund	115
INTERNAL SERVICE FUNDS	
Combining Statement of Net Assets	116
Combining Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual.....	117-118
Combining Statement of Cash Flows	119
FIDUCIARY FUNDS	
Combining Statement of Net Assets - Pension Trust Funds	120
Combining Statement of Changes in Plan Net Assets Pension Trust Funds.....	121
LONG-TERM DEBT PAYABLE FROM GOVERNMENTAL FUNDS	
Schedule of General Long-Term Debt.....	122-123

CITY OF DEKALB, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

SUPPLEMENTAL DATA

Long-Term Debt Requirements

General Obligation Bond Series of 1997A.....	124
General Obligation Bond Series of 2002.....	125
General Obligation Bond Series of 2002A (TIF)	126
Tax Increment Financing Revenue Bond Series of 2003.....	127
General Obligation Refunding Bond Series of 2003A (TIF)	128
General Obligation Refunding Bond Series of 2004 (Total Issue)	129
General Obligation Refunding Bond Series of 2004 (Debt Service Fund Share).....	130
General Obligation Refunding Bond Series of 2004 (Water Fund Share)	131
General Obligation Refunding Bond Series of 2004 (Airport Fund Share)	132
General Obligation Bond Series of 2005 (Airport Fund).....	133
General Obligation Bond Series of 2010A (TIF)	134
General Obligation Bond Anticipation Note of 2007	135
General Obligation Bond Anticipation Note of 2009	136

STATISTICAL SECTION

Financial Trends

Net Assets by Component - Last Eight Fiscal Years.....	137
Change in Net Assets - Last Eight Fiscal Years	138-141
Fund Balances of Governmental Funds - Last Ten Fiscal Years	142
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	143-144

Revenue Capacity

Taxable Sales by Category - Last Ten Calendar Years	145
Taxable Sales by Category - Home Rule - Last Ten Calendar Years	146
Direct and Overlapping Sales Tax Rates - Last Ten Calendar Years	147
Property Tax Rates, Levies, and Collections - Last Ten Levy Years.....	148
Equalized Assessed Values by Property Class - Last Ten Levy Years.....	149
Property Tax Rates, Direct and Overlapping Governments - Last Ten Levy Years	150
Principal Taxpayers.....	151

CITY OF DEKALB, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

STATISTICAL SECTION (Continued)

Debt Capacity

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.....	152
Direct and Overlapping Bonded Debt	153
Schedule of Legal Debt Margin.....	154
Pledged-Revenue Coverage - Last Ten Fiscal Years	155

Demographic and Economic Information

Demographic and Economic Information - Last Ten Fiscal Years.....	156
Principal Employers - Current Year and Nine Years Ago	157

Operating Information

Full-Time Equivalent Employees - Last Nine Fiscal Years	158-159
Operating Indicators - Last Nine Fiscal Years.....	160-161
Capital Asset Statistics - Last Nine Fiscal Years.....	162

INTRODUCTORY SECTION

CITY OF DEKALB, ILLINOIS

PRINCIPAL OFFICIALS

June 30, 2010

LEGISLATIVE

Kris Povlsen, Mayor

Alderman Bertrand Simpson, Ward One

Alderman Tom Teresinski, Ward Two

Alderman Pam Verbic, Ward Three

Alderman Brendon Gallagher, Ward Four

Alderman Ronald Naylor, Ward Five

Alderman David Baker, Ward Six

Alderman Lisa Kammes, 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

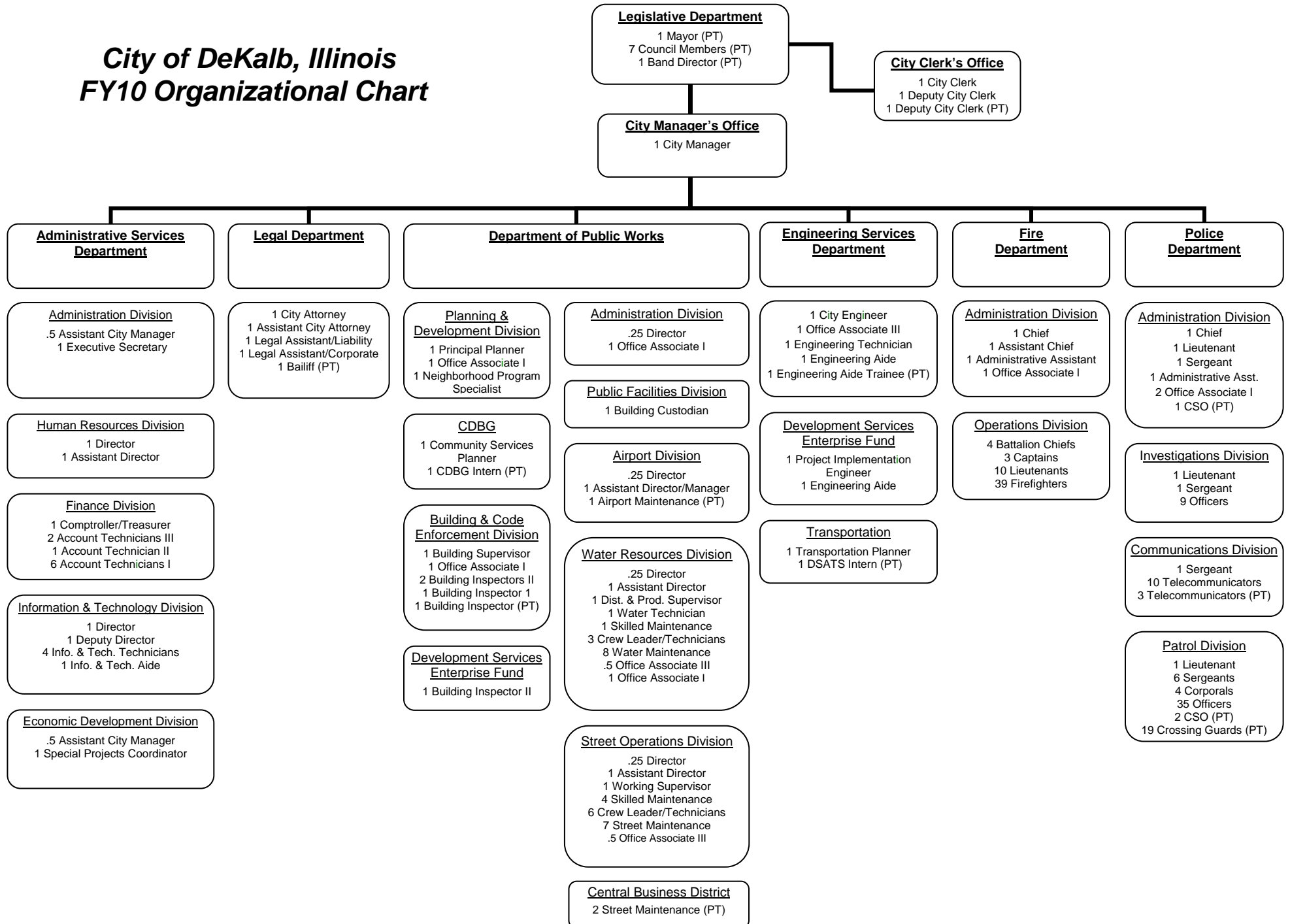
Rick Monas, Public Works Director

Norma Guess, City Attorney

Ted Kozinski, Comptroller/Treasurer

City of DeKalb, Illinois

FY10 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, 2009

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



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

December 21, 2010

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 2010 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2010. 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, 2010. 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 45,932. 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 211 full-time and 40 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

Anticipating difficult financial challenges similar to the previous fiscal years, the City Council adopted a conservative FY10 budget. This budget incorporated wage concessions from all employees and continued the City's attrition policy. However, 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. As such, operating revenues in the General Fund came in \$1,292,952 below budget. The City responded by reducing operating expenditures by \$1,051,756 from budget. Hence, the General Fund only incurred a budgetary deficit of \$193,396. So like many other communities in our nation, the City ended FY2010 with its share of difficult financial challenges.

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 23,000. Kishwaukee Community Hospital also has a significant economic presence that provides employment to more than 1,200 healthcare professionals and staff. Other large private 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 9.8 percent (for both 2009 and 2010).

Long-term Financial Planning

Excluding amounts reserved or designated for various purposes, the General Fund's June 30th, 2010 fund balance was 12.9 percent of actual expenditures and transfers out. However, after taking into account the amounts committed toward other obligations, the unreserved, undesignated fund balance ended at 0.08 percent of actual expenditures and transfers out. This amount is well below the City's fund balance goal of 25%, which was recently adopted by the City Council in February 2010. In order to attain a 25% fund balance, the City is planning to accumulate 5% per year over a 5-year period and reach the 25% fund balance by FY 2015.

Management understands the importance of maintaining an adequate fund balance and will bring corrective measures for Councils' consideration and approval. These recommendations will also focus on the funds that are in deficit, which is a major contributor toward the low unreserved, undesignated fund balance in the General Fund. In addition, the City Council is still considering recommendations from the financial consultant's report issued in May 2009.

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 FY2010, 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 \$150,000 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

- Extended one additional year with the Intergovernmental Personnel Benefits Cooperative for our health, dental, pharmacy and life insurance programs. Being with IPBC has resulted in fixed monthly payments, rather than fully funding our own self-funded, third party administered Plan with unknown claims costs. The group plan renewal date will be July 1, 2011
- 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

- Consolidated wireless carriers under Verizon Wireless state contract for cost savings and easier administration
- Web Site improvements and enhancements including webcasts of committee of the whole and city council meetings
- Completed Fiber Optic Utility Agreement
- Implemented a major upgrade to the City's financial accounting software and hardware system
- Enacted Federal "Red Flag" compliance procedures for Utility Billing customers.
- Successfully negotiated a side letter with AFSCME to offer a Voluntary Separation Program
- 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 19 minors on charges ranging from curfew to retail theft – the majority dealt with alcohol and tobacco use. These children have performed almost 500 hours of community service work for the elderly and not-for-profit agencies
- 16 new liquor charges were filed (of which 5 of those are pending and unresolved at this time) resulting in fines and costs collected in the amount of \$6,780.00. In addition, one (1) liquor license was surrendered as a result of liquor charges
- Administrative Hearings prosecuted 10 code enforcement, 88 parking offenses, 1 rooming house and 4 restaurant and bar tax cases, resulting in fines and costs collected of \$29,738
- 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 \$11,968

Police Department

- Upgraded Departmental computer systems to latest versions including CRIMES (record management system), CAD (computer aided dispatch), and the mobile data computers
- Continued participation on the DeKalb School District #428 multi-cultural committee and the school safety committee
- Expanded computerized gang intelligence file
- 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
- Continued federal traffic safety enforcement grant
- Renewed state tobacco compliance check grant through the Illinois Liquor Commission Continued teaching "G.R.E.A.T." (Gang Resistance Education and

Training) program in middle schools

- Continued monthly information sharing meetings with Juvenile Division, DeKalb County Juvenile Probation and a representative from DeKalb High School
- Replaced nine in-car computers – there are a total of 20 in-car computers
- Presented Frauds & Scams presentations to community
- Incorporated gang meetings with monthly detective meetings.
- Added Starcom Licensing for tower site
- Purchased additional tasers and completed policy

Fire Department

- Continued partnerships within the community and the region to enhance the service level to our citizens
- Continued Citywide NIMS implementation
- Continued to provide training for Resident Assistants at NIU
- 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

- Maintained Parking Lots
- Continued utilization of downtown part-time maintenance crews
- Maintained Hanging Flower Pots, banners, public parking lots
- Served as staff representatives to promote and implement the Downtown Revitalization Plan public rights-of-way improvements
- Continued a multi-year alley and sidewalk replacement program for TIF areas
- Coordinated downtown construction with streetscape features on 2nd and 3rd Streets
- Coordinated both private and public interests in working with School District 428 in the preparation and execution of an annexation, annexation agreement and a development agreement for the District’s new High School on West Dresser Road.
- Coordinated lane widening and signal construction for the new Dresser Road High School
- Executed an agreement with Waste Management for residential waste collections for the City.
- Implemented a residential “toter” pilot program with Waste Management to test the public’s reaction to using toters for residential waste collection city wide
- Continued public education efforts on landscape waste disposal practices
- Initiated the East Lincoln Highway “Green Up Project” in an effort to enlist the participation of approximately 100 private property owners to plant an estimated 100 trees to improve the City’s east corridor entryway

- Provided technical support and inspection of residential and commercial projects such as DeKalb Commons and the Pappas/Glasgow Commercial subdivision.
- Completed project studies, design, and GE right of way acquisition for widening Peace Road between Pleasant Street and the railroad bridge
- Managed capital improvement projects of one million dollars including alley repairs, sidewalk replacement, TIF Street Maintenance, crack sealing, and patching
- Completed construction of the job stimulus project of the Fairview Drive truck route overlay using 100% federal funding
- Completed design and started construction of the federal job stimulus funded intersection project at Dresser Road and Normal Road
- Applied for and received FEMA buyout funds for flooded home buyouts
- Nine flooded homes acquired and demolished using CDBG or FEMA funds
- Completed construction of the East Lincoln Highway Traffic Enhancement project East of 4th Street
- Coordinated consultant design and started the downtown streetscape projects on East Lincoln Highway and on Locust Street
- Completed a citywide inventory and GPS mapping of over 6000 city street sign locations
- Coordinated with other agencies and property owners for property acquisition along Dresser Road for a one mile bikepath extension
- Continue to pursue the purchase of two properties consisting of approximately 15 acres of land area to secure the northernmost Runway Protection Zone for DTMA
- Purchased the former Bright Star property
- Continue to expand aviation educational opportunities via the resurrection of the Midwest Flight Academy School and Fly America Flight School
- Completed the Neighborhood Improvement Coordination Effort Program (NICE Program) in concert with the NIU Cares Day program as a means to promote positive community relationships in the pursuit of addressing property maintenance initiatives.
- Resolved flooding issues in the 900 block of South 5th Street via the installation of a new storm sewer relief line.

Engineering Department

- Provided technical support and inspection of residential and commercial projects such as DeKalb Commons and the Pappas/Glasgow Commercial subdivision.
- Continued a multi-year alley and sidewalk replacement program for TIF areas
- Coordinated downtown construction with streetscape features on 2nd and 3rd Streets
- Completed project studies, design, and GE right of way acquisition for widening Peace Road between Pleasant Street and the railroad bridge
- Managed capital improvement projects of one million dollars including alley repairs, sidewalk replacement, TIF Street Maintenance, crack sealing, and patching

- Completed construction of the job stimulus project of the Fairview Drive truck route overlay using 100% federal funding
- Completed design and started construction of the federal job stimulus funded intersection project at Dresser Road and Normal Road
- Applied for and received FEMA buyout funds for flooded home buyouts
- Acquired and demolished nine (9) flooded homes using CDBG and FEMA funds
- Completed construction of the East Lincoln Highway Traffic Enhancement project East of 4th Street
- Coordinated consultant design and started the downtown streetscape projects on East Lincoln Highway and on Locust Street
- Completed a citywide inventory and GPS mapping of over 6000 city street sign locations
- Coordinated with other agencies and property owners for property acquisition along Dresser Road for a one mile bikepath extension
- Coordinated lane widening and signal construction 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 2011 will include the following initiatives:

Goal 1. Enhance Public Safety for Our Community and Our Residents

- A. Continue to maintain DeKalb as a safe community for its citizens
 - Continue working closely with various groups (Chamber, Renew, neighborhood watch groups, etc.) to promote and secure safe neighborhoods and a downtown environment.
 - Install security cameras in strategically located public places in selected neighborhoods and downtown
 - Continue deployment of portable truck scales in downtown area
 - Continue federal traffic safety enforcement grant
 - Decrease gang involvement and presence in the community's neighborhoods
 - Expand computerized gang intelligence file
 - Continue to formalize procedure for sharing gang intelligence with other departments.
 - Increase gang awareness presentations
 - Obtain additional grant monies from Illinois Liquor Commission to continue tobacco compliance checks
 - Seek grant assistance to fund completion of missing sidewalks or bikepaths for pedestrian safety such as for Bethany Road, Fairview Drive (1st – 4th) and Eden's Garden
 - Seek grants for mandated street sign reflectivity upgrade for improved nighttime safety
 - Develop technology and devices for public information sharing
 - Develop public safety performance measures
- B. Continue to promote and provide opportunities for public education and awareness
 - Continue presentations on fraud and scam to community
 - Consider adopting a business registration program to improve our emergency response contact information

- Seek opportunity to provide life safety education information to the community in a cost effective manner
 - Expand the use of the City's website for distributing public information
- C. Maintain fire safety, fire prevention, and other zoning/housing code programs
- Continue to inspect all rooming houses, restaurants, gas stations, and places of assembly.
 - Re-examine the need for a rental housing licensing and inspection program
 - Participate in a crime free housing program
 - Re-examine the need for the nuisance property abatement ordinance
 - Support the Install, Inspect, Protect Campaign with smoke detector replacement program to ensure that every residence in the City of DeKalb has a working smoke detector
 - Assess fire sprinkler and sprinkler application in the community
 - Create hotel/motel inspection and licensing program
- D. Encourage community policing policies and practices
- Reinstitute the citizen's fire and police academy efforts as funding and staffing allow
 - Continue the take-home-squad-car program and expand as funding is available
 - Encourage "Neighborhood Watch" programs
 - Participate in the annual community block party at Hopkins Park
- E. Continue to strengthen community relationships, citizen contacts and other positive interaction.
- Continued to provide training for Resident Assistants at NIU.
 - Continue to maintain police foot patrol, motorcycle patrol and bike patrols in residential areas and increase where possible
 - Continue Incident Management Team as inter-operational platform for agency information sharing
 - Consider Public Safety focus meetings with community
- F. Maintain positive intergovernmental and City/University relations
- Implement an on-going and coordinated effort at co-policing the university area with NIU PD
 - Monitor and enhance contractual relationships on fire and EMS services with NIU
 - Support Communiversity Incident Management Team
 - Maintain positive relationship with NIU athletics and participate in crime prevention education and career education with athletic recruits
- G. Promptly respond to the public's call for service
- Improve response times for police calls, fire suppression and EMS delivery
 - Seek funding for PSAP/911 next generation upgrade
 - Find funding avenue for public safety radio operations and interoperability
 - Effectively staff for increasing call volume and consistent clustering of calls
 - Seek alternative service delivery systems that keep citizens safe but does so in a more cost-effective and efficient manner
- H. Continue to pursue partnerships within the community and region to enhance the service level to our citizens.
- Continue participation in multi-cultural and school safety committees
 - Maintain the two school resource officer program in high school and middle schools
 - Continue to partner with Target Corporation to promote National Night Out
 - Evaluate further Public Safety opportunities to facilitate communication and information sharing with community
- I. Enhance the level of training using resources available through state and federal funds to reduce local costs.

- Continue training dedicated to the National Incident Management System and Homeland Security initiatives
- Continue to seek support and networking regionally to maintain state Hazardous Materials and Technical Rescue teams
- Seek funding for training for Aircraft Rescue Fire Fighting through a grant from the Department of Homeland Security/U.S. Fire Administration/Federal Aviation Administration
- Develop a network in the region to support MABAS statewide team
- Seek interoperable communication funds for local and regional application
- Continue to seek funding for rail safety education, training and enforcement through the Public Education and Enforcement Research Study (PEERS) from the Illinois Commerce Commission and Federal Railroad Administration

Goal 2. Enhance Communications and Relationships with our Residents, our Community Partners, and the City's Employees

- A. Regularly communicate the range of City services, issues, policies, and programs and the challenges of delivering the same
- Develop a communication strategy to educate the community about the City's programs and policies
 - Integrate and publish the City's strategic goals in all promotional materials, brochures, posters, etc
 - Continue web site improvement and user-friendliness
 - Establish a speaker's bureau where staff members make presentations to various interest groups on a rotating basis
 - Produce new public service announcements and videos (water quality, waste disposal sites, code enforcement, etc.)
 - Increase public information and outreach through brochures, neighborhood meetings, public forums, newsletters, and the City's website
 - Provide opportunities to educate employees and the public about these programs that may be complex in nature or projects for which the long range benefits to the community may be difficult to understand (i.e., TIF, airport, etc.)
 - Promote City services through enhanced use of cable outlet, City website and e-newsletter
 - Consider the recruitment and hiring of a communications manager
- B. Maintain and enhance City services while recognizing and communicating the real financial constraints on the city government
- Regularly educate the public and the City's employees about financial challenges and constraints
 - Re-institute the "neighborhood coffee" program to bring the City to the citizens and their neighborhoods to discuss city issues and programs
 - Communicate the consequences of financial decisions to the public and City employees
 - Create a strong and consistent communication program between City staff and Council members
 - Determine Human Services funding levels
- C. Maintain professional, well-trained staff and sufficient staffing levels but do so within the existing financial constraints and limitations
- Maintain a standard of excellence for city personnel through retention and recruitment policies and practices
 - Maintain and monitor a competitive compensation and benefit systems and adjust accordingly
 - Maintain an effective performance award compensation system.

- Adopt and fund an effective succession planning process
- Adequately fund staff training and professional development
- Look at programs and alternative service delivery systems to efficiently utilize existing staff resources
- Conduct regular customer service training for all employees
- Work with union leadership to enact fair and reasonable terms and conditions within future collective bargaining agreements
- Consider training/seminars for City Council members on the City Manager form of government
- Better distinguish roles and responsibilities between staff and Council on policy making versus daily operations

D. Utilize the Citizen's Community Enhancement Commission to communicate and promote projects, programs and other City initiatives

- Continue to publish a community –wide e-newsletter
- Implement the City logo city-wide
- Continue to enhance the City's web site
- Explore the use of the new social media to assist in communicating city issues
- Continue the Yards of Distinction and Lights of Distinction awards program
- Regularly survey community residents to assess their opinions on quality of life and City services

F. Promote public trust and credibility in all City operations and practices

- Maintain a high level of support and trust from the community by being involved in the community
- Monitor the public's expectations for quality service delivery
- Develop mutual understanding, trust, and positive public perceptions of the City and its operations
- Create accountability systems such as policy, procedure and audit reviews
- Assure fair, honest, open and responsive approach to community needs
- Provide public education opportunities such as "ride-alongs," police and fire station tours, classroom presentations, and related activities

Goal 3. Improve Community Appearance, Neighborhood Vitality, and Quality Housing

A. Enhance the value, appearance, and vitality of our community's neighborhoods

- Continue to improve, expand, and provide financing for adequate property maintenance enforcement
- Enforce housing occupancy and property maintenance codes
- Maintain and expand cooperative neighborhood improvement programs (NIU Cares day, NICE program, Adopt-a-street, Adopt-a-Neighborhood, etc.)
- Create a neighborhood improvement grant program in selected areas of the city
- Re-examine and implement a rental housing licensing and inspection program
- Participate in a crime free housing program with area landlords and property owners
- Continue Administrative Hearing Officer Program
- Regularly prepare reports on property maintenance activities
- Build on the value of historic districts and neighborhoods with an initial focus on the 5th Ward North Historic District
- Continue brownfield assessments and remediation programs
- Institute a rooming house conversion pilot program
- Redevelop and/or rehabilitate dilapidated and run down properties
- Expand neighborhood planning and housing rehabilitation programs
- Continue alley and sidewalk programs

- Control stormwater and flooding issues (i.e. Dodge/Orr Farm, Pleasant Street, Dawn/David area, etc.)
- Reestablish homeowner assistance programs as funds allow for sanitary service repair assistance, small drainage project upgrade, sump pump drainage improvement, parkway tree replacement, and sidewalk repair assistance
- Assess the appropriateness of a City-wide refuse toter program

B. Encourage the development of high quality housing and residential subdivisions

- Promote higher design criteria and raise the bar on the aesthetic and functional standards of development
- Encourage residential development that provides balance to the types and prices of our existing housing stock
- Encourage owner-occupied housing to better balance the owner/rental imbalance that exists
- Ensure all new housing growth pays for itself and does not impose a disproportionate burden on our taxing district partners
- Require high quality housing construction and design standards
- Maintain and keep safe our affordable housing stock but refrain from adding to the supply until an appropriate housing balance is achieved
- Adopt the code for “Existing Buildings” to encourage rehabs
- Promote quality and sustainable development
- Investigate licensing of general contractors
- Encourage the use of alternative energy sources
- Implement new design standards to pursue energy conservation best practices

C. Continue to enhance the downtown and our entryway corridors with appropriate aesthetic and image enhancing projects and programs

- Continue to improve the pedestrian and aesthetic environment with the Downtown area
- Complete remaining public improvements in the downtown and regularly maintain them
- Support Re:New DeKalb and its various programs
- Install a parking “Way Finding” system
- Market city owned vacant parcels for uses that complement the mix and growing vitality of the downtown
- Create and adopt design regulation and guidelines for future downtown buildings and additions
- Continue Architectural Improvement Programs
- Improve the image of the City entryway corridors, particularly East Lincoln Highway and South Fourth Street
- Encourage the addition of more trees and other landscaping features along the corridors
- Develop a business development plan for the re-utilization of downtown properties

D. Regularly improve streets, maintain viable transportation alternatives, and control traffic to reasonable levels and locations

- Enhance and expand the public’s mobility and transportation options
- Continue participation with the DeKalb Sycamore Area Transportation Study
- Update the bicycle/pedestrian path plan
- Promote the construction of additional bike trails and lanes
- Implement effective access management strategies along corridors
- Reduce truck traffic and redirect to more appropriate streets and corridors
- Measure truck traffic volume and patterns and react accordingly
- Continue the Neighborhood Services Committee’s review and recommendations on neighborhood traffic issues and control measures
- Improve neighborhood streets on an on-going basis

- Leverage State and Federal funds to improve our major roads and streets to accommodate our growing city
- Seek ways to eliminate reliance on state MFT funds to pay for operational activities such as purchase of deicing materials, street lighting and energy costs, etc.

Goal 4. Ensure a Financially Stable and Sustainable City Government

A. Enhance financial policies and programs

- Maintain the strategic financial plan and update as may be necessary
- Regularly administer financial and budget policies and modify as necessary
- Regularly assess all revenue sources and expenditure needs and modify where necessary
- Review financial and budget policies and modify when necessary
- Create and maintain a sustainable fund balance
- Maintain the City's Aa2 bond rating
- Continue to report on a quarterly basis the status of the municipal budget and identify trends, concerns and issues
- Regularly assess the financial implications of all decisions, programs, initiatives, and incentives
- Address the long-term liability of post retirement health care and pensions
- Develop and finance a risk management strategy and program
- Create a core/non-core prioritization exercise
- Leverage local resources to obtain federal and state grant funding wherever feasible
- Ensure the accurate and prompt collection of revenues, consider spot audits
- Re-examine tax rates regularly
- Examine ways in which the City can become less sales tax reliant
- Adopt cost recovery fees for delivery of police and fire services
- Recruit and hire a Finance Director/Purchasing Manager

B. Maintain cost effective and efficient delivery of city services

- Reduce costs without reducing services
- Examine the effectiveness and utility of all the boards and commissions and make adjustments if necessary
- Examine the possibility of regionalizing the airport
- Prepare a marketing and business plan for the airport
- Look at consolidating services, co-sourcing, and/or resource sharing with other area taxing districts
- Outsource/privatize city services where feasible and practical
- Evaluate service delivery models to best meet the needs of the citizens of DeKalb with the available resources
- Reduce planned non-essential overtime

C. Adequately provide and maintain public buildings and infrastructure

- Secure adequate resources and revenues to finance capital improvements and public infrastructure project
- Consider restructuring general fund debt to help in financing some of these improvements
- Regularly update the 5 year financial and capital improvement plans
- Develop a long-range facility plan for the City
- Secure funding to overcome deficiencies and inadequate physical space for the Police Station and City Hall
- Provide a positive return on investment for public infrastructure outlays and capital expenditures

D. Adequately finance fleet and equipment replacement and maintenance

- Create and annually fund an equipment and vehicle replacement fund
- Consider alternative funding sources with proceeds dedicated to vehicles and equipment
- Seek funding for replacement of ladder truck through a grant from the Department of Homeland Security/U.S. Fire Administration

Goal 5. Increase Economic Growth and Further Diversify the Tax Base

A. Promote and attract development that furthers the diversification of the tax base

- Promote the development of new commercial and industrial areas
- Prepare a retail attraction strategy
- Maintain industrial opportunities inventory
- Attract an economically viable mix of unique shopping, restaurant, professional service and other uses to the downtown
- Explore joint City/NIU/Kish College ventures to lure development (business parks, job training, engineering school, etc.)
- Encourage small business development
- Market the micro-loan and other small business programs
- Identify economic development opportunities to lure and retain knowledge-based industries and the “creative class”
- Attract new ventures from existing larger businesses
- Actively market city-owned parcels in the downtown
- Recruit and hire an economic development director

B. Maintain economic development programs, policies, and financial tools and update where necessary

- Continue tax abatement programs and update as necessary
- Update and revise incentives guidelines as necessary
- Review internal processes to ensure staff delivers and creates a “business-friendly” environment
- Continue cooperation with DCEDC & Kishwaukee Community College on job training
- Promote the continued development and use of the DeKalb Taylor Municipal Airport in recognition of it being an economic engine for the area
- Complete taxiway reconstruction
- Continue efforts to secure Runway Protection Zone
- Explore creation of an “Airpark” Condo Hangar Program

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, 2009. This was the sixteenth 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

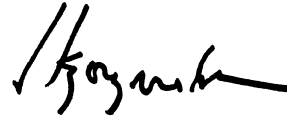
service of the entire staff of the finance and administration department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Most especially, we wish to express our appreciation to the Mayor, City Council, and City Manager for their continued support of all of our financial management efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Rudy Espiritu", with a stylized flourish at the end.

Rudy Espiritu

Assistant City Manager

A handwritten signature in black ink, appearing to read "Ted Kozinski", with a long horizontal stroke at the end.

Ted Kozinski, CPA

Comptroller & Treasurer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants

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, 2010, 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, 2010. 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, 2010, 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 December 3, 2010 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 "Seheh LP". The signature is written in a cursive, stylized font.

Aurora, Illinois
December 3, 2010

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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 slightly decreased from \$159,703,270 at June 30, 2009 to \$159,611,331 at June 30, 2010.
- **Governmental Activity summary** – Net assets for governmental activities decreased from the FY 2009 balance of \$112,025,492 to the FY 2010 balance of \$111,592,985, a reduction of (\$432,507).
- **Business-type Activity summary** – Net assets for business-type activities rose from \$47,677,778 at the end of FY 2009 to \$48,018,346 in FY 2010, an increase of \$340,568.
- **General Fund summary** – The General Fund's \$3,508,222 total fund balance represented a (\$193,396) decrease from FY09. In preparation for full implementation of GASB 54 in FY 2011, we are reporting the undesignated portion of this fund balance at \$22,169 (or, 0.08% of FY 2010 actual 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 (\$1,292,952) less than budgeted revenues while General Fund actual expenditures were less than budgeted expenditures by (\$1,051,756).
- **Capital** – Total capital and infrastructure assets of Governmental and Business-Type Activities went from \$188,442,581 at the close of FY 2009 to \$186,336,731 in FY 2010, an increase of (\$2,105,850).

More detailed information regarding the City's capital assets debt can be found in Note 5 of the financial statements.

- **Debt Service** – The City undertook a number of debt service issues, namely:
 - Issued a \$10.8 million TIF General Obligation Bond to finance downtown area renewal projects.

- Refinanced a \$4,000,000 G.O. Bond Anticipation Note due December 2010. These notes will be either paid off or converted to long-term debt by FY11.
- In June 2010, the City established a \$2,500,000 line of credit as a precautionary measure to meet cash flow needs.
- The City and DeKalb School District entered into an intergovernmental agreement to support the repurposing of several DeKalb area schools located in the TIF district—this agreement was treated as an issuance of debt (similar to a promissory note).

A more detailed explanation of the City's long-term debt can be found in Note 8 of the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's financial section of the CAFR includes four primary components:

- MD&A – This section is management's narrative introduction and analytical overview of the government's financial activities that must be presented prior to the Basic Financial Statements.
- Basic Financial Statements – The purpose of the financial statements is to focus on the City's financial condition as a whole ("Government-Wide") and on the major individual funds. Both perspectives allow the reader to address relevant questions, broaden the basis for year-over-year comparisons, and enhance the City's accountability:
 - A) Government-wide financial statements provide both short and long-term information about the City's overall financial status.
 - B) Fund financial statements focus on individual parts of the City government, i.e., reporting City operations in more detail than the government-wide financial statements.
 - C) The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.
- Required Supplementary Information – This section follows the Basic Financial Statements and provides financial information that further explains and supports the information in the financial statements. For example, management has provided sections for combining statements to provide detail on non-major funds. The auditors are required to perform certain limited procedures regarding this information.
- Additional Supplementary Information – This section is meant to give the reader a better idea of the City as a whole by providing statistical information and additional financial and non-financial data.

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 (e.g., 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.

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 airport 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

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:

Over time, changes in net assets may serve as a useful indicator of a government's financial position.

For the City of DeKalb, the largest portion of net assets is invested in capital assets net of related debt. The capital assets amounts listed in Table 1 represent street construction, purchases of land, buildings, vehicles, major equipment, airport infrastructure, etc. (net of depreciation).

Restrictions on net assets are typically imposed by outside creditors, Federal and State grant agencies, or by law (e.g., TIF money can only be spent within the TIF Districts). By far, the largest restriction is the \$14-million in TIF District fund balances. These dollars cannot be spent on the General Fund's (or, for that matter, any other Fund's) operations or capital purchases.

**Table 1
Statement of Net Assets
As of June 30, 2009 and 2010**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>
<i>Current and Other Assets</i>	32,811,764	38,364,513	1,908,173	2,343,043	34,719,937	40,707,556
<i>Capital Assets</i>	130,586,892	129,059,891	57,855,689	57,276,840	188,442,581	186,336,731
Total Assets	\$163,398,656	\$167,424,404	\$59,763,862	\$59,619,883	\$223,162,518	\$227,044,287
<i>Other Liabilities</i>	17,959,093	18,079,289	1,890,010	1,961,998	19,849,103	20,041,287
<i>Long-Term Liabilities</i>	33,414,071	37,752,130	10,196,074	9,639,539	43,610,145	47,391,669
Total Liabilities	\$51,373,164	\$55,831,419	\$12,086,084	\$11,601,537	\$63,459,248	\$67,432,956
<i>Net Assets:</i>						
<i>Invested in capital assets, Net of Debt</i>	116,350,547	116,154,934	48,402,014	48,482,070	164,752,561	164,637,004
<i>Restricted</i>	10,401,769	15,569,514	0	0	10,401,769	15,569,514
<i>Unrestricted</i>	(14,726,824)	(20,131,463)	(724,236)	(463,724)	(15,451,060)	(20,595,187)
Total Net Assets	\$112,025,492	\$111,592,985	\$47,677,778	\$48,018,346	\$159,703,270	\$159,611,331

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 of \$159,611,331 remained relatively flat to last year's \$159,703,270.

Net assets of the City's governmental activities decreased (\$432,507) from an FY 2009 balance of \$112,025,492 to an FY 2010 balance of \$111,592,985. This fractional change was a essentially due to the loss of contributed capital revenues.

Net assets of the City's business-type activities slightly improved from \$47,677,778 at the end of FY 2009 to \$48,018,346 for FY 2010, an increase of \$340,568. The City's business type activities include individual Funds for Water, Refuse, Airport, and Development Services. The overall improvement was due to an increase in grant-related Airport land acquisitions and positive Water Fund operations which were offset by operational deficits in the Airport and Development Services Funds. The total FY 2010 expenses of these Funds (excluding transfers) was \$7,188,854 compared to \$7,493,617 in FY2009, \$6,972,575 in FY 2008, \$6,898,546 in FY 2007, and \$6,579,467 in FY 2006.

Unrestricted net assets, available to finance the continuing operation of its business type activities, were (\$463,724) in FY 2010 compared to (\$724,236) in FY 2009, (\$985,741) in FY 2008, (\$805,537) in FY 2007, and \$192,085 in FY 2006. Despite significant improvements in Water Fund operations, unrestricted net assets have been hurt by continued Airport Fund and Development Services Fund operating deficits.

STATEMENT OF CHANGES IN NET ASSETS: The following chart shows the revenues and expenses of the City's activities:

Table 2
Changes in Net Assets
For the Fiscal Year Ended June 30, 2009 and 2010

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>
REVENUES						
Program Revenues:						
Charges for Services	\$3,652,740	\$3,663,089	\$6,761,894	\$7,047,605	\$10,414,634	\$10,710,694
Operating grants	3,656,334	2,488,211	0	0	\$3,656,334	\$2,488,211
Capital grants	2,013,494	2,471,003	2,673,502	760,930	\$4,686,996	\$3,231,933
General Revenues:						
Property Taxes	12,446,812	13,371,039	0	0	\$12,446,812	\$13,371,039
Sales Taxes	13,515,623	13,549,374	0	0	\$13,515,623	\$13,549,374
Utility Tax	3,574,598	3,324,919	0	0	\$3,574,598	\$3,324,919
State Income Tax	3,954,000	3,472,035	0	0	\$3,954,000	\$3,472,035
Other Taxes	795,030	763,544	0	0	\$795,030	\$763,544
Investment Income	189,302	75,779	300	16	\$189,602	\$75,795
Contributions	2,625,579	0	4,380	0	\$2,629,959	\$ 0
Miscellaneous	346,658	188,830	106,269	42,707	\$452,927	\$231,537
Special Items	0	0	0	0	\$ 0	\$ 0
Total Revenues	\$46,770,170	\$43,367,823	\$9,546,345	\$7,851,258	\$56,316,515	\$51,219,081
EXPENSES						
General Government	\$10,441,675	\$9,268,403	\$0	\$0	\$10,441,675	\$9,268,403
Public Safety	19,020,552	19,606,432	0	0	\$19,020,552	\$19,606,432
Community						
Improvement	6,074,929	9,415,300	0	0	\$6,074,929	\$9,415,300
Highways And Streets	6,022,846	5,083,380	0	0	\$6,022,846	\$5,083,380
Interest	902,204	723,651	0	0	\$902,204	\$723,651
Water	0	0	4,347,248	4,222,070	\$4,347,248	\$4,222,070
Airport	0	0	1,111,227	914,295	\$1,111,227	\$914,295
Development Services	0	0	378,497	380,574	\$378,497	\$380,574
Refuse	0	0	1,656,645	1,671,915	\$1,656,645	\$1,671,915
Total Expenses	\$42,462,206	\$44,097,166	\$7,493,617	\$7,188,854	\$49,955,823	\$51,286,020
Change in Net Assets						
Before Transfers	\$4,307,964	(\$729,343)	\$2,052,728	\$662,404	\$6,360,692	(\$66,939)
Transfers In (Out)	229,413	296,836	(229,413)	(321,836)	\$ 0	(\$25,000)
Change in Net Assets	\$4,537,377	(\$432,507)	\$1,823,315	\$340,568	\$6,360,692	(\$91,939)
Net Assets, July 1						
Net Assets, July 1	\$107,488,115	\$112,025,492	\$45,854,463	\$47,677,778	\$153,342,578	\$159,703,270
Net Assets, June 30	\$112,025,492	\$111,592,985	\$47,677,778	\$48,018,346	\$159,703,270	\$159,611,331

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, 2010), 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 \$43,367,823. General Fund sales taxes and TIF property taxes continue to be the City's largest sources of tax revenues. Both were stable in FY10.

The most notable decline from last year was found in the absence of contributed capital for construction projects which, at least for the current year, were funded by Tax Increment Financing Funds rather than through Federal or State grants.

The largest dollar increase stemmed from "Property Taxes". Property taxes in the City of DeKalb are levied solely to cover the City's Fire, Police, FICA, and IMRF pension obligations.

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%
- **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.

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 2010 governmental activities totaled \$44,097,166 compared to FY 2009 \$42,462,206. 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 \$7,851,258 in FY 2010. This (\$1,695,087) decrease from last year was primarily due to a reduction in Airport capital grants. Capital grant revenue often fluctuates greatly from year-to-year, so significant revenue variances from this source are normal.

Expenses:

FY 2010 expenses for business-type activities totaled \$7,188,854 compared to \$7,493,617 last year. The (4.1%) decline was due to non-personnel cuts in the Water Fund and personnel cuts in the Airport Fund.

FUND FINANCIAL STATEMENTS: A FINANCIAL ANALYSIS OF THE CITY'S MAJOR INDIVIDUAL FUNDS

Governmental Funds: Overview

For the fiscal year ended June 30, 2010, the governmental funds reflect a combined fund balance of \$19,643,842 compared to \$14,906,603 in FY09. The increase was largely due to cash received with the 2010 TIF debt issuance.

General Fund

The General Fund's FY 2010 total fund balance of \$3,508,222 equals about 7-weeks of FY10 budgeted expenditures. However, after considering amounts set aside for reserves and designations, the General Fund's FY 2010 fund balance was \$22,169 (or, 0.08% of general fund actual expenditures and transfers out). The significant reserves and designations take into account fund balance deficits in the Airport Fund, Capital Projects Fund, Developmental Services Fund, and net Internal Service Funds.

In FY09, Management proactively initiated, developed, and then presented a fund balance policy and action plan to the City Council in FY 2010 to establish, over a five-year period, an unreserved, undesignated fund balance equating to 25% of actual expenditures and transfers. The City received wage concessions from Management and the Police, Fire, and AFSCME unions, reduced its workforce, increased revenues, revised the insurance plan, decreased non-personnel expenditures, and took a number of other steps which affected FY 2010 and will positively impact future years.

General Fund Budgetary Highlights

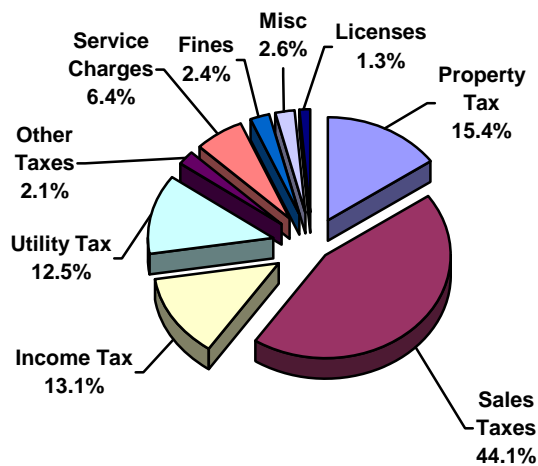
General Fund	FY10 Original Budget	FY10 Amended Budget	FY 2010 Actual	FY 2009 Actual
Revenues				
Taxes	\$24,878,999	\$24,878,999	\$23,148,414	\$24,068,467
Licenses & Permits	282,100	282,100	346,229	354,375
Charges for Services	1,511,700	1,511,700	1,705,387	1,560,704
Fines & Forfeitures	719,500	719,500	647,913	728,572
Miscellaneous	432,395	432,395	683,799	805,562
Total	\$27,824,694	\$27,824,694	\$26,531,742	\$27,517,680
Expenditures				
General Government	\$4,327,641	\$4,327,641	\$4,234,285	\$4,060,281
Public Safety	18,637,341	18,637,341	18,028,488	17,390,212
Community Improvement	3,780,359	3,780,359	3,430,812	3,930,979
Total	\$26,745,341	\$26,745,341	\$25,693,585	\$25,381,472
Other Financing Sources (Uses)				
Transfers In	\$650,000	\$650,000	\$446,836	\$330,526
Transfers Out	(1,440,618)	(1,440,618)	(1,485,451)	(1,685,281)
Proceeds on Sale of Capital Assets	0	0	7,062	3,058
Total	(\$790,618)	(\$790,618)	(\$1,031,553)	(\$1,351,697)
Change in Fund Balance	\$288,735	\$288,735	(\$193,396)	\$784,511

Actual General Fund revenues came in less than original budgeted revenues by (\$1,292,952) during FY 2010 due largely to shortfalls in budgeted state sales tax sharing, state income tax sharing, and utility taxes. The shortfall in the income tax alone accounted for 61% of this deficit.

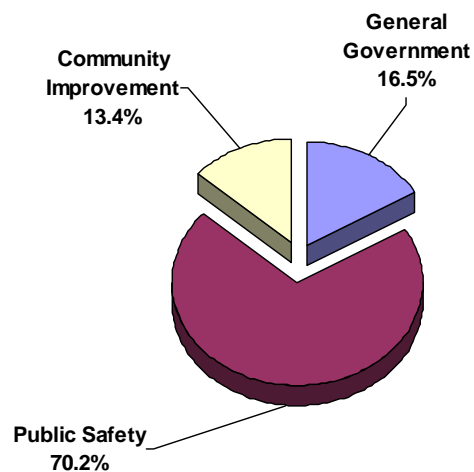
Actual General Fund expenditures were less than the budget by (\$1,051,756) due to reductions in overtime, part-time, lower than expected fuel costs, and reductions attained through workforce attrition.

Thus overall, the net impact of General Fund revenues, expenditures, and other financing sources(uses) created an FY 2010 fund balance shortfall of (\$193,396).

2010 General Fund Revenues by Function



2010 General Fund Expenditures by Function



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

Other Major Governmental Funds:

- Tax Increment Funds #1 and #2 had FY 2010 ending fund balances of \$11,568,342 and \$2,357,098 respectively as compared to FY 2009 balances of \$7,554,750 and \$1,220,083. 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, 2010, the Proprietary funds reflect combined net assets of \$48,018,346 compared to \$47,677,778 in FY09. The increase was largely due to improved operating income from the water fund as well as federal grants received for airport expansion.

Airport Fund

The FY 2010 Airport net assets ended at \$26,277,972 compared to \$26,218,305 last year. Of ongoing concern are the operating deficits which have continued for a number of years—namely (\$524,272) in FY10, (\$778,324) in FY09, (\$645,131) in FY08, (\$720,557) in FY07, and (\$467,332) in FY06. These operating deficits have had an impact on the unrestricted net asset deficit which presently stands at (\$1,709,222).

To assist in remediating the situation, management has taken steps to increase the participation of private partnerships and also seek out mechanisms for revenue enhancement. For example, in FY 2011 the City plans to operate as its own FBO and will also directly buy and sell fuel.

Water Fund

The FY 2010 ending net assets of the Water Fund stands at \$21,932,166 compared to \$21,262,824 last year and \$21,118,285 in FY08. Despite a slowdown in development contributions related to sluggish building activity in the community, net assets continue to be positive and operating income continues to grow (see the following “Water Fund Highlights” chart).

Water Fund Highlights

Water Fund	FY 2006 Actual	FY 2007 Actual	FY 2007 Actual	FY 2009 Actual	FY 2010 Actual
Operating Revenues					
Charges for Services					
Water Sales	\$3,979,822	\$3,901,470	\$4,253,270	\$4,769,726	\$5,020,452
Permits	466,622	283,691	134,050	18,665	115,741
Miscellaneous	17,796	22,397	29,777	33,622	31,868
Total	\$4,464,240	\$4,207,558	\$4,417,097	\$4,822,013	\$5,168,061
Operating Expenses					
Operating Expenses	(\$2,708,143)	(\$2,805,181)	(\$2,833,844)	(\$3,046,319)	(\$2,966,648)
Depreciation & Amortization	(1,088,404)	(1,099,162)	(1,029,619)	(1,037,643)	(1,013,040)
Total	(\$3,796,547)	(\$3,904,343)	(\$3,863,463)	(\$4,083,962)	(\$3,979,688)
Operating Income (Loss)	\$667,693	\$303,215	\$553,634	\$738,051	\$1,188,373
Non-Operating Financial Activity					
Non-Operating Revenues(Expenses)	(325,580)	(105,512)	(232,850)	(262,986)	(238,649)
Transfers In	0	0	0	0	0
Transfers Out	(397,443)	(377,587)	(322,052)	(330,526)	(321,836)
Developer Contributions	568,186	482,329	258,345	0	41,454
Total	(\$154,837)	(\$ 770)	(\$296,557)	(\$593,512)	(\$519,031)
Change in Net Assets	\$512,856	\$302,445	\$257,077	\$144,539	\$669,342

Largely due to planned water rate increases (which began in FY08), the unrestricted portion of these Net Assets also continues to improve—the balance now stands at \$1,437,290 compared to \$452,244 last year, (\$44,639) in FY08, (\$148,960) in FY07, and \$123,938 in FY06.

DEBT SERVICE

The City issued a \$10.8 million General Obligation TIF Bond to fund renewal projects in the downtown area. The City also successfully refinanced a \$4,000,000 G.O. Bond Anticipation Note due December 2010.

Out of concern of (a) the General Fund's unreserved, undesignated fund balance and (b) the uncertainty of the general state of the economy and its potential negative impact on the revenues, the City established a \$2,500,000 line of credit as a protective measure to meet potential cash flow needs.

Last, the DeKalb School District and City entered into an intergovernmental agreement to support the repurposing of several DeKalb area schools in the TIF district—this agreement was treated as an issuance of debt (similar to a promissory note).

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.

More detailed information regarding the City's long-term debt can be found in Note 8 of the financial statements.

CAPITAL ASSETS

Governmental Funds:

The City's Governmental Funds had invested \$129,059,891 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, 2009</i>	<i>Net Additions/ Deletions</i>	<i>Balance June 30, 2010</i>
Non-Depreciable Assets			
Land, Land Right of Way, & Construction in Progress	\$37,201,172	\$259,290	\$37,460,462
Depreciable Capital Assets			
Buildings and Improvements	5,848,874	1,802,192	7,651,066
Equipment and Vehicles	8,683,974	191,674	8,875,648
Infrastructure	143,198,450	0	143,198,450
Accumulated Depreciation on Capital Assets	(64,345,578)	(3,780,157)	(68,125,735)
Totals	\$130,586,892	(\$1,527,001)	\$129,059,891

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

Business-Type Funds:

The City's Business-Type Funds had invested \$57,276,840 in capital assets as reflected in the following schedule.

Table 4
Business-Type Funds
Change in Net Capital Assets

	<i>Balance June 30, 2009</i>	<i>Net Additions/ Deletions</i>	<i>Balance June 30, 2010</i>
<i>Non-Depreciable Assets</i>			
<i>Land, Land Improvements, and Construction in Progress</i>	\$18,102,817	\$730,196	\$18,833,013
<i>Depreciable Capital Assets</i>			
<i>Buildings</i>	4,804,864	0	4,804,864
<i>Water Distribution System</i>	38,709,050	55,759	38,764,809
<i>Equipment and Vehicles</i>	1,776,630	(180,210)	1,596,420
<i>Airport Infrastructure</i>	10,888,258	0	10,888,258
<i>Accumulated Depreciation on Capital Assets</i>	(16,425,930)	(1,184,594)	(17,610,524)
<i>Totals</i>	\$57,855,689	(\$578,849)	\$57,276,840

The key addition to the City's business-type capital assets during the year included the acquisition of a piece of property for the airport expansion project. 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, 2010

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and Investments	\$ 24,395,266	\$ 657,984	\$ 25,053,250	\$ 2,197,111
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	6,792,479	-	6,792,479	899,230
Accounts	-	1,886,431	1,886,431	-
Accrued Interest	395	-	395	1,884
Other	1,148,843	33,675	1,182,518	10,000
Prepaid Expenses	78,551	10,719	89,270	9,570
Due from Other Governments	5,194,540	51,200	5,245,740	52,426
Due from (to) Other Funds	140,000	(140,000)	-	-
Advance from (to) Other Funds	188,000	(188,000)	-	-
Deferred Charges	236,425	31,034	267,459	-
Deferred Outflows - Swap Agreement	55,201	-	55,201	-
Net Pension Asset	134,813	-	134,813	-
Capital Assets				
Not Depreciated	37,460,462	18,833,013	56,293,475	10,000
Depreciated (Net of Accumulated Depreciation)	91,599,429	38,443,827	130,043,256	355,918
Total Assets	167,424,404	59,619,883	227,044,287	3,536,139
LIABILITIES				
Accounts Payable	2,944,294	442,794	3,387,088	72,636
Claims Payable	1,471,718	-	1,471,718	-
Accrued Payroll	963,282	91,890	1,055,172	36,546
Accrued Interest Payable	259,864	126,134	385,998	-
Contracts Payable	161,875	-	161,875	-
Other Payables	81,444	26,586	108,030	-
Unearned Property Taxes	11,772,210	-	11,772,210	1,798,524
Other Unearned Revenue	369,401	247,636	617,037	-
Intergovernmental Payable	-	1,026,958	1,026,958	-
Interest Rate Swap Agreement	55,201	-	55,201	-
Long-Term Liabilities				
Due Within One Year	8,822,290	696,293	9,518,583	1,730
Due in More than One Year	28,929,840	8,943,246	37,873,086	33,575
Total Liabilities	55,831,419	11,601,537	67,432,956	1,943,011
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	116,154,934	48,482,070	164,637,004	365,918
Restricted for				
Public Safety	159,871	-	159,871	-
Economic Development	13,925,440	-	13,925,440	-
Maintenance of Roadways	841,816	-	841,816	-
Specific Purpose	83,385	-	83,385	-
Debt Service	559,002	-	559,002	-
Unrestricted (Deficit)	(20,131,463)	(463,724)	(20,595,187)	1,227,210
TOTAL NET ASSETS	\$ 111,592,985	\$ 48,018,346	\$ 159,611,331	\$ 1,593,128

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 9,268,403	\$ 340,015	\$ 1,156,505	\$ 2,186,330
Public Safety	19,606,432	2,710,546	148,794	114,300
Community Improvement	9,415,300	210,319	-	-
Highways and Streets	5,083,380	402,209	1,182,912	170,373
Interest	723,651	-	-	-
Total Governmental Activities	44,097,166	3,663,089	2,488,211	2,471,003
Business-Type Activities				
Water	4,222,070	5,136,193	-	41,454
Airport	914,295	247,364	-	719,476
Development Services	380,574	38,835	-	-
Refuse	1,671,915	1,625,213	-	-
Total Business-Type Activities	7,188,854	7,047,605	-	760,930
TOTAL PRIMARY GOVERNMENT	\$ 51,286,020	\$ 10,710,694	\$ 2,488,211	\$ 3,231,933
COMPONENT UNIT				
Library	\$ 1,570,049	\$ 39,875	\$ 83,226	\$ -

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	Library
	\$ (5,585,553)	\$ -	\$ (5,585,553)	\$ -
	(16,632,792)	-	(16,632,792)	-
	(9,204,981)	-	(9,204,981)	-
	(3,327,886)	-	(3,327,886)	-
	(723,651)	-	(723,651)	-
	(35,474,863)	-	(35,474,863)	-
	-	955,577	955,577	-
	-	52,545	52,545	-
	-	(341,739)	(341,739)	-
	-	(46,702)	(46,702)	-
	-	619,681	619,681	-
	(35,474,863)	619,681	(34,855,182)	-
	-	-	-	(1,446,948)
General Revenues				
Taxes				
Property	13,371,039	-	13,371,039	1,574,213
Home Rule Sales	5,912,290	-	5,912,290	-
Utility	3,324,919	-	3,324,919	-
Income	3,472,035	-	3,472,035	-
State Sales - Unrestricted	5,500,964	-	5,500,964	-
Restaurant/Bar	1,597,195	-	1,597,195	-
Local Use	538,742	-	538,742	-
Other	763,727	-	763,727	30,687
Investment Income	75,779	16	75,795	33,231
Miscellaneous	188,830	42,707	231,537	55,991
Transfers In (Out)	296,836	(321,836)	(25,000)	-
Total	35,042,356	(279,113)	34,763,243	1,694,122
CHANGE IN NET ASSETS	(432,507)	340,568	(91,939)	247,174
NET ASSETS, JULY 1	112,025,492	47,677,778	159,703,270	1,345,954
NET ASSETS, JUNE 30	\$ 111,592,985	\$ 48,018,346	\$ 159,611,331	\$ 1,593,128

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2010

	General	Motor Fuel Tax	Tax Increment Financing #1
ASSETS			
Cash and Investments	\$ 188,938	\$ 2,053,096	\$ 15,466,872
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	2,198,140	-	3,519,127
Accrued Interest	-	-	386
Other	1,124,435	-	-
Prepaid Items	70,003	-	2,887
Due from Other Governments	4,690,662	130,541	196,127
Due from Other Funds	803,512	10,552	883
Advances to Other Funds	2,107,000	-	-
TOTAL ASSETS	\$ 11,182,690	\$ 2,194,189	\$ 19,186,282
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,036,752	\$ 1,228,420	\$ 302,828
Accrued Payroll	958,056	-	-
Contracts Payable	-	27,076	107,083
Other Payables	81,444	-	-
Deferred Property Taxes	2,712,330	-	6,952,158
Other Deferred Revenue	1,155,592	41,436	-
Due to Other Funds	315,294	55,441	255,871
Advances from Other Funds	1,415,000	-	-
Total Liabilities	7,674,468	1,352,373	7,617,940
FUND BALANCES			
Reserved for Prepaid Items	70,003	-	2,887
Reserved for Public Safety	-	-	-
Reserved for Maintenance of Roadways	-	725,693	-
Reserved for Specific Purpose	-	-	1,385,357
Reserved for Advances to Other Funds	2,107,000	-	-
Reserved for Debt Service	-	-	-
Unreserved			
Designated for Internal Service Fund Deficits	580,600	-	-
Designated for Development Services Fund	603,200	-	-
Designated for Capital Projects Fund Deficit	12,700	-	-
Designated for Airport Fund Deficit	106,300	-	-
Designed for Historic Milestone Projects	6,250	-	-
Designated for Sidewalk and Street Maintenance	-	116,123	-
Undesignated - General Fund	22,169	-	-
Undesignated (Deficit) - Special Revenue Funds	-	-	-
Undesignated - Capital Projects Funds	-	-	10,180,098
Total Fund Balances	3,508,222	841,816	11,568,342
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,182,690	\$ 2,194,189	\$ 19,186,282

Tax Increment Financing #2	Tax Increment Financing Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,551,998	\$ 558,993	\$ 1,684,247	\$ 23,504,144
1,067,641	-	7,571	6,792,479
-	9	-	395
-	-	24,043	1,148,478
-	-	2,661	75,551
-	-	177,210	5,194,540
2,879	-	1,421	819,247
-	-	-	2,107,000
\$ 4,622,518	\$ 559,002	\$ 1,897,153	\$ 39,641,834
\$ 104,623	\$ -	\$ 329,040	\$ 3,001,663
-	-	5,226	963,282
24,586	-	3,130	161,875
-	-	-	81,444
2,093,347	-	14,375	11,772,210
-	-	222,243	1,419,271
42,864	-	9,777	679,247
-	-	504,000	1,919,000
2,265,420	-	1,087,791	19,997,992
-	-	2,661	75,551
-	-	25,058	25,058
-	-	-	725,693
-	-	82,835	1,468,192
-	-	-	2,107,000
-	559,002	-	559,002
-	-	-	580,600
-	-	-	603,200
-	-	-	12,700
-	-	-	106,300
-	-	-	6,250
-	-	-	116,123
-	-	-	22,169
-	-	(383)	(383)
2,357,098	-	699,191	13,236,387
2,357,098	559,002	809,362	19,643,842
\$ 4,622,518	\$ 559,002	\$ 1,897,153	\$ 39,641,834

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, 2010

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 19,643,842
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	129,059,891
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	(259,864)
Compensated Absences Payable	(4,647,907)
Bonds Payable	(21,920,000)
Bond Anticipation Notes Payable	(4,000,000)
Capital Lease Payable	(1,245,095)
Due to Other Governments	(1,337,055)
Other Postemployment Benefit Payable	(4,139,965)
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	(462,108)
Issuance Costs and Losses on Refundings are Expenditures in Governmental Funds but are Capitalized and Amortized on the Statement of Net Assets	236,425
Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue in the Governmental Activities	1,110,559
The Net Assets (Deficit) of the Internal Service Fund are Included in the Governmental Activities in the Statement of Net Assets	(580,551)
The Net Pension Asset is not a Current Financial Resource and, Therefore, is not Reported in the Governmental Funds	134,813
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 111,592,985</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, 2010

	General	Motor Fuel Tax	Tax Increment Financing #1
REVENUES			
Taxes	\$ 23,148,414	\$ -	\$ 8,361,066
Licenses and Permits	346,229	-	-
Intergovernmental	162,584	1,732,822	-
Charges for Services	1,705,387	-	-
Fines and Forfeitures	647,913	-	-
Investment Income	4,419	7,416	61,611
Miscellaneous	516,796	10,001	1,992
Total Revenues	26,531,742	1,750,239	8,424,669
EXPENDITURES			
Current			
General Government	4,234,285	-	-
Public Safety	18,028,488	-	-
Community Improvement	3,430,812	-	-
Highways and Streets	-	1,550,121	-
Capital Outlay	-	-	11,758,392
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	25,693,585	1,550,121	11,758,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	838,157	200,118	(3,333,723)
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	7,062	-	-
Transfers In	446,836	-	-
Transfers (Out)	(1,485,451)	-	(8,172,302)
Notes Issued, at Par (Bond Anticipation Notes)	-	-	-
Notes Issued, at Par (School District Agreement)	-	-	4,383,291
Bonds Issued, at Par	-	-	10,800,000
Premium on Bond Issue	-	-	336,326
Total Other Financing Sources (Uses)	(1,031,553)	-	7,347,315
NET CHANGE IN FUND BALANCES	(193,396)	200,118	4,013,592
FUND BALANCES, JULY 1	3,701,618	641,698	7,554,750
FUND BALANCES, JUNE 30	\$ 3,508,222	\$ 841,816	\$ 11,568,342

Tax Increment Financing #2	Tax Increment Financing Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,073,700	\$ -	\$ 527,891	\$ 34,111,071
-	-	-	346,229
-	-	3,448,716	5,344,122
-	-	210,625	1,916,012
-	-	-	647,913
-	385	1,948	75,779
-	-	20,906	549,695
2,073,700	385	4,210,086	42,990,821
-	-	3,605,639	7,839,924
-	-	45,589	18,074,077
-	-	300,071	3,730,883
-	-	-	1,550,121
936,685	-	586,344	13,281,421
-	8,850,000	3,975,000	12,825,000
-	342,641	433,130	775,771
936,685	9,192,641	8,945,773	58,077,197
1,137,015	(9,192,256)	(4,735,687)	(15,086,376)
-	-	100	7,162
-	8,172,302	1,485,451	10,104,589
-	-	(150,000)	(9,807,753)
-	1,000,000	3,000,000	4,000,000
-	-	-	4,383,291
-	-	-	10,800,000
-	-	-	336,326
-	9,172,302	4,335,551	19,823,615
1,137,015	(19,954)	(400,136)	4,737,239
1,220,083	578,956	1,209,498	14,906,603
\$ 2,357,098	\$ 559,002	\$ 809,362	\$ 19,643,842

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, 2010

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 4,737,239
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	2,326,203
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	
Bonds issued	(10,800,000)
Premium on bonds issued	(336,326)
Bond anticipation notes issued	(4,000,000)
Notes issued	(4,383,291)
Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue in the Governmental Activities	369,840
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	16,709,039
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	(3,853,204)
Interest and Amortization of Bond Issuance Costs and Loss on Refunding	52,120
Compensated Absences	220,074
Other Postemployment Benefit	(1,774,307)
The Addition (Reduction) in Net Assets of Certain Activities of Internal Service Funds is Included in Governmental Funds	376,314
The Change in Net Pension Asset is not a Current Financial Resource and, Therefore, is not Reported in the Governmental Funds	(76,208)
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (432,507)</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2010

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
CURRENT ASSETS					
Cash and Investments	\$ 287,665	\$ 608	\$ 369,711	\$ 657,984	\$ 891,122
Receivables					
Accounts	1,685,752	-	200,679	1,886,431	-
Other	4,056	29,619	-	33,675	365
Prepaid Expenses	8,985	1,734	-	10,719	3,000
Due from Other Governments	-	51,200	-	51,200	-
Due from Other Funds	-	-	300,000	300,000	-
Total Current Assets	1,986,458	83,161	870,390	2,940,009	894,487
NONCURRENT ASSETS					
Advance to Other Funds	1,415,000	-	-	1,415,000	518,000
Deferred Charges	24,921	6,113	-	31,034	-
Total Noncurrent Assets	1,439,921	6,113	-	1,446,034	518,000
CAPITAL ASSETS					
Nondepreciable	570,102	18,262,911	-	18,833,013	-
Depreciable	42,250,376	13,803,975	-	56,054,351	-
Accumulated Depreciation	(14,821,751)	(2,788,773)	-	(17,610,524)	-
Net Capital Assets	27,998,727	29,278,113	-	57,276,840	-
Total Assets	31,425,106	29,367,387	870,390	61,662,883	1,412,487
CURRENT LIABILITIES					
Accounts Payable	157,417	27,142	258,235	442,794	2,956
Accrued Payroll	75,712	6,055	10,123	91,890	-
Accrued Interest Payable	93,820	32,314	-	126,134	-
Other Payables	8,880	17,706	-	26,586	-
Unearned Revenue	4,803	41,352	201,481	247,636	364
Intergovernmental Payable	1,026,958	-	-	1,026,958	-
Due to Other Funds	-	-	440,000	440,000	-
Claims Payable	-	-	-	-	1,471,718
General Obligation Bonds Payable	205,000	35,000	-	240,000	-
Capital Lease Payable	23,308	39,273	-	62,581	-
IEPA Loans Payable	370,171	-	-	370,171	-
Compensated Absences Payable	18,173	1,839	3,529	23,541	-
Total Current Liabilities	1,984,242	200,681	913,368	3,098,291	1,475,038

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS

June 30, 2010

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
LONG-TERM LIABILITIES					
General Obligation Bonds Payable	\$ 2,630,395	\$ 1,162,584	\$ -	\$ 3,792,979	\$ -
Capital Lease Payable	12,030	54,062	-	66,092	-
IEPA Loans Payable	4,262,947	-	-	4,262,947	-
Advance from Other Funds	-	1,603,000	-	1,603,000	518,000
Compensated Absences Payable	345,287	34,942	67,054	447,283	-
Net Post Employment Benefit Payable	258,039	34,146	81,760	373,945	-
Total Long-Term Liabilities	7,508,698	2,888,734	148,814	10,546,246	518,000
Total Liabilities	9,492,940	3,089,415	1,062,182	13,644,537	1,993,038
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	20,494,876	27,987,194	-	48,482,070	-
Unrestricted (Deficit)	1,437,290	(1,709,222)	(191,792)	(463,724)	(580,551)
TOTAL NET ASSETS	\$ 21,932,166	\$ 26,277,972	\$ (191,792)	\$ 48,018,346	\$ (580,551)

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, 2010

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 5,136,193	\$ 247,364	\$ 1,664,048	\$ 7,047,605	\$ 6,429,584
Miscellaneous	31,868	7,234	-	39,102	22,823
Total Operating Revenues	5,168,061	254,598	1,664,048	7,086,707	6,452,407
OPERATING EXPENSES					
Administration	-	-	-	-	6,101,180
Operations	2,966,648	422,903	2,052,489	5,442,040	-
Depreciation and Amortization	1,013,040	355,967	-	1,369,007	-
Total Operating Expenses	3,979,688	778,870	2,052,489	6,811,047	6,101,180
OPERATING INCOME (LOSS)	1,188,373	(524,272)	(388,441)	275,660	351,227
NONOPERATING REVENUES (EXPENSES)					
Investment Income	16	-	-	16	87
Refunds/Reimbursements	-	(112)	-	(112)	-
Interest Expense	(242,382)	(65,525)	-	(307,907)	-
Loss on Sale of Capital Assets	3,717	(69,900)	-	(66,183)	-
Total Nonoperating Revenues (Expenses)	(238,649)	(135,537)	-	(374,186)	87
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	949,724	(659,809)	(388,441)	(98,526)	351,314
CONTRIBUTIONS					
Contributions - Capital Grant Revenue	-	719,476	-	719,476	-
Contributions of Capital Assets	41,454	-	-	41,454	-
Total Contributions	41,454	719,476	-	760,930	-
TRANSFERS					
Transfers In	-	-	-	-	357,000
Transfers (Out)	(321,836)	-	-	(321,836)	(332,000)
Total Transfers	(321,836)	-	-	(321,836)	25,000
CHANGE IN NET ASSETS	669,342	59,667	(388,441)	340,568	376,314
NET ASSETS (DEFICIT), JULY 1	21,262,824	26,218,305	196,649	47,677,778	(956,865)
NET ASSETS (DEFICIT), JUNE 30	\$ 21,932,166	\$ 26,277,972	\$ (191,792)	\$ 48,018,346	\$ (580,551)

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2010

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water	Airport			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 4,988,880	\$ 268,937	\$ 1,664,047	\$ 6,921,864	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	6,429,583
Receipts from Miscellaneous Revenues	32,033	(3,723)	-	28,310	22,823
Payments to Suppliers	(995,948)	(262,332)	(1,678,190)	(2,936,470)	(6,082,928)
Payments to Employees	(1,822,733)	(180,783)	(340,275)	(2,343,791)	-
Net Cash from Operating Activities	2,202,232	(177,901)	(354,418)	1,669,913	369,478
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental	-	782,121	-	782,121	-
Reimbursements/Refunds	-	(112)	-	(112)	-
Interfund Receivables	(1,415,000)	-	(250,000)	(1,665,000)	(453)
Interfund Payables	(50,000)	203,000	310,000	463,000	25,000
Transfers (Out)	(321,836)	-	-	(321,836)	-
Net Cash from Noncapital Financing Activities	(1,786,836)	985,009	60,000	(741,827)	24,547
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Purchased	(52,041)	(741,532)	-	(793,573)	-
Principal Payments on Long-Term Debt	(578,302)	(72,702)	-	(651,004)	-
Interest Payments on Long-Term Debt	(251,718)	(67,232)	-	(318,950)	-
Net Cash from Capital and Related Financing Activities	(882,061)	(881,466)	-	(1,763,527)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	16	-	-	16	87
Net Cash from Investing Activities	16	-	-	16	87
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(466,649)	(74,358)	(294,418)	(835,425)	394,112
CASH AND CASH EQUIVALENTS, JULY 1	754,314	74,966	664,129	1,493,409	497,010
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 287,665	\$ 608	\$ 369,711	\$ 657,984	\$ 891,122

(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, 2010

	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)	\$ 1,188,373	\$ (524,272)	\$ (388,441)	\$ 275,660	\$ 351,227
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,013,040	355,967	-	1,369,007	-
Changes in Assets and Liabilities					
Accounts Receivable	(147,895)	-	(4,309)	(152,204)	-
Other Receivables	165	(10,957)	-	(10,792)	(31)
Prepaid Expenses	437	2,406	-	2,843	299
Accounts Payable	(9,161)	(23,464)	3,508	(29,117)	(14,025)
Accrued Payroll	16,524	(1,319)	(2,148)	13,057	-
Due to Other Governments	81,347	-	-	81,347	-
Claims Payable	-	-	-	-	31,978
Other Payables	(8,642)	(79)	-	(8,721)	-
Unearned Revenue	582	21,573	4,308	26,463	30
Other Post Employment Benefit	94,883	11,351	31,856	138,090	-
Compensated Absences	(27,421)	(9,107)	808	(35,720)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 2,202,232	\$ (177,901)	\$ (354,418)	\$ 1,669,913	\$ 369,478
CASH AND INVESTMENTS					
Cash and Cash Equivalents	\$ 287,665	\$ 608	\$ 369,711	\$ 657,984	\$ 891,122
TOTAL CASH AND INVESTMENTS	\$ 287,665	\$ 608	\$ 369,711	\$ 657,984	\$ 891,122
NONCASH TRANSACTIONS					
Contributed Capital Assets	\$ 41,454	\$ -	\$ -	\$ 41,454	\$ -

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

June 30, 2010

ASSETS

Cash and Short-Term Investments	\$ 2,580,173
Investments, at Fair Value	
Certificates of Deposit	98,425
Mutual Funds	16,486,725
Corporate Bonds	657,747
U.S. Treasury Securities	5,184,392
U.S. Agency Securities	17,142,322
Receivables	
Accrued Interest	170,215
Prepaid Items	<u>376</u>
 Total Assets	 <u>42,320,375</u>

LIABILITIES

Accounts Payable	27,621
Unearned Revenue	<u>1,673,819</u>
 Total Liabilities	 <u>1,701,440</u>

NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS

\$ 40,618,935

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, 2010

ADDITIONS

Contributions

Employer Contributions	\$ 2,788,420
Employee Contributions	948,132
Other Contributions	<u>35</u>

Total Contributions	<u>3,736,587</u>
---------------------	------------------

Investment Income

Net Appreciation in Fair Value of Investments	2,871,821
Interest	<u>1,130,827</u>

Total Investment Income	4,002,648
Less Investment Expense	<u>(91,769)</u>

Net Investment Income	<u>3,910,879</u>
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Total Additions	<u>7,647,466</u>
-----------------	------------------

DEDUCTIONS

Retirement Benefits	3,446,761
Disability Benefits	266,651
Refund of Contributions	47,445
Administrative Expenses	<u>70,489</u>

Total Deductions	<u>3,831,346</u>
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NET INCREASE	3,816,120
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NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS

July 1	<u>36,802,815</u>
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June 30	<u>\$ 40,618,935</u>
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See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Footnote Number	Description	Page Number
1	Summary of Significant Accounting Policies	20-27
2	Legal Compliance and Accountability	28
3	Deposits and Investments	28-32
4	Receivables - Property Taxes	32
5	Capital Assets	33-34
6	Receivables	35
7	Risk Management	36-37
8	Long-Term Debt	37-48
9	Interfund Assets/Liabilities	48-51
10	Contingent Liabilities	51-52
11	Other Postemployment Benefits	52-55
12	Termination Benefits	55
13	Defined Benefit Pension Plans	56-61
14	Subsequent Event	62
15	Component Unit - DeKalb Public Library	62-66

CITY OF DEKALB, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function 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 Tax Increment Financing Debt Service Fund accounts for the accumulation of resources and payment of bond principal and interest on the tax increment financing areas.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 and income taxes which are 120 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

Asset Class	Capitalization Threshold
Building 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, 2010:

Fund	Deficit Balance
Capital Projects	\$ 516,670
Development Services	603,130
Workers' Compensation	1,757,014
Liability/Property Insurance	48,862

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, 2010, the City had investments in debt securities with the following 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	\$ 11,846,143	\$ 11,846,143	\$ -	\$ -	\$ -	\$ -
U.S. Treasury	748,281	-	748,281	-	-	-
Money Market						
Mutual Funds	558,993	558,993	-	-	-	-
TOTAL	\$ 13,153,417	\$ 12,405,136	\$ 748,281	\$ -	\$ -	\$ -

As of June 30, 2010, the Police Pension Fund had investments in debt securities with the following 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
U.S. agencies	\$ 12,577,939	\$ -	\$ -	\$ 11,722,132	\$ -	\$ 855,807
Money Market						
Mutual Funds	386,505	386,505	-	-	-	-
TOTAL	\$ 12,964,444	\$ 386,505	\$ -	\$ 11,722,132	\$ -	\$ 855,807

As of June 30, 2010, the Firefighters' Pension Fund had investments in debt securities with the following 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
U.S. Treasury	\$ 5,184,392	\$ -	\$ -	\$ 3,326,044	\$ 1,858,348	\$ -
U.S. Agencies	4,564,383	-	-	744,230	436,871	3,383,282
Corporate Bonds	657,747	-	-	657,747	-	-
Illinois Funds	939,952	939,952	-	-	-	-
Money Market						
Mutual Funds	354,587	354,587	-	-	-	-
TOTAL	\$ 11,701,061	\$ 1,294,539	\$ -	\$ 4,728,021	\$ 2,295,219	\$ 3,383,282

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, 2010, the City had greater than 5% of its overall portfolio invested in Illinois Funds (84%). The investment policy does not include any limitations on individual investment types.

GASB 40 - Police Pension Fund

It is the policy of the Police Pension Board to attempt to invest 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, 2010, the Police Pension Fund had fixed income holdings that were approximately 54.46% 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 40.92% 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, 2010, the Firefighters' Pension Fund had approximately 51.17% 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 36.93% 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 2009 levy year attach as an enforceable lien on January 1, 2009, 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, 2010 and August 1, 2010, and are payable in two installments, on or about June 1, 2010 and September 1, 2010. 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 2009 tax levy has been recorded as unearned/deferred revenue on the financial statements. The 2010 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, 2010, the taxes will not be levied by the City or extended by the County until December 2010 and, therefore, the amount is not measurable at June 30, 2010.

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

5. CAPITAL ASSETS

A. Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 9,776,555	\$ -	\$ -	\$ 9,776,555
Land Right of Way	25,729,907	5,650	-	25,735,557
Construction in Progress	1,694,710	2,055,832	1,802,192	1,948,350
Total Capital Assets not Being Depreciated	37,201,172	2,061,482	1,802,192	37,460,462
Capital Assets Being Depreciated				
Buildings and Improvements	5,848,874	1,802,192	-	7,651,066
Vehicles	6,271,215	10,221	-	2,422,980
Equipment	2,412,759	254,500	73,047	6,452,668
Infrastructure	143,198,450	-	-	143,198,450
Total Capital Assets Being Depreciated	157,731,298	2,066,913	73,047	159,725,164
Less Accumulated Depreciation for				
Buildings and Improvements	2,794,286	137,840	-	2,932,126
Equipment	1,244,306	135,345	-	1,379,651
Vehicles	3,403,107	609,076	73,047	3,939,136
Infrastructure	56,903,879	2,970,943	-	59,874,822
Total Accumulated Depreciation	64,345,578	3,853,204	73,047	68,125,735
Total Capital Assets Being Depreciated, Net	93,385,720	(1,786,291)	-	91,599,429
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 130,586,892	\$ 275,191	\$ 1,802,192	\$ 129,059,891
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 17,695,436	\$ 688,742	\$ -	\$ 18,384,178
Land Improvements	407,381	-	-	407,381
Construction in Progress	-	41,454	-	41,454
Total Capital Assets not Being Depreciated	18,102,817	730,196	-	18,833,013
Capital Assets Being Depreciated				
Buildings	4,804,864	-	-	4,804,864
Water Distribution System	38,709,050	55,759	-	38,764,809
Vehicles	1,234,620	42,790	233,000	1,044,410
Equipment	542,010	10,000	-	552,010
Airport Infrastructure	10,888,258	-	-	10,888,258
Total Capital Assets Being Depreciated	56,178,802	108,549	233,000	56,054,351

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	\$ 1,385,798	\$ 93,652	\$ -	\$ 1,479,450
Water Distribution System	12,560,006	876,098	-	13,436,104
Vehicles	808,925	74,861	163,100	720,686
Equipment	401,206	30,876	-	432,082
Airport Infrastructure	1,269,995	272,207	-	1,542,202
Total Accumulated Depreciation	16,425,930	1,347,694	163,100	17,610,524
Total Capital Assets Being Depreciated, Net	39,752,872	(1,239,145)	69,900	38,443,827
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 57,855,689	\$ (508,949)	\$ 69,900	\$ 57,276,840

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

GOVERNMENTAL ACTIVITIES		
General Government		\$ 15,011
Public Safety		504,302
Community Improvement		57,646
Highways and Streets, Including Depreciation of General Infrastructure Assets		3,276,245
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		\$ 3,853,204

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	\$ 428,891
Restaurant and Bar	121,096
Fire Contracts	92,197
Ambulance (Net of Allowance)	272,673
Cable Franchise Fee	35,645
Gasoline and Diesel	21,102
Hotel/Motel Tax	18,814
Circuit Court Fines	28,597
Other Miscellaneous	123,683
Health Insurance Reinsurance	363
Police Services	5,782
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,148,843
BUSINESS-TYPE ACTIVITIES	
Water Miscellaneous	\$ 4,056
Airport Rentals	28,601
	<hr/>
TOTAL BUSINESS-TYPE ACTIVITIES	<u><u>\$ 32,657</u></u>

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	\$ 146,013
Sales Tax	1,298,040
City Sales Tax	1,575,514
Auto Rental Tax	3,131
Income Tax	1,618,238
Tax Increment Financing Sales Tax	196,127
Motor Fuel Tax	90,745
Home Rule Fuel Tax	32,046
Mass Transit Grants	134,121
Community Development Grant	1,839
DeKalb County Government	41,250
Other Grants	57,476
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$ 5,194,540</u></u>
BUSINESS-TYPE ACTIVITIES	
Airport Grants	\$ 51,200
	<hr/>
TOTAL BUSINESS-TYPE ACTIVITIES	<u><u>\$ 51,200</u></u>

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 2010.

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, 2010 and 2009 are as follows:

	Health		Workers' Compensation		Liability/Property	
	2010	2009	2010	2009	2010	2009
CLAIMS PAYABLE, JULY 1	\$ -	\$ 815	\$ 1,289,740	\$ 801,212	\$ 150,000	\$ 161,500
Add Claims Incurred	-	-	926,868	1,312,942	93,694	51,033
Less Claims Paid	-	(815)	(944,392)	(824,414)	(44,192)	(62,533)
CLAIMS PAYABLE, JUNE 30	\$ -	\$ -	\$ 1,272,216	\$ 1,289,740	\$ 199,502	\$ 150,000

8. LONG-TERM DEBT

A. General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$3,035,000 1997 Series A General Obligation Bonds, dated December 1, 1997, due in annual installments of \$40,000 to \$765,000, plus interest of 4.50% to 4.90% through January 1, 2012	General Debt Service	\$ 1,870,000	\$ -	\$ 375,000	\$ 1,495,000	\$ 730,000
\$9,450,000 2000 Series General Obligation Bonds, dated November 1, 2000, due in annual installments of \$75,000 to \$225,000, plus interest of 4.900% to 5.750% through January 1, 2021	Water	180,000	-	180,000	-	-
	General Debt Service	35,000	-	35,000	-	-

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
\$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	\$ 2,390,000	\$ -	\$ 225,000	\$ 2,165,000	\$ 230,000
\$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	1,010,000	-	190,000	820,000	195,000
\$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	760,000	-	445,000	315,000	85,000
\$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	310,000	-	310,000	-	-
\$8,355,000 2004 Series General Obligation Refunding Bonds, dated December 1, 2004, due in annual installments of \$15,000 to \$1,365,000, plus interest of 2.000% to 4.550% through January 1, 2021	Water Airport General Debt Service	2,780,000 495,000 4,925,000	- - -	15,000 5,000 30,000	2,765,000 490,000 4,895,000	205,000 5,000 65,000

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
\$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	\$ 725,000	\$ -	\$ 30,000	\$ 695,000	\$ 30,000
\$10,800,000 2010A Series General Obligation Bonds, Dated May 27, 2010, due in annual installments of \$755,000 to \$1,145,000, plus interest of 2.000% to 4.000% through December 2, 2021	TIF Debt Service	-	10,800,000	-	10,800,000	820,000
TOTAL		\$ 15,480,000	\$ 10,800,000	\$ 1,840,000	\$ 24,440,000	\$ 2,365,000

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	\$ 2,145,000	\$ -	\$ 715,000	\$ 1,430,000	\$ 775,000

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

8. LONG-TERM DEBT (Continued)

B. Revenue Bonds Payable (Continued)

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2010, and the changes in fair value of such derivative instruments for the year then ended in the 2010 financial statements are as follows:

Governmental Activities	Changes in Fair Value*		Fair Value at June 30, 2010		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges: Pay – fixed interest rate swap	Deferred Outflow (Asset)	\$55,201	Fair Value of Swap (Liability)	\$55,201	\$1,430,000

*Pursuant to *GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments*, the City has recorded the fair value of the interest rate swap agreement as a deferred outflow (asset) on the Statement of Net Assets with a corresponding liability for the fair value of the swap agreement as the City has determined that the interest rate swap is an effective hedge.

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

Terms The bonds and the related swap agreement mature on January 1, 2013 and the swap's notional amount of \$4,350,000 matches the \$4,350,000 variable-rate bonds. The swap was entered into at the same time the bonds were issued (January 2003). The notional value of the swap and the principal amount of the associated debt decline beginning in fiscal year 2005 by equal principal amounts as noted in the debt service requirements to maturity schedule. Under the swap, the City pays the counterparty a fixed payment of 3.90% and receives a variable payment equal to The Bond Market Associated Municipal Swap Index (BMA). The bond's variable rate coupons are based on the BMA. As of June 30, 2010, rates were as follows:

INTEREST RATE SWAP

Fixed payment to counterparty	Fixed	3.90%
Variable payment from counterparty	BMA Index	(.29)%
NET INTEREST RATE SWAP PAYMENTS		3.61%

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

8. LONG-TERM DEBT (Continued)

B. Revenue Bonds Payable (Continued)

Fair value As of June 30, 2010, the swap had a negative fair value of \$55,201. 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, 2010, 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, 2010.

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

Debt service requirements to maturity for the debt are disclosed on page 49 at the net interest rate of 3.61% at June 30, 2010. 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	\$ 1,000,000

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

8. LONG-TERM DEBT (Continued)

C. General Obligation Bond Anticipation Notes (Continued)

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$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	General Debt Service	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -
	TIF Debt Service	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	TIF Debt Service	5,500,000	-	5,500,000	-	-
\$4,000,000 General Obligation Bond Anticipation Notes, dated December 1, 2009, due on December 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 December 1, 2010 (0.92% at June 30, 2010)	General Debt Service	-	3,000,000	-	3,000,000	3,000,000
	TIF Debt Service	-	1,000,000	1,000,000	-	-
TOTAL GENERAL OBLIGATION BOND ANTICIPATION NOTES		\$ 10,500,000	\$ 4,000,000	\$ 10,500,000	\$ 4,000,000	\$ 4,000,000

D. Capital Leases

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
Equipment	Capital Projects	\$ 246,594	\$ -	\$ 95,510	\$ 151,084	\$ 99,651
Equipment	Capital Projects	350,822	-	95,745	255,077	99,272
Equipment	Capital Projects	986,484	-	147,550	838,934	153,917
Equipment	Water	57,678	-	22,339	35,339	23,308
Equipment	Airport	58,026	-	22,475	35,551	23,449
Equipment	Airport	34,913	-	9,528	25,385	9,879
Equipment	Airport	38,097	-	5,698	32,399	5,945
TOTAL		\$ 1,772,614	\$ -	\$ 398,845	\$ 1,373,769	\$ 415,421

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

8. LONG-TERM DEBT (Continued)

E. Due to Other Governments

The City has entered into an intergovernmental agreement to reimburse the DeKalb Community Unit School District Number 428 for the portion of the construction of a new school in the original amount of \$5,998,998 (1997 agreement). 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 obligation was paid in full at June 30, 2010.

On September 14, 2009, the City approved a supplemental agreement with School District Number 428 (2009 agreement). The 2009 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 tax increment financing revenues. The first payment of \$402,781 that was due April 1, 2010 was paid as a settlement of the amount remaining under the 1997 agreement. Additionally, \$3,046,236 due under the 2009 agreement was paid during the fiscal year ended June 30, 2010. At June 30, 2010, \$1,337,055 was outstanding and is due January 1, 2011. The financial statements reflect this new agreement as the issuance of debt (similar to a promissory note).

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	\$ 2,742,306	\$ -	\$ 198,209	\$ 2,544,097	\$ 203,265
IEPA Loan II	Waterworks and Sewerage	2,251,775	-	162,754	2,089,021	166,906
TOTAL		<u>\$ 4,994,081</u>	<u>\$ -</u>	<u>\$ 360,963</u>	<u>\$ 4,633,118</u>	<u>\$ 370,171</u>

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
2011	\$ 2,125,000	\$ 582,014	\$ 240,000	\$ 174,719
2012	2,115,000	673,654	240,000	166,287
2013	2,175,000	598,644	260,000	157,542
2014	2,255,000	527,272	265,000	146,632
2015	2,020,000	458,713	870,000	135,522
2016	2,105,000	384,638	315,000	89,900
2017	2,180,000	306,993	330,000	75,725
2018	1,185,000	222,017	-	60,875
2019	1,020,000	173,200	695,000	60,875
2020	1,060,000	132,400	360,000	33,075
2021	1,105,000	90,000	375,000	16,875
2022	1,145,000	45,800	-	-
TOTAL	\$ 20,490,000	\$ 4,195,345	\$ 3,950,000	\$ 1,118,027

Fiscal Year Ending June 30,	Revenue Bonds		Capital Leases	
	Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2011	\$ 775,000	\$ 28,391	\$ 352,840	\$ 48,033
2012	310,000	11,357	314,919	33,413
2013	345,000	12,639	220,364	21,590
2014	-	-	174,716	13,397
2015	-	-	182,256	5,857
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
TOTAL	\$ 1,430,000	\$ 52,387	\$ 1,245,095	\$ 122,290

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
2011	\$ 4,000,000	\$ 43,350	\$ 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	\$ 4,000,000	\$ 43,350	\$ 128,674	\$ 8,397

Fiscal Year Ending June 30,	Due to Other Governments		IEPA Loans	
	Governmental		Business-Type	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2011	\$ 1,337,055	\$ -	\$ 370,171	\$ 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	-	-	476,216	9,073
TOTAL	\$ 1,337,055	\$ -	\$ 4,633,118	\$ 705,050

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, 2010:

	July 1	Additions	Reductions	June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds	\$ 11,300,000	\$ 10,800,000	\$ 1,610,000	\$ 20,490,000	\$ 2,125,000
Revenue Bonds	2,145,000	-	715,000	1,430,000	775,000
Bond Anticipation Notes	10,500,000	4,000,000	10,500,000	4,000,000	4,000,000
Capital Leases	1,583,900	-	338,805	1,245,095	352,840
Due to Other Governments	498,998	4,383,291	3,545,234	1,337,055	1,337,055
Compensated Absences *	4,867,981	23,326	243,400	4,647,907	232,395
Other Postemployment Benefit	2,365,658	1,774,307	-	4,139,965	-
Unamortized Premium	152,534	336,326	26,752	462,108	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 33,414,071	\$ 21,317,250	\$ 16,979,191	\$ 37,752,130	\$ 8,822,290

* The General Fund has typically been used in prior years to liquidate the compensated absences liability and the other postemployment benefit.

	July 1	Additions	Reductions	June 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds					
Water	\$ 2,960,000	\$ -	\$ 195,000	\$ 2,765,000	\$ 205,000
Airport	1,220,000	-	35,000	1,185,000	35,000
Total General Obligation Bonds	4,180,000	-	230,000	3,950,000	240,000
Capital Lease					
Water	57,678	-	22,339	35,339	23,308
Airport	131,036	-	37,701	93,335	39,273
Total Capital Lease	188,714	-	60,040	128,674	62,581
IEPA Loans					
Water	4,994,081	-	360,963	4,633,118	370,171

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	\$ 390,881	\$ 383,004	\$ 410,425	\$ 363,460	\$ 18,173
Airport	45,888	39,075	48,182	36,781	1,839
Development Services	69,775	74,072	73,264	70,583	3,529
Total Compensated Absences	506,544	496,151	531,871	470,824	23,541
Other Postemployment Benefit					
Water	163,156	94,883	-	258,039	-
Airport	22,795	11,351	-	34,146	-
Development Services	49,904	31,856	-	81,760	-
Total Other Postemployment Benefit	235,855	138,090	-	373,945	-
Unamortized Premium	90,880	-	7,902	82,978	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 10,196,074	\$ 634,241	\$ 1,190,776	\$ 9,639,539	\$ 696,293

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, 2010, there were no IDRBs outstanding as the last issue was called and paid.

K. Line of Credit

The City entered into a line of credit agreement with a local bank on June 18, 2010. The total line of credit amount authorized was \$2,500,000 and matures on June 17, 2011. The interest rate on amounts drawn down is 1.5% in excess of the LIBOR rate at the date of the first advance, and adjusts monthly. There is also an interest rate due on the non-drawn down balance, which is .250%, payable monthly. As of June 30, 2010, no principal had been drawn down.

9. INTERFUND ASSETS/LIABILITIES

A. Due From/To Other Funds

	Due From	Due To
General		
Tax Increment Financing #1	\$ 255,871	\$ 442
Tax Increment Financing #2	42,864	2,879
Motor Fuel Tax	55,000	10,552
Nonmajor Governmental	9,777	1,421
Nonmajor Enterprise	440,000	300,000
Total General	803,512	315,294
Motor Fuel Tax		
General	10,552	55,000
Tax Increment Financing #1	-	441
Total Motor Fuel Tax	10,552	55,441
Tax Increment Financing #1		
General	442	255,871
Motor Fuel Tax	441	-
Total Tax Increment Financing #1	883	255,871
Tax Increment Financing #2		
General	2,879	42,864

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	\$ 1,421	\$ 9,777
Nonmajor Enterprise General	300,000	440,000
TOTAL	<u>\$ 1,119,247</u>	<u>\$ 1,119,247</u>

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

- \$440,000 due to the General Fund from the Nonmajor Enterprise Fund (i.e., the Development Services Fund) consists of payments of \$130,000 in fiscal year 2009 and \$310,000 in fiscal year 2010. Repayment is expected within one year.
- \$300,000 due to the Nonmajor Enterprise Fund (i.e., the Refuse Fund) from the General Fund consists of cash overdrafts. Repayment is expected within one year.
- \$255,871 due to the General Fund from the Tax Increment Financing #1 consists of operating expenditures paid by the General Fund. Repayment is expected within one year.
- \$55,000 due to the General Fund from the Motor Fuel Tax consists of operating expenditures paid by the General Fund. Repayment is expected within one year.
- \$42,864 due to the General Fund from the Tax Increment Financing #2 consists of operating 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	\$ 1,603,000
General	Nonmajor Governmental	504,000
Water	General	1,415,000
Internal Service	Internal Service	<u>518,000</u>
TOTAL ALL FUNDS		<u>\$ 4,040,000</u>

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. In fiscal year 2010, the General Fund advanced \$203,000, leaving a balance advanced of \$1,603,000. In fiscal year 2010, the Water Fund advanced \$1,415,000 to the General Fund for cash overdrafts. 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. Finally, the General Fund advanced the Capital Projects Fund \$50,000 in 2008, \$385,000 in 2009 and \$69,000 in 2010 for a total of \$504,000.

C. Interfund Transfers

Interfund transfers between funds for the year ended June 30, 2010 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ 150,000	\$ 1,485,451
Water	296,836	-
Total General	446,836	1,485,451
Tax Increment Financing #1		
Tax Increment Financing Debt Service	-	8,172,302
Total Tax Increment Financing #1	-	8,172,302
Tax Increment Financing Debt Service		
Tax Increment Financing #1	8,172,302	-
Total Tax Increment Financing Debt Service	8,172,302	-
Nonmajor Governmental		
General	1,485,451	150,000
Total Nonmajor Governmental	1,485,451	150,000
Water		
General	-	296,836
Internal Service	-	25,000
Total Water	-	321,836
Internal Service		
Internal Service	357,000	332,000
Total Internal Service	357,000	332,000
TOTAL	\$ 10,461,589	\$ 10,461,589

9. INTERFUND ASSETS/LIABILITIES (Continued)

C. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$8,172,302 transferred from the Tax Increment Financing #1 Fund to the Tax Increment Financing Debt Service Fund covered current year debt service payments. This transfer will not be repaid.
- \$1,485,451 transferred from the General Fund to the Nonmajor Governmental Funds consists of \$55,821 to subsidize Mass Transit Fund operations, \$21,500 to the Capital Projects Fund to purchase a police vehicle, and \$1,408,130 to the General Debt Service Fund to cover current year debt service payments. These transfers will not be repaid.
- \$332,000 transferred between the Internal Service Funds represented a redistribution of the Health Insurance Fund's cash needed to maintain compliance with the City's Fund Balance policy. This amount was used to cover \$143,000 in operating expenditures in the Worker's Compensation Fund and \$189,000 in operating expenditures in the Liability/Property Insurance Fund. These transfers will not be repaid.
- \$296,836 transferred from the Water Fund to the General Fund covered general operating expenses. This transfer will not be repaid.
- \$150,000 transferred from the Nonmajor Governmental Funds (i.e., the Public Safety Building Fund) to the General Fund reversed the FY2009 start-up funding which is no longer needed. This transfer will not be repaid.

10. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

10. CONTINGENT LIABILITIES (Continued)

C. Sales Tax Rebates

The City has entered into a development agreement whereby it has committed up to \$775,000 in sales tax rebates through the year February 28, 2013. As of June 30, 2010, the City has incurred \$433,506 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, 2010, the City has incurred \$642,338 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.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Membership

At June 30, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	115
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	
Vested	146
Nonvested	72
	<hr/>
TOTAL	333
	<hr/>
Participating Employers	1
	<hr/>

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, 2010, retirees contributed \$176,221 and the City contributed \$1,112,666. Active employees do not contribute to the plan until retirement.

Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the most recent three years is as follows:

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
June 30, 2010	3,028,478	1,112,666	36.7%	4,524,865

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (NOPEBO) as June 30, 2010, was calculated as follows*:

Annual Required Contribution	\$ 2,984,993
Interest on Net OPEB Obligation	130,453
Adjustment to Annual Required Contribution	<u>(86,968)</u>
Annual OPEB Cost	3,028,478
Contributions Made	<u>1,112,666</u>
Increase in Net OPEB Obligation	1,915,812
Net OPEB Obligation, Beginning of Year	<u>2,609,053</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 4,524,865</u>

* The DeKalb Public Library's portion of \$10,955 is included.

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2010, was as follows:

Actuarial Accrued Liability (AAL)	\$ 35,870,633
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	35,870,633
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 15,076,546
UAAL as a Percentage of Covered Payroll	237.9%

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 ARCs 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.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

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, 2010 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, 2010 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 50 and have at least 20 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, 2010, the City's remaining contributions due under the program were \$982,917. 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.

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 calendar years 2009 and 2010 was 13.29% and 14.46%, respectively 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, 2010, the Police Pension Plan membership consisted of:

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Retirees and Beneficiaries Currently Receiving Benefits	36
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	42
Nonvested	19
	<hr/>
TOTAL	98
	<hr/>

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.

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, 2010, the City's contribution was 23.30% of covered payroll.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

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, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	51
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	30
Nonvested	23
	<hr/>
TOTAL	104
	<hr/>

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.

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, 2010, the City's contribution was 42.43% of covered payroll.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

B. Significant Investments

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

Plan	Organization	Amount
Police Pension	IShares Russell 2000 Value Fund	\$ 1,215,522
Police Pension	IShares Russell Mid Value Fund	1,267,128
Firefighters' Pension	Vanguard Mid Cap Index Fund	1,484,210
Firefighters' Pension	Vanguard Small Cap Index Fund	1,313,330
Firefighters' Pension	Spartan 500 Index Fund	3,054,784
		<u>\$ 8,334,974</u>

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2007	June 30, 2009	June 30, 2009
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	23 Years, Closed	24 Years, Closed	24 Years, Closed

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
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%

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.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2008	\$ 1,106,440	\$ 861,580	\$ 1,365,695
	2009	985,603	862,467	1,522,454
	2010	1,054,391	1,111,451	1,753,177
Actual Contribution	2008	\$ 1,072,905	\$ 865,936	\$ 1,373,886
	2009	1,106,440	849,705	1,500,813
	2010	1,054,391	1,081,450	1,706,970
Percentage of APC Contributed	2008	100.0%	100.5%	100.6%
	2009	100.0%	98.5%	98.6%
	2010	100.0%	97.3%	97.4%
NPO (Asset)	2008	\$ -	\$ (74,440)	\$ (170,984)
	2009	-	(61,678)	(149,343)
	2010	-	(31,677)	(103,136)

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

The NPO at June 30, 2010 has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 1,112,799	\$ 1,756,441
Interest on Net Pension Obligation	(4,934)	(11,947)
Adjustment to Annual Required Contribution	3,586	8,683
Annual Pension Cost	1,111,451	1,753,177
Contributions Made	1,081,450	1,706,970
Increase in Net Pension Obligation	30,001	46,207
Net Pension Obligation (Asset), Beginning of Year	(61,678)	(149,343)
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ (31,677)</u>	<u>\$ (103,136)</u>

D. Funded Status

The funded status of the plans based on actuarial valuations performed as of December 31, 2009 for Illinois Municipal Retirement and June 30, 2010 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)	\$ 24,160,464	\$ 37,746,195	\$ 42,554,529
Actuarial Value of Plan Assets	15,100,855	22,493,353	18,125,580
Unfunded Actuarial Accrued Liability (UAAL)	9,059,609	15,252,842	24,428,949
Funded Ratio (Actuarial Value of Plan Assets/AAL)	62.5%	59.6%	42.6%
Covered Payroll (Active Plan Members)	\$ 7,416,122	\$ 4,641,393	\$ 4,022,606
UAAL as a Percentage of Covered Payroll	122.16%	328.6%	607.3%

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.

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

14. SUBSEQUENT EVENT

On October 28, 2010, the City approved the issuance of \$3,585,000 General Obligation Refunding Bonds, Series 2010B, to refund all of the outstanding Series 1997A and 2002 General Obligation Bonds. On October 28, 2010, the City also approved the issuance of \$5,340,000 General Obligation Refunding Bonds, Series 2010C, to refund a portion of the Series 2004 Bonds.

15. 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, 2010:

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Assets
ASSETS						
Cash and Investments	\$ 1,717,265	\$ 227,152	\$ 252,694	\$ 2,197,111	\$ -	\$ 2,197,111
Receivables						
Property Taxes	899,230	-	-	899,230	-	899,230
Accrued Interest	194	800	890	1,884	-	1,884
Other	10,000	-	-	10,000	-	10,000
Prepaid Items/Expenses	9,570	-	-	9,570	-	9,570
Due from Other Governments	52,426	-	-	52,426	-	52,426
Capital Assets						
Not Being Depreciated	-	-	-	-	10,000	10,000
Net of Accumulated Depreciation	-	-	-	-	355,918	355,918
Total Assets	2,688,685	227,952	253,584	3,170,221	365,918	3,536,139
LIABILITIES						
Accounts Payable	72,636	-	-	72,636	-	72,636
Accrued Payroll	36,546	-	-	36,546	-	36,546
Deferred Property Taxes	1,798,524	-	-	1,798,524	-	1,798,524
Compensated						
Absences Payable	-	-	-	-	24,350	24,350
Other Postemployment Benefit	-	-	-	-	10,955	10,955
Total Liabilities	1,907,706	-	-	1,907,706	35,305	1,943,011
FUND BALANCES						
Reserved for Prepaid Items	9,570	-	-	9,570	(9,570)	-
Unreserved	771,409	227,952	253,584	1,252,945	(1,252,945)	-
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	-	-	-	-	365,918	365,918
Unrestricted	-	-	-	-	1,227,210	1,227,210
TOTAL FUND BALANCES/ NET ASSETS	\$ 780,979	\$ 227,952	\$ 253,584	\$ 1,262,515	\$ 330,613	\$ 1,593,128

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

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

A. Summary Financial Information (Continued)

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
REVENUES						
Property Taxes	\$ 1,574,213	\$ -	\$ -	\$ 1,574,213	\$ -	\$ 1,574,213
Replacement Taxes	30,687	-	-	30,687	-	30,687
Local Grants	14,948	-	-	14,948	-	14,948
State Grants	48,278	-	-	48,278	-	48,278
Federal Grants	20,000	-	-	20,000	-	20,000
Charges for Services	39,875	-	-	39,875	-	39,875
Investment Income	23,944	4,474	4,813	33,231	-	33,231
Miscellaneous	55,991	-	-	55,991	-	55,991
Total Revenues	1,807,936	4,474	4,813	1,817,223	-	1,817,223
EXPENDITURES/EXPENSES						
Culture and Recreation	1,630,269	-	-	1,630,269	(60,220)	1,570,049
Total Expenditures/Expenses	1,630,269	-	-	1,630,269	(60,220)	1,570,049
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	177,667	4,474	4,813	186,954	(60,220)	247,174
OTHER FINANCING SOURCES (USES)						
Transfers In	4,132	-	17,000	21,132	(21,132)	-
Transfers (Out)	(17,000)	-	(4,132)	(21,132)	21,132	-
Total Other Financing Sources (Uses)	(12,868)	-	(12,868)	-	-	-
NET CHANGE IN FUND BALANCES/NET ASSETS	164,799	4,474	17,681	186,954	60,220	247,174
FUND BALANCES/NET ASSETS, JULY 1	616,180	223,478	235,903	1,075,561	270,393	1,345,954
FUND BALANCES/NET ASSETS, JUNE 30	\$ 780,979	\$ 227,952	\$ 253,584	\$ 1,262,515	\$ 330,613	\$ 1,593,128

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

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

B. Deposits and Investments

Statutes authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and 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, 2010, 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	\$ 186,497	\$ -	\$ 70,378	\$ 116,119	\$ -	\$ -	
Money Market Mutual Funds	98,398	98,398	-	-	-	-	
U.S. Treasury	130,210	-	-	32,438	97,772	-	
TOTAL	\$ 415,105	\$ 98,398	\$ 70,378	\$ 148,557	\$ 97,772	\$ -	

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.

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

At June 30, 2010, the Library had greater than 5% of its overall portfolio invested in U.S. Treasury Securities (5.93%) and Negotiable Certificates of Deposit (8.49%). The investment policy does not include any limitations on individual investment types.

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

C. Receivables

Property taxes for the 2009 levy year attach as an enforceable lien on January 1, 2009, 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, 2010 and August 1, 2010, and are payable in two installments, on or about June 1, 2010 and September 1, 2010. 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 2009 tax levy has been recorded as deferred revenue on the balance sheet for governmental funds. 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 Library or extended by the County until December 2010 and, therefore, the amount is not measurable at June 30, 2010.

D. Capital Assets

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

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

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

15. COMPONENT UNIT - DEKALB PUBLIC LIBRARY (Continued)

D. Capital Assets (Continued)

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

	Years
Buildings and Building Improvements	40
Equipment and Furniture	10

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

	Beginning Balance	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	19,832	-	9,832	10,000
Capital Assets Being Depreciated				
Buildings	561,806	-	-	561,806
Equipment	72,385	88,979	-	161,364
Total Capital Assets Being Depreciated	634,191	88,979	-	723,170
Less Accumulated Depreciation for				
Buildings	301,561	9,235	-	310,796
Equipment	51,864	4,592	-	56,456
Total Accumulated Depreciation	353,425	13,827	-	367,252
Total Capital Assets Being Depreciated, Net	280,766	75,152	-	355,918
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 300,598	\$ 75,152	\$ -	\$ 365,918

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	\$ 22,665	\$ 1,685	\$ -	\$ 24,350	\$ 1,730
Other Postemployment Benefit	7,540	3,415	-	10,955	-
TOTAL	\$ 30,205	\$ 5,100	\$ -	\$ 35,305	\$ 1,730

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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 24,878,999	\$ 24,878,999	\$ 23,148,414
Licenses and Permits	282,100	282,100	346,229
Intergovernmental	25,000	25,000	162,584
Charges for Services	1,511,700	1,511,700	1,705,387
Fines and Forfeitures	719,500	719,500	647,913
Investment Income	15,000	15,000	4,419
Miscellaneous	392,395	392,395	516,796
Total Revenues	27,824,694	27,824,694	26,531,742
EXPENDITURES			
General Government	4,327,641	4,327,641	4,234,285
Public Safety	18,637,341	18,637,341	18,028,488
Community Improvement	3,780,359	3,780,359	3,430,812
Total Expenditures	26,745,341	26,745,341	25,693,585
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,079,353	1,079,353	838,157
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	-	-	7,062
Transfers In	650,000	650,000	446,836
Transfers (Out)	(1,440,618)	(1,440,618)	(1,485,451)
Total Other Financing Sources (Uses)	(790,618)	(790,618)	(1,031,553)
NET CHANGE IN FUND BALANCE	<u>\$ 288,735</u>	<u>\$ 288,735</u>	(193,396)
FUND BALANCE, JULY 1			<u>3,701,618</u>
FUND BALANCE, JUNE 30			<u>\$ 3,508,222</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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,250,000	\$ 1,250,000	\$ 1,182,912
Local Fuel Tax	415,000	415,000	394,910
State Grants	-	-	155,000
Investment Income	15,000	15,000	7,416
Refunds Reimbursements	-	-	10,001
Total Revenues	1,680,000	1,680,000	1,750,239
EXPENDITURES			
Current			
Highways and Streets			
Motor Fuel Tax Projects	2,316,000	2,316,000	1,550,121
Total Expenditures	2,316,000	2,316,000	1,550,121
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(636,000)	(636,000)	200,118
OTHER FINANCING (USES)			
Transfer (Out)	(95,000)	(95,000)	-
Total Other Financing (Uses)	(95,000)	(95,000)	-
NET CHANGE IN FUND BALANCE			
	\$ (731,000)	\$ (731,000)	200,118
FUND BALANCE, JULY 1			
			641,698
FUND BALANCE, JUNE 30			
			\$ 841,816

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

1. BUDGETS

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

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

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

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

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

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

Fund	Excess
Tax Increment Financing District #1	\$ 64,672
Tax Increment Financing District #2	140,359
Tax Increment Financing Debt Service	7,705,255
Foreign Fire Insurance Tax	17,129
Housing Rehabilitation	515,199
Knolls Special Service Area #4	75
Greek Row Special Service Area #6	30
General Debt Service	3,295,744
County Home Tax Increment Financing District	300,071
Capital Projects	40,204
Public Safety Building	3,756
Development Services	23,189
Refuse	14,391
Liability/Property Insurance	58,512

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2010

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)
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%
2009	15,100,855	24,160,464	62.50%	9,059,609	7,416,122	122.16%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

POLICE PENSION FUND

June 30, 2010

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)
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%
2010	22,493,353	37,746,195	59.59%	15,252,842	4,641,393	328.63%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

June 30, 2010

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)
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%
2010	18,125,580	42,554,529	42.59%	24,428,949	4,022,606	607.29%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30, 2010

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)
2008	\$ -	\$ 29,419,780	0.00%	\$ 29,419,780	\$ 15,227,815	193.20%
2009	-	40,419,324	0.00%	40,419,324	15,459,449	261.45%
2010	-	35,870,633	0.00%	35,870,633	15,076,546	237.92%

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, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2009	985,603	985,603	100.00%
2010	1,054,391	1,054,391	100.00%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

June 30, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2010	1,081,450	1,112,799	97.18%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

June 30, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2010	1,706,970	1,756,441	97.18%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30, 2010

<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%
2010	1,112,666	2,984,993	37.28%

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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 4,221,499	\$ 4,221,499	\$ 4,089,461
Home Rule Sales	5,602,500	5,602,500	5,804,331
Income	4,265,500	4,265,500	3,472,035
Local Use	683,500	683,500	545,445
Utilities	3,640,500	3,640,500	3,324,919
State Sales	4,216,500	4,216,500	3,754,976
Franchise	455,500	455,500	414,905
Replacement	115,000	115,000	132,004
Restaurant/Bar	1,665,500	1,665,500	1,597,195
Miscellaneous	13,000	13,000	13,143
Total Taxes	24,878,999	24,878,999	23,148,414
Licenses and Permits			
Licenses			
Amusement	4,700	4,700	5,375
Liquor	135,100	135,100	165,381
Rooming House	16,100	16,100	12,050
Other	30,500	30,500	56,481
Permits			
Building	33,900	33,900	43,450
Plumbing	-	-	(250)
HVAC	10,900	10,900	13,735
Parking	17,400	17,400	16,683
Other	33,500	33,500	33,324
Total Licenses and Permits	282,100	282,100	346,229
Intergovernmental			
Federal Grants	15,000	15,000	157,851
State Grants	10,000	10,000	4,733
Total Intergovernmental	25,000	25,000	162,584
Charges for Services			
Fire Protection	835,500	835,500	840,673
Ambulance Fees	660,000	660,000	819,587
Police Services	7,500	7,500	22,973
Planning/Zoning Fees	3,000	3,000	11,750
Zoning Fees	4,400	4,400	3,688
Rents	1,200	1,200	2,312
Other	100	100	4,404
Total Charges for Services	1,511,700	1,511,700	1,705,387

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Fines and Forfeitures			
Circuit Court	\$ 372,000	\$ 372,000	\$ 302,239
Parking	1,500	1,500	2,223
Police	215,000	215,000	207,685
Abatement	9,300	9,300	6,583
False Fire Alarm	-	-	700
Other	121,700	121,700	128,483
Total Fines and Forfeitures	719,500	719,500	647,913
Investment Income	15,000	15,000	4,419
Miscellaneous			
Refunds/Reimbursements	235,000	235,000	344,098
Miscellaneous	157,395	157,395	172,698
Total Miscellaneous	392,395	392,395	516,796
Total Revenues	27,824,694	27,824,694	26,531,742
EXPENDITURES			
General Government			
Legislative			
Personal Services	138,189	138,189	140,033
Commodities	3,050	3,050	2,337
Contractual Services	235,000	235,000	223,895
Other Services	66,000	66,000	34,771
Total Legislative	442,239	442,239	401,036
Administrative Services			
Personal Services	2,353,595	2,353,595	2,350,852
Commodities	60,350	60,350	58,432
Contractual Services	85,868	85,868	67,527
Other Services	165,000	165,000	149,544
Equipment	9,000	9,000	8,703
Total Administrative Services	2,673,813	2,673,813	2,635,058
City Clerk			
Personal Services	191,968	191,968	175,191
Commodities	1,950	1,950	622
Contractual Services	9,925	9,925	4,263
Total City Clerk	203,843	203,843	180,076

(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, 2010

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Legal			
Personal Services	\$ 440,751	\$ 440,751	\$ 433,008
Commodities	4,400	4,400	2,123
Contractual Services	20,825	20,825	15,203
Other Services	7,000	7,000	4,500
Total Legal	472,976	472,976	454,834
General Fund Support Service			
Personal Services	204,544	204,544	588,650
Commodities	173,850	173,850	116,577
Contractual Services	189,800	189,800	135,169
Other Services	90,600	90,600	50,073
Total General Fund Support Service	658,794	658,794	890,469
Total General Government	4,451,665	4,451,665	4,561,473
Less Administrative Costs Charged to Other Departments and Funds	(124,024)	(124,024)	(327,188)
Net General Government	4,327,641	4,327,641	4,234,285
Public Safety			
Police Protection			
Personal Services	9,024,262	9,024,262	8,834,979
Commodities	247,125	247,125	282,097
Contractual Services	159,985	159,985	148,857
Equipment	9,200	9,200	18,662
Total Police Protection	9,440,572	9,440,572	9,284,595
Fire Protection			
Fire Administration Services			
Personal Services	479,206	479,206	473,509
Commodities	65,032	65,032	41,899
Contractual Services	52,951	52,951	74,842
Equipment	-	-	85
Total Fire Administration Services	597,189	597,189	590,335
Fire Service			
Personal Services	8,292,726	8,292,726	7,836,178
Commodities	148,791	148,791	180,444

(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, 2010

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
Fire Protection (Continued)			
Fire Service (Continued)			
Contractual Services	\$ 150,076	\$ 150,076	\$ 129,739
Other Services	5,261	5,261	4,508
Equipment	2,726	2,726	2,689
Total Fire Service	8,599,580	8,599,580	8,153,558
Total Fire Protection	9,196,769	9,196,769	8,743,893
Total Public Safety	18,637,341	18,637,341	18,028,488
Community Improvement			
Public Works			
Personal Services	2,259,046	2,259,046	2,317,622
Commodities	568,716	568,716	390,838
Contractual Services	390,008	390,008	344,692
Other Services	27,000	27,000	34,969
Equipment	17,700	17,700	16,418
Total Public Works	3,262,470	3,262,470	3,104,539
Community Development			
Personal Services	1,045,539	1,045,539	959,078
Commodities	29,750	29,750	11,332
Contractual Services	44,600	44,600	15,820
Equipment	-	-	-
Total Community Development	1,119,889	1,119,889	986,230
Engineering Services			
Personal Services	422,103	422,103	431,455
Commodities	15,234	15,234	9,608
Contractual Services	23,258	23,258	18,523
Other Services	1,700	1,700	-
Total Engineering Services	462,295	462,295	459,586
Total Community Improvement	4,844,654	4,844,654	4,550,355
Less Administrative Costs Charged to Other Departments and Funds	(1,064,295)	(1,064,295)	(1,119,543)
Net Community Improvement	3,780,359	3,780,359	3,430,812
Total Expenditures	26,745,341	26,745,341	25,693,585

(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, 2010

	Original Budget	Final Budget	Actual
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,079,353	\$ 1,079,353	\$ 838,157
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	-	-	7,062
Transfers In			
Water Fund	500,000	500,000	296,836
Public Building Fund	150,000	150,000	150,000
Total Transfers In	650,000	650,000	446,836
Transfers (Out)			
Mass Transit Fund	(43,284)	(43,284)	(55,821)
Economic Development Fund	(17,000)	(17,000)	-
General Debt Service Fund	(1,380,334)	(1,380,334)	(1,408,130)
Capital Projects Fund	-	-	(21,500)
Total Transfers (Out)	(1,440,618)	(1,440,618)	(1,485,451)
Total Other Financing Sources (Uses)	(790,618)	(790,618)	(1,031,553)
NET CHANGE IN FUND BALANCE	\$ 288,735	\$ 288,735	(193,396)
FUND BALANCE, JULY 1			3,701,618
FUND BALANCE, JUNE 30			\$ 3,508,222

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,250,000	\$ 1,250,000	\$ 1,182,912
Local Fuel Tax	415,000	415,000	394,910
State Grants	-	-	155,000
Investment Income	15,000	15,000	7,416
Refunds Reimbursements	-	-	10,001
Total Revenues	1,680,000	1,680,000	1,750,239
EXPENDITURES			
Current			
Highways and Streets			
Contractual Services	726,000	726,000	785,726
Permanent Improvements	1,590,000	1,590,000	764,395
Total Expenditures	2,316,000	2,316,000	1,550,121
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(636,000)	(636,000)	200,118
OTHER FINANCING (USES)			
Transfer (Out)			
Development Services Fund	(95,000)	(95,000)	-
Total Other Financing (Uses)	(95,000)	(95,000)	-
NET CHANGE IN FUND BALANCE	\$ (731,000)	\$ (731,000)	200,118
FUND BALANCE, JULY 1			641,698
FUND BALANCE, JUNE 30			\$ 841,816

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 6,924,718	\$ 6,924,718	\$ 6,883,479
Sales	1,680,896	1,680,896	1,477,587
Investment Income	100,000	100,000	61,611
Miscellaneous			
Refunds/Reimbursements	-	-	1,992
Total Revenues	8,705,614	8,705,614	8,424,669
EXPENDITURES			
Capital Outlay			
Contractual Services	350,000	350,000	148,482
Permanent Improvements	11,343,720	11,343,720	11,609,910
Total Expenditures	11,693,720	11,693,720	11,758,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,988,106)	(2,988,106)	(3,333,723)
OTHER FINANCING SOURCES (USES)			
Transfer (Out)			
Development Services Fund	(84,231)	(84,231)	-
TIF Debt Service Fund	(1,487,386)	(1,487,386)	(8,172,302)
Notes Issued, at Par (School District Agreement)	5,500,000	5,500,000	4,383,291
Bonds Issued, at Par	-	-	10,800,000
Premium on Bond Issue	-	-	336,326
Total Other Financing Sources (Uses)	3,928,383	3,928,383	7,347,315
NET CHANGE IN FUND BALANCE	<u>\$ 940,277</u>	<u>\$ 940,277</u>	4,013,592
FUND BALANCE, JULY 1			<u>7,554,750</u>
FUND BALANCE, JUNE 30			<u><u>\$ 11,568,342</u></u>

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 2,073,415	\$ 2,073,415	\$ 2,073,700
Total Revenues	2,073,415	2,073,415	2,073,700
EXPENDITURES			
Capital Outlay			
Contractual Services	796,326	796,326	675,183
Permanent Improvements	-	-	261,502
Total Expenditures	796,326	796,326	936,685
NET CHANGE IN FUND BALANCE	<u>\$ 1,277,089</u>	<u>\$ 1,277,089</u>	1,137,015
FUND BALANCE, JULY 1			<u>1,220,083</u>
FUND BALANCE, JUNE 30			<u>\$ 2,357,098</u>

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ -	\$ -	\$ 385
Total Revenues	-	-	385
EXPENDITURES			
Debt Service			
Principal Retirement	1,350,000	1,350,000	8,850,000
Interest and Fiscal Charges	137,386	137,386	342,641
Total Expenditures	1,487,386	1,487,386	9,192,641
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,487,386)	(1,487,386)	(9,192,256)
OTHER FINANCING SOURCES (USES)			
Transfer In			
Tax Increment Financing Fund	1,487,386	1,487,386	8,172,302
Note Issued, at Par (Bond Anticipation Notes)	-	-	1,000,000
Total Other Financing Sources (Uses)	1,487,386	1,487,386	9,172,302
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(19,954)
FUND BALANCE, JULY 1			578,956
FUND BALANCE, JUNE 30			\$ 559,002

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 464,955	\$ 1,421	\$ 1,217,871	\$ 1,684,247
Receivables				
Property Taxes	7,571	-	-	7,571
Other	18,814	-	5,229	24,043
Prepaid Items	1,061	-	1,600	2,661
Due from Other Governments	135,960	-	41,250	177,210
Due from Other Funds	-	1,421	-	1,421
TOTAL ASSETS	\$ 628,361	\$ 2,842	\$ 1,265,950	\$ 1,897,153
LIABILITIES				
Accounts Payable	\$ 313,698	\$ 1,421	\$ 13,921	\$ 329,040
Accrued Payroll	5,226	-	-	5,226
Other Payables	1,709	1,421	-	3,130
Deferred Property Taxes	14,375	-	-	14,375
Other Deferred Revenues	175,005	-	47,238	222,243
Due to Other Fund	9,777	-	-	9,777
Advances from Other Funds	-	-	504,000	504,000
Total Liabilities	519,790	2,842	565,159	1,087,791
FUND BALANCES				
Reserved for Prepaid Items	1,061	-	1,600	2,661
Reserved for Public Safety	25,058	-	-	25,058
Reserved for Specific Purpose	82,835	-	-	82,835
Unreserved - Undesignated (Deficit)	(383)	-	699,191	698,808
Total Fund Balances	108,571	-	700,791	809,362
TOTAL LIABILITIES AND FUND BALANCES	\$ 628,361	\$ 2,842	\$ 1,265,950	\$ 1,897,153

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, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 216,672	\$ -	\$ 311,219	\$ 527,891
Intergovernmental	3,329,045	-	119,671	3,448,716
Charges for Services	-	-	210,625	210,625
Investment Income	313	-	1,635	1,948
Miscellaneous	10,806	-	10,100	20,906
		-		
Total Revenues	3,556,836	-	653,250	4,210,086
EXPENDITURES				
Current				
General Government	3,605,639	-	-	3,605,639
Public Safety	45,589	-	-	45,589
Community Improvement	-	-	300,071	300,071
Capital Outlay	-	-	586,344	586,344
Debt Service				
Principal Retirement	-	3,975,000	-	3,975,000
Interest and Fiscal Charges	-	433,130	-	433,130
Total Expenditures	3,651,228	4,408,130	886,415	8,945,773
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(94,392)	(4,408,130)	(233,165)	(4,735,687)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	100	-	-	100
Transfers In	55,821	1,408,130	21,500	1,485,451
Transfers (Out)	-	-	(150,000)	(150,000)
Notes Issued, at Par	-	3,000,000	-	3,000,000
Total Other Financing Sources (Uses)	55,921	4,408,130	(128,500)	4,335,551
NET CHANGE IN FUND BALANCES				
	(38,471)	-	(361,665)	(400,136)
FUND BALANCES, JULY 1				
	147,042	-	1,062,456	1,209,498
FUND BALANCES, JUNE 30				
	\$ 108,571	\$ -	\$ 700,791	\$ 809,362

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, 2010

	Foreign Fire Insurance Tax	Mass Transit	Housing Rehabilitation
ASSETS			
Cash and Investments	\$ 25,661	\$ 237,640	\$ 149,758
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Other	-	-	-
Prepaid Items	128	383	-
Due from Other Governments	-	134,121	-
TOTAL ASSETS	\$ 25,789	\$ 372,144	\$ 149,758
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 603	\$ 293,310	\$ 5,775
Accrued Payroll	-	5,226	-
Other Payables	-	-	-
Deferred Property Taxes	-	-	-
Other Deferred Revenues	-	73,608	100,847
Due to Other Funds	-	-	-
Total Liabilities	603	372,144	106,622
FUND BALANCES			
Reserved for Prepaid Items	128	383	-
Reserved for Public Safety	25,058	-	-
Reserved for Specific Purpose	-	-	43,136
Unreserved - Undesignated (Deficit)	-	(383)	-
Total Fund Balances	25,186	-	43,136
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,789	\$ 372,144	\$ 149,758

Heritage Ridge Special Service Area #3	Community Development Block Grant	Knolls Special Service Area #4	Greek Row Special Service Area #6	Economic Development	Total
\$ 3,650	\$ 23,163	\$ 9,359	\$ 15,724	\$ -	\$ 464,955
1,288	-	736	5,547	-	7,571
-	-	-	-	18,814	18,814
-	550	-	-	-	1,061
-	1,839	-	-	-	135,960
\$ 4,938	\$ 25,552	\$ 10,095	\$ 21,271	\$ 18,814	\$ 628,361
\$ -	\$ 6,849	\$ 256	\$ 905	\$ 6,000	\$ 313,698
-	-	-	-	-	5,226
-	1,709	-	-	-	1,709
2,788	-	1,486	10,101	-	14,375
-	550	-	-	-	175,005
-	-	-	-	9,777	9,777
2,788	9,108	1,742	11,006	15,777	519,790
-	550	-	-	-	1,061
-	-	-	-	-	25,058
2,150	15,894	8,353	10,265	3,037	82,835
-	-	-	-	-	(383)
2,150	16,444	8,353	10,265	3,037	108,571
\$ 4,938	\$ 25,552	\$ 10,095	\$ 21,271	\$ 18,814	\$ 628,361

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, 2010

	Foreign Fire Insurance Tax	Mass Transit	Housing Rehabilitation
REVENUES			
Taxes	\$ 44,056	\$ -	\$ -
Intergovernmental	-	2,424,979	499,153
Investment Income	-	-	313
Miscellaneous	-	3,287	7,519
Total Revenues	44,056	2,428,266	506,985
EXPENDITURES			
Current			
General Government	-	2,484,087	536,699
Public Safety	45,589	-	-
Total Expenditures	45,589	2,484,087	536,699
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,533)	(55,821)	(29,714)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	-	100
Transfers In	-	55,821	-
Total Other Financing Sources (Uses)	-	55,821	100
NET CHANGE IN FUND BALANCES	(1,533)	-	(29,614)
FUND BALANCES, JULY 1	26,719	-	72,750
FUND BALANCES, JUNE 30	\$ 25,186	\$ -	\$ 43,136

Heritage Ridge Special Service Area #3	Community Development Block Grant	Knolls Special Service Area #4	Greek Row Special Service Area #6	Economic Development	Total
\$ 849	\$ -	\$ 2,000	\$ 10,331	\$ 159,436	\$ 216,672
-	404,913	-	-	-	3,329,045
-	-	-	-	-	313
-	-	-	-	-	10,806
849	404,913	2,000	10,331	159,436	3,556,836
885	404,913	2,025	10,030	167,000	3,605,639
-	-	-	-	-	45,589
885	404,913	2,025	10,030	167,000	3,651,228
(36)	-	(25)	301	(7,564)	(94,392)
-	-	-	-	-	100
-	-	-	-	-	55,821
-	-	-	-	-	55,921
(36)	-	(25)	301	(7,564)	(38,471)
2,186	16,444	8,378	9,964	10,601	147,042
\$ 2,150	\$ 16,444	\$ 8,353	\$ 10,265	\$ 3,037	\$ 108,571

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, 2010

	Original Budget	Final Budget	Actual
<hr/>			
REVENUES			
Taxes			
Foreign Fire Insurance Tax	\$ 27,500	\$ 27,500	\$ 44,056
	<hr/>		
Total Revenues	27,500	27,500	44,056
	<hr/>		
EXPENDITURES			
Current			
Public Safety			
Commodities	6,935	6,935	7,256
Contractual Services	8,825	8,825	5,718
Equipment	12,700	12,700	32,254
Investment Expense	-	-	361
	<hr/>		
Total Expenditures	28,460	28,460	45,589
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (960)	\$ (960)	(1,533)
	<hr/>		
FUND BALANCE, JULY 1			26,719
	<hr/>		
FUND BALANCE, JUNE 30			\$ 25,186
	<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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ 1,480,084	\$ 1,480,084	\$ 238,649
State Grants	2,095,259	2,095,259	2,186,330
Refunds/Reimbursements	-	-	3,287
Total Revenues	3,575,343	3,575,343	2,428,266
EXPENDITURES			
Current			
General Government			
Personal Services	146,228	146,228	146,822
Commodities	5,000	5,000	1,201
Professional/Contractual Services	2,559,352	2,559,352	2,335,567
Equipment	902,600	902,600	497
Total Expenditures	3,613,180	3,613,180	2,484,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(37,837)	(37,837)	(55,821)
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	43,284	43,284	55,821
Total Other Financing Sources (Uses)	43,284	43,284	55,821
NET CHANGE IN FUND BALANCE	\$ 5,447	\$ 5,447	-
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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ 1,000	\$ 1,000	\$ 499,153
Investment Income	1,000	1,000	313
Miscellaneous			
Refunds/Reimbursements	-	-	5,000
Recouped Loan	-	-	2,519
Total Revenues	2,000	2,000	506,985
EXPENDITURES			
Current			
General Government			
Contractual Services	1,500	1,500	809
Other Services	10,000	10,000	501,803
Permanent Improvements	10,000	10,000	34,087
Total Expenditures	21,500	21,500	536,699
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,500)	(19,500)	(29,714)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	-	100
Total Other Financing Sources (Uses)	-	-	100
NET CHANGE IN FUND BALANCE	\$ (19,500)	\$ (19,500)	(29,614)
FUND BALANCE, JULY 1			72,750
FUND BALANCE, JUNE 30			\$ 43,136

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 850	\$ 850	\$ 849
Total Revenues	850	850	849
EXPENDITURES			
General Government			
Commodities	2,000	2,000	-
Contractual Services	850	850	885
Total Expenditures	2,850	2,850	885
NET CHANGE IN FUND BALANCE	\$ (2,000)	\$ (2,000)	(36)
FUND BALANCE, JULY 1			2,186
FUND BALANCE, JUNE 30			\$ 2,150

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 413,756	\$ 413,756	\$ 404,913
Total Revenues	413,756	413,756	404,913
EXPENDITURES			
General Government			
Commodities	200	200	150
Contractual Services	122,876	122,876	144,792
Other Services	50	50	145
Equipment	1,000	1,000	1,256
Permanent Improvements	289,630	289,630	258,570
Total Expenditures	413,756	413,756	404,913
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			16,444
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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 2,000	\$ 2,000	\$ 2,000
Total Revenues	2,000	2,000	2,000
EXPENDITURES			
General Government			
Contractual Services	1,750	1,750	2,025
Permanent Improvements	200	200	-
Total Expenditures	1,950	1,950	2,025
NET CHANGE IN FUND BALANCE	\$ 50	\$ 50	(25)
FUND BALANCE, JULY 1			8,378
FUND BALANCE, JUNE 30			\$ 8,353

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 10,326	\$ 10,326	\$ 10,331
Total Revenues	10,326	10,326	10,331
EXPENDITURES			
General Government			
Contractual Services	-	-	10,030
Permanent Improvements	10,000	10,000	-
Total Expenditures	10,000	10,000	10,030
NET CHANGE IN FUND BALANCE	\$ 326	\$ 326	301
FUND BALANCE, JULY 1			9,964
FUND BALANCE, JUNE 30			\$ 10,265

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 150,000	\$ 150,000	\$ 159,436
Total Revenues	150,000	150,000	159,436
EXPENDITURES			
Current			
General Government			
Professional/Contractual Services	167,000	167,000	167,000
Total Expenditures	167,000	167,000	167,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,000)	(17,000)	(7,564)
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	17,000	17,000	-
Total Other Financing Sources (Uses)	17,000	17,000	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(7,564)
FUND BALANCE, JULY 1			10,601
FUND BALANCE, JUNE 30			\$ 3,037

(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.

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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
EXPENDITURES			
Debt Service			
Principal Retirement	975,000	975,000	3,975,000
Interest and Fiscal Charges	405,334	405,334	433,130
Total Expenditures	1,380,334	1,380,334	4,408,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,380,334)	(1,380,334)	(4,408,130)
OTHER FINANCING SOURCES (USES)			
Transfer In			
General Fund	1,380,334	1,380,334	1,408,130
Notes Issued, at Par (Bond Anticipation Notes)	-	-	3,000,000
Total Other Financing Sources (Uses)	1,380,334	1,380,334	4,408,130
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ -

(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, 2010

	Capital Projects	County Home Tax Increment Financing District	Public Safety Building	Total
ASSETS				
Cash and Investments	\$ 410	\$ -	\$ 1,217,461	\$ 1,217,871
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Other	5,229	-	-	5,229
Due from Other Governments	41,250	-	-	41,250
Prepaid Maintenance	1,600	-	-	1,600
TOTAL ASSETS	\$ 48,489	\$ -	\$ 1,217,461	\$ 1,265,950
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 13,921	\$ -	\$ -	\$ 13,921
Other Deferred Revenue	47,238	-	-	47,238
Advances from Other Funds	504,000	-	-	504,000
Total Liabilities	565,159	-	-	565,159
FUND BALANCES				
Reserved for Prepaid Items	1,600	-	-	1,600
Unreserved - Undesignated (Deficit)	(518,270)	-	1,217,461	699,191
Total Fund Balances (Deficit)	(516,670)	-	1,217,461	700,791
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,489	\$ -	\$ 1,217,461	\$ 1,265,950

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, 2010

	Capital Projects	County Home Tax Increment Financing District	Public Safety Building	Total
REVENUES				
Taxes	\$ -	\$ 311,219	\$ -	\$ 311,219
Intergovernmental	119,671	-	-	119,671
Charges for Services	210,625	-	-	210,625
Investment Income	-	-	1,635	1,635
Miscellaneous Income	10,100	-	-	10,100
Total Revenues	340,396	311,219	1,635	653,250
EXPENDITURES				
Current				
Community Improvement				
Contractual Services	-	300,071	-	300,071
Capital Outlay				
Commodities	3,811	-	-	3,811
Contractual Services	5,371		5,268	10,639
Other Services	400,872	-	-	400,872
Equipment	171,022	-	-	171,022
Total Expenditures	581,076	300,071	5,268	886,415
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(240,680)	11,148	(3,633)	(233,165)
OTHER FINANCING SOURCES (USES)				
Transfers In	21,500	-	-	21,500
Transfers (Out)	-	-	(150,000)	(150,000)
Total Other Financing Sources (Uses)	21,500	-	(150,000)	(128,500)
NET CHANGE IN FUND BALANCES	(219,180)	11,148	(153,633)	(361,665)
FUND BALANCES (DEFICIT), JULY 1	(297,490)	(11,148)	1,371,094	1,062,456
FUND BALANCES (DEFICIT), JUNE 30	\$ (516,670)	\$ -	\$ 1,217,461	\$ 700,791

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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ -	\$ -	\$ 119,671
Charges for Services			
Rental Income	90,000	90,000	89,326
Traffic Impact Fees	1,250	1,250	-
Refunds/Reimbursements	90,000	90,000	114,000
Public Building Construction Fees	-	-	7,299
Annexation Fees	500	500	-
Investment Income	-	-	-
Miscellaneous Income	3,000	3,000	10,100
Total Revenues	184,750	184,750	340,396
EXPENDITURES			
Capital Outlay			
Commodities	-	-	3,811
Contractual Services	-	-	5,371
Other Services	400,872	400,872	400,872
Equipment	140,000	140,000	171,022
Total Expenditures	540,872	540,872	581,076
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(356,122)	(356,122)	(240,680)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	32,000	32,000	-
Transfers In (Out)			
General Fund	-	-	21,500
Total Other Financing Sources (Uses)	32,000	32,000	21,500
NET CHANGE IN FUND BALANCE			
	\$ (324,122)	\$ (324,122)	(219,180)
FUND BALANCE (DEFICIT), JULY 1			
			(297,490)
FUND BALANCE (DEFICIT), JUNE 30			
			\$ (516,670)

(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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 310,956	\$ 310,956	\$ 311,219
Total Revenues	310,956	310,956	311,219
EXPENDITURES			
Community Improvement			
Contractual Services	-	-	300,071
Total Expenditures	-	-	300,071
NET CHANGE IN FUND BALANCE	<u>\$ 310,956</u>	<u>\$ 310,956</u>	11,148
FUND BALANCE (DEFICIT), JULY 1			<u>(11,148)</u>
FUND BALANCE, JUNE 30			<u>\$ -</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, 2010

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 10,000	\$ 10,000	\$ -
Fines and Forfeitures			
Police	37,500	37,500	-
Investment Income	10,000	10,000	1,635
Total Revenues	57,500	57,500	1,635
EXPENDITURES			
Capital Outlay			
Contractual Services	1,512	1,512	5,268
Total Expenditures	1,512	1,512	5,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	55,988	55,988	(3,633)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
General Fund	(150,000)	(150,000)	(150,000)
Total Other Financing Sources (Uses)	(150,000)	(150,000)	(150,000)
NET CHANGE IN FUND BALANCE	<u>\$ (94,012)</u>	<u>\$ (94,012)</u>	(153,633)
FUND BALANCE, JULY 1			<u>1,371,094</u>
FUND BALANCE, JUNE 30			<u><u>\$ 1,217,461</u></u>

(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, 2010

	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	\$ 5,217,570	\$ 5,217,570	\$ 5,020,452	\$ -	\$ -	\$ -	\$ -	\$ 5,217,570	\$ 5,217,570	\$ 5,020,452
Permits	63,200	63,200	29,135	-	-	86,606	-	63,200	63,200	115,741
Miscellaneous	27,200	27,200	31,868	-	-	-	-	27,200	27,200	31,868
Total Operating Revenues	5,307,970	5,307,970	5,081,455	-	-	86,606	-	5,307,970	5,307,970	5,168,061
OPERATING EXPENSES EXCLUDING DEPRECIATION										
Personal Services	1,833,730	1,833,730	1,906,719	-	-	-	-	1,833,730	1,833,730	1,906,719
Commodities	423,800	423,800	372,206	-	-	-	-	423,800	423,800	372,206
Contractual Services	589,200	589,200	649,937	-	-	-	-	589,200	589,200	649,937
Other Services/Expenses	850,020	850,020	25,000	-	-	-	-	850,020	850,020	25,000
Equipment	122,000	122,000	10,724	-	-	2,062	-	122,000	122,000	12,786
Permanent Improvements	550,000	550,000	-	-	-	-	-	550,000	550,000	-
Total Operating Expenses Excluding Depreciation	4,368,750	4,368,750	2,964,586	-	-	2,062	-	4,368,750	4,368,750	2,966,648
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	939,220	939,220	2,116,869	-	-	84,544	-	939,220	939,220	2,201,413
DEPRECIATION AND AMORTIZATION	-	-	1,013,040	-	-	-	-	-	-	1,013,040
OPERATING INCOME	939,220	939,220	1,103,829	-	-	84,544	-	939,220	939,220	1,188,373

	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	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16
Interest Expense	-	-	(242,382)	-	-	-	-	-	-	(242,382)
Gain on Sale of Capital Assets	-	-	3,717	-	-	-	-	-	-	3,717
Total Nonoperating Revenues (Expenses)	-	-	(238,649)	-	-	-	-	-	-	(238,649)
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	939,220	939,220	865,180	-	-	84,544	-	939,220	939,220	949,724
CONTRIBUTIONS										
Contribution of Capital Assets	-	-	41,454	-	-	-	-	-	-	41,454
Total Contributions	-	-	41,454	-	-	-	-	-	-	41,454
TRANSFERS										
Transfers In (Out)										
General Fund	(525,000)	(525,000)	(296,836)	-	-	-	-	(525,000)	(525,000)	(296,836)
Liability/Property Insurance Fund	-	-	(25,000)	-	-	-	-	-	-	(25,000)
Total Transfers	(525,000)	(525,000)	(321,836)	-	-	-	-	(525,000)	(525,000)	(321,836)
CHANGE IN NET ASSETS	\$ 414,220	\$ 414,220	584,798	\$ -	\$ -	84,544	\$ -	\$ 414,220	\$ 414,220	669,342
NET ASSETS, JULY 1			20,476,821			786,003				21,262,824
NET ASSETS, JUNE 30			\$ 21,061,619			\$ 870,547				\$ 21,932,166

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION
WATER FUND

For the Year Ended June 30, 2010

	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	-	41,454	-	41,454	-	-	-	-	41,454
Buildings and Improvements	2,544,389	-	-	2,544,389	600,788	50,888	-	651,676	1,892,713
Water System	38,709,050	55,759	-	38,764,809	12,560,006	876,098	-	13,436,104	25,328,705
Vehicles	616,258	-	-	616,258	438,917	45,145	-	484,062	132,196
Equipment	324,920	-	-	324,920	224,117	25,792	-	249,909	75,011
TOTAL	<u>\$ 42,723,265</u>	<u>\$ 97,213</u>	<u>\$ -</u>	<u>\$ 42,820,478</u>	<u>\$ 13,823,828</u>	<u>\$ 997,923</u>	<u>\$ -</u>	<u>\$ 14,821,751</u>	<u>\$ 27,998,727</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, 2010

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Rents/Taxes	\$ 340,000	\$ 340,000	\$ 240,987
Airport Operators	19,000	19,000	6,377
Miscellaneous	2,000	2,000	7,234
Total Operating Revenues	361,000	361,000	254,598
OPERATING EXPENSES			
Personal Services	191,966	191,966	181,708
Commodities	47,200	47,200	33,795
Contractual Services	130,050	130,050	145,262
Other Services	265,932	265,932	53,075
Equipment	41,000	41,000	(32,197)
Permanent Improvements	1,551,754	1,551,754	41,260
Total Operating Expenses	2,227,902	2,227,902	422,903
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(1,866,902)	(1,866,902)	(168,305)
DEPRECIATION AND AMORTIZATION	-	-	355,967
OPERATING INCOME (LOSS)	(1,866,902)	(1,866,902)	(524,272)
NONOPERATING REVENUES (EXPENSES)			
Refunds/Reimbursements	50,340	50,340	(112)
Interest Expense	-	-	(65,525)
Gain on Sale of Capital Assets	-	-	(69,900)
Total Nonoperating Revenues (Expenses)	50,340	50,340	(135,537)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS			
CONTRIBUTIONS			
Contributions - Capital Grant Revenue	1,453,377	1,453,377	719,476
Total Contributions	1,453,377	1,453,377	719,476
CHANGE IN NET ASSETS	\$ (363,185)	\$ (363,185)	59,667
NET ASSETS, JULY 1			26,218,305
NET ASSETS, JUNE 30			\$ 26,277,972

(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, 2010

	Development Services	Refuse	Total Nonmajor Enterprise
CURRENT ASSETS			
Cash and Investments	\$ 47	\$ 369,664	\$ 369,711
Receivables			
Accounts	-	200,679	200,679
Due from Other Funds	-	300,000	300,000
Total Current Assets	47	870,343	870,390
Total Assets	47	870,343	870,390
CURRENT LIABILITIES			
Accounts Payable	711	257,524	258,235
Accrued Payroll	10,123	-	10,123
Unearned Revenue	-	201,481	201,481
Due to Other Funds	440,000	-	440,000
Compensated Absences Payable	3,529	-	3,529
Total Current Liabilities	454,363	459,005	913,368
LONG-TERM LIABILITIES			
Compensated Absences Payable	67,054	-	67,054
Other Postemployment Benefit Payable	81,760	-	81,760
Total Long-Term Liabilities	148,814	-	148,814
Total Liabilities	603,177	459,005	1,062,182
NET ASSETS			
Unrestricted (Deficit)	(603,130)	411,338	(191,792)
TOTAL NET ASSETS (DEFICIT)	\$ (603,130)	\$ 411,338	\$ (191,792)

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, 2010

	Development Services	Refuse	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for Services	\$ 38,835	\$ 1,625,213	\$ 1,664,048
Total Operating Revenues	38,835	1,625,213	1,664,048
OPERATING EXPENSES			
Personal Services	370,791	-	370,791
Commodities	5,444	-	5,444
Contractual Services	4,339	1,671,915	1,676,254
Total Operating Expenses	380,574	1,671,915	2,052,489
CHANGE IN NET ASSETS	(341,739)	(46,702)	(388,441)
NET ASSETS (DEFICIT), JULY 1	(261,391)	458,040	196,649
NET ASSETS (DEFICIT), JUNE 30	\$ (603,130)	\$ 411,338	\$ (191,792)

See accompanying notes to financial statements.

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

For the Year Ended June 30, 2010

	Development Services	Refuse	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 38,835	\$ 1,625,212	\$ 1,664,047
Payments to Suppliers	(9,703)	(1,668,487)	(1,678,190)
Payments to Employees	(340,275)	-	(340,275)
Net Cash from Operating Activities	(311,143)	(43,275)	(354,418)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Receivables/Advance To	-	(250,000)	(250,000)
Interfund Payables/Advance From	310,000	-	310,000
Net Cash from Noncapital Financing Activities	310,000	(250,000)	60,000
CASH FLOWS FROM INVESTING ACTIVITIES			
None	-	-	-
Net Cash from Investing Activities	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,143)	(293,275)	(294,418)
CASH AND CASH EQUIVALENTS, JULY 1	1,190	662,939	664,129
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 47	\$ 369,664	\$ 369,711
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (341,739)	\$ (46,702)	\$ (388,441)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Accounts Receivable	-	(4,309)	(4,309)
Accounts Payable	80	3,428	3,508
Accrued Payroll	(2,148)	-	(2,148)
Deferred Revenue	-	4,308	4,308
Other Postemployment Benefit	31,856	-	31,856
Compensated Absences	808	-	808
NET CASH FROM OPERATING ACTIVITIES	\$ (311,143)	\$ (43,275)	\$ (354,418)
CASH AND INVESTMENTS			
Cash and Cash Equivalents	\$ 47	\$ 369,664	\$ 369,711

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, 2010

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Permits	\$ 99,000	\$ 99,000	\$ 38,835
Total Operating Revenues	99,000	99,000	38,835
OPERATING EXPENSES			
Personal Services	331,385	331,385	370,791
Commodities	11,950	11,950	5,444
Contractual Services	12,050	12,050	4,339
Equipment	2,000	2,000	-
Total Operating Expenses	357,385	357,385	380,574
OPERATING INCOME (LOSS)	(258,385)	(258,385)	(341,739)
TRANSFERS IN			
Motor Fuel Tax Fund	179,231	179,231	-
Total Transfers In	179,231	179,231	-
CHANGE IN NET ASSETS	<u>\$ (79,154)</u>	<u>\$ (79,154)</u>	(341,739)
NET ASSETS (DEFICIT), JULY 1			<u>(261,391)</u>
NET ASSETS (DEFICIT), JUNE 30			<u>\$ (603,130)</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, 2010

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 1,610,800	\$ 1,610,800	\$ 1,625,213
Total Operating Revenues	1,610,800	1,610,800	1,625,213
OPERATING EXPENSES			
Contractual Services	1,657,524	1,657,524	1,671,915
Total Operating Expenses	1,657,524	1,657,524	1,671,915
CHANGE IN NET ASSETS	\$ (46,724)	\$ (1,657,524)	(46,702)
NET ASSETS, JULY 1			458,040
NET ASSETS, JUNE 30			\$ 411,338

(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, 2010

	Workers'	Health	Liability/ Property	
	Compensation	Insurance	Insurance	Total
CURRENT ASSETS				
Cash and Investments	\$ 33,202	\$ 680,187	\$ 177,733	\$ 891,122
Receivables				
Other	-	365	-	365
Prepaid Expenses	-	3,000	-	3,000
Total Current Assets	33,202	683,552	177,733	894,487
NONCURRENT ASSETS				
Advance to Other Funds	-	518,000	-	518,000
Total Noncurrent Assets	-	518,000	-	518,000
Total Assets	33,202	1,201,552	177,733	1,412,487
CURRENT LIABILITIES				
Accounts Payable	-	863	2,093	2,956
Unearned Revenue	-	364	-	364
Claims Payable	1,272,216	-	199,502	1,471,718
Total Current Liabilities	1,272,216	1,227	201,595	1,475,038
LONG-TERM LIABILITIES				
Advance from Other Funds	518,000	-	-	518,000
Total Long-Term Liabilities	518,000	-	-	518,000
Total Liabilities	1,790,216	1,227	201,595	1,993,038
NET ASSETS				
Unrestricted (Deficit)	(1,757,014)	1,200,325	(23,862)	(580,551)
TOTAL NET ASSETS (DEFICIT)	\$ (1,757,014)	\$ 1,200,325	\$ (23,862)	\$ (580,551)

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, 2010

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Contributions	\$ 852,000	\$ 852,000	\$ 855,023	\$ 5,417,500	\$ 5,417,500	\$ 5,484,561
Miscellaneous	-	-	-	-	-	-
Total Operating Revenues	852,000	852,000	855,023	5,417,500	5,417,500	5,484,561
OPERATING EXPENSES						
Administration						
Commodities	500	500	945	-	-	-
Contractual Services	35,000	35,000	27,069	17,000	17,000	14,764
Claims	1,934,578	1,934,578	926,869	5,195,013	5,195,013	4,915,521
Other	-	-	-	-	-	-
Total Operating Expenses	1,970,078	1,970,078	954,883	5,212,013	5,212,013	4,930,285
OPERATING INCOME (LOSS)	(1,118,078)	(1,118,078)	(99,860)	205,487	205,487	554,276
NONOPERATING REVENUES						
Investment Income	-	-	-	-	-	87
Total Nonoperating Revenues	-	-	-	-	-	87
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,118,078)	(1,118,078)	(99,860)	205,487	205,487	554,363
OTHER FINANCING SOURCES (USES)						
Transfers In	500,000	500,000	143,000	-	-	-
Transfers Out	-	-	-	(500,000)	(500,000)	(332,000)
Total Other Financing Sources (Uses)	500,000	500,000	143,000	(500,000)	(500,000)	(332,000)
CHANGE IN NET ASSETS	\$ (618,078)	\$ (618,078)	43,140	\$ (294,513)	\$ (294,513)	222,363
NET ASSETS (DEFICIT), JULY 1			(1,800,154)			977,962
NET ASSETS (DEFICIT), JUNE 30			\$ (1,757,014)			\$ 1,200,325

Liability/ Property Insurance			Totals		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 82,500	\$ 82,500	\$ 90,000	\$ 6,352,000	\$ 6,352,000	\$ 6,429,584
40,000	40,000	22,823	40,000	40,000	22,823
122,500	122,500	112,823	6,392,000	6,392,000	6,452,407
-	-	-	500	500	945
1,500	1,500	121,959	53,500	53,500	163,792
-	-	93,694	7,129,591	7,129,591	5,936,084
156,000	156,000	359	156,000	156,000	359
157,500	157,500	216,012	7,339,591	7,339,591	6,101,180
(35,000)	(35,000)	(103,189)	(947,591)	(947,591)	351,227
-	-	-	-	-	87
-	-	-	-	-	87
(35,000)	(35,000)	(103,189)	(947,591)	(947,591)	351,314
-	-	214,000	500,000	500,000	357,000
-	-	-	(500,000)	(500,000)	(332,000)
-	-	214,000	-	-	25,000
<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	110,811	<u>\$ (947,591)</u>	<u>\$ (947,591)</u>	376,314
		(134,673)			(956,865)
		<u>\$ (23,862)</u>			<u>\$ (580,551)</u>

(See independent auditor's report.)

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

For the Year Ended June 30, 2010

	Workers'	Health	Liability/ Property	
	Compensation	Insurance	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Interfund Services Transactions	\$ 855,023	\$ 5,484,560	\$ 90,000	\$ 6,429,583
Receipts from Miscellaneous Revenue	-	-	22,823	22,823
Payments to Suppliers	(974,924)	(4,931,641)	(176,363)	(6,082,928)
Net Cash from Operating Activities	(119,901)	552,919	(63,540)	369,478
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund Receivables/Advances	(453)	-	-	(453)
Transfers In (Out)	143,000	(332,000)	214,000	25,000
Net Cash from Noncapital Financing Activities	142,547	(332,000)	214,000	24,547
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received on Investments	-	87	-	87
Net Cash from Investing Activities	-	87	-	87
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,646	221,006	150,460	394,112
CASH AND CASH EQUIVALENTS, JULY 1	10,556	459,181	27,273	497,010
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 33,202</u>	<u>\$ 680,187</u>	<u>\$ 177,733</u>	<u>\$ 891,122</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (99,860)	\$ 554,276	\$ (103,189)	\$ 351,227
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities				
Changes in Assets and Liabilities				
Other Receivables	-	(31)	-	(31)
Prepaid Expenses	-	-	299	299
Accounts Payable	(2,517)	(1,356)	(10,152)	(14,025)
Claims Payable	(17,524)	-	49,502	31,978
Deferred Revenue	-	30	-	30
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (119,901)</u>	<u>\$ 552,919</u>	<u>\$ (63,540)</u>	<u>\$ 369,478</u>
CASH AND INVESTMENTS				
Cash and Cash Equivalents	\$ 33,202	\$ 680,187	\$ 177,733	\$ 891,122
TOTAL CASH AND INVESTMENTS	<u>\$ 33,202</u>	<u>\$ 680,187</u>	<u>\$ 177,733</u>	<u>\$ 891,122</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, 2010

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 1,067,861	\$ 1,512,312	\$ 2,580,173
Investments, at Fair Value			
Certificates of Deposit	-	98,425	98,425
Mutual Funds	9,451,067	7,035,658	16,486,725
Corporate Bonds	-	657,747	657,747
U.S. Treasury Securities	-	5,184,392	5,184,392
U.S. Agency Securities	12,577,939	4,564,383	17,142,322
Receivables			
Accrued Interest	85,367	84,848	170,215
Prepaid Expenses	376	-	376
Total Assets	23,182,610	19,137,765	42,320,375
LIABILITIES			
Accounts Payable	17,231	10,390	27,621
Unearned Revenue	672,024	1,001,795	1,673,819
Total Liabilities	689,255	1,012,185	1,701,440
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
	\$ 22,493,355	\$ 18,125,580	\$ 40,618,935

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, 2010

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 1,081,450	\$ 1,706,970	\$ 2,788,420
Employee Contributions	555,879	392,253	948,132
Other Contributions	-	35	35
Total Contributions	1,637,329	2,099,258	3,736,587
Investment Income			
Net Appreciation in Fair Value of Investments	1,498,778	1,373,043	2,871,821
Interest	567,063	563,764	1,130,827
Total Investment Income	2,065,841	1,936,807	4,002,648
Less Investment Expense	(48,020)	(43,749)	(91,769)
Net Investment Income	2,017,821	1,893,058	3,910,879
Total Additions	3,655,150	3,992,316	7,647,466
DEDUCTIONS			
Retirement Benefits	1,557,533	1,889,228	3,446,761
Disability Benefits	38,375	228,276	266,651
Refund of Contributions	-	47,445	47,445
Administrative Expenses	28,228	42,261	70,489
Total Deductions	1,624,136	2,207,210	3,831,346
NET INCREASE	2,031,014	1,785,106	3,816,120
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
July 1	20,462,341	16,340,474	36,802,815
June 30	\$ 22,493,355	\$ 18,125,580	\$ 40,618,935

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, 2010

	General Obligation				
	Compensated Absences	Capital Lease	Other Government Payable	Bond Series of 1997A	Bond Series of 2002
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	4,647,907	1,245,095	1,337,055	1,495,000	2,165,000
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT	\$ 4,647,907	\$ 1,245,095	\$ 1,337,055	\$ 1,495,000	\$ 2,165,000
GENERAL LONG-TERM DEBT PAYABLE					
Due to Other Governments	\$ -	\$ -	\$ 1,337,055	\$ -	\$ -
Compensated Absences Payable	4,647,907	-	-	-	-
Bond Anticipation Note Payable	-	-	-	-	-
Capital Lease Payable	-	1,245,095	-	-	-
General Obligation Bonds Payable	-	-	-	1,495,000	2,165,000
Revenue Bonds Payable	-	-	-	-	-
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ 4,647,907	\$ 1,245,095	\$ 1,337,055	\$ 1,495,000	\$ 2,165,000

General Obligation				Bond	Bond	TIF Revenue	
Bond Series of 2002A	Bond Series of 2003A	Bond Series of 2004	Bond Series of 2010A	Anticipation Note of 2007	Anticipation Note of 2009	Bond Series of 2003	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,002	\$ 559,002
820,000	315,000	4,895,000	10,800,000	1,000,000	3,000,000	870,998	32,591,055
\$ 820,000	\$ 315,000	\$ 4,895,000	\$ 10,800,000	\$ 1,000,000	\$ 3,000,000	\$ 1,430,000	\$ 33,150,057
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337,055
-	-	-	-	-	-	-	4,647,907
-	-	-	-	1,000,000	3,000,000	-	4,000,000
-	-	-	-	-	-	-	1,245,095
820,000	315,000	4,895,000	10,800,000	-	-	-	20,490,000
-	-	-	-	-	-	1,430,000	1,430,000
\$ 820,000	\$ 315,000	\$ 4,895,000	\$ 10,800,000	\$ 1,000,000	\$ 3,000,000	\$ 1,430,000	\$ 33,150,057

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF DEKALB, ILLINOIS

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

June 30, 2010

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
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>\$ 1,495,000</u>	<u>\$ 110,375</u>	<u>\$ 1,605,375</u>		<u>\$ 55,188</u>		<u>\$ 55,187</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2002

June 30, 2010

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
2009		\$ 44,541	\$ 44,541	2010		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>\$ 2,165,000</u>	<u>\$ 434,857</u>	<u>\$ 2,599,857</u>		<u>\$ 217,428</u>		<u>\$ 217,429</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2010

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
2009	\$ 195,000	\$ 16,400	\$ 211,400			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>\$ 820,000</u>	<u>\$ 67,000</u>	<u>\$ 887,000</u>		<u>\$ 25,300</u>		<u>\$ 41,700</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2010

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, 2010
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
2009		\$ 14,584	\$ 14,584	2010		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>\$ 1,430,000</u>	<u>\$ 49,564</u>	<u>\$ 1,479,564</u>		<u>\$ 24,781</u>		<u>\$ 24,783</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2010

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
2009	\$ 85,000	\$ 5,400	\$ 90,400			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>\$ 315,000</u>	<u>\$ 21,606</u>	<u>\$ 336,606</u>		<u>\$ 8,103</u>		<u>\$ 13,503</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, 2010

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
2009		\$ 172,588	\$ 172,588			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>\$ 8,150,000</u>	<u>\$ 2,003,045</u>	<u>\$ 10,153,045</u>		<u>\$ 1,001,520</u>		<u>\$ 1,001,525</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, 2010

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
2009		\$ 104,822	\$ 104,822			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>\$ 4,895,000</u>	<u>\$ 1,063,855</u>	<u>\$ 5,958,855</u>		<u>\$ 531,927</u>		<u>\$ 531,928</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, 2010

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
2009		\$ 57,177	\$ 57,177			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>\$ 2,765,000</u>	<u>\$ 767,870</u>	<u>\$ 3,532,870</u>		<u>\$ 383,934</u>		<u>\$ 383,936</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, 2010

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
2009		\$ 10,589	\$ 10,589			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>\$ 490,000</u>	<u>\$ 171,320</u>	<u>\$ 661,320</u>		<u>\$ 85,659</u>		<u>\$ 85,661</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2010

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
2009		\$ 19,808	\$ 19,808			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>\$ 695,000</u>	<u>\$ 178,837</u>	<u>\$ 873,837</u>		<u>\$ 88,350</u>		<u>\$ 90,487</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2010A (TIF)

June 30, 2010

Date of Issue	May 27, 2010
Date of Maturity	December 2, 2021
Authorized Issue	\$10,800,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company, Chicago, Illinois

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy		Interest Due on				
	Principal	Interest	Totals	December 1	Amount	June 1	Amount
2009	\$ 820,000	\$ 172,027	\$ 992,027	2010	\$ 172,027		
2010	755,000	320,175	1,075,175	2011	160,088	2011	\$ 160,087
2011	770,000	305,075	1,075,075	2012	152,537	2012	152,538
2012	785,000	289,675	1,074,675	2013	144,838	2013	144,837
2013	800,000	273,975	1,073,975	2014	136,987	2014	136,988
2014	825,000	253,975	1,078,975	2015	126,988	2015	126,987
2015	845,000	233,350	1,078,350	2016	116,675	2016	116,675
2016	870,000	208,000	1,078,000	2017	104,000	2017	104,000
2017	1,020,000	173,200	1,193,200	2018	86,600	2018	86,600
2018	1,060,000	132,400	1,192,400	2019	66,200	2019	66,200
2019	1,105,000	90,000	1,195,000	2020	45,000	2020	45,000
2020	1,145,000	45,800	1,190,800	2021	22,900	2021	22,900
	<u>\$ 10,800,000</u>	<u>\$ 2,497,652</u>	<u>\$ 13,297,652</u>		<u>\$ 1,334,840</u>		<u>\$ 1,162,812</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

June 30, 2010

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
2011	\$ 1,000,000	\$ 29,250	\$ 1,029,250	2010	\$ 29,250		\$ -
	<u>\$ 1,000,000</u>	<u>\$ 29,250</u>	<u>\$ 1,029,250</u>		<u>\$ 29,250</u>		<u>\$ -</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND ANTICIPATION NOTE OF 2009

June 30, 2010

Date of Issue	December 1, 2009
Date of Maturity	December 1, 2010
Authorized Issue	\$3,000,000
Denomination of Notes	\$5,000
Interest Rates	Variable .94% at June 30, 2010
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
2011	\$ 3,000,000	\$ 14,100	\$ 3,014,100	2010	\$ 14,100		\$ -
	<u>\$ 3,000,000</u>	<u>\$ 14,100</u>	<u>\$ 3,014,100</u>		<u>\$ 14,100</u>		<u>\$ -</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.	137-144
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	145-151
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.	152-155
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.	156-157
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.	158-162

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 Eight Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 116,154,934
Restricted	5,554,546	3,395,377	1,524,630	3,295,898	3,159,513	10,131,297	10,401,769	15,569,514
Unrestricted (Deficit)	(17,759,129)	(14,013,207)	(10,463,117)	(12,063,288)	(10,790,695)	(16,660,106)	(14,726,824)	(20,131,463)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 55,601,765	\$ 68,663,949	\$ 95,255,073	\$ 98,270,801	\$ 101,597,652	\$ 107,418,752	\$ 112,025,492	\$ 111,592,985
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	\$ 48,482,070
Restricted	-	-	-	-	-	-	-	-
Unrestricted	2,237,149	1,631,020	1,273,772	(279,115)	(805,537)	(985,741)	(724,236)	(463,724)
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	\$ 48,018,346
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	\$ 164,637,004
Restricted	5,554,546	3,395,377	1,524,630	3,295,898	3,159,513	10,131,297	10,401,769	15,569,514
Unrestricted	(15,521,980)	(12,382,187)	(9,189,345)	(12,342,403)	(11,596,232)	(17,645,847)	(15,451,060)	(20,595,187)
TOTAL PRIMARY GOVERNMENT	\$ 84,618,109	\$ 104,778,443	\$ 133,581,120	\$ 137,384,129	\$ 146,377,960	\$ 153,273,215	\$ 159,703,270	\$ 159,611,331
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	\$ 365,918
Restricted	-	-	-	-	-	-	-	-
Unrestricted	903,959	733,968	820,776	841,774	868,869	843,549	1,045,356	1,227,210
TOTAL COMPONENT UNIT GOVERNMENT ACTIVITIES	\$ 984,510	\$ 807,237	\$ 820,776	\$ 929,766	\$ 1,163,859	\$ 1,126,487	\$ 1,345,954	\$ 1,593,128

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 Eight Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 9,268,403
Public Safety	11,921,125	13,161,608	14,495,797	14,009,805	16,371,735	17,889,697	19,020,552	19,606,432
Community Improvement	6,675,918	5,880,017	5,455,783	7,706,447	6,133,081	7,844,631	6,074,929	9,415,300
Highways and Streets	8,232,178	4,872,446	10,481,051	4,743,859	4,888,810	4,068,000	6,022,846	5,083,380
Interest	912,735	1,049,120	1,026,539	1,154,903	960,500	1,010,059	902,204	723,651
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	44,097,166
Business-Type Activities								
Water	3758743	3830129	3,876,880	4,131,341	4,206,023	4,146,713	4,347,248	4,222,070
Airport	466286	692739	766,597	839,450	1,039,450	994,597	1,111,227	914,295
Developmental Services	1194973	1256963	194,977	294,791	249,295	365,050	378,497	380,574
Refuse	-	-	1,199,238	1,313,885	1,403,778	1,466,215	1,656,645	1,671,915
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	7,188,854
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	\$ 51,286,020
PROGRAM REVENUES								
Governmental Activities								
Charges for Services								
General Government	\$ 255,956	\$ 248,199	\$ 266,806	\$ 337,340	\$ 259,887	\$ 303,453	\$ 292,071	\$ 340,015
Public Safety	1,614,741	2,021,775	4,961,170	2,281,500	2,325,586	2,440,715	2,631,448	2,710,546
Community Improvement	762,876	1,147,291	791,567	555,022	433,385	333,154	325,866	210,319
Highways and Streets	226,137	196,922	667,701	-	-	75,291	403,355	402,209
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	2,488,211
Capital Grants and Contributions	282,853	537,433	2,197,952	3,036,831	1,609,289	2,083,090	2,013,494	2,471,003
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	8,622,303

CITY OF DEKALB, ILLINOIS
CHANGE IN NET ASSETS (Continued)
Last Eight Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 5,136,193
Airport	251,265	245,688	264,547	280,532	235,999	262,783	261,655	247,364
Development Services	-	-	81,349	249,957	230,060	96,580	88,319	38,835
Refuse	1,240,911	1,277,131	1,318,513	1,407,499	1,501,041	1,584,288	1,623,529	1,625,213
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	760,930
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	7,808,535
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	\$ 16,430,838
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)	\$ (35,474,863)
Business-type Activities	246,747	395,515	1,432,111	62,176	2,119,546	(281,549)	1,941,779	619,681
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)	\$ (34,855,182)
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	\$ 1,570,049
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	\$ 1,570,049
Program Revenues								
Charges for Services	\$ 33,936	\$ 33,624	\$ 46,235	\$ 36,149	\$ 37,784	\$ 36,879	\$ 36,611	\$ 39,875
Operating Grants and Contributions	113,346	128,959	52,733	82,439	300,084	88,797	91,512	83,226
Capital Grants and Contributions	-	-	-	-	-	-	-	-
Total Component Unit								
Program Revenues	\$ 147,282	\$ 162,583	\$ 98,968	\$ 118,588	\$ 337,868	\$ 125,676	\$ 128,123	\$ 123,101
TOTAL COMPONENT UNIT NET (EXPENSE) REVENUE	\$ (974,881)	\$ (1,107,200)	\$ (997,592)	\$ (963,049)	\$ (1,015,052)	\$ (1,389,851)	\$ (1,392,869)	\$ (1,446,948)

CITY OF DEKALB, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Eight Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 13,371,039
Home Rule Sales	1,988,464	3,968,456	4,947,494	5,670,587	4,296,267	4,301,049	5,803,785	5,912,290
State Sales	4,327,436	4,040,222	3,790,727	3,960,365	5,864,315	5,950,520	5,493,550	5,500,964
Local Use	-	-	459,261	517,848	557,376	644,076	632,883	538,742
Franchise Tax	289,125	313,263	337,088	361,374	414,003	416,056	437,977	414,905
Utility	3,425,787	3,426,971	3,596,132	3,671,553	3,663,782	3,814,184	3,574,598	3,324,919
State Income	2,544,001	2,322,932	3,023,210	3,362,748	3,689,547	4,274,684	3,954,000	3,472,035
Restaurant/Bar	1,170,231	1,231,736	1,261,936	1,404,579	1,557,627	1,660,912	1,584,944	1,597,195
Other	261,576	281,406	286,863	329,846	354,557	390,576	357,514	348,822
Investment Income	247,457	106,229	169,202	340,505	428,938	347,511	189,302	75,779
Miscellaneous	205,287	263,369	324,002	353,141	281,650	266,064	346,658	188,830
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	296,836
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	35,042,356
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	16
Miscellaneous	97,075	47,864	37,269	41,634	43,633	45,400	106,269	42,707
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)	(321,836)
Total Business-Type Activities	1,574,869	4,927,377	748,918	725,105	3,076,234	1,220,910	(118,464)	(279,113)
TOTAL PRIMARY GOVERNMENT	\$ 24,565,951	\$ 40,110,208	\$ 38,232,541	\$ 29,282,795	\$ 35,547,913	\$ 39,237,573	\$ 37,558,551	\$ 34,763,243
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	\$ (432,507)
Business-Type Activities	1,821,616	5,322,892	2,181,029	787,281	5,195,780	939,361	1,823,315	340,568
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	\$ (91,939)

CITY OF DEKALB, ILLINOIS
CHANGE IN NET ASSETS (Continued)
Last Eight Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 1,574,213
Other Taxes	20,347	22,879	26,800	34,409	38,246	42,157	36,958	30,687
Investment Income	30,280	3,589	31,316	27,541	62,378	51,137	26,288	33,231
Miscellaneous	13,311	14,690	21,232	33,486	70,137	45,831	56,953	55,991
Total Component Unit Activities	906,839	929,927	1,010,605	1,072,039	1,249,145	1,352,479	1,612,336	1,694,122
CHANGE IN NET ASSETS								
Component Unit Activities	(68,042)	(177,273)	13,013	108,990	234,093	(37,372)	219,467	247,174
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	\$ 247,174

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
GENERAL FUND										
Reserved	\$ 746,246	\$ 75,865	\$ 62,650	\$ 105,452	\$ 58,705	\$ 70,296	\$ 147,508	\$ 738,577	\$ 2,067,865	\$ 2,177,003
Unreserved - Designated										
Internal Service Fund Deficits	-	-	-	-	-	-	-	-	957,000	580,600
Development Services Fund	-	-	-	-	-	-	-	-	-	603,200
Capital Projects Fund Deficit	-	-	-	-	-	-	-	-	-	12,700
Airport Fund Deficit	-	-	-	-	-	-	-	-	-	106,300
Compensated Absences	-	-	-	363,544	392,659	368,156	-	-	243,400	-
Historic Milestone Projects	-	-	-	-	-	-	-	-	16,701	6,250
Unreserved - Undesignated	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	22,169
TOTAL GENERAL FUND	\$ 4,536,668	\$ 3,098,151	\$ 2,608,861	\$ 3,260,821	\$ 3,590,906	\$ 3,825,643	\$ 2,861,330	\$ 2,900,488	\$ 3,701,618	\$ 3,508,222
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 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	\$ 2,783,493
Unreserved - Designated										
Designated for Sidewalk and Street Maintenance	-	-	-	-	-	-	-	-	116,123	116,123
Unreserved, Undesignated (Deficit) Reported In										
Special Revenue Funds	(249,071)	951,911	862,086	(22,476)	(20,788)	(18,120)	(8,808)	(445)	(362)	(383)
Capital Project Funds	(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	13,236,387
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ (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	\$ 16,135,620

Data Source

Audited Financial Statements

CITY OF DEKALB, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes	\$ 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	\$ 34,111,071
Licenses and Permits	327,385	277,282	487,590	846,571	618,029	598,657	448,192	364,103	354,375	346,229
Intergovernmental	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	5,344,122
Charges for Services	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	1,916,012
Fines and Forfeitures	445,129	494,815	468,009	638,815	654,353	696,551	672,403	766,504	728,572	647,913
Investment Income	752,626	462,446	247,457	106,229	169,202	340,505	428,938	347,511	189,302	75,779
Miscellaneous	309,432	270,064	273,079	351,754	399,324	2,794,723	515,750	734,928	737,263	549,695
Total Revenues	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	42,990,821
EXPENDITURES										
General Government	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	7,839,924
Public Safety	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	18,074,077
Community Improvement	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	3,730,883
Highways and Streets	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	1,550,121
Culture and Recreation	339,074	666,392	-	-	-	-	-	-	-	-
Capital Outlay	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	13,281,421
Debt Service										
Principal Retirement	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	12,825,000
Interest and Fiscal Charges	944,902	1,046,318	884,632	1,071,575	1,032,874	1,085,767	906,585	882,467	859,247	775,771
Total Expenditures	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	58,077,197
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(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	(15,086,376)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 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	\$ 10,104,589
Transfers (Out)	(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)	(9,807,753)
Bonds Issued	5,425,982	-	9,900,000	4,890,000	5,025,000	-	-	-	-	10,800,000
Premium (Discount) on Bonds Issued	-	-	52,164	46,962	191,795	-	-	-	-	336,326
Payment to Bond Escrow Agent	-	-	-	(4,871,180)	(5,145,695)	-	-	-	-	-
Notes Issued	-	-	-	-	-	3,450,000	1,000,000	9,500,000	-	4,000,000
Capital Lease Issued	-	-	552,502	447,498	598,102	651,958	79,114	1,107,240	-	-
Sale of Capital Assets	39,488	9,449	4,533	7,744	112,517	18,309	36,433	60,231	6,608	7,162
Total Other Financing Sources (Uses)	5,960,470	509,449	10,624,649	748,624	862,519	4,292,980	1,284,384	10,899,523	236,021	15,440,324
NET CHANGE IN FUND BALANCES	\$ (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	\$ 353,948
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	22.88%	7.49%	6.79%	9.01%	7.72%	9.76%	10.38%	13.44%	8.70%	24.40%

Data Source

Audited Financial Statements

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Merchandise	\$ 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	\$ 154,138,547
Food	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	55,760,959
Drinking and Eating Places	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	64,478,308
Apparel	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	6,235,098
Furniture & H.H. & Radio	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	24,677,414
Lumber, Building Hardware	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	22,566,265
Automobile and Filling Stations	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	76,117,806
Drugs and Miscellaneous Retail	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	81,599,087
Agriculture and All Others	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	28,154,513
Manufacturers	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	13,889,966
TOTAL	\$ 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	\$ 527,617,963
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	2000	2001	2002	2003	2004	2005	2006	2007	2008 ⁽¹⁾	2009
General Merchandise	\$ 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	\$ 99,635,725
Food	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	16,039,202
Drinking and Eating Places	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	63,016,745
Apparel	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	6,230,748
Furniture, H.H. and Radio	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	24,555,874
Lumber, Building Hardware	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	22,394,973
Automobile and Filling Stations	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	36,573,132
Drugs and Miscellaneous Retail	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	58,394,357
Agriculture and All Others	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	26,970,847
Manufacturers	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	13,412,811
TOTAL	\$ 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	\$ 367,224,414
CITY DIRECT SALES TAX RATE	0.75%	0.75%	0.75%	0.75%	1.25%	1.25%	1.25%	1.25%	1.25% & 1.75% ⁽¹⁾	1.75%

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
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%
2009	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
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	2,511,511	100.00%	0.2132	884,000	884,000	100.00%	0.8189	3,395,511	3,395,511	100.00%
2003	0.5967	2,599,938	2,599,938	100.00%	0.2130	928,000	928,000	100.00%	0.8097	3,527,938	3,527,938	100.00%
2004	0.6000	2,861,055	2,740,571	95.79%	0.2135	974,400	974,400	100.00%	0.8135	3,835,455	3,714,971	96.86%
2005	0.5930	3,022,052	3,022,052	100.00%	0.2110	1,075,498	1,075,498	100.00%	0.8041	4,097,550	4,097,550	100.00%
2006	0.5967	3,400,000	3,400,000	100.00%	0.2124	1,210,003	1,210,003	100.00%	0.8091	4,610,003	4,610,003	100.00%
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	3,765,927	96.84%	0.2509	1,620,420	1,574,213	97.15%	0.8509	5,509,427	5,340,140	96.93%
2009	0.6500	4,185,332	2,086,138 *	49.84%	0.2793	1,798,500	899,294 *	50.00%	0.9293	5,983,832	2,985,432	49.89%

Data Source

Office of the County Clerk
Office of the County Treasurer

* Amount reflects collections through June 30, 2010

CITY OF DEKALB, ILLINOIS
EQUALIZED ASSESSED VALUES BY PROPERTY CLASS

Last Ten Levy Years

Levy Year	Residential	Commercial	Industrial	Farm	Railroad	Total	Total Direct Tax Rate (1)
2000	\$ 223,083,073	\$ 120,621,718	\$ 30,027,874	\$ 714,414	\$ 411,299	\$ 374,858,378	0.7194
2001	240,103,156	128,376,794	30,653,801	724,766	429,997	400,288,514	0.7407
2002	249,835,479	131,987,707	31,572,837	784,642	511,155	414,691,820	0.8189
2003	269,635,069	133,004,731	31,995,654	585,425	553,020	435,773,899	0.8097
2004	283,926,434	137,737,281	33,506,906	548,207	623,213	456,342,041	0.8135
2005	325,079,355	145,545,712	37,922,484	488,038	587,227	509,622,816	0.8041
2006	369,659,572	155,565,480	43,514,766	494,098	572,356	569,806,272	0.8091
2007	407,662,378	163,615,149	51,250,520	666,539	628,255	623,822,841	0.8437
2008	420,413,802	172,166,813	51,905,133	686,727	682,620	645,855,095	0.8509
2009	413,507,993	176,052,268	52,801,237	721,404	833,695	643,916,597	0.9293

Data Source

Office of the County Clerk

The City only reports the rate setting EAV.

(1) This includes the City of DeKalb and the DeKalb Public Library

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TAX RATES										
City of DeKalb	0.5049	0.5299	0.6057	0.5967	0.6000	0.5930	0.5967	0.6000	0.6000	0.6500
DeKalb Library	0.2145	0.2108	0.2132	0.2130	0.2135	0.2110	0.2124	0.2437	0.2509	0.2793
	0.7194	0.7407	0.8189	0.8097	0.8135	0.8041	0.8091	0.8437	0.8509	0.9293
DeKalb County	0.8531	0.8672	0.8666	0.8622	0.8679	0.8547	0.8668	0.8449	0.8495	0.8539
DeKalb Township	0.3569	0.3532	0.3525	0.3494	0.3480	0.3361	0.3084	0.2990	0.2938	0.2989
Forest Preserve District	0.0274	0.0278	0.0278	0.0274	0.0276	0.0269	0.0548	0.0677	0.0678	0.0663
Sanitary District	0.1088	0.1075	0.1085	0.1079	0.1078	0.1015	0.0952	0.0913	0.0927	0.0944
School Districts	5.7976	5.8063	5.7035	5.6659	5.6217	5.5142	5.4362	5.2785	5.7546	5.8245
Park District	0.6206	0.6055	0.6108	0.6235	0.6106	0.5826	0.5494	0.5247	0.5131	0.5208
TOTAL TAX RATE PER \$100 EQUALIZED ASSESSED VALUATION										
	8.4838	8.5082	8.4886	8.4460	8.3970	8.2200	8.1199	7.9498	8.4224	8.5881
SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY										
	8.48%	8.71%	9.65%	9.59%	9.69%	9.78%	9.96%	10.61%	10.10%	10.82%

Data Source

Office of the County Clerk

The rates are directly applied to the total rate setting EAV amounts listed in the schedule of EAV by property class.

CITY OF DEKALB, ILLINOIS

PRINCIPAL TAXPAYERS

June 30, 2010

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	3.95%			
Goodyear	Warehouse/Distributor	8,214,864	2	2.19%	\$ 7,111,337	2	1.90%
Nestle	Warehouse/Distributor	7,947,613	3	2.12%	7,451,749	1	1.99%
Northland Plaza	Retail	6,620,344	4	1.77%			
Panduit Corporation	Manufacturing	6,338,438	5	1.69%	5,055,955	3	1.35%
3M	Warehouse/Distributor	5,421,007	6	1.45%	4,741,629	4	1.26%
University Village I & II	Apartments	5,066,371	7	1.35%	3,825,036	5	1.02%
Faiview MSFP II, LLC	Warehouse/Distributor	4,905,099	8	1.31%			
Dream Fund LLC	Apartments	4,793,503	9	1.28%			
JLAR	Apartments/Retail	4,163,791	10	1.11%			
DeKalb County Shopping Center	Retail	4,007,388	11	1.07%			
DeKalb Area Retirement Center	Retirement Center	3,801,647	12	1.01%	3,531,960	6	0.94%
Walmart Stores	Retail	3,302,407	13	0.88%	2,568,489	9	0.69%
Linda Mason	Apartments				2,936,680	7	0.78%
Herbert Katz	Apartments				2,702,826	8	0.72%
Robert Cagann	Apartments				2,233,773	10	0.60%
TOTAL		<u>\$ 79,381,983</u>		<u>21.18%</u>	<u>\$ 42,159,434</u>		<u>11.25%</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			
2001	\$ 26,351,112	\$ 481,760	\$ 4,498,998	\$ -	\$ -	\$ 254,102	\$ 9,475,884	\$ -	\$ -	\$ -	\$ 41,061,856	6.47%	1,052.38
2002	24,365,505	428,938	3,998,998	-	-	42,098	8,632,957	-	9,056,628	-	46,525,124	7.33%	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	8.77%	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	7.25%	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	6.46%	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	6.30%	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	5.52%	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	6.11%	993.03
2009	13,456,864	10,769,965	498,998	2,238,315	-	1,772,259	5,485,404	-	5,823,456	204,355	40,249,616	5.39%	876.67
2010	24,685,345	4,043,350	1,337,055	1,482,387	-	1,367,385	5,068,027	-	5,338,168	137,071	43,458,788	5.82%	946.15

Note:

(a) The City abates the entire property tax levied to pay General Obligation Bond Debt each year.

(b) Further details of the City's outstanding debt can be found in the notes to 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, 2010

Governmental Unit	Gross Bonded Debt ¹	Percentage of Debt Applicable to the City	City's Share of Debt
City of DeKalb	\$ 25,920,000	100.00%	\$ 25,920,000
<u>Overlapping</u>			
DeKalb County	11,640,000	28.87%	3,360,509
DeKalb Community Unit School District #428	66,960,000	76.30%	51,091,711
Kishwaukee College #523	17,480,000	27.76%	4,852,086
DeKalb Sanitary District	-	95.95%	-
DeKalb Park District	6,300,000	100.00%	6,300,000
Total Overlapping	\$ 102,380,000		\$ 65,604,306
PER CAPITA OVERLAPPING DEBT			\$ 1,428.29

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, 2010

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	Incremental	Less: Excluded	Available	Debt Service		Coverage
	Property Taxes	Sales Tax	Contractual Obligations	for Debt Service	Principal	Interest	
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
2010	6,883,479	1,477,587	(1,337,055)	7,024,011	715,000	76,212	8.88

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	Per Capita Personal Income	Median Family Income	Unemployment Rate
2001	39,018	\$ 374,858,378	\$ 634,471,698	\$ 16,261	\$ 53,017	3.9 %
2002	39,018	400,288,514	634,471,698	16,261	53,017	4.5 %
2003	39,018	414,691,820	634,471,698	16,261	53,017	5.6 %
2004	43,172	435,773,899	702,017,982	16,261	53,017	4.7 %
2005	44,226	456,342,041	719,158,986	16,261	53,017	4.8 %
2006	45,003	509,622,816	731,793,783	16,261	53,017	4.3 %
2007	45,749	569,806,272	743,924,489	16,261	53,017	4.0%
2008	45,897	623,822,841	746,331,117	16,261	53,017	5.3%
2009	45,912	645,855,095	746,575,032	16,261	53,017	9.8%
2010	45,932	643,916,597	746,900,252	16,261	53,017	9.8%

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	2010			2001		
	Rank	Employees	% of Total City Population	Rank	Employees	% of Total City Population
Northern Illinois University	1	3,932	8.56%	1	3,516	9.01%
Kishwaukee Community Hospital	2	1,297	2.82%	2	495	1.27%
3M	3	609	1.33%			
Walmart	4	525	1.14%	5	387	0.99%
Target Distribution Center	5	500	1.09%			
Tegran	6	370	0.81%	3	400	1.03%
American Marketing	7	295	0.64%			
Nestle Distribution	8	265	0.58%	7	250	0.64%
Target Super Store	9	225	0.49%			
Panduit	10	200	0.44%			
Jewel/Osco				8	240	0.62%
Electro Mechanical Devices				4	308	0.79%
Caterpillar				6	368	0.94%
A. O. Smith Harvestore				9	203	0.52%
Ideal Industries				10	125	0.32%

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 Nine Fiscal Years

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

(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

2008	2009	2010
9.00	9.00	9.00
25.00	23.00	23.00
2.50	2.50	2.50
4.20	4.20	4.20
-	-	-
40.70	38.70	38.70
63.00	63.00	61.00
21.07	20.07	20.07
84.07	83.07	81.07
60.00	60.00	59.00
2.00	2.00	1.00
62.00	62.00	60.00
17.15	13.65	10.00
3.50	3.83	4.10
1.50	0.59	1.50
2.50	1.00	1.00
0.00	0.00	0.00
0.00	0.00	0.00
25.80	23.25	22.08
50.45	42.32	38.68
16.50	15.75	15.58
3.00	2.08	1.83
3.50	3.50	3.00
1.85	1.85	1.90
262.07	249.27	240.76

CITY OF DEKALB, ILLINOIS

OPERATING INDICATORS

Last Nine Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010
GENERAL GOVERNMENT									
Finance									
Accounts Payable Checks Processed	7,490	7,620	6,250	6,805	6,664	6,589	5,895	5,332	4,928
Accounts Payable Invoices Processed	16,781	16,069	14,641	15,658	15,788	15,798	14,300	13,701	12,509
Payroll Checks Issued	8,249	8,176	7,771	7,939	8,037	7,789	7,765	7,265	6,937
Utility Bills Issued: Originals	41,184	41,476	43,586	44,393	43,376	46,599	48,135	48,494	48,577
Utility Bills Issued: Past Due	7,084	7,164	7,755	10,440	10,235	10,681	11,312	11,554	11,716
Receipts Processed	51,190	52,024	55,844	61,396	62,473	59,464	60,218	58,403	59,069
Community Development									
Building Permits Issued									
Residential Permits Issued:									
New Construction	N/A	172	332	293	205	76	43	3	8
Remodel	N/A	56	77	71	78	84	58	82	69
Industrial/Commercial Permits Issued:									
New Construction	N/A	38	33	18	24	27	33	9	10
Remodel	N/A	43	31	42	26	23	60	25	31
Other Permits	N/A	729	835	698	779	700	726	681	745
Total Number of Permits	N/A	1,038	1,308	1,122	1,112	910	920	800	863
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	\$ 8,455,270
PUBLIC SAFETY									
Police									
Physical arrests	2,105	2,041	2,212	2,524	2,339	2,396	2,359	3,023	2,480
Traffic violations	5,504	6,063	6,468	6,557	6,235	6,149	6,102	10,530	8,273
Parking violations	16,622	17,050	17,774	16,150	17,418	17,405	13,386	12,986	13,965
Fire									
Fire Responses (Fire & Non-Fire)	1,715	1,949	2,050	2,275	2,397	2,333	2,908	2,641	3,129
Emergency Medical Services Responses	2,713	3,029	3,029	3,197	3,284	4,035	4,091	4,018	4,334
PUBLIC WORKS									
Vehicles Maintained by Dept	93	97	119	121	124	126	130	132	131
Street construction (miles)	2.07	1.77	1.94	3.68	1.49	0.43	0.00	0.00	0.00
Street reconstruction (miles)	0.49	0.26	0.32	0.74	0.70	0.00	1.30	0.45	1.15
Street resurfacing (miles)	1.29	1.42	2.80	0.85	0.75	0.92	1.48	1.48	1.70

CITY OF DEKALB, ILLINOIS
OPERATING INDICATORS (Continued)

Last Nine Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010
WATER									
Average Daily Consumption 12/31:									
Industrial/Commercial	581,272	516,196	527,834	543,610	562,045	564,324	528,449	486,692	429,092
Residential	2,345,978	2,214,748	2,279,568	2,259,099	2,362,479	2,371,457	2,282,765	2,273,447	2,171,534
Government/Church/School	813,449	884,843	737,971	776,828	705,612	690,318	677,174	702,852	636,183
	3,740,699	3,615,787	3,545,373	3,579,537	3,630,136	3,626,099	3,488,388	3,462,991	3,236,809
Water Billing Accounts on 12/31:									
Industrial/Commercial	661	685	701	719	728	747	774	787	761
Residential	8,184	8,355	8,599	9,005	9,384	9,838	9,993	10,007	10,018
Government/Church/School	166	170	195	206	206	210	230	239	223
	9,011	9,210	9,495	9,930	10,318	10,795	10,997	11,033	11,002

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 Nine Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010
PUBLIC SAFETY									
Police									
Stations/Municipal Center	1	1	1	1	1	1	1	1	1
Patrol Vehicles	21	24	26	28	29	26	26	28	27
Fire									
Stations	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	5	5	5	5	5
Fire Trucks	5	5	5	4	4	5	5	4	4
PUBLIC WORKS									
Residential Streets (miles)	112	114	116	119	124	125	125	126	128
Traffic Signals	17	18	19	19	20	20	21	22	22
WATER									
Water Towers	5	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	5.75
Water Wells	9.00	9.00	9.00	9.00	9.00	9.00	9	9	9
Water Mains (miles)	145	151	155	159	167	170	172	175	175

Data Source

Various City Departments

Information prior to 2002 is not available.