

CITY OF DEKALB, ILLINOIS



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2012**

CITY OF DEKALB, ILLINOIS

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Prepared by:

Finance Department
Laura Pisarcik, Finance Director
Ted Kozinski, Assistant Finance Director

CITY OF DEKALB, ILLINOIS

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INTRODUCTORY SECTION

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

CITY OF DEKALB, ILLINOIS

List of Principal Officials June 30, 2012

LEGISLATIVE

Mayor: Kris Povlsen

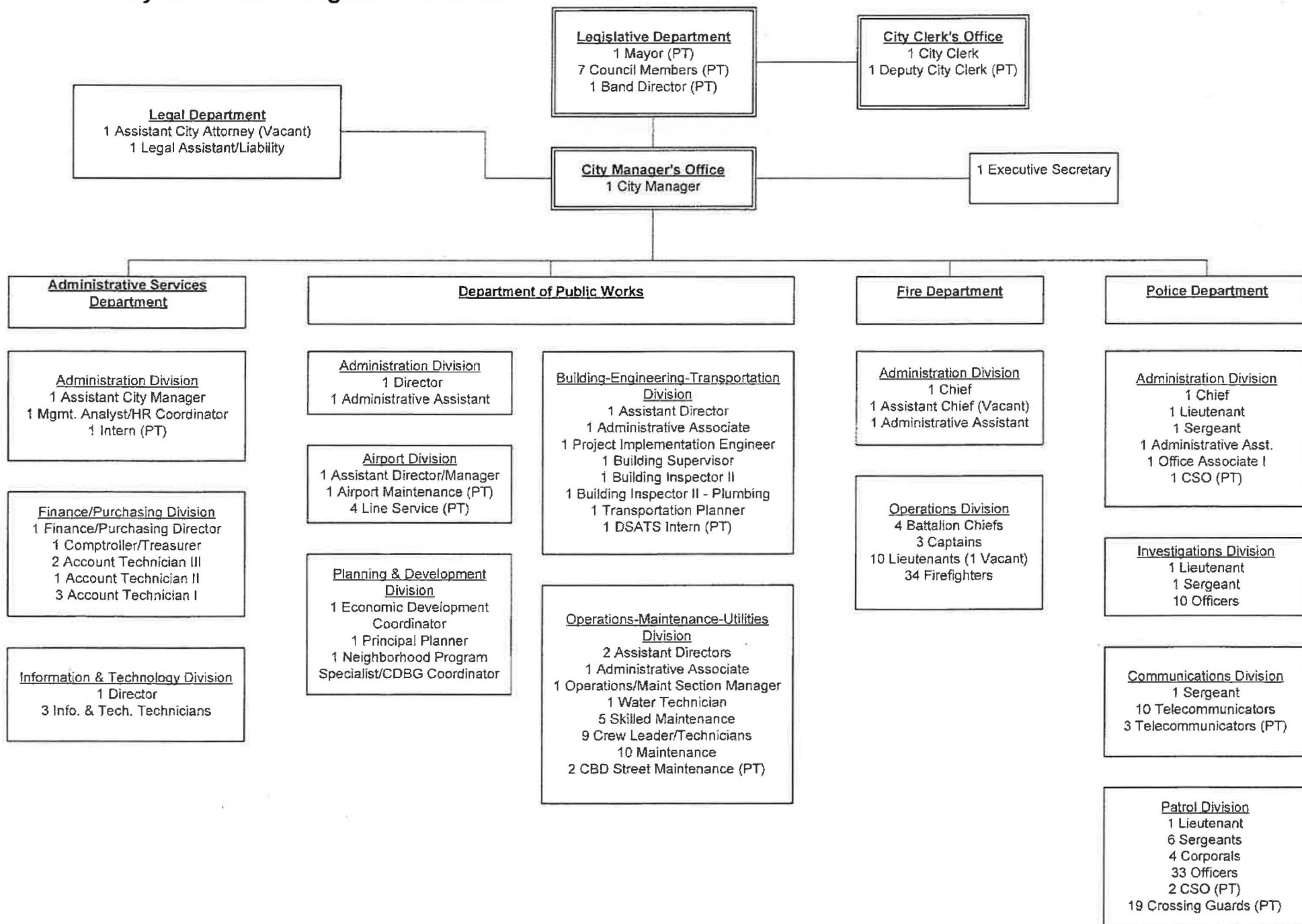
City Clerk: Diane Wright

| | |
|---------|-----------------------------|
| Ward 1: | David Jacobson, Alderman |
| Ward 2: | Tom Teresinski, Alderman |
| Ward 3: | Kristen Lash, Alderman |
| Ward 4: | Brendon Gallagher, Alderman |
| Ward 5: | Ronald Naylor, Alderman |
| Ward 6: | David Baker, Alderman |
| Ward 7: | Monica O’Leary, Alderman |

ADMINISTRATIVE

| | |
|-----------------------------|----------------|
| City Manager: | Mark Biernacki |
| Assistant City Manager: | Rudy Espiritu |
| Police Chief: | Eugene Lowery |
| Fire Chief: | Eric Hicks |
| City Engineer: | Joel Maurer |
| Public Works Director: | T. J. Moore |
| Finance Director: | Laura Pisarcik |
| Assistant Finance Director: | Ted Kozinski |

City of DeKalb - Organizational Chart





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

November 6, 2012

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 2012 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2012. 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 has been 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.

Lauterbach & Amen, LLP, have issued an unqualified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2012. 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 44,030. 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 181 full-time and 48 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. In FY2011, the library participated in the Prairie Area Library System (PALS) which allowed patrons access to over 300 member agency collections. In July 2011, PALS will merge into the RAILS multi-regional library system to grant DeKalb residents access to more than 3,700 public, private, university, and school library members within a 27,000 square mile area covering northern and western Illinois.

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 Ag Research Corporation marketed its first hybrid seed corn.

Economic Condition

Local economy

For Fiscal Year 2012 budget the Council continued its conservative approach, which has been reflective in this audit year. The effects of the global recession on our local economy were demonstrated through unemployment rates at historical highs; decline in overall EAV growth (particularly in industrial and residential categories); and reduced local taxable sales. With these conservative budget projections, the operating revenues in the General Fund came in \$556,879 above budget. Additionally given the economy, the City was again cautious in spending, where expenditures came in \$204,014 under budget. Hence, the fund balance in the General Fund grew by \$760,893 in Fiscal Year 2012. So, the total fund balance in the General fund ended with a positive balance of \$4,737,140 at the end of Fiscal Year 2012. This equates to 17.73 percent of expenditures.

Economic stability continues in the education and health industries in DeKalb. Northern Illinois University is a comprehensive teaching and research institution with student enrollment of more than 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, Wal-Mart, the Target Distribution Center, Tegrant, American Marketing, and the Nestle Corporation.

Because of its location in a region with a diversified economic base, unemployment remains variable. During the past ten years, the unemployment rate has ranged from a low of 3.6 percent (2000) to a decade high of 10.0 percent, which for June 30, 2012 was reported at 9.3 percent.

Long-term Financial Planning

Excluding amounts reserved or designated for various purposes, the ending fund balance in the General Fund's was 17.73 percent of actual expenditures and transfers out. This amount continues toward 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 3% per year over a 5-year period and reach the 25% fund balance by FY 2015.

The City has shown with the conservative approach toward revenues and cuts with expenditures, it will achieve the goal of 25% of fund balance for the General Fund.

Relevant Financial Policies

The City Council has in place several key written financial policies including a fund balance policy, capitalization policy, investment policy, debt management 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 FY2012, 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

Office of the City Clerk

- Attended approximately 60 Committee of the Whole, Regular Executive and Special Council meetings and prepared Minutes for all;
- Prepared Agendas for Council meetings;
- Prepared ordinances and resolutions for Council approval and passage;
- Updated Municipal Code with amendments as passed by Council;
- Responded to Freedom of Information Act requests in a timely manner;
- Maintain filing system for City ordinances, resolutions, agreements, etc.
- Completed FOIA and OMA training with certifications;
- Issued renewal licenses for Fire Life Safety, Rooming House, Gas Stations, Tobacco, etc.; registered new businesses for licenses and coordinated with Fire Prevention Officer;
- Registered voters;

Administrative Services Department

- Obtained risk management insurance for workers' compensation and general liability
- Achieved the Government Finance Officers Association Award "Excellence in Financial Reporting" for the 17th consecutive year
- Launched a City of DeKalb Facebook page in coordination with Police and Fire
- Negotiated new IGA with Sanitary District for billing services
- Created a new Social media page
- Hired a new Police Chief and Fire Chief
- Negotiated successful collective bargaining agreements with AFSCME and IAFF
- Initiated Planter project in conjunction with Northern Illinois University
- Worked with City Council in selecting a federal lobbyist
- Negotiated a funding agreement with Barb City Manor
- Prepared scope of services for Housing information Project with NIU
- Processed new annexed properties into water billing system
- Selected a new auditor
- Upgraded Fuel System at Street and Water Department
- Started new Public Safety CAD system

Legal Service Department

- Review and revision of Chapter 49
- Revision of Liquor Applications
- Revision of Taxi Ordinance
- Review & Revisions of Chapter 38
- Coordinate Purchase of Property for City Use
- Demolition of 901 Sycamore Road
- Review of Revision of Mail-in Process
- Implementation of Process to Accept Agreements on Ordinance Violations
- Reorganization of Legal Department due to Staff Changes

Police Department

- Grants received: Target grant (G.R.E.A.T. fund \$1,000) and Wal-Mart grant (G.R.E.A.T. fund \$500)
- Provided gang presentations to various governmental groups
- Accidents within city decreased
- Three police vehicles purchased
- Drug arrest increased
- Major Case investigations were successful in: Steven Agee homicide and Grant Kersten arrest in drug induced homicide
- Purchased new tactical response equipment
- Added another in-car video camera
- Exercised purchase option for two police motorcycles

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

- Bid Annie Glidden Road sign reflectivity project using IDOT highway safety funds.
- Added ADA accessible sidewalk ramps at intersection corners of North 1st Street during the resurfacing project between Dresser Road and McCormick Drive
- Updated ADA assessable sidewalk ramps at Edens Garden, N. 11th Street, Laurel Lane, Locust Street, and Huntington Road
- Parkway tree trimming completed in the Hillcrest Subdivision streets
- Inspection staff was cross-trained by the DeKalb Police Department personnel to assist in the enforcement of parking prohibitions on emergency snow routes
- Continue neighborhood sidewalk and alley program for TIF areas and areas with needs
- Coordinated neighborhood sidewalk and alley program for TIF areas and areas with needs
- Continued 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
- Completed construction for widening Peace Road between Pleasant Street and Route 38
- One flooded homes acquired and demolished using CDBG
- Maintained City Parking Lots

- Continued a multi-year alley and sidewalk replacement program for TIF areas
- Building and Code Division worked with the Central Business District property owners to improve security lighting in the district's alleys, repair broken windows, a paint and post addresses
- Achieved a very high rental rate of City owned aircraft hangars at DMTA
- Complete an Economic Impact Study through the Illinois Division of Aeronautics to provide data to show how the airport provides economic growth and economic benefits for the community
- Complete retail attraction strategy
- Updated and revised guidelines for tax abatement program

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 2013 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
 - Increase gang intervention efforts and presence in the community's neighborhoods
 - Increase gang awareness presentations
 - Reduce drug-related crime and increase prosecution of drug-related offenses
 - Develop task force and target area response teams to address issues needing immediate and concentrated attention
 - 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 chronic nuisance property abatement ordinance
 - 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
 - Increase the number of "Neighborhood Watch" programs

- Implement the Resident Officer program and monitor its effectiveness
- Identify needs for specialized teams and units to address specific policing issues

E. Continue to strengthen community relationships, citizen contacts and other positive interaction

- 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. Promptly respond to the public's call for service

- Improve response times for police calls, fire suppression and EMS delivery
- 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.

G. 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
- Assess staffing needs to continue to maintain state hazmat and technical rescue teams
- Develop a network in the region to support MABAS statewide team
- Seek interoperable communication funds for local and regional application

Goal 2. Create Safe and Quality Housing and Improved Environments in our Neighborhoods.

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

- Continue to improve, expand, and provide financing for adequate property maintenance enforcement
- Identify resources to increase enforcement of 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 the need for 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
- Create a Chronic Nuisance Property monitoring and enforcement program.
- Target problem properties for blight removal and remediation
- 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
- 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.)

- Reinstitute 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 tote program
- B. Encourage the development of high quality housing and residential subdivisions
- Develop a housing data base from which policy decisions can be made on future developments and ordinances
 - Continue to fund infrastructure improvements to enhance the overall look and cleanliness of the City
 - Continue various aesthetic improvements and code enforcement activities.
 - 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
 - Identify redevelopment plans and opportunities, with NIU as a possible partner, to address density and excess rental capacities
 - 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
 - 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
 - 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
 - Implement 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 3. Enhance the Overall Image and Perception of the Community

- A. Improve the overall image of the community
 - Increase marketing, branding, and advertising efforts
 - Explore hiring a Communication Manager/Public Information Officer
 - Conduct a comprehensive survey of residents on their perceptions of the community
 - Hold a summit at which various stakeholders identify image and perception issues and means to address them.
 - Assess and deliver on the community's preferred forms of communications from its local governments
- B. 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 and make more visually appealing
 - Introduce search engine optimization techniques and methods
 - Build on the current use of social media
 - 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
 - Promote City services through enhanced use of cable outlet, City website and e-newsletter
- C. 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
 - Hold "neighborhood coffees" in the wards 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
 - Continue Human Services funding levels
- D. Utilize the Citizen's Community Enhancement Commission to communicate and promote projects, programs and other City initiatives
 - Continue to publish a communitywide 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
- E. 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 4. Encourage Collaboration, Cooperation, and Partnerships with Area Governments, Agencies, and Not-For-Profit Organizations

- A. Maintain positive intergovernmental and City/University relations
- Collaborate with City and NIU officials at all levels
 - Examine ways in which resources can be shared to address drug task force needs, EOC centers, and increased patrols.
 - 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
 - Support Communiversity Incident Management Team
 - Maintain positive relationship with NIU athletics and participate in crime prevention education and career education with athletic recruits
- B. 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
- C. Examine opportunities at consolidating services, co-sourcing, and/or resource sharing with other area taxing districts
- Hold a summit at which opportunities could be identified
 - Examine consolidation opportunities among the various taxing districts
 - Enter into intergovernmental agreements through which resources and services can be shared
- D. Encourage information and liaison activities to foster inter-agency partnerships
- Designate City Council liaisons with area taxing districts
 - Invite other local government leaders to attend Council meetings to provide updates on their activities
 - Open lines of communication to impact strategic decision making
 - Secure reciprocal commitments from our partners

Goal 5. Ensure a Financially Stable, Sustainable, and Professional 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
- Improve on 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
- Implement changes to 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

B. Maintain professional, well-trained staff and sufficient staffing levels but do so within the existing financial constraints and strategic needs

- Hire a new Police Chief and Fire Chief
- 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
- Develop a comprehensive succession planning and employee development training program.
- Adjust workforce resources to better align with and implement strategic needs
- 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
- Better distinguish roles and responsibilities between staff and Council on policy making versus daily operations

C. Maintain cost effective and efficient delivery of city services

- Reduce costs without reducing services
- Identify cost sharing and cost reduction opportunities
- Continue to examine the effectiveness and utility of all the boards and commissions and make adjustments if necessary
- Examine the possibility of regionalizing the airport
- Implement the marketing and business plan for the airport
- 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

- D. Adequately provide and maintain public buildings and infrastructure
 - Secure adequate resources and revenues to finance capital improvements and public infrastructure project
 - Regularly update the 5 year financial and capital improvement plans
 - Develop a long-range facility plan for the City
 - Construct the new Police Station and remodel City Hall.
 - Provide a positive return on investment for public infrastructure outlays and capital expenditures
- E. 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 6. 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
 - Retain retail spending and reduce leakage of dollars outside of DeKalb
 - 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
 - Identify economic development opportunities to lure and retain knowledge-based industries and the “creative class”
 - Encourage growth in the number of quality/high paying “career” jobs
 - Actively market city-owned parcels in the downtown
 - Maintain and annually implement the City’s economic development outsource contract
- 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
 - Encourage joint public/private partnerships on projects that generate a positive return on investment for our community
 - Review internal processes to ensure staff delivers and creates a “business-friendly” environment
 - Continue cooperation with DCEDC & Kishwaukee Community College on job training
 - Market and better utilize fiber optic networks, transportation, and other infrastructure
 - 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
 - Explore ways to broaden the tax base from which funds are derived to pay for airport operations and improvements

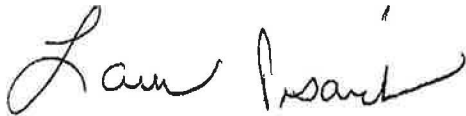
Awards and Acknowledgements

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, 2012. This was the eighteenth 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.

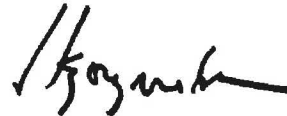
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 City 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,



Laura Pisarcik
Finance Director



Ted Kozinski, CPA
Assistant Finance Director

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, 2011

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.



Linda C. Sandson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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

INDEPENDENT AUDITORS' REPORT

November 6, 2012

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, 2012, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of DeKalb, Illinois' management. Our responsibility is to express 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 basic 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 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2012, on our consideration of the City of DeKalb, Illinois' internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of DeKalb, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

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 iii) and the City's financial statements that follow.

FINANCIAL HIGHLIGHTS

- **Net Asset Summary** – The City of DeKalb had total net assets increase from \$164,694,890 at June 30, 2011 to \$169,691,828 at June 30, 2012.
- **Governmental Activity Summary** – Net assets for governmental activities increased from the FY11 balance of \$113,552,948 to the FY12 balance of \$117,389,230, an improvement of \$3,836,282.
- **Business-type Activity Summary** – Net assets for business-type activities rose \$1,160,656 from an FY11 balance of \$51,141,942 to the FY12 balance of \$52,302,598.
- **General Fund Summary** – The General Fund's \$4,737,140 total fund balance represented a \$1,987,021 increase from FY11. Due to conservative budgetary actions taken by the City Council and a transfer of excess funds from the Workers' Compensation Fund, the FY12 unassigned fund balance now stands at \$4,669,218 and represents a substantial improvement over the FY11 balance of \$2,692,928.
- **General Fund Budget vs. Actual** – Excluding the effects of transfers and other financing sources/(uses), the City's General Fund actual revenues were \$556,879 more than budgeted revenues while General Fund actual expenditures were less than budgeted expenditures by (\$204,014).
- **Capital Assets** – Total capital and infrastructure assets of Governmental and Business-Type Activities went from \$187,376,203 at the close of FY11 to \$186,680,260 in FY12, a decrease of (\$695,943). Additional information regarding capital assets can be found in Note 3 of the financial statements.
- **Debt Service** – The long-term debt of the Governmental and Business-Type Activities went from \$31,626,297 in FY11 to \$28,836,185 in FY12, a decrease of (\$2,790,112). There were no new debt issuances in FY12. A more detailed explanation of the City's long-term debt can be found in Note 3 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, bridges, 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 for the City of DeKalb is the \$10.9 million in TIF District fund balances. These dollars can only be used according to Illinois Compiled Statutes.

**Table 1
Statement of Net Assets
As of June 30, 2012 and 2011**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|------------|--------------|--------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current and Other Assets | \$ 34,753,980 | 32,467,437 | 7,255,704 | 5,665,782 | 42,009,684 | 38,133,219 |
| Capital Assets | 131,110,708 | 131,039,437 | 55,569,552 | 56,336,766 | 186,680,260 | 187,376,203 |
| Total Assets | 165,864,688 | 163,506,874 | 62,825,256 | 62,002,548 | 228,689,944 | 225,509,422 |
| Long-Term Debt Outstanding | 30,985,325 | 33,909,694 | 7,535,301 | 8,851,952 | 38,520,626 | 42,761,646 |
| Other Liabilities | 17,490,133 | 16,044,232 | 2,987,357 | 2,008,654 | 20,477,490 | 18,052,886 |
| Total Liabilities | 48,475,458 | 49,953,926 | 10,522,658 | 10,860,606 | 58,998,116 | 60,814,532 |
| Net Assets | | | | | | |
| Invested in Capital Assets, Net of Debt | 120,169,717 | 119,410,592 | 48,123,532 | 48,222,651 | 168,293,249 | 167,633,243 |
| Restricted | 12,358,010 | 11,857,498 | - | - | 12,358,010 | 11,857,498 |
| Unrestricted (Deficit) | (15,138,497) | (17,715,142) | 4,179,066 | 2,919,291 | (10,959,431) | (14,795,851) |
| Total Net Assets | 117,389,230 | 113,552,948 | 52,302,598 | 51,141,942 | 169,691,828 | 164,694,890 |

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

Net Assets of the City's combined governmental and business-type activities grew from last year's balance of \$164,694,890 to the current year's \$169,691,828 balance.

Net assets of the City's governmental activities increased \$3,836,282 from an FY11 balance of \$113,552,948 to an FY12 balance of \$117,389,230. In regards to Assets, the increase was almost entirely due to an influx of liquid cash and short-term investments. Regarding Liabilities, this change was originated from a very sizable decrease in the Workers Compensation claims payable as the City moved away from being primarily self-insured.

Governmental unrestricted net asset deficit of (\$15,138,497) largely represents the City's TIF debt obligation. This amount compares favorably to last year's (\$17,715,142) deficit.

Net assets of the City's business-type activities improved \$1,160,656 from an FY11 balance of \$51,141,942 to an FY12 balance of \$52,302,598. The overall improvement was due to positive Water Fund operations, a \$250,000 General Fund transfer to the Airport Fund, and over a half-million dollars in Federal/State capital grants used for Airport improvements. The total FY12 expenses of these Funds (excluding transfers) was \$7,148,930 compared to \$7,330,400 in FY11, \$7,213,854 in FY10, \$7,493,617 in FY09, and \$6,972,575 in FY08.

Business-type unrestricted net assets, which represent amounts available to finance the continuing operations, were \$4,179,066 in FY12 compared to \$2,919,291 in FY11. As noted in the previous paragraph, the positive shift primarily represents continuing improvements in Water Fund operations, transfers from the General Fund to the Airport Fund, and ongoing grant support from the Federal and State governments toward Airport projects.

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, 2012 and 2011

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|----------------------------|-------------|-----------------------------|------------|-------------|-------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 3,150,573 | 3,561,293 | 7,971,265 | 7,556,274 | 11,121,838 | 11,117,567 |
| Operating Grants/Contributions | 1,143,618 | 3,257,775 | - | - | 1,143,618 | 3,257,775 |
| Capital Grants/Contributions | 6,075,050 | 4,144,333 | 562,770 | 392,373 | 6,637,820 | 4,536,706 |
| General Revenues | | | | | | |
| Property Taxes | 12,961,236 | 13,405,653 | - | - | 12,961,236 | 13,405,653 |
| Sales Taxes | 14,142,695 | 14,119,923 | - | - | 14,142,695 | 14,119,923 |
| Utility Taxes | 3,788,953 | 3,993,286 | - | - | 3,788,953 | 3,993,286 |
| State Income Taxes | 3,745,298 | 3,561,130 | - | - | 3,745,298 | 3,561,130 |
| Other Taxes | 822,434 | 825,372 | - | - | 822,434 | 825,372 |
| TIF Property and Sales Tax Surplus | 715,450 | 758,577 | - | - | 715,450 | 758,577 |
| Interest Income | 37,782 | 71,691 | 380 | 16 | 38,162 | 71,707 |
| Miscellaneous | 839,167 | 157,306 | 571 | 28,384 | 839,738 | 185,690 |
| Total Revenues | 47,422,256 | 47,856,339 | 8,534,986 | 7,977,047 | 55,957,242 | 55,833,386 |
| Expenses | | | | | | |
| General Government | 8,859,145 | 10,647,791 | - | - | 8,859,145 | 10,647,791 |
| Public Safety | 20,989,072 | 19,660,618 | - | - | 20,989,072 | 19,660,618 |
| Highways and Streets | 2,207,978 | 7,929,922 | - | - | 2,207,978 | 7,929,922 |
| Community Development | 10,738,364 | 4,465,186 | - | - | 10,738,364 | 4,465,186 |
| Interest on Long-Term Debt | 1,016,815 | 857,764 | - | - | 1,016,815 | 857,764 |
| Water | - | - | 4,159,836 | 4,438,481 | 4,159,836 | 4,438,481 |
| Airport | - | - | 1,318,730 | 1,154,982 | 1,318,730 | 1,154,982 |
| Refuse | - | - | 1,670,364 | 1,736,937 | 1,670,364 | 1,736,937 |
| Total Expenses | 43,811,374 | 43,561,281 | 7,148,930 | 7,330,400 | 50,960,304 | 50,891,681 |
| Change in Net Assets Before Transfers | 3,610,882 | 4,295,058 | 1,386,056 | 646,647 | 4,996,938 | 4,941,705 |
| Transfers | 225,400 | (2,453,290) | (225,400) | 2,453,290 | - | - |
| Change in Net Assets | 3,836,282 | 1,841,768 | 1,160,656 | 3,099,937 | 4,996,938 | 4,941,705 |
| Net Assets-Beginning | 113,552,948 | 111,711,180 | 51,141,942 | 48,042,005 | 164,694,890 | 159,753,185 |
| Net Assets-Ending | 117,389,230 | 113,552,948 | 52,302,598 | 51,141,942 | 169,691,828 | 164,694,890 |

Normal (common) Revenue and Expense Issues which cause Changes In Net Assets

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

Revenues:

- Economic Condition – This factor 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 State 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, laddering maturities up to two years for term investments, and meeting cash flow needs. Market conditions may cause investment income to fluctuate more with a short-term portfolio than a long-term one.

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 – Although overall inflation increased 3.56% (the June 30, 2012 year-over-year change in the Consumer Price Index of All Urban Consumers), 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 which caused Changes In Net Assets

Governmental Activities

Revenues:

FY12 revenues from governmental activities totaled \$47,422,256 versus \$47,856,339 last year. Although the negligible 1.0% decrease cannot be attributed solely to any one factor—the decline in property taxes certainly had an understandable impact where, like the rest of the nation, the City generated lesser revenues from reduced property valuations. Nonetheless, both General Fund sales taxes and TIF property taxes continue to be the City's largest sources of tax revenues and, combined, there was a small 1.5% decrease from FY11.

A continuing beneficial revenue source, initiated in FY11, has been the addition of distributions of surplus property taxes and sales taxes from the Central Area Tax Increment Financing Fund (TIF #1). These distributions also assist other affected taxing districts including the DeKalb school district, County, State, and the City's General Fund.

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** 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 the general condition of the overall State and local economy (e.g., State Income Tax sharing, local Utility Taxes). The City of DeKalb has a large number of these "elastic" revenues which, in order to be fiscally prudent, requires a conservative approach to budget estimates.

Expenses:

Expenses for FY12 governmental activities totaled \$43,811,374 compared to \$43,561,281 for FY11. When taken as an aggregate whole, the functional area of expenses only slightly changed from last year. Explaining the individual differences from year to year will nearly always prove problematic because the City may focus its resources toward improving streets one year and, during the next, concentrate more on community development projects. However, in general, big ticket capital outlays toward redevelopment of infrastructure and other community improvements is anticipated to boost the local economy through the attraction of new business and future residential growth.

Business Type Activities

Revenue:

Revenue from business-type activities totaled \$8,534,986 in FY12. The \$557,939 increase from last year was primarily due to a water rate increase as well as an increase in capital grants for Airport improvements. Although capital grant revenues increased substantially, they often fluctuate greatly from year-to-year, so significant revenue variances are normal.

Expenses:

FY12 expenses for business-type activities totaled \$7,148,930 compared to \$7,330,400 last year. The most notable cause for this net 2.5% decrease occurred due to reductions in Water Fund expenses that were partially offset by increases in Airport expenses. Some of the increase in Airport expenses have been the result of initiatives to act as its own FBO and, as part of this process, purchase jet fuel for resale.

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

Governmental Funds: Overview

For the fiscal year ended June 30, 2012, the governmental funds reflect a combined fund balance of \$17,495,511 compared to \$14,819,993 in FY11. The increase was primarily due to two factors:

- (a) excellent financial results due to prudent fiscal management and,
- (b) a \$1.18 million dollar transfer from the Worker's Compensation Fund of excess funds in accordance with the City's Fund Balance Policy.

Like last year, the City can again report that there are no individual municipal funds with either fund balance deficits or net asset deficits.

General Fund

The FY12 total fund balance was \$4,737,140. Of this balance, the unassigned portion of \$4,669,218 equals about 9-weeks of FY12 actual expenditures. In contrast, the FY11 and FY10 unassigned balances stood at \$2,692,928 and \$22,169 respectively. The extraordinary positive shift in the unassigned balance represents the commitment of the City Council and Management to prudently monitor and protect the City's financial wellbeing.

Currently, the action plan adopted by Council intends to establish, over a five-year period, an unassigned fund balance equating to 25% of actual expenditures. At 17.73% of FY12 actual expenditures, the City is on track with this five-year process.

Table 3
General Fund Budgetary Highlights

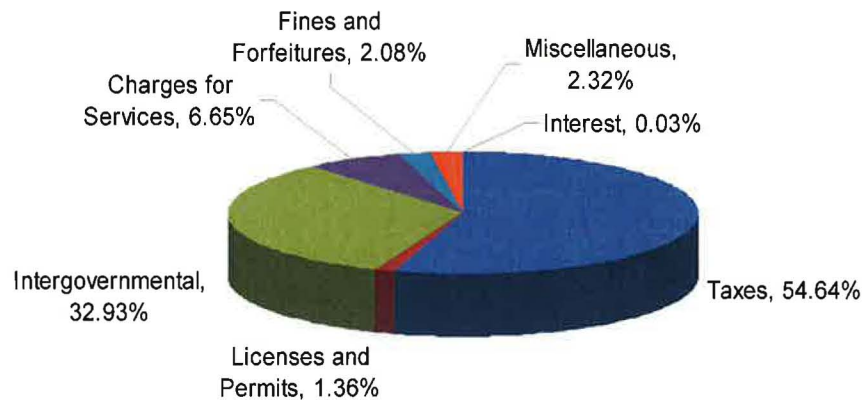
| | FY12 Original Budget | FY12 Final Budget | FY12 Actual | FY11 Actual |
|--|-------------------------|----------------------|----------------|----------------|
| Revenues | | | | |
| Taxes | \$ 25,476,779 | 25,476,779 | 25,519,247 | 25,632,351 |
| Licenses & Permits | 364,112 | 364,112 | 396,095 | 499,938 |
| Charges for Services | 1,789,203 | 1,789,203 | 1,937,171 | 1,807,829 |
| Fines & Forfeitures | 620,900 | 620,900 | 605,075 | 639,450 |
| Miscellaneous | 334,000 | 334,000 | 684,285 | 688,761 |
| Total Revenues | 28,584,994 | 28,584,994 | 29,141,873 | 29,268,329 |
| Expenditures | | | | |
| General Government | 3,672,583 | 3,672,583 | 3,797,538 | 4,756,357 |
| Public Safety | 19,437,812 | 19,437,812 | 19,340,637 | 18,223,771 |
| Community Development | 3,416,796 | 3,416,796 | 3,185,002 | 2,933,330 |
| Total Expenditures | 26,527,191 | 26,527,191 | 26,323,177 | 25,913,458 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,057,803 | 2,057,803 | 2,818,696 | 3,354,871 |
| Other Financing Sources (Uses) | | | | |
| Disposal of Capital Assets | - | - | - | 50 |
| Transfers In | 537,674 | 1,716,888 | 1,742,322 | 292,215 |
| Transfers Out | (2,595,477) | (2,595,477) | (2,573,997) | (4,395,239) |
| Change in Fund Balance | - | 1,179,214 | 1,987,021 | (748,103) |

General Fund revenues came in more than original budgeted revenues by \$556,879 during FY12 due to conservative budget estimates based on the uncertainty of economic trends. General Fund expenditures were less than the budget by (\$204,014) due to lower than expected unemployment costs stemming from delays in refilling employee retirements and disability insurance reimbursements.

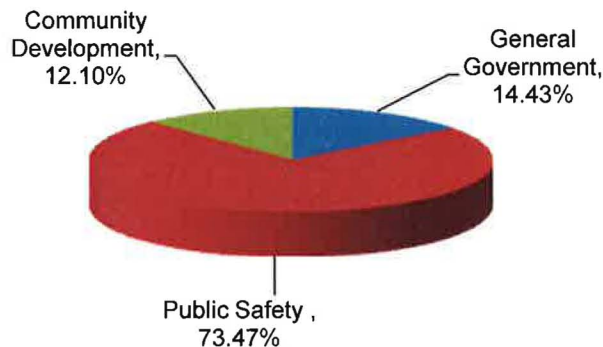
Unlike last year when the General Fund made many transfers to other Funds to eliminate all existing fund balance deficits, FY12 witnessed a large \$1,179,214 transfer into the General Fund from the Workers' Compensation Fund. Since the Workers' Compensation Fund is no longer principally self-insured, the excess cash could be safely transferred in compliance with the City's Fund Balance Policy.

Overall, the net impact of General Fund revenues, expenditures, and other financing sources(uses) created a FY12 fund balance surplus of \$1,987,021 and brought the ending FY12 fund balance to \$4,737,140.

Revenues by Source - General Fund at June 30, 2012



Expenditures by Function - General Fund at June



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

Other Major Governmental Funds:

- Tax Increment Funds #1 and #2 had FY12 ending fund balances of \$5,249,495 and \$5,435,922 respectively as compared to FY11 balances of \$6,196,879 and \$4,132,015. Of particular note is that the Central Area TIF (TIF #1) distributes a significant portion of its property tax and sales tax revenues back to the various taxing districts (including the DeKalb School District, DeKalb Public Library, and others). 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 for specific MFT eligible road and bridge construction projects, street lighting, road salt, and other street-related maintenance activities. Of particular note was the widening of Bethany Bridge to four lanes, completion of the Peace Road widening from Pleasant Street to Route 38, the completion of the second stage of resurfacing on North First Street, and the purchase of the Fairview Drive bike path right of way.

Proprietary Funds: Overview

For the fiscal year ended June 30, 2012, the Proprietary funds reflect combined net assets of \$52,302,598 compared to \$51,141,942 in FY11. The increase was largely due to improved operating income from the Water Fund as well as the purchase of airport land that was 97.5% funded with Federal and State grants.

Airport Fund

The FY12 Airport net assets ended at \$28,083,610 compared to \$27,742,575 last year. Of ongoing concern are the operating deficits which have continued for a number of years—namely \$(413,576) in FY12, (\$681,713) in FY11, (\$524,272) in FY10, (\$778,324) in FY09, (\$645,131) in FY08, (\$720,557) in FY07, and (\$467,332) in FY06. Through FY10, the cumulative operating deficits had an effect of creating an unrestricted net asset deficit of (\$1,709,222)—however, in FY11, Council took action to resolve the situation by making a \$2,140,000 transfer from the General Fund and made FY12 budgetary commitments to eliminate the expected ongoing deficits by planning supplemental General Fund transfers. Accordingly, the Airport Fund ended FY12 with a positive unrestricted net asset balance of \$59,607.

In order to reduce the Airport's reliance on transfers, management has taken steps to increase the participation of private partnerships and implemented mechanisms for revenue enhancement. For example, in FY12 the City began to operate as its own FBO and, in January 2011, started selling jet fuel directly to customers.

Water Fund

The FY12 ending net assets of the Water Fund stands at \$23,960,895 compared to \$23,028,320 last year and \$21,932,166 in FY10. Although Water Sales show some stabilization since last year, operating expenses declined. The impact of the change in assets could mostly be seen in significant improvements in cash and investments [i.e., \$4,282,251 in FY12 versus \$2,711,031 in FY11]. Overall, net assets continue to increase and operating income continues to grow (as can be seen in the following chart):

Table 4
Water Fund Highlights

| | FY12 Actual | FY11 Actual | FY10 Actual | FY09 Actual | FY08 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Operating Revenues | | | | | |
| Charges for Services | | | | | |
| Water Sales | \$ 5,237,993 | 5,372,917 | 5,020,452 | 4,769,726 | 4,253,270 |
| Permits | 103,901 | 81,379 | 115,741 | 18,665 | 134,050 |
| Miscellaneous | 23,865 | 21,845 | 31,868 | 33,622 | 29,777 |
| Total Operating Revenues | 5,365,759 | 5,476,141 | 5,168,061 | 4,822,013 | 4,417,097 |
| Operating Expenses | | | | | |
| Operating Expenses | 2,970,076 | 3,218,626 | 2,966,548 | 3,046,319 | 2,833,844 |
| Depreciation and Amortization | 982,451 | 996,517 | 1,013,040 | 1,037,643 | 1,029,619 |
| Total Operating Expenses | 3,952,527 | 4,215,143 | 3,979,588 | 4,083,962 | 3,863,463 |
| Operating Income (Loss) | 1,413,232 | 1,260,998 | 1,188,473 | 738,051 | 553,634 |
| Nonoperating Revenues (Expenses) | | | | | |
| Nonoperating Revenues (Expenses) | (205,257) | (223,334) | (238,649) | (262,986) | (232,850) |
| Transfers In | - | - | - | - | - |
| Transfers Out | (275,400) | (289,840) | (321,836) | (330,526) | (322,052) |
| Contributions | - | 324,671 | 41,454 | - | 258,345 |
| Change in Net Assets | 932,575 | 1,072,495 | 669,442 | 144,539 | 257,077 |

Primarily due to planned water rate increases (which began in FY08), the unrestricted portion of net assets has substantially improved over time—the balance now stands at \$3,861,366 compared to \$2,545,360 last year, \$1,437,290 in FY10, \$452,244 in FY09, and (\$44,639) in FY08.

DEBT SERVICE

Although the City issued no new debt in FY12, the construction of a new police station will necessitate additional debt funding in FY2013.

In FY12, the City cash flows continue to significantly improve due to budgetary measures taken by City Council and Management. As a result, we expect investment earnings to improve and, more importantly, expect to increase fund balances more in line with established recommended practices

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 3 of the financial statements.

CAPITAL ASSETS

Governmental Funds:

The City had invested \$186,680,260 in a variety of capital assets and infrastructure as reflected in the following schedule.

Table 5
Governmental Funds
Change in Net Capital Assets

| | Capital Assets - Net of Depreciation | | | | | |
|----------------------------|--------------------------------------|-------------|---------------|------------|-------------|-------------|
| | Governmental | | Business-type | | Total | |
| | Activities | | Activities | | | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Land | \$ 10,113,091 | 9,793,655 | 18,896,047 | 18,384,178 | 29,009,138 | 28,177,833 |
| Land Right of Way | 25,736,657 | 25,736,657 | 407,381 | 407,381 | 26,144,038 | 26,144,038 |
| Construction in Progress | 5,171,420 | 3,935,186 | 72,454 | 21,191 | 5,243,874 | 3,956,377 |
| Buildings and Improvements | 4,748,655 | 4,890,798 | 3,138,110 | 3,231,762 | 7,886,765 | 8,122,560 |
| Equipment | 2,656,148 | 1,198,455 | 88,842 | 112,113 | 2,744,990 | 1,310,568 |
| Vehicles | 2,156,860 | 2,226,307 | 207,102 | 262,182 | 2,363,962 | 2,488,489 |
| Water Distribution System | - | - | 23,957,973 | 24,844,110 | 23,957,973 | 24,844,110 |
| Infrastructure | 80,527,877 | 83,258,379 | 8,801,643 | 9,073,849 | 89,329,520 | 92,332,228 |
| Total | 131,110,708 | 131,039,437 | 55,569,552 | 56,336,766 | 186,680,260 | 187,376,203 |

Major additions to capital assets during the year included

- Initial construction phases of a new Police Station
- Widening of the Bethany Road Bridge
- Purchase the Diehl property as part of the continued development of the DeKalb Taylor Municipal Airport (DTMA) project.
- Various road construction projects
- Initiation of DTMA Taxiway improvements.
- Purchase of Mass Transit buses with Federal Grant funding

For more detailed information regarding capital assets, please see Note 3 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.

BASIC FINANCIAL STATEMENTS

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

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

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

CITY OF DEKALB, ILLINOIS

**Statement of Net Assets
June 30, 2012**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Net Assets
June 30, 2012**

| | Primary Government | | | Component |
|---------------------------------|--------------------|--------------|--------------|-----------|
| | Governmental | Business- | | Unit |
| | Activities | Type | Totals | Public |
| | | Activities | | Library |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Investments | \$ 20,466,617 | 4,941,239 | 25,407,856 | 2,145,967 |
| Receivables - Net of Allowances | 7,585,267 | 2,133,871 | 9,719,138 | 879,273 |
| Due from Other Governments | 6,369,072 | 89,459 | 6,458,531 | 5,245 |
| Prepays | 63,160 | 66,434 | 129,594 | 9,430 |
| Total Current Assets | 34,484,116 | 7,231,003 | 41,715,119 | 3,039,915 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Nondepreciable Capital Assets | 41,021,168 | 19,375,882 | 60,397,050 | 1,573,060 |
| Depreciable Capital Assets | 165,555,531 | 56,533,309 | 222,088,840 | 809,635 |
| Accumulated Depreciation | (75,465,991) | (20,339,639) | (95,805,630) | (412,175) |
| Total Capital Assets | 131,110,708 | 55,569,552 | 186,680,260 | 1,970,520 |
| Other Assets | | | | |
| Deferred Charges | 207,566 | 24,701 | 232,267 | - |
| Interest Rate Swap Agreement | 6,457 | - | 6,457 | - |
| Net Pension Asset | 55,841 | - | 55,841 | - |
| Total Other Assets | 269,864 | 24,701 | 294,565 | - |
| Total Noncurrent Assets | 131,380,572 | 55,594,253 | 186,974,825 | 1,970,520 |
| Total Assets | 165,864,688 | 62,825,256 | 228,689,944 | 5,010,435 |

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

| | Primary Government | | | Component |
|---|--------------------|------------|--------------|-----------|
| | Governmental | Business- | | Unit |
| | Activities | Type | Totals | Public |
| | | Activities | | Library |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 2,023,792 | 461,233 | 2,485,025 | 30,910 |
| Accrued Payroll | 279,749 | 23,691 | 303,440 | 16,626 |
| Accrued Interest Payable | 277,212 | 109,003 | 386,215 | - |
| Contracts Payable | 24,990 | - | 24,990 | - |
| Claims Payable | 516,043 | - | 516,043 | - |
| Other Payables | 194,559 | 1,387,245 | 1,581,804 | - |
| Due to Other Governments | 5,245 | 80 | 5,325 | - |
| Deferred Inflows - Swap Agreement | 6,457 | - | 6,457 | - |
| Unearned/Deferred Revenues | 11,792,875 | 273,208 | 12,066,083 | 1,766,592 |
| Compensated Absences Payable | 232,875 | 71,874 | 304,749 | - |
| Current Portion of Long-Term Debt | 2,136,336 | 661,023 | 2,797,359 | 111,111 |
| Total Current Liabilities | 17,490,133 | 2,987,357 | 20,477,490 | 1,925,239 |
| Noncurrent Liabilities | | | | |
| Compensated Absences Payable | 4,424,633 | 287,496 | 4,712,129 | 27,211 |
| Net Pension Obligation Payable | 179,828 | 35,844 | 215,672 | 25,504 |
| Net Other Post-Employment Benefit Payable | 7,159,438 | 426,964 | 7,586,402 | 22,332 |
| IEPA Loan Payable | - | 3,494,034 | 3,494,034 | - |
| Capital Lease Payable | 356,966 | 13,791 | 370,757 | - |
| General Obligation Bonds Payable - Net | 18,864,460 | 3,277,172 | 22,141,632 | - |
| Debt Certificates Payable | - | - | - | 888,889 |
| Total Noncurrent Liabilities | 30,985,325 | 7,535,301 | 38,520,626 | 963,936 |
| Total Liabilities | 48,475,458 | 10,522,658 | 58,998,116 | 2,889,175 |
| NET ASSETS | | | | |
| Invested in Capital Assets - | | | | |
| Net of Related Debt | 120,169,717 | 48,123,532 | 168,293,249 | 970,520 |
| Restricted | | | | |
| Specific Purpose | 117,464 | - | 117,464 | - |
| Maintenance and Roadways | 1,514,839 | - | 1,514,839 | - |
| Economic Development | 10,683,917 | - | 10,683,917 | - |
| Public Safety | 41,790 | - | 41,790 | - |
| Debt Service | - | - | - | - |
| Endowments | - | - | - | 842,138 |
| Culture and Recreation | - | - | - | 230,738 |
| Unrestricted | (15,138,497) | 4,179,066 | (10,959,431) | 77,864 |
| Total Net Assets | 117,389,230 | 52,302,598 | 169,691,828 | 2,121,260 |

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

CITY OF DEKALB, ILLINOIS

**Statement of Activities
Year Ended June 30, 2012**

| | | Program Revenues | | |
|---------------------------------|--------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| | Expenses | | | |
| Governmental Activities | | | | |
| General Government | \$ 8,859,145 | 238,190 | - | 5,447,134 |
| Public Safety | 20,989,072 | 2,462,313 | - | - |
| Highways and Streets | 2,207,978 | 212,232 | 1,143,618 | 627,916 |
| Community Development | 10,738,364 | 237,838 | - | - |
| Interest on Long-Term Debt | 1,016,815 | - | - | - |
| Total Governmental Activities | 43,811,374 | 3,150,573 | 1,143,618 | 6,075,050 |
| Business-Type Activities | | | | |
| Water | 4,159,836 | 5,367,480 | - | - |
| Airport | 1,318,730 | 846,375 | - | 562,770 |
| Refuse | 1,670,364 | 1,757,410 | - | - |
| Total Business-Type Activities | 7,148,930 | 7,971,265 | - | 562,770 |
| | 50,960,304 | 11,121,838 | 1,143,618 | 6,637,820 |
| Component Unit - Public Library | 1,950,204 | 48,723 | - | 62,380 |

General Revenues

Taxes

Property Taxes

Home Rule Sales Taxes

Utility Taxes

Restaurant/Bar Taxes

Other Taxes

Intergovernmental - Unrestricted

State Sales Taxes

Income Taxes

Local Use Taxes

Replacement

Other

Interest Income

Miscellaneous

Transfers - Internal Activity

Change in Net Assets

Net Assets - Beginning as Restated

Net Assets - Ending

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

| Net Expense/Revenue | | | |
|----------------------------|--------------------------------|--------------|--|
| Governmental Activities | Primary Government | | Component Unit Public Library |
| | Business Type Activities | Total | |
| (3,173,821) | - | (3,173,821) | - |
| (18,526,759) | - | (18,526,759) | - |
| (224,212) | - | (224,212) | - |
| (10,500,526) | - | (10,500,526) | - |
| (1,016,815) | - | (1,016,815) | - |
| (33,442,133) | - | (33,442,133) | - |
| - | 1,207,644 | 1,207,644 | - |
| - | 90,415 | 90,415 | - |
| - | 87,046 | 87,046 | - |
| - | 1,385,105 | 1,385,105 | - |
| (33,442,133) | 1,385,105 | (32,057,028) | - |
| - | - | - | (1,839,101) |
| 12,733,599 | - | 12,733,599 | 1,855,780 |
| 5,820,647 | - | 5,820,647 | - |
| 3,788,953 | - | 3,788,953 | - |
| 1,644,563 | - | 1,644,563 | - |
| 665,899 | - | 665,899 | - |
| 5,311,957 | - | 5,311,957 | - |
| 3,745,298 | - | 3,745,298 | - |
| 648,865 | - | 648,865 | - |
| 143,621 | - | 143,621 | 33,387 |
| 1,672,664 | - | 1,672,664 | - |
| 37,782 | 380 | 38,162 | 6,653 |
| 839,167 | 571 | 839,738 | 61,196 |
| 225,400 | (225,400) | - | - |
| 37,278,415 | (224,449) | 37,053,966 | 1,957,016 |
| 3,836,282 | 1,160,656 | 4,996,938 | 117,915 |
| 113,552,948 | 51,141,942 | 164,694,890 | 2,003,345 |
| 117,389,230 | 52,302,598 | 169,691,828 | 2,121,260 |

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

CITY OF DEKALB, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2012**

| | | Special | |
|--------------------------------------|--------------|-------------------|-----------------|
| | General | Motor Fuel Tax | Mass Transit |
| ASSETS | | | |
| Cash and Investments | \$ 1,777,984 | 1,589,698 | 1,987 |
| Receivables - Net of Allowances | | | |
| Taxes | 2,228,845 | - | - |
| Accounts | 895,490 | 710 | - |
| Accrued Interest | 2,663 | - | - |
| Other | 103,593 | - | 1,992 |
| Due from Other Governments | 4,790,539 | 91,790 | 676,357 |
| Due from Other Funds | 27,418 | 342 | - |
| Prepays/Inventories | 61,660 | - | - |
| Total Assets | 9,888,192 | 1,682,540 | 680,336 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | 626,061 | 126,265 | 623,179 |
| Accrued Payroll | 278,367 | - | 1,382 |
| Contracts Payable | - | - | - |
| Other Payables | 192,859 | - | - |
| Due to Other Governments | 5,245 | - | - |
| Due to Other Funds | 24,921 | - | - |
| Unearned/Deferred Revenues | 4,023,599 | 41,436 | 55,775 |
| Total Liabilities | 5,151,052 | 167,701 | 680,336 |
| Fund Balances | | | |
| Nonspendable | 61,660 | - | - |
| Restricted | 6,262 | 1,514,839 | - |
| Committed | - | - | - |
| Unassigned | 4,669,218 | - | - |
| Total Fund Balances | 4,737,140 | 1,514,839 | - |
| Total Liabilities and Fund Balances | 9,888,192 | 1,682,540 | 680,336 |

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

| Revenue | | Debt Service | | |
|--------------|--------------|-----------------|----------|------------|
| Tax | Tax | Tax | | |
| Increment | Increment | Increment | Nonmajor | Totals |
| Financing #1 | Financing #2 | Financing | | |
| 8,627,770 | 6,375,791 | 185,281 | 640,020 | 19,198,531 |
| 3,366,690 | 940,029 | - | 7,097 | 6,542,661 |
| - | - | - | - | 896,200 |
| 4,969 | - | 2 | - | 7,634 |
| - | - | - | 1,977 | 107,562 |
| 218,719 | - | - | 158,952 | 5,936,357 |
| - | - | - | 32,251 | 60,011 |
| 1,500 | - | - | - | 63,160 |
| 12,219,648 | 7,315,820 | 185,283 | 840,297 | 32,812,116 |
| 261,838 | 26,272 | - | 293,582 | 1,957,197 |
| - | - | - | - | 279,749 |
| 24,990 | - | - | - | 24,990 |
| - | - | - | 1,700 | 194,559 |
| - | - | - | - | 5,245 |
| 346 | - | - | 34,744 | 60,011 |
| 6,682,979 | 1,853,626 | - | 137,439 | 12,794,854 |
| 6,970,153 | 1,879,898 | - | 467,465 | 15,316,605 |
| 1,500 | - | - | - | 63,160 |
| 5,247,995 | 5,435,922 | 185,283 | 152,992 | 12,543,293 |
| - | - | - | 219,840 | 219,840 |
| - | - | - | - | 4,669,218 |
| 5,249,495 | 5,435,922 | 185,283 | 372,832 | 17,495,511 |
| 12,219,648 | 7,315,820 | 185,283 | 840,297 | 32,812,116 |

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

CITY OF DEKALB, ILLINOIS

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

June 30, 2012

| | |
|---|----------------------|
| Total Governmental Fund Balances | \$ 17,495,511 |
| 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 funds. | 131,110,708 |
| Certain revenues are deferred in the fund financial statements because they are not available but are recognized as revenues in the government-wide financial statements. | 1,002,864 |
| Unamortized deferred charges are not considered to represent a financial resource and therefore, are not reported in the funds. | 207,566 |
| A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds. | 55,841 |
| Internal service funds are used by the City to charge the costs of operating and maintaining vehicles to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets. | 1,148,488 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Accrued Interest Payable | (277,212) |
| Compensated Absences Payable | (4,657,508) |
| Net Pension Obligation Payable | (179,828) |
| Net Other Post-Employment Benefit Obligation Payable | (7,159,438) |
| General Obligation Bonds Payable - Net | (20,434,460) |
| Revenue Bonds Payable | (345,000) |
| Capital Leases Payable | (578,302) |
| Net Assets of Governmental Activities | 117,389,230 |

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

CITY OF DEKALB, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2012**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2012**

| | | Special | |
|--|---------------|-------------------|-----------------|
| | General | Motor Fuel Tax | Mass Transit |
| Revenues | | | |
| Taxes | \$ 15,924,105 | - | - |
| Licenses and Permits | 396,095 | - | - |
| Intergovernmental | 9,595,142 | 1,348,069 | 5,427,134 |
| Charges for Services | 1,937,171 | - | - |
| Fines and Forfeits | 605,075 | - | - |
| Interest | 9,574 | 1,926 | - |
| Miscellaneous | 674,711 | - | 5,313 |
| Total Revenues | 29,141,873 | 1,349,995 | 5,432,447 |
| Expenditures | | | |
| Current | | | |
| General Government | 3,797,538 | - | 4,511,756 |
| Public Safety | 19,340,637 | - | - |
| Highways and Streets | - | 609,488 | - |
| Community Development | 3,185,002 | - | - |
| Capital Outlay | - | 283,839 | 918,720 |
| Debt Service | | | |
| Principal Retirement | - | - | - |
| Interest and Fiscal Charges | - | - | - |
| Total Expenditures | 26,323,177 | 893,327 | 5,430,476 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,818,696 | 456,668 | 1,971 |
| Other Financing Sources (Uses) | | | |
| Disposal of Capital Assets | - | - | - |
| Transfers In | 1,742,322 | - | - |
| Transfers Out | (2,573,997) | - | (1,971) |
| | (831,675) | - | (1,971) |
| Net Change in Fund Balances | 1,987,021 | 456,668 | - |
| Fund Balances - Beginning | 2,750,119 | 1,058,171 | - |
| Fund Balances - Ending | 4,737,140 | 1,514,839 | - |

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

| Revenue | | Debt Service | | |
|--------------|--------------|-----------------|-------------|-------------|
| Tax | Tax | Tax | | |
| Increment | Increment | Increment | | |
| Financing #1 | Financing #2 | Financing | Nonmajor | Totals |
| 6,691,097 | 1,920,320 | - | 218,245 | 24,753,767 |
| - | - | - | - | 396,095 |
| 1,368,512 | - | - | 1,011,712 | 18,750,569 |
| - | - | - | 212,232 | 2,149,403 |
| - | - | - | - | 605,075 |
| 25,941 | - | 5 | 235 | 37,681 |
| 5,431 | - | - | 153,712 | 839,167 |
| 8,090,981 | 1,920,320 | 5 | 1,596,136 | 47,531,757 |
| - | - | - | 672,342 | 8,981,636 |
| - | - | - | 30,755 | 19,371,392 |
| - | - | - | - | 609,488 |
| - | - | - | - | 3,185,002 |
| 7,375,955 | 616,413 | - | 1,164,428 | 10,359,355 |
| - | - | 1,345,000 | 783,955 | 2,128,955 |
| - | - | 363,181 | 576,463 | 939,644 |
| 7,375,955 | 616,413 | 1,708,181 | 3,227,943 | 45,575,472 |
| 715,026 | 1,303,907 | (1,708,176) | (1,631,807) | 1,956,285 |
| - | - | - | 26,533 | 26,533 |
| - | - | 1,662,410 | 1,708,358 | 5,113,090 |
| (1,662,410) | - | - | (182,012) | (4,420,390) |
| (1,662,410) | - | 1,662,410 | 1,552,879 | 719,233 |
| (947,384) | 1,303,907 | (45,766) | (78,928) | 2,675,518 |
| 6,196,879 | 4,132,015 | 231,049 | 451,760 | 14,819,993 |
| 5,249,495 | 5,435,922 | 185,283 | 372,832 | 17,495,511 |

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

CITY OF DEKALB, ILLINOIS

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

Year Ended June 30, 2012

| | |
|--|-------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 2,675,518 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Capital Outlays | 3,972,244 |
| Depreciation Expense | (3,893,507) |
| Disposals - Net of Accumulated Depreciation | (7,466) |
| Revenues not collected as of the year end are not considered as "available" revenues in the governmental funds. These are the amounts that were not considered available in the current year. | |
| | (109,602) |
| Issuance costs on the sale of bonds is recorded as an expenditure in the governmental funds. These costs are capitalized and amortized in the government-wide statements. | |
| | (34,539) |
| A decrease in a net pension asset is not considered to be a decrease in financial assets in the governmental funds. | |
| | (67,453) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds. | |
| Additions to Compensated Absences Payable | (66,302) |
| Additions to Net Pension Obligation Payable | (22,107) |
| Additions to Net Other Post-Employment Benefit Obligation Payable | (1,415,713) |
| Retirement of Debt | 2,059,010 |
| Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | |
| | 27,313 |
| Internal service funds are used by the City to charge the costs of liability insurance and vehicle and equipment management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. | |
| | <u>718,886</u> |
| Changes in Net Assets of Governmental Activities | <u>3,836,282</u> |

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

CITY OF DEKALB, ILLINOIS

Statement of Net Assets - Proprietary Funds
June 30, 2012

See Following Page

CITY OF DEKALB, ILLINOIS

Statement of Net Assets - Proprietary Funds

June 30, 2012

| | Business-Type Activities - Enterprise | | | | Governmental |
|---------------------------------|---------------------------------------|-------------|--------------------|--------------|---------------------|
| | Water | Airport | Nonmajor Refuse | Totals | Internal Service |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Investments | \$ 4,282,251 | 121,479 | 537,509 | 4,941,239 | 1,268,086 |
| Receivables - Net of Allowances | | | | | |
| Accounts | 1,855,135 | 18,051 | 253,037 | 2,126,223 | 20,242 |
| Other | 6,798 | 850 | - | 7,648 | 10,968 |
| Due from Other Governments | - | 89,459 | - | 89,459 | - |
| Prepays/Inventories | - | 66,434 | - | 66,434 | 432,715 |
| Total Current Assets | 6,144,184 | 296,273 | 790,546 | 7,231,003 | 1,732,011 |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Nondepreciable Capital Assets | 528,648 | 18,847,234 | - | 19,375,882 | - |
| Depreciable Capital Assets | 42,730,781 | 13,802,528 | - | 56,533,309 | - |
| Accumulated Depreciation | (16,864,583) | (3,475,056) | - | (20,339,639) | - |
| | 26,394,846 | 29,174,706 | - | 55,569,552 | - |
| Other Assets | | | | | |
| Deferred Charges | 20,174 | 4,527 | - | 24,701 | - |
| Total Noncurrent Assets | 26,415,020 | 29,179,233 | - | 55,594,253 | - |
| Total Assets | 32,559,204 | 29,475,506 | 790,546 | 62,825,256 | 1,732,011 |

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

| | Business-Type Activities - Enterprise | | | | Governmental Activities |
|---|---------------------------------------|------------|--------------------|------------|----------------------------|
| | Water | Airport | Nonmajor Refuse | Totals | Internal Service |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 110,526 | 72,093 | 278,614 | 461,233 | 66,595 |
| Accrued Payroll | 20,179 | 3,512 | - | 23,691 | - |
| Accrued Interest Payable | 80,002 | 29,001 | - | 109,003 | - |
| Claims Payable | - | - | - | - | 516,043 |
| Other Payables | 1,366,057 | 20,386 | 802 | 1,387,245 | - |
| Due to Other Governments | 80 | - | - | 80 | - |
| Unearned/Deferred Revenue | 1,820 | 18,351 | 253,037 | 273,208 | 885 |
| Current Portion of Long-Term Debt | 677,783 | 55,114 | - | 732,897 | - |
| Total Current Liabilities | 2,256,447 | 198,457 | 532,453 | 2,987,357 | 583,523 |
| Noncurrent Liabilities | | | | | |
| Compensated Absences Payable | 253,938 | 33,558 | - | 287,496 | - |
| Net Pension Obligation | 32,157 | 3,687 | - | 35,844 | - |
| Net Post-Employment Benefit Payable | 374,748 | 52,216 | - | 426,964 | - |
| IEPA Loan Contracts Payable | 3,494,034 | - | - | 3,494,034 | - |
| Capital Lease Payable | - | 13,791 | - | 13,791 | - |
| General Obligation Bonds Payable - Net | 2,186,985 | 1,090,187 | - | 3,277,172 | - |
| Total Noncurrent Liabilities | 6,341,862 | 1,193,439 | - | 7,535,301 | - |
| Total Liabilities | 8,598,309 | 1,391,896 | 532,453 | 10,522,658 | 583,523 |
| NET ASSETS | | | | | |
| Invested in Capital Assets - Net of Related Debt | 20,099,529 | 28,024,003 | - | 48,123,532 | - |
| Unrestricted | 3,861,366 | 59,607 | 258,093 | 4,179,066 | 1,148,488 |
| Total Net Assets | 23,960,895 | 28,083,610 | 258,093 | 52,302,598 | 1,148,488 |

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

CITY OF DEKALB, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended June 30, 2012

| | <u>Water</u> |
|----------------------------------|--------------------------|
| Operating Revenues | |
| Charges for Services | \$ 5,341,894 |
| Miscellaneous | 25,586 |
| Interfund Services | - |
| Total Operating Revenues | <u>5,367,480</u> |
| Operating Expenses | |
| Administration | - |
| Operations | 2,970,076 |
| Depreciation and Amortization | 982,451 |
| Total Operating Expenses | <u>3,952,527</u> |
| Operating Income (Loss) | <u>1,414,953</u> |
| Nonoperating Revenues (Expenses) | |
| Interest Income | 331 |
| Disposal of Capital Assets | - |
| Grants | - |
| Interest Expense | <u>(207,309)</u> |
| | <u>(206,978)</u> |
| Income Before Transfers | 1,207,975 |
| Transfers In | - |
| Transfers Out | <u>(275,400)</u> |
| Change in Net Assets | 932,575 |
| Net Assets - Beginning | <u>23,028,320</u> |
| Net Assets - Ending | <u><u>23,960,895</u></u> |

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

| Business-Type Activities - Enterprise | | | Governmental Activities |
|---------------------------------------|--------------------|------------|----------------------------|
| Airport | Nonmajor Refuse | Totals | Internal Service |
| 816,383 | 1,757,410 | 7,915,687 | - |
| 29,992 | - | 55,578 | - |
| - | - | - | 7,260,054 |
| 846,375 | 1,757,410 | 7,971,265 | 7,260,054 |
| - | - | - | 6,073,969 |
| 916,793 | 1,670,364 | 5,557,233 | - |
| 343,158 | - | 1,325,609 | - |
| 1,259,951 | 1,670,364 | 6,882,842 | 6,073,969 |
| (413,576) | 87,046 | 1,088,423 | 1,186,085 |
| 49 | - | 380 | 101 |
| 571 | - | 571 | - |
| 562,770 | - | 562,770 | - |
| (58,779) | - | (266,088) | - |
| 504,611 | - | 297,633 | 101 |
| 91,035 | 87,046 | 1,386,056 | 1,186,186 |
| 250,000 | - | 250,000 | 769,914 |
| - | (200,000) | (475,400) | (1,237,214) |
| 341,035 | (112,954) | 1,160,656 | 718,886 |
| 27,742,575 | 371,047 | 51,141,942 | 429,602 |
| 28,083,610 | 258,093 | 52,302,598 | 1,148,488 |

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

CITY OF DEKALB, ILLINOIS

Statement of Cash Flows - Proprietary Funds Year Ended June 30, 2012

| | <u>Water</u> |
|---|-------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 5,279,834 |
| Receipts from Interfund Services Provided | - |
| Payments to Employees | (1,067,934) |
| Payments to Suppliers | <u>(1,561,657)</u> |
| | <u>2,650,243</u> |
| Cash Flows from Noncapital Financing Activities | |
| Transfers In | - |
| Transfers Out | <u>(275,400)</u> |
| | <u>(275,400)</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | - |
| Disposal of Capital Assets | - |
| Debt Repayment | (596,645) |
| Interest Payments | <u>(207,309)</u> |
| | <u>(803,954)</u> |
| Cash Flows from Investing Activities | |
| Interest Received | <u>331</u> |
| Net Change in Cash and Cash Equivalents | 1,571,220 |
| Cash and Cash Equivalents - Beginning | <u>2,711,031</u> |
| Cash and Cash Equivalents - Ending | <u><u>4,282,251</u></u> |
| Reconciliation of Operating Income to Net Cash Provided | |
| (Used) by Operating Activities | |
| Operating Income (Loss) | <u>1,414,953</u> |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash | |
| Provided by (Used in) Operating Activities: | |
| Depreciation and Amortization Expense | 982,451 |
| Other Income | - |
| (Increase) Decrease in Current Assets | (87,646) |
| Increase (Decrease) in Current Liabilities | <u>340,485</u> |
| Net Cash Provided by Operating Activities | <u><u>2,650,243</u></u> |

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

| Business-Type Activities - Enterprise | | | Governmental Activities |
|---------------------------------------|--------------------|-------------|----------------------------|
| Airport | Nonmajor Refuse | Totals | Internal Service |
| 1,315,305 | 1,726,394 | 8,321,533 | - |
| - | - | - | 6,806,097 |
| (180,481) | - | (1,248,415) | - |
| (785,390) | (1,631,624) | (3,978,671) | (6,787,653) |
| 349,434 | 94,770 | 3,094,447 | 18,444 |
| 250,000 | - | 250,000 | 769,914 |
| - | (200,000) | (475,400) | (1,237,214) |
| 250,000 | (200,000) | (225,400) | (467,300) |
| (563,132) | - | (563,132) | - |
| 571 | - | 571 | - |
| (63,547) | - | (660,192) | - |
| (58,779) | - | (266,088) | - |
| (684,887) | - | (1,488,841) | - |
| 49 | - | 380 | 101 |
| (85,404) | (105,230) | 1,380,586 | (448,755) |
| 206,883 | 642,739 | 3,560,653 | 1,716,841 |
| 121,479 | 537,509 | 4,941,239 | 1,268,086 |
| (413,576) | 87,046 | 1,088,423 | 1,186,085 |
| 343,158 | - | 1,325,609 | - |
| 562,770 | - | 562,770 | - |
| (93,840) | (31,016) | (212,502) | (453,957) |
| (49,078) | 38,740 | 330,147 | (713,684) |
| 349,434 | 94,770 | 3,094,447 | 18,444 |

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

CITY OF DEKALB, ILLINOIS

Statement of Net Assets - Fiduciary Funds

June 30, 2012

| | <u>Pension Trust</u> |
|---------------------------------------|--------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 1,400,986 |
| Investments | |
| U.S. Government and Agency Securities | 23,353,036 |
| Corporate Bonds | 709,937 |
| Certificates of Deposit | 101,664 |
| Money Market Mutual Funds | 1,313,417 |
| Mutual Funds | 20,257,904 |
| Receivables | |
| Accrued Interest | 125,630 |
| Prepays | <u>1,488</u> |
| Total Assets | <u>47,264,062</u> |
| LIABILITIES | |
| Accounts Payable | 15,252 |
| Unearned/Deferred Revenue | <u>1,454,815</u> |
| Total Liabilities | <u>1,470,067</u> |
| NET PLAN ASSETS | |
| Held in Trust for Pension Benefits | <u><u>45,793,995</u></u> |

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

CITY OF DEKALB, ILLINOIS

Statement of Changes in Net Assets - Fiduciary Funds Year Ended June 30, 2012

| | Pension Trust |
|--|--------------------|
| Additions | |
| Contributions - Employer | \$ 3,326,021 |
| Contributions - Plan Members | 845,002 |
| Total Contributions | <u>4,171,023</u> |
| Investment Income | |
| Interest Earned | 1,076,466 |
| Net Change in Fair Value | <u>(1,571,020)</u> |
| | (494,554) |
| Less Investment Expenses | <u>(103,265)</u> |
| Net Investment Income | <u>(597,819)</u> |
| Total Additions | <u>3,573,204</u> |
| Deductions | |
| Administration | 89,141 |
| Benefits and Refunds | <u>4,476,899</u> |
| Total Deductions | <u>4,566,040</u> |
| Change in Net Assets | (992,836) |
| Net Plan Assets Held in Trust for Pension Benefits | |
| Net Assets - Beginning | <u>46,786,831</u> |
| Net Assets - Ending | <u>45,793,995</u> |

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

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

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the City.

Police Pension Employees Retirement System

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Unit

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

DeKalb Public Library

The DeKalb Public Library (the Library) operates and maintains the City's public library facilities. The Library's board is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

BASIS OF PRESENTATION

Government-Wide Statements

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

The City's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

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

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

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

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

Fund Financial Statements

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

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

Governmental Funds

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

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

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains four capital projects funds.

Proprietary Funds

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

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

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

Basis of Accounting

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

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

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

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

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

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

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

Interfund Receivables, Payables and Activity

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

Receivables

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Prepays/Inventories

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 to \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Compensated Absences

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

Long-Term Obligations

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

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

Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity

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

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity – Continued

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

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

| <u>Fund</u> | <u>Excess</u> |
|--------------------------------|---------------|
| Mass Transit | \$ 975,212 |
| Housing Rehabilitation | 48,450 |
| Knolls Special Service Area #4 | 2,301 |
| General Debt Service | 983 |
| Capital Projects | 129,354 |
| Public Safety Building | 513,736 |
| Fleet Replacement | 169,847 |
| Health Insurance | 44,572 |
| Liability/Property Insurance | 7,223 |

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the Pension Fund's net assets. Pension Funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

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

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

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$23,478,302 and the bank balances totaled \$23,691,336. In addition, the City has \$1,929,554 invested in the Illinois Funds at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term securities.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,539,067 and the bank balances totaled \$1,539,067.

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

| Investment Type | Investment Maturities (in Years) | | | | |
|-----------------|----------------------------------|-------------|------------|---------|--------------|
| | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Agencies | \$ 12,121,752 | 1,523,775 | 9,954,864 | - | 643,113 |
| Corporate Bonds | 619,158 | - | 619,158 | - | - |
| | 12,740,910 | 1,523,775 | 10,574,022 | - | 643,113 |

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Credit Risk. The Fund limits its exposure to credit risk, the risk that the issuers of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. As of June 30, 2012, the ratings of the agency's corporate bonds are AA+ as rated by Standard and Poor's.

Custodial Credit Risk. In the case of deposits, it is the risk that in the event of a bank's failure, the Funds deposits may not be returned to them. The Fund's investment policy requires the pledging of collateral for all bank balances in excess of federal depository insurance. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions. The Fund limits its exposure to custodial credit risk by requiring third party safekeeping for all securities owned by the Fund. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party.

Concentration Risk. Concentration of Credit Risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. It is the policy of the Fund to invest 52% of its portfolio in fixed income securities, 55% in equities and the remaining 3% in cash and cash equivalents. The Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments. At year-end the Fund had greater than 5% of its overall portfolio invested in FHLB and FFCB U.S. agency obligations which is in accordance with the Fund's investment policy.

At June 30, 2012, the Fund had approximately 49% of its investment portfolio in fixed income holdings. The investment policy diversifies its fixed income holdings with a range of 45% to 75% with a target of 52%.

The Fund had approximately 44% of its funds invested in equities. The Fund's investment policy defines the strategy in which the Board follows for the equity investments. The Board diversifies its equity holdings by the following allocation guideline:

| | Target Allocation | Range of Allocation |
|--------------------|----------------------|------------------------|
| Equity Securities: | | |
| International | 35% | 0% - 50% |
| Domestic | 65% | 20% - 100% |

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$542,155 and the bank balances totaled \$544,429. In addition, the Fund has \$734,844 invested in the Illinois Funds at year-end.

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

| Investment Type | Investment Maturities (in Years) | | | | |
|-----------------|----------------------------------|-------------|-----------|---------|--------------|
| | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Agencies | \$ 2,698,161 | 181,460 | 1,211,957 | 462,596 | 842,148 |
| U.S. Treasuries | 8,533,117 | 809,555 | 7,723,562 | - | - |
| Corporate Bonds | 90,779 | 90,779 | - | - | - |
| | 11,322,057 | 1,081,794 | 8,935,519 | 462,596 | 842,148 |

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

Credit Risk. The Fund limits its exposure to credit risk, the risk that the issuers of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. As of June 30, 2012, 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.

Custodial Credit Risk. In the case of deposits, it is the risk that in the event of a bank's failure, the Funds deposits may not be returned to them. The Fund's investment policy requires the pledging of collateral for all bank balances in excess of federal depository insurance. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions. The Fund limits its exposure to custodial credit risk by requiring third party safekeeping for all securities owned by the Fund. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Risk. Concentration of Credit Risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. It is the policy of the Fund to invest 60% of its portfolio in fixed income securities, 35% in equities and the remaining 5% in cash and cash equivalents. The Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments.

At June 30, 2012, the Fund had approximately 52.7% 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 Fund had greater than 5% of its fixed income holdings in U.S. Treasury Notes and FMNAs.

The Fund had approximately 41.9% of its funds invested in equities. The Fund's investment policy defines the strategy in which the Board follows for the equity investments. The Board diversifies its equity holdings by the following allocation guideline, 5% to 45%, with a target of 35%.

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2012, and September 1, 2012. The County collects such taxes and remits them periodically.

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|--------------------|----------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 9,793,655 | 319,436 | - | 10,113,091 |
| Land Right of Way | 25,736,657 | - | - | 25,736,657 |
| Construction in Progress | 3,935,186 | 1,236,234 | - | 5,171,420 |
| | <u>39,465,498</u> | <u>1,555,670</u> | <u>-</u> | <u>41,021,168</u> |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 7,965,068 | - | - | 7,965,068 |
| Equipment | 2,946,724 | 1,799,377 | 17,550 | 4,728,551 |
| Vehicles | 6,402,214 | 336,859 | 236,998 | 6,502,075 |
| Infrastructure | 146,079,499 | 280,338 | - | 146,359,837 |
| | <u>163,393,505</u> | <u>2,416,574</u> | <u>254,548</u> | <u>165,555,531</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 3,074,270 | 142,143 | - | 3,216,413 |
| Equipment | 1,748,269 | 341,684 | 17,550 | 2,072,403 |
| Vehicles | 4,175,907 | 398,840 | 229,532 | 4,345,215 |
| Infrastructure | 62,821,120 | 3,010,840 | - | 65,831,960 |
| | <u>71,819,566</u> | <u>3,893,507</u> | <u>247,082</u> | <u>75,465,991</u> |
| Total Net Depreciable Capital Assets | <u>91,573,939</u> | <u>(1,476,933)</u> | <u>7,466</u> | <u>90,089,540</u> |
| Total Net Capital Assets | <u>131,039,437</u> | <u>78,737</u> | <u>7,466</u> | <u>131,110,708</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------|------------------|
| General Government | \$ 58,949 |
| Public Safety | 304,929 |
| Highways and Streets | 403,317 |
| Community Development | <u>3,126,312</u> |
| | <u>3,893,507</u> |

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

| | Beginning Balances | Increases | Decreases/ Transfers | Ending Balances |
|---|-----------------------|--------------------|-------------------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 18,384,178 | 511,869 | - | 18,896,047 |
| Land Improvements | 407,381 | - | - | 407,381 |
| Construction in Progress | 21,191 | 51,263 | - | 72,454 |
| | <u>18,812,750</u> | <u>563,132</u> | <u>-</u> | <u>19,375,882</u> |
| Depreciable Capital Assets | | | | |
| Buildings | 4,804,864 | - | - | 4,804,864 |
| Water Distribution System | 39,166,351 | - | - | 39,166,351 |
| Vehicles | 1,062,756 | - | 19,793 | 1,042,963 |
| Equipment | 630,873 | - | - | 630,873 |
| Airport Infrastructure | 10,888,258 | - | - | 10,888,258 |
| | <u>56,553,102</u> | <u>-</u> | <u>19,793</u> | <u>56,533,309</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 1,573,102 | 93,652 | - | 1,666,754 |
| Water Distribution System | 14,322,241 | 886,137 | - | 15,208,378 |
| Vehicles | 800,574 | 55,080 | 19,793 | 835,861 |
| Equipment | 518,760 | 23,271 | - | 542,031 |
| Airport Infrastructure | 1,814,409 | 272,206 | - | 2,086,615 |
| | <u>19,029,086</u> | <u>1,330,346</u> | <u>19,793</u> | <u>20,339,639</u> |
| Total Net Depreciable Capital Assets | <u>37,524,016</u> | <u>(1,330,346)</u> | <u>-</u> | <u>36,193,670</u> |
| Total Net Capital Assets | <u>56,336,766</u> | <u>(767,214)</u> | <u>-</u> | <u>55,569,552</u> |

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

| | |
|---------|------------------|
| Water | \$ 986,782 |
| Airport | <u>343,564</u> |
| | <u>1,330,346</u> |

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CONSTRUCTION COMMITMENTS

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

| | Project Authorization | Expended To Date | Remaining Commitment |
|--|--------------------------|---------------------|-------------------------|
| Bethany Bridge (Federal & Local Funding) | \$ 1,945,359 | 822,259 | 1,123,100 * |
| 2nd and 3rd Street Project | 553,968 | 474,815 | 79,153 |
| Municipal Parking Lots 11 & 12 Improvements | 176,987 | - | 176,987 |
| Gurler Road Reconstruction (Federal & Local Funding) | 460,800 | - | 460,800 ** |
| Fairview Drive Bike Path (Federal & Local Funding) | 241,839 | 146,106 | 95,733 *** |
| Total | 3,378,953 | 1,443,180 | 1,935,773 |

* The City's remaining share is approximately \$402,640

** The City's remaining share is approximately \$60,800

*** The City's remaining share is approximately \$78,387

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

| Receivable Fund | Payable Fund | Amount |
|-----------------------|----------------------------|---------------|
| General | Tax Increment Financing #1 | \$ 346 |
| General | Nonmajor Governmental | 27,072 |
| Motor Fuel Tax | General | 342 |
| Nonmajor Governmental | General | 24,579 |
| Nonmajor Governmental | Nonmajor Governmental | 7,672 |
| | | <u>60,011</u> |

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

| Transfers In | Transfers Out | Amount |
|-------------------------|----------------------------|------------------|
| General | Mass Transit | \$ 1,971 |
| General | Nonmajor Governmental | 85,737 |
| General | Water | 275,400 |
| General | Nonmajor Business-Type | 200,000 |
| General | Internal Service | 1,179,214 |
| Tax Increment Financing | Tax Increment Financing #1 | 1,662,410 |
| Nonmajor Governmental | General | 1,612,083 |
| Nonmajor Governmental | Nonmajor Governmental | 96,275 |
| Airport | General | 250,000 |
| Internal Service | General | 711,914 |
| Internal Service | Internal Service | 58,000 |
| | | <u>6,133,004</u> |

The purpose of significant interfund transfers is as follows:

- \$1,662,410 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.
- \$1,612,083 transferred from the General Fund to the Nonmajor Governmental Funds (Capital Projects Fund) eliminated the fund balance deficit. This transfer will not be repaid.
- \$711,914 transferred from the General Fund to the Workers' Compensation Fund (Internal Service) to assist in the complete elimination of the fund's net asset deficit. This transfer will not be repaid. Then at year-end \$1,179,214 transferred from the Workers Compensation Fund (Internal Service) to the General Fund to move unrestricted net assets for the compliance with the City's fund balance policy.
- \$275,400 transferred from the Water Fund to the General Fund to cover general operating expenditures. This transfer will not be repaid.
- \$250,000 transferred from the General Fund to the Airport Fund eliminated the unrestricted net assets deficit. This transfer will not be repaid.

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT****General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

| <u>Issue</u> | <u>Fund Debt Retired by</u> | <u>Beginning Balances</u> | <u>Issuances</u> | <u>Retirements</u> | <u>Ending Balances</u> |
|---|---------------------------------|-------------------------------|------------------|--------------------|----------------------------|
| General Obligation Bonds of 2002A, due in annual installments of \$155,000 to \$215,000 plus interest at 1.30% to 3.85% through December 30, 2013. | Tax Increment Financing | \$ 625,000 | - | 200,000 | 425,000 |
| General Obligation Refunding Bonds of 2003A, due in annual installments of \$35,000 to \$445,000 plus interest at 1.00% to 3.625% through December 1, 2013. | Tax Increment Financing | 230,000 | - | 80,000 | 150,000 |
| General Obligation Refunding Bonds of 2004, due in annual installments of \$15,000 to \$1,365,000 plus interest at 2.00% to 4.50% through January 1, 2021. | General Debt Service | 1,885,000 | - | 75,000 | 1,810,000 |
| | Water | 2,560,000 | - | 205,000 | 2,355,000 |
| | Airport | 485,000 | - | 5,000 | 480,000 |

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

| <u>Issue</u> | <u>Fund Debt Retired by</u> | <u>Beginning Balances</u> | <u>Issuances</u> | <u>Retirements</u> | <u>Ending Balances</u> |
|--|---------------------------------|-------------------------------|------------------|--------------------|----------------------------|
| General Obligation Taxable Bonds of 2005, due in annual installments of \$10,000 to \$560,000 plus interest at 5.70% through January 1, 2015. | Airport | \$ 665,000 | - | 30,000 | 635,000 |
| General Obligation Bonds of 2010A, due in annual installments of \$755,000 to \$1,145,000 plus interest at 2.00% to 4.00% through December 1, 2021. | Tax Increment Financing | 9,980,000 | - | 755,000 | 9,225,000 |
| General Obligation Refunding Bonds of 2010B, due in annual installments of \$150,000 to \$955,000 plus interest at 4.25% to 4.75% through January 1, 2028. | General Debt Service | 3,905,000 | - | - | 3,905,000 |
| General Obligation Refunding Bonds of 2010C, due in annual installments of \$180,000 to \$755,000 plus interest at 1.90% to 5.90% through January 1, 2023. | General Debt Service | 5,415,000 | - | 395,000 | 5,020,000 |
| | | 25,750,000 | - | 1,745,000 | 24,005,000 |

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Revenue Bonds Payable

The City enters into revenue bonds payable to provide funds for acquisition and construction of major capital facilities for the tax increment financing district. Revenue bonds payable have been issued for governmental activities. Revenue bonds currently outstanding are as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-------------------------------|-----------------------|-----------|-------------|--------------------|
| Tax Increment Financing Revenue Bonds of 2003, due in annual installments of \$110,000 to \$775,000 plus interest of varied rates through January 1, 2013. | Tax Increment Financing | \$ 655,000 | - | 310,000 | 345,000 |

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2012, and the changes in fair value of such derivative instruments for the year then ended in the 2012 financial statements are as follows:

| Governmental Activities | Changes in Fair Value* | | Fair Value at June 30, 2012 | | |
|--|--------------------------------|-----------|----------------------------------|----------|------------|
| | Classification | Amount | Classification | Amount | Notional |
| Cash Flow Hedges: Pay - Fixed Interest Rate Swap | Deferred Outflow (Asset) | \$ 17,808 | Fair Value of Swap (Asset) | \$ 6,457 | \$ 345,000 |

*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 Tax Increment Financing Revenue Bonds of 2003. The intention of the swap was to effectively change the City's variable interest rate to a synthetic fixed rate of 3.90%.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Revenue Bonds Payable – Continued

Terms. The bonds and the related swap agreement mature on January 1, 2013 and the swap's notional amount of \$4,350,000 matched 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, 2012, rates were as follows:

| | | | |
|------------------------------------|-----------|--------|---|
| Interest Rate Swap | | | |
| Fixed Payment to Counterparty | Fixed | 3.90 | % |
| Variable Payment from Counterparty | BMA Index | (0.21) | |
| Net Interest Rate Swap Payments | | 3.69 | |

Fair Value. As of June 30, 2012, the swap had a negative fair value of \$6,457. The negative fair value of the swap may be counted 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 to hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Credit Risk. As of June 30, 2012, 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, 2012.

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 3.69% at June 30, 2012. As rates vary in the future, variable rate bond interest payments will change.

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Illinois Environmental Protection Agency (IEPA) Loan Contracts Payable

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

| <u>Issue</u> | <u>Fund Debt Retired by</u> | <u>Beginning Balances</u> | <u>Issuances</u> | <u>Retirements</u> | <u>Ending Balances</u> |
|--|---------------------------------|-------------------------------|------------------|--------------------|----------------------------|
| IEPA Loan #L17133700 Contract Payable of 1999, due in semi annual installments of \$133,239 including interest at 2.535% through January 8, 2021. | Water | \$ 2,340,833 | - | 208,452 | 2,132,381 |
| IEPA Loan #L17161400 Contract Payable of 2000, due in semi annual installments of \$109,406 including interest at 2.535% through May 30, 2021. | Water | 1,922,114 | - | 171,163 | 1,750,951 |
| | | 4,262,947 | - | 379,615 | 3,883,332 |

Capital Leases Payable

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

| <u>Issue</u> | <u>Fund Debt Retired By</u> | <u>Beginning Balances</u> | <u>Issuances</u> | <u>Retirements</u> | <u>Ending Balances</u> |
|--------------|---------------------------------|-------------------------------|------------------|--------------------|----------------------------|
| Equipment | Capital Projects | \$ 51,434 | - | 51,434 | - |
| Equipment | Capital Projects | 155,805 | - | 101,963 | 53,842 |
| Equipment | Capital Projects | 685,018 | - | 160,558 | 524,460 |
| Equipment | Water | 12,030 | - | 12,030 | - |
| Equipment | Airport | 12,102 | - | 12,102 | - |
| Equipment | Airport | 15,506 | - | 10,243 | 5,263 |
| Equipment | Airport | 26,455 | - | 6,202 | 20,253 |
| | | 958,350 | - | 354,532 | 603,818 |

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Capital Leases Payable – Continued

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

| Year Ended June 30 | Governmental Activities | Business-Type Activities | Total Lease Payment |
|--------------------------|----------------------------|-----------------------------|---------------------------|
| 2013 | \$ 242,926 | 12,618 | 255,544 |
| 2014 | 188,110 | 7,268 | 195,378 |
| 2015 | 188,110 | 7,268 | 195,378 |
| | 619,146 | 27,154 | 646,300 |
| Interest Portion | (40,844) | (1,638) | (42,482) |
| Principal Balance | 578,302 | 25,516 | 603,818 |

Long-Term Liability Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---|-----------------------|-----------|------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 4,591,206 | 132,604 | 66,302 | 4,657,508 | 232,875 |
| Net Pension Obligation | 157,721 | 22,107 | - | 179,828 | - |
| Net Other Post-Employment Benefit Obligation | 5,743,725 | 1,415,713 | - | 7,159,438 | - |
| General Obligation Bonds | 22,040,000 | - | 1,505,000 | 20,535,000 | 1,570,000 |
| Plus/Less Unamortized Items: | | | | | |
| Premium | 377,144 | - | 46,134 | 331,010 | - |
| Discount | (39,894) | - | (2,418) | (37,476) | - |
| Loss on Refunding | (507,465) | - | (113,391) | (394,074) | - |
| Revenue Bonds | 655,000 | - | 310,000 | 345,000 | 345,000 |
| Capital Leases | 892,257 | - | 313,955 | 578,302 | 221,336 |
| | 33,909,694 | 1,570,424 | 2,125,582 | 33,354,536 | 2,369,211 |

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Long-Term Liability Activity – Continued**

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---|-----------------------|-----------|------------|--------------------|-----------------------------------|
| Business-Type Activities | | | | | |
| Compensated Absences | \$ 354,249 | 10,242 | 5,121 | 359,370 | 71,874 |
| Net Pension Obligation | 29,448 | 6,396 | - | 35,844 | - |
| Net Other Post-Employment Benefit Obligation | 354,140 | 72,824 | - | 426,964 | - |
| General Obligation Bonds | 3,710,000 | - | 240,000 | 3,470,000 | 260,000 |
| Plus Unamortized Items: | | | | | |
| Premium | 75,075 | - | 7,903 | 67,172 | - |
| IEPA Loan Contracts | 4,262,947 | - | 379,615 | 3,883,332 | 389,298 |
| Capital Leases | 66,093 | - | 40,577 | 25,516 | 11,725 |
| | 8,851,952 | 89,462 | 673,216 | 8,268,198 | 732,897 |

For the governmental activities, compensated absences, the net pension obligation, and the net other post-employment benefit obligation are generally liquidated by the General Fund. The General Obligation Bonds are being liquidated by the Tax Increment Financing and General Debt Service Funds. The General Debt Service Fund makes payments on the Revenue Bonds.

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

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Debt Service Requirements to Maturity**

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

| Year Ended June 30 | Governmental Activities | | | |
|--------------------------|-------------------------|-----------|-----------|----------|
| | General Obligation | | Revenue | |
| | Bonds | | Bonds | |
| | Principal | Interest | Principal | Interest |
| 2013 | \$ 1,570,000 | 817,556 | 345,000 | 12,731 |
| 2014 | 1,605,000 | 773,354 | - | - |
| 2015 | 1,350,000 | 733,108 | - | - |
| 2016 | 1,400,000 | 691,113 | - | - |
| 2017 | 1,440,000 | 646,660 | - | - |
| 2018 | 1,490,000 | 595,868 | - | - |
| 2019 | 1,670,000 | 534,098 | - | - |
| 2020 | 1,740,000 | 462,748 | - | - |
| 2021 | 1,820,000 | 385,668 | - | - |
| 2022 | 1,900,000 | 302,858 | - | - |
| 2023 | 795,000 | 214,023 | - | - |
| 2024 | 840,000 | 169,593 | - | - |
| 2025 | 875,000 | 133,053 | - | - |
| 2026 | 915,000 | 94,115 | - | - |
| 2027 | 955,000 | 52,483 | - | - |
| 2028 | 170,000 | 8,075 | - | - |
| Total | 20,535,000 | 6,614,373 | 345,000 | 12,731 |

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Debt Service Requirements to Maturity – Continued**

| Year Ended June 30 | Business-Type Activities | | | |
|--------------------------|--------------------------|----------|---------------|----------|
| | General Obligation | | IEPA | |
| | Bonds | | Loan Contract | |
| | Principal | Interest | Principal | Interest |
| 2013 | \$ 260,000 | 157,542 | 389,298 | 95,992 |
| 2014 | 265,000 | 146,632 | 399,230 | 86,060 |
| 2015 | 870,000 | 135,522 | 409,414 | 75,876 |
| 2016 | 315,000 | 89,900 | 419,860 | 65,430 |
| 2017 | 330,000 | 75,725 | 430,570 | 54,720 |
| 2018 | - | 60,875 | 441,556 | 43,734 |
| 2019 | 695,000 | 60,875 | 452,818 | 32,472 |
| 2020 | 360,000 | 33,075 | 464,370 | 20,920 |
| 2021 | 375,000 | 16,875 | 476,216 | 9,074 |
| Total | 3,470,000 | 777,021 | 3,883,332 | 484,278 |

Legal Debt Margin

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

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

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSET CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of June 30, 2012:

Governmental Activities

| | |
|--|----------------|
| Capital Assets - Net of Accumulated Depreciation | \$ 131,110,708 |
|--|----------------|

Less Capital Related Debt:

| | |
|--|------------------|
| General Obligation Refunding Bonds of 2004 | (1,810,000) |
| General Obligation Bonds of 2010B | (3,905,000) |
| General Obligation Bonds of 2010C | (5,020,000) |
| Unamortized Premium | (45,713) |
| Unamortized Discount | 37,476 |
| Unamortized Loss on Refunding | 380,548 |
| Capital Leases | <u>(578,302)</u> |

| | |
|--|---------------------------|
| Investment in Capital Assets - Net of Related Debt | <u><u>120,169,717</u></u> |
|--|---------------------------|

Business-Type Activities

| | |
|--|------------|
| Capital Assets - Net of Accumulated Depreciation | 55,569,552 |
|--|------------|

Less Capital Related Debt:

| | |
|--|-----------------|
| General Obligation Refunding Bonds of 2004 | (2,835,000) |
| General Obligation Taxable Bonds of 2005 | (635,000) |
| Unamortized Premium | (67,172) |
| IEPA Loan #L17133700 Contract | (2,132,381) |
| IEPA Loan #L17161400 Contract | (1,750,951) |
| Capital Leases | <u>(25,516)</u> |

| | |
|--|--------------------------|
| Investment in Capital Assets - Net of Related Debt | <u><u>48,123,532</u></u> |
|--|--------------------------|

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Committed Fund Balance. The City reports committed fund balance in the Economic Development Fund, Capital Projects Fund, Public Safety Building Fund, Equipment Fund, and Fleet Replacement. The City Council, through formal board action, has committed the funds in this portion of the fund balance for multiple priorities based on how these funds were received, these priorities include improvements to City facilities, parking in the City Center, street improvements, and bikeway improvements.

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

| | General | Motor Fuel Tax | Mass Transit | Special Revenue | | Debt Service Tax Increment Financing | Nonmajor | Totals |
|-------------------------|-----------|-------------------|-----------------|----------------------------------|----------------------------------|--|----------|------------|
| | | | | Tax Increment Financing #1 | Tax Increment Financing #2 | | | |
| Fund Balances | | | | | | | | |
| Nonspendable | \$ 61,660 | - | - | 1,500 | - | - | - | 63,160 |
| Restricted | | | | | | | | |
| Specific Purpose | 6,262 | - | - | - | - | - | 111,202 | 117,464 |
| Maintenance of Roadways | - | 1,514,839 | - | - | - | - | - | 1,514,839 |
| Economic Development | - | - | - | 5,247,995 | 5,435,922 | - | - | 10,683,917 |
| Public Safety | - | - | - | - | - | - | 41,790 | 41,790 |
| Debt Service | - | - | - | - | - | 185,283 | - | 185,283 |
| | 6,262 | 1,514,839 | - | 5,247,995 | 5,435,922 | 185,283 | 152,992 | 12,543,293 |
| Committed | | | | | | | | |
| Economic Development | - | - | - | - | - | - | 31,144 | 31,144 |
| Capital Projects | - | - | - | - | - | - | 188,696 | 188,696 |
| | - | - | - | - | - | - | 219,840 | 219,840 |
| Unassigned | 4,669,218 | - | - | - | - | - | - | 4,669,218 |
| Total Fund Balances | 4,737,140 | 1,514,839 | - | 5,249,495 | 5,435,922 | 185,283 | 372,832 | 17,495,511 |

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. The City has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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

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

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

A reconciliation of claims payable for the fiscal years ended June 30, 2011 and 2012 are as follows:

| | Workers' Compensation | Liability/ Property Insurance | Totals |
|--------------------------------|--------------------------|-------------------------------------|-------------|
| Claims Payable - June 30, 2010 | \$ 1,272,216 | 199,502 | 1,471,718 |
| Incurred Claims | 636,374 | 18,865 | 655,239 |
| Claims Paid | (693,713) | (167,139) | (860,852) |
| Claims Payable - June 30, 2011 | 1,214,877 | 51,228 | 1,266,105 |
| Incurred Claims | 352,016 | - | 352,016 |
| Claims Paid | (1,051,850) | (50,228) | (1,102,078) |
| Claims Payable - June 30, 2012 | 515,043 | 1,000 | 516,043 |

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

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

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.

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, 2012, the City has incurred \$574,317 in rebates.

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, 2012, the City has incurred \$855,237 in rebates.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution rate for the calendar year 2011 used by the employer was 15.87 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 17.20 percent. For the calendar year 2012, the employer contribution rate used by the employer was equal to the employer annual required contribution rate of 19.71 percent.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At June 30, 2012 the Police Pension Plan membership consisted of:

| | |
|--|------------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them | 42 |
| Current Employees | |
| Vested | 44 |
| Nonvested | <u>15</u> |
| | <u>101</u> |

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

Firefighters' Pension Fund

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At June 30, 2012 the Firefighters' Pension Plan membership consisted of:

| | |
|--|------------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them | 54 |
| Current Employees | |
| Vested | 30 |
| Nonvested | <u>22</u> |
| | <u>106</u> |

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

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 at the date of retirement.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by $\frac{1}{12}$ of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees, if any, are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues 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.

Method Used to Value Investments

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

Significant Investments

There are no investments in any one organization that represent 5 percent or more of net assets available for benefits for the Police Pension or Firefighters' Pension Plans. Information for IMRF is not available.

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Annual Pension Cost and Net Pension Obligation**

The pension liability (asset) for each plan is as follows:

| | Illinois Municipal Retirement | Police Pension | Firefighters' Pension | Totals |
|--|-------------------------------------|-------------------|--------------------------|-----------|
| Annual Required Contribution | \$ 955,703 | 1,334,737 | 2,063,370 | 4,353,810 |
| Interest on Net Pension Obligation (Asset) | 15,211 | (2,127) | (7,737) | 5,347 |
| Adjustment to Annual Required Contribution | (10,873) | 1,331 | 4,843 | (4,699) |
| Annual Pension Cost | 960,041 | 1,333,941 | 2,060,476 | 4,354,458 |
| Actual Contribution | 922,618 | 1,306,414 | 2,019,607 | 4,248,639 |
| Change in NPO/(NPA) | 37,423 | 27,527 | 40,869 | 105,819 |
| NPO/(NPA) - Beginning of Year | 202,810 | (26,584) | (96,710) | 79,516 |
| NPO/(NPA) - End of Year | 240,233 * | 943 | (55,841) | 185,335 |

* The DeKalb Public Library's portion of \$25,504 is included.

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Annual Pension Cost and Net Pension Obligation – Continued**

The City's annual pension cost for the current year and related information for each plan is as follows:

| | Illinois Municipal Retirement | Police Pension | Firefighters' Pension |
|-------------------------------|---|---|---|
| Contribution Rates | | | |
| Employer | 15.87% | 27.85% | 48.02% |
| Employee | 4.50% | 9.91% | 9.46% |
| Actuarial Valuation Date | 12/31/2011 | 6/30/2012 | 6/30/2012 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Amortization Method | Level % of Projected Payroll Open Basis | Level % of Projected Payroll Closed Basis | Level % of Projected Payroll Closed Basis |
| Remaining Amortization Period | 30 Years | 29 Years | 29 Years |
| Asset Valuation Method | 5-Year Smoothed Market | Market | Market |
| Actuarial Assumptions | | | |
| Investment Rate of Return | 7.50% Compounded Annually | 7.50% Compounded Annually | 7.50% Compounded Annually |
| Projected Salary Increases | .4 to 10.0% | 4.50% | 4.50% |
| Inflation Rate Included | 4.00% | 3.00% | 3.00% |
| Cost-of-Living Adjustments | 3.00% | 3.00% | 3.00% |

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Trend Information**

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

| | Fiscal Year | Illinois Municipal Retirement | Police Pension | Firifighters' Pension |
|------------------------------------|----------------|-------------------------------------|-------------------|--------------------------|
| Annual Pension Cost (APC) | 2010 | \$ 985,603 | \$ 1,111,451 | \$ 1,753,177 |
| | 2011 | 1,249,560 | 1,347,651 | 2,007,794 |
| | 2012 | 1,058,036 | 1,333,941 | 2,060,476 |
| Actual Contributions | 2010 | 1,054,391 | 1,081,450 | 1,706,970 |
| | 2011 | 1,012,131 | 1,342,558 | 2,001,368 |
| | 2012 | 976,222 | 1,306,414 | 2,019,607 |
| Percentage of APC Contributed | 2010 | 106.98% | 97.30% | 97.36% |
| | 2011 | 81.00% | 99.62% | 99.68% |
| | 2012 | 92.27% | 97.94% | 98.02% |
| Net Pension Obligation/ (Asset) | 2010 | - | (31,677) | (103,136) |
| | 2011 | 202,810 | (26,584) | (96,710) |
| | 2012 | 240,233 | 943 | (55,841) |

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Funded Status and Funding Progress**

The City's funded status for the current year and related information for each plan is as follows:

| | Illinois Municipal Retirement | Police Pension | Firefighters' Pension |
|--|-------------------------------------|-------------------|--------------------------|
| Actuarial Valuation Date | 12/31/2011 | 6/30/2012 | 6/30/2012 |
| Percent Funded | 57.73% | 55.06% | 41.65% |
| Accuarial Accrued Liability for Benefits | \$21,665,655 | \$45,332,124 | \$50,026,972 |
| Actuarial Value of Assets | \$12,508,651 | \$24,957,662 | \$20,836,332 |
| Over (Under) Funded Actuarial Accrued Liability (UAAL) | (\$9,157,004) | (\$20,374,462) | (\$29,190,640) |
| Covered Payroll (Annual Payroll of Active Employees Covered by the Plan) | \$6,151,371 | \$4,690,761 | \$4,205,623 |
| Ratio of UAAL to Covered Payroll | 148.86% | 434.35% | 694.09% |

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

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

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending June 30, 2012, retirees contributed \$369,381 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At June 30, 2012, membership consisted of:

| | |
|--|------------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them | 131 |
| Active Employees | <u>187</u> |
| Total | <u>318</u> |
| Participating Employers | 1 |

The City does not currently have a funding policy.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of June 30, 2012, was calculated as follows:

| | |
|---|-------------------------|
| Annual Required Contribution | \$ 2,265,382 |
| Interest on the Net OPEB Obligation | 244,642 |
| Adjustment to the ARC | <u>(203,868)</u> |
| Annual OPEB Cost | 2,306,156 |
| Actual Contribution | <u>(813,475)</u> |
| Increase in the Net OPEB Obligation | 1,492,681 |
| Net OPEB Obligation - Beginning of Year | <u>6,116,053</u> |
| Net OPEB Obligation - End of Year* | <u><u>7,608,734</u></u> |

*The DeKalb Public Library's portion of \$22,332 is included.

Trend Information

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

| Fiscal Year | Annual OPEB Cost | Actual Contributions | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|-------------|------------------|----------------------|-------------------------------------|---------------------|
| 2010 | \$ 3,028,478 | \$ 1,112,666 | 36.74% | \$ 4,524,865 |
| 2011 | 2,703,854 | 1,112,666 | 41.15% | 6,116,053 |
| 2012 | 2,306,156 | 813,475 | 35.27% | 7,608,734 |

Funded Status and Funding Progress

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress – Continued

The funded status of the plan as of June 30, 2012 was as follows:

| | |
|---|---------------|
| Actuarial Accrued Liability (AAL) | \$ 20,805,232 |
| Actuarial Value of Plan Assets | - |
| Unfunded Actuarial Accrued Liability (UAAL) | 20,805,232 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | - |
| Covered Payroll (Active Plan Members) | 13,467,132 |
| UAAL as a Percentage of Covered Payroll | 154.49% |

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, 2012 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012, was 30 years.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the Library's funds.

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

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

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$790,837 and the bank balances totaled \$828,232.

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

| Investment Type | Investment Maturities (in Years) | | | | |
|--------------------------|----------------------------------|-------------|---------|---------|--------------|
| | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Bonds | \$ 62,711 | - | 62,711 | - | - |
| U.S. Treasuries | 63,829 | 30,308 | 33,521 | - | - |
| Corporate Bonds | 245,729 | 140,981 | 104,748 | - | - |
| Certificates of Deposits | 982,861 | 982,861 | - | - | - |
| | 1,355,130 | 1,154,150 | 200,980 | - | - |

Interest Rate Risk. The Library's investment policy limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term securities.

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Concentration Risk. The Library's investment policy limits its investment to the safest types of securities, pre-qualifies financial institutions, broker/dealers, intermediaries and advisors with which the Library does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized. The investment policy does not include any limitations on individual investment types. At year-end, the Library's investment in negotiable certificates of deposit represents more than 5 percent of the total cash and investment portfolio.

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2012, and September 1, 2012. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

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

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

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 4 – OTHER INFORMATION – Continued****COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued****CAPITAL ASSETS – Continued**

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

| | |
|-------------------------------------|----------|
| Buildings and Building Improvements | 40 Years |
| Equipment and Furniture | 10 Years |

Capital asset activity for the year was as follows:

| | Beginning Balances as Restated | Increases | Decreases | Ending Balances |
|--------------------------------------|--------------------------------------|------------------|---------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 24,850 | 1,548,210 | - | 1,573,060 |
| Equipment under Construction | 14,800 | - | 14,800 | - |
| | <u>39,650</u> | <u>1,548,210</u> | <u>14,800</u> | <u>1,573,060</u> |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 561,806 | 31,519 | - | 593,325 |
| Equipment and Furniture | 184,947 | 31,363 | - | 216,310 |
| | <u>746,753</u> | <u>62,882</u> | <u>-</u> | <u>809,635</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 320,031 | 9,826 | - | 329,857 |
| Equipment and Furniture | 68,512 | 13,806 | - | 82,318 |
| | <u>388,543</u> | <u>23,632</u> | <u>-</u> | <u>412,175</u> |
| Total Net Depreciable Capital Assets | <u>358,210</u> | <u>39,250</u> | <u>-</u> | <u>397,460</u> |
| Total Net Capital Assets | <u>397,860</u> | <u>1,587,460</u> | <u>14,800</u> | <u>1,970,520</u> |

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2012****NOTE 4 – OTHER INFORMATION – Continued****COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued****LONG-TERM DEBT****Debt Certificates**

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

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-------------------------|-----------------------|-----------|-------------|--------------------|
| Debt Certificates of 2011, due in annual installments of \$111,111 plus interest at 2.960% through July 1, 2020. | Library General | \$ - | 1,000,000 | - | 1,000,000 |

Long-Term Liability Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---|-----------------------|-----------|------------|--------------------|-----------------------------------|
| Compensated Absences | \$ 21,240 | 11,943 | 5,972 | 27,211 | 5,442 |
| Net Pension Obligation | 15,641 | 9,863 | - | 25,504 | - |
| Net Other Post-Employment Benefit Obligation | 18,188 | 4,144 | - | 22,332 | - |
| Debt Certificates | - | 1,000,000 | - | 1,000,000 | 111,111 |
| | 55,069 | 1,025,950 | 5,972 | 1,075,047 | 116,553 |

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2012**

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

| Year Ended June 30 | Debt Certificates | |
|--------------------------|-------------------|----------|
| | Principal | Interest |
| 2013 | \$ 111,111 | 16,033 |
| 2014 | 111,111 | 26,311 |
| 2015 | 111,111 | 23,022 |
| 2016 | 111,111 | 19,733 |
| 2017 | 111,111 | 16,444 |
| 2018 | 111,111 | 13,156 |
| 2019 | 111,111 | 9,867 |
| 2020 | 111,111 | 6,578 |
| 2021 | 111,112 | 3,289 |
| Total | 1,000,000 | 134,433 |

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedules of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund (IMRF)
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefit Plan (OPEB)
- Budgetary Comparison Schedules
 - General Fund
 - Motor Fuel Tax – Special Revenue Fund
 - Mass Transit – Special Revenue Fund
 - Tax Increment Financing #1 – Special Revenue Fund
 - Tax Increment Financing #2 – Special Revenue Fund

Notes to the Required Supplementary Information

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

CITY OF DEKALB, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

June 30, 2012

Funding Progress

| Actuarial Valuation Date Dec. 31, | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--|--|--|-------------------------------------|---|-------------------------------------|---|
| 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% |
| 2010 | 11,842,818 | 21,715,267 | 54.54% | 9,872,449 | 7,451,165 | 132.50% |
| 2011 | 12,508,651 | 21,665,655 | 57.73% | 9,157,004 | 6,151,371 | 148.86% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 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% |
| 2011 | 1,012,131 | 1,213,295 | 83.42% |
| 2012 | 922,618 | 955,703 | 96.54% |

CITY OF DEKALB, ILLINOIS

Police Pension Fund

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

June 30, 2012

Funding Progress

| Actuarial Valuation Date Jun. 30, | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--|--|--|-------------------------------------|---|-------------------------------------|---|
| 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% |
| 2011 | 25,924,840 | 39,892,647 | 64.99% | 13,967,807 | 4,563,707 | 306.06% |
| 2012 | 24,957,662 | 45,332,124 | 55.06% | 20,374,462 | 4,690,761 | 434.35% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 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% |
| 2011 | 1,342,558 | 1,348,287 | 99.58% |
| 2012 | 1,306,414 | 1,334,737 | 97.88% |

CITY OF DEKALB, ILLINOIS

Firefighters' Pension Fund

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

June 30, 2012

Funding Progress

| Actuarial Valuation Date Jun. 30, | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--|--|--|-------------------------------------|---|-------------------------------------|---|
| 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% |
| 2011 | 20,861,991 | 45,579,135 | 45.77% | 24,717,144 | 4,203,879 | 587.96% |
| 2012 | 20,836,332 | 50,026,972 | 41.65% | 29,190,640 | 4,205,623 | 694.09% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 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% |
| 2011 | 2,001,368 | 2,009,866 | 99.58% |
| 2012 | 2,019,607 | 2,063,370 | 97.88% |

CITY OF DEKALB, ILLINOIS

Other Post-Employment Benefit Plan

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

June 30, 2012

Funding Progress

| Actuarial Valuation Date Jun. 30, | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--|--|--|-------------------------------------|---|-------------------------------------|---|
| 2007 | \$ N/A | \$ N/A | N/A | \$ N/A | \$ N/A | N/A |
| 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% |
| 2011 | - | 32,360,982 | 0.00% | 32,360,982 | 13,625,025 | 237.51% |
| 2012 | - | 20,805,232 | 0.00% | 20,805,232 | 13,467,132 | 154.49% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 2007 | \$ N/A | \$ N/A | N/A |
| 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% |
| 2011 | 1,112,666 | 2,628,440 | 42.33% |
| 2012 | 813,475 | 2,265,382 | 35.91% |

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008. Information for prior years is not available. The City is required to have an actuarial valuation performed biennially, but has elected to have an annual valuation performed.

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2012

| | Budget | | Actual |
|--|---------------|-------------|-------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 15,896,096 | 15,896,096 | 15,924,105 |
| Licenses and Permits | 364,112 | 364,112 | 396,095 |
| Intergovernmental | 9,580,683 | 9,580,683 | 9,595,142 |
| Charges for Services | 1,789,203 | 1,789,203 | 1,937,171 |
| Fines and Forfeitures | 620,900 | 620,900 | 605,075 |
| Interest | 5,000 | 5,000 | 9,574 |
| Miscellaneous | 329,000 | 329,000 | 674,711 |
| Total Revenues | 28,584,994 | 28,584,994 | 29,141,873 |
| Expenditures | | | |
| General Government | 3,672,583 | 3,672,583 | 3,797,538 |
| Public Safety | 19,437,812 | 19,437,812 | 19,340,637 |
| Community Development | 3,416,796 | 3,416,796 | 3,185,002 |
| Total Expenditures | 26,527,191 | 26,527,191 | 26,323,177 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,057,803 | 2,057,803 | 2,818,696 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 537,674 | 1,716,888 | 1,742,322 |
| Transfers Out | (2,595,477) | (2,595,477) | (2,573,997) |
| | (2,057,803) | (878,589) | (831,675) |
| Net Change in Fund Balance | - | 1,179,214 | 1,987,021 |
| Fund Balance - Beginning | | | 2,750,119 |
| Fund Balance - Ending | | | 4,737,140 |

CITY OF DEKALB, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--------------------------------|---------------|---------------|---------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| State Motor Fuel Tax | \$ 1,150,000 | 1,150,000 | 1,113,684 |
| Federal Grants | - | - | 35,712 |
| State Grants | 199,000 | 199,000 | 198,673 |
| Interest | 4,500 | 4,500 | 1,926 |
| Miscellaneous | 60,000 | 60,000 | - |
| Total Revenues | 1,413,500 | 1,413,500 | 1,349,995 |
| Expenditures | | | |
| Highways and Streets | | | |
| Commodities | 100,000 | 100,000 | 102,500 |
| Contractual Services | 468,000 | 468,000 | 506,988 |
| Capital Outlay | | | |
| Permanent Improvements | 1,183,000 | 1,183,000 | 283,839 |
| Total Expenditures | 1,751,000 | 1,751,000 | 893,327 |
| Net Change in Fund Balance | (337,500) | (337,500) | 456,668 |
| Fund Balance - Beginning | | | 1,058,171 |
| Fund Balance - Ending | | | 1,514,839 |

CITY OF DEKALB, ILLINOIS

Mass Transit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2012

| | Budget | | Actual |
|--|------------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Federal Grants | \$ 979,298 | 979,298 | 2,718,247 |
| State Grants | 3,473,671 | 3,473,671 | 2,708,887 |
| Miscellaneous | - | - | 5,313 |
| Total Revenues | 4,452,969 | 4,452,969 | 5,432,447 |
| Expenditures | | | |
| General Government | | | |
| Personal Services | 125,000 | 125,000 | 126,154 |
| Commodities | 5,000 | 5,000 | 673 |
| Contractual Services | 2,508,883 | 2,508,883 | 3,557,142 |
| Equipment | 804,318 | 804,318 | 827,787 |
| Capital Outlay | | | |
| Permanent Improvements | 1,012,063 | 1,012,063 | 918,720 |
| Total Expenditures | 4,455,264 | 4,455,264 | 5,430,476 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,295) | (2,295) | 1,971 |
| Other Financing (Uses) | | | |
| Transfers Out | - | - | (1,971) |
| Net Change in Fund Balance | (2,295) | (2,295) | - |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | - |

CITY OF DEKALB, ILLINOIS**Tax Increment Financing #1 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|--------------|-------------|-------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 6,590,781 | 6,590,781 | 6,691,097 |
| Intergovernmental | | | |
| Sales Taxes | 1,305,927 | 1,305,927 | 1,368,512 |
| Interest | 50,000 | 50,000 | 25,941 |
| Miscellaneous | | | |
| Refunds and Reimbursements | - | - | 5,431 |
| Total Revenues | 7,946,708 | 7,946,708 | 8,090,981 |
| Expenditures | | | |
| Capital Outlay | | | |
| Contractual Services | 931,737 | 931,737 | 840,545 |
| Permanent Improvements | 7,195,464 | 7,195,464 | 6,535,410 |
| Total Expenditures | 8,127,201 | 8,127,201 | 7,375,955 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (180,493) | (180,493) | 715,026 |
| Other Financing (Uses) | | | |
| Transfers Out | (1,718,431) | (1,718,431) | (1,662,410) |
| Net Change in Fund Balance | (1,898,924) | (1,898,924) | (947,384) |
| Fund Balance - Beginning | | | 6,196,879 |
| Fund Balance - Ending | | | 5,249,495 |

CITY OF DEKALB, ILLINOIS

Tax Increment Financing #2 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|----------------------------|--------------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 1,985,937 | 1,985,937 | 1,920,320 |
| Expenditures | | | |
| Capital Outlay | | | |
| Contractual Services | 1,141,832 | 1,141,832 | 516,368 |
| Permanent Improvements | 330,000 | 330,000 | 100,045 |
| Total Expenditures | 1,471,832 | 1,471,832 | 616,413 |
| Net Change in Fund Balance | 514,105 | 514,105 | 1,303,907 |
| Fund Balance - Beginning | | | 4,132,015 |
| Fund Balance - Ending | | | 5,435,922 |

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

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

Mass Transit Fund

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

Tax Increment Financing #1 Fund

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

Tax Increment Financing #2 Fund

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

Foreign Fire Insurance Fund

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

Housing Rehabilitation Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Community Development Block Grant Fund

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

Heritage Ridge Special Service Area #3 Fund

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

Knolls Special Service Area #4 Fund

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

Greek Row Special Service Area #6 Fund

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

Economic Development Fund

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

DEBT SERVICE FUNDS

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

Tax Increment Financing Fund

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

General Debt Service Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

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

Capital Projects Fund

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

Public Safety Building Fund

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

Equipment Fund

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

Fleet Replacement Fund

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

ENTERPRISE FUNDS

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

Water Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS – Continued

Airport Fund

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

Refuse Fund

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

INTERNAL SERVICE FUNDS

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

Workers' Compensation Fund

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

Health Insurance Fund

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

Liability/Property Insurance Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

CITY OF DEKALB, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|-----------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Taxes | | | |
| Property | \$ 4,196,805 | 4,196,805 | 4,107,806 |
| Home Rule Sales | 5,873,548 | 5,873,548 | 5,920,753 |
| Utility | 3,787,343 | 3,787,343 | 3,788,953 |
| Franchise | 421,051 | 421,051 | 462,030 |
| Restaurant/Bar | 1,617,349 | 1,617,349 | 1,644,563 |
| | <u>15,896,096</u> | <u>15,896,096</u> | <u>15,924,105</u> |
| Licenses and Permits | | | |
| Licenses | | | |
| Amusement | 3,825 | 3,825 | 3,675 |
| Liquor | 152,737 | 152,737 | 176,439 |
| Rooming House | 15,000 | 15,000 | 11,853 |
| Other | 40,000 | 40,000 | 46,223 |
| Permits | | | |
| Building | 67,000 | 67,000 | 55,546 |
| Electric | 28,000 | 28,000 | 18,296 |
| HVAC | 12,500 | 12,500 | 14,306 |
| Parking | 3,050 | 3,050 | 2,905 |
| Other | 42,000 | 42,000 | 66,852 |
| | <u>364,112</u> | <u>364,112</u> | <u>396,095</u> |
| Intergovernmental | | | |
| Federal Grant | 100,000 | 100,000 | 13,797 |
| State Grant | 10,000 | 10,000 | 16,137 |
| Replacement Tax | 125,000 | 125,000 | 143,621 |
| State Sales Tax | 4,032,551 | 4,032,551 | 3,957,767 |
| State Income Tax | 3,695,070 | 3,695,070 | 3,745,298 |
| State Use Tax | 606,796 | 606,796 | 644,039 |
| TIF Property Tax Surplus | 142,119 | 142,119 | 222,831 |
| TIF Sales Tax Surplus | 528,171 | 528,171 | 492,619 |
| Miscellaneous | 340,976 | 340,976 | 359,033 |
| | <u>9,580,683</u> | <u>9,580,683</u> | <u>9,595,142</u> |

CITY OF DEKALB, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued
Year Ended June 30, 2012**

| | Budget | | Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Charges for Services | | | |
| Fire Protection | \$ 850,000 | 850,000 | 812,194 |
| Ambulance Fees | 840,003 | 840,003 | 1,020,149 |
| Police Services | 17,000 | 17,000 | 11,645 |
| Planning/Zoning Fees | 10,000 | 10,000 | 13,250 |
| Engineering Plan Review | 30,000 | 30,000 | 32,526 |
| Zoning Fees | 5,000 | 5,000 | 11,037 |
| Developmental Inspection Fees | 35,000 | 35,000 | 32,995 |
| Rents | 1,200 | 1,200 | 955 |
| Other | 1,000 | 1,000 | 2,420 |
| | <u>1,789,203</u> | <u>1,789,203</u> | <u>1,937,171</u> |
| Fines and Forfeitures | | | |
| Circuit Court | 270,000 | 270,000 | 287,259 |
| Police | 225,000 | 225,000 | 191,924 |
| Abatement | 6,500 | 6,500 | 5,385 |
| False Fire Alarm | 500 | 500 | 1,200 |
| Other | 118,900 | 118,900 | 119,307 |
| | <u>620,900</u> | <u>620,900</u> | <u>605,075</u> |
| Interest | | | |
| Investment Income | <u>5,000</u> | <u>5,000</u> | <u>9,574</u> |
| Miscellaneous | | | |
| Refunds/Reimbursements | 188,000 | 188,000 | 376,347 |
| Miscellaneous | 141,000 | 141,000 | 298,364 |
| | <u>329,000</u> | <u>329,000</u> | <u>674,711</u> |
| Total Revenues | <u>28,584,994</u> | <u>28,584,994</u> | <u>29,141,873</u> |

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual Year Ended June 30, 2012

| | Budget | | Actual |
|------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| General Government | | | |
| Legislative | \$ 364,000 | 364,000 | 355,180 |
| Administrative Services | 2,160,839 | 2,160,839 | 2,194,642 |
| City Clerk | 138,908 | 138,908 | 141,188 |
| Legal Counsel | 492,511 | 492,511 | 372,732 |
| General Fund Support Service | 516,325 | 516,325 | 733,796 |
| | <u>3,672,583</u> | <u>3,672,583</u> | <u>3,797,538</u> |
| Public Safety | | | |
| Police Protection | 10,142,254 | 10,142,254 | 10,095,195 |
| Fire Protection | 9,295,558 | 9,295,558 | 9,245,442 |
| | <u>19,437,812</u> | <u>19,437,812</u> | <u>19,340,637</u> |
| Community Development | <u>3,416,796</u> | <u>3,416,796</u> | <u>3,185,002</u> |
| Total Expenditures | <u>26,527,191</u> | <u>26,527,191</u> | <u>26,323,177</u> |

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual Year Ended June 30, 2012

| | Budget | | Actual |
|-------------------------------|------------------|------------------|------------------|
| | Original | Final | |
| General Government | | | |
| Legislative | | | |
| Personnel Services | \$ 138,975 | 138,975 | 137,154 |
| Commodities | 2,750 | 2,750 | 2,945 |
| Contractual Services | 222,275 | 222,275 | 215,081 |
| | <u>364,000</u> | <u>364,000</u> | <u>355,180</u> |
| Administrative Services | | | |
| Personnel Services | 1,876,063 | 1,876,063 | 1,930,895 |
| Commodities | 57,750 | 57,750 | 69,106 |
| Contractual Services | 72,526 | 72,526 | 69,759 |
| Other Services | 148,000 | 148,000 | 115,292 |
| Equipment | 6,500 | 6,500 | 9,590 |
| | <u>2,160,839</u> | <u>2,160,839</u> | <u>2,194,642</u> |
| City Clerk | | | |
| Personnel Services | 132,183 | 132,183 | 133,710 |
| Commodities | 700 | 700 | 1,096 |
| Contractual Services | 5,725 | 5,725 | 6,011 |
| Equipment | 300 | 300 | 371 |
| | <u>138,908</u> | <u>138,908</u> | <u>141,188</u> |
| Legal | | | |
| Personnel Services | 216,248 | 216,248 | 105,393 |
| Commodities | 4,500 | 4,500 | 1,903 |
| Contractual Services | 21,763 | 21,763 | 1,105 |
| Other Services | 250,000 | 250,000 | 264,331 |
| | <u>492,511</u> | <u>492,511</u> | <u>372,732</u> |
| General Fund Support Services | | | |
| Personnel Services | 262,075 | 262,075 | 421,181 |
| Commodities | 154,650 | 154,650 | 142,633 |
| Contractual Services | 154,200 | 154,200 | 132,030 |
| Other Services | 170,000 | 170,000 | 262,552 |
| | <u>740,925</u> | <u>740,925</u> | <u>958,396</u> |

CITY OF DEKALB, ILLINOIS**General Fund****Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|--------------|------------|------------|
| | Original | Final | |
| General Government - Continued | | | |
| General Fund Support Services - Continued | | | |
| Less Administrative Costs Charged to Other | | | |
| Departments and Funds | \$ (224,600) | (224,600) | (224,600) |
| | 516,325 | 516,325 | 733,796 |
| | | | |
| Total General Government | 3,672,583 | 3,672,583 | 3,797,538 |
| | | | |
| Public Safety | | | |
| Police Protection | | | |
| Personnel Services | 9,743,750 | 9,743,750 | 9,524,121 |
| Commodities | 251,625 | 251,625 | 348,105 |
| Contractual Services | 114,279 | 114,279 | 151,998 |
| Other Services | 23,000 | 23,000 | 46,438 |
| Equipment | 9,600 | 9,600 | 24,533 |
| | 10,142,254 | 10,142,254 | 10,095,195 |
| | | | |
| Fire Protection | | | |
| Fire Administrative Services | | | |
| Personnel Services | 349,131 | 349,131 | 336,878 |
| Commodities | 40,800 | 40,800 | 56,475 |
| Contractual Services | 31,523 | 31,523 | 43,189 |
| Fire Service | | | |
| Personnel Services | 8,588,855 | 8,588,855 | 8,380,785 |
| Commodities | 154,482 | 154,482 | 228,335 |
| Contractual Services | 126,667 | 126,667 | 183,540 |
| Other Services | 4,100 | 4,100 | 10,036 |
| Equipment | - | - | 6,204 |
| | 9,295,558 | 9,295,558 | 9,245,442 |
| | | | |
| Total Public Safety | 19,437,812 | 19,437,812 | 19,340,637 |

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended June 30, 2012

| | Budget | | Actual |
|---|--------------|------------|------------|
| | Original | Final | |
| Community Development | | | |
| Public Works | | | |
| Personnel Services | \$ 2,942,420 | 2,942,420 | 3,009,094 |
| Commodities | 618,409 | 618,409 | 410,059 |
| Contractual Services | 587,279 | 587,279 | 379,285 |
| Other Services | 39,000 | 39,000 | 159,644 |
| Equipment | 20,300 | 20,300 | 17,532 |
| | 4,207,408 | 4,207,408 | 3,975,614 |
| Less Administrative Costs Charged to Other Departments and Funds | (790,612) | (790,612) | (790,612) |
| Total Community Development | 3,416,796 | 3,416,796 | 3,185,002 |
| Total Expenditures | 26,527,191 | 26,527,191 | 26,323,177 |

CITY OF DEKALB, ILLINOIS**Tax Increment Financing - Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|-------------|-------------|-------------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 100 | 100 | 5 |
| Expenditures | | | |
| Debt Service | | | |
| Principal | 1,345,000 | 1,345,000 | 1,345,000 |
| Interest and Fiscal Charges | 398,480 | 398,480 | 363,181 |
| Total Expenditures | 1,743,480 | 1,743,480 | 1,708,181 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,743,380) | (1,743,380) | (1,708,176) |
| Other Financing Sources | | | |
| Transfers In | 1,743,380 | 1,743,380 | 1,662,410 |
| Net Change in Fund Balance | - | - | (45,766) |
| Fund Balance - Beginning | | | 231,049 |
| Fund Balance - Ending | | | 185,283 |

CITY OF DEKALB, ILLINOIS**Combining Balance Sheet****Nonmajor Governmental Funds
June 30, 2012**

| | Special Revenue | Debt Service | Capital Projects | Totals |
|--|--------------------|-----------------|---------------------|---------|
| ASSETS | | | | |
| Cash and Investments | \$ 183,616 | - | 456,404 | 640,020 |
| Receivables - Net of Allowances | | | | |
| Property Taxes | 7,097 | - | - | 7,097 |
| Other | - | - | 1,977 | 1,977 |
| Due from Other Governments | 59,530 | - | 99,422 | 158,952 |
| Due from Other Funds | 552 | - | 31,699 | 32,251 |
| Total Assets | 250,795 | - | 589,502 | 840,297 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts Payable | 22,959 | - | 270,623 | 293,582 |
| Other Payables | 1,700 | - | - | 1,700 |
| Due to Other Funds | 27,624 | - | 7,120 | 34,744 |
| Unearned/Deferred Revenues | 14,376 | - | 123,063 | 137,439 |
| Total Liabilities | 66,659 | - | 400,806 | 467,465 |
| Fund Balances | | | | |
| Restricted | 152,992 | - | - | 152,992 |
| Committed | 31,144 | - | 188,696 | 219,840 |
| Total Fund Balances | 184,136 | - | 188,696 | 372,832 |
| Total Liabilities and Fund Balances | 250,795 | - | 589,502 | 840,297 |

CITY OF DEKALB, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

**Nonmajor Governmental Funds
Year Ended June 30, 2012**

| | Special Revenue | Debt Service | Capital Projects | Totals |
|--|--------------------|-----------------|---------------------|-------------|
| Revenues | | | | |
| Taxes | \$ 218,245 | - | - | 218,245 |
| Intergovernmental | 360,117 | - | 651,595 | 1,011,712 |
| Charges for Services | - | - | 212,232 | 212,232 |
| Interest | 95 | - | 140 | 235 |
| Miscellaneous | 13,225 | - | 140,487 | 153,712 |
| Total Revenues | 591,682 | - | 1,004,454 | 1,596,136 |
| Expenditures | | | | |
| General Government | 230,883 | - | 441,459 | 672,342 |
| Public Safety | 30,755 | - | - | 30,755 |
| Capital Outlay | 182,130 | - | 982,298 | 1,164,428 |
| Debt Service | | | | |
| Principal | - | 470,000 | 313,955 | 783,955 |
| Interest and Fiscal Charges | - | 542,083 | 34,380 | 576,463 |
| Total Expenditures | 443,768 | 1,012,083 | 1,772,092 | 3,227,943 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 147,914 | (1,012,083) | (767,638) | (1,631,807) |
| Other Financing Sources (Uses) | | | | |
| Disposal of Capital Assets | - | - | 26,533 | 26,533 |
| Transfers In | 5,000 | 1,012,083 | 691,275 | 1,708,358 |
| Transfers Out | (90,737) | - | (91,275) | (182,012) |
| | (85,737) | 1,012,083 | 626,533 | 1,552,879 |
| Net Change in Fund Balances | 62,177 | - | (141,105) | (78,928) |
| Fund Balances - Beginning | 121,959 | - | 329,801 | 451,760 |
| Fund Balances - Ending | 184,136 | - | 188,696 | 372,832 |

CITY OF DEKALB, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental - Special Revenue Funds
June 30, 2012

| | Foreign Fire Insurance Tax | Housing Rehabilitation |
|--|----------------------------------|---------------------------|
| ASSETS | | |
| Cash and Investments | \$ 44,152 | 71,485 |
| Receivables - Net of Allowances | | |
| Property Taxes | - | - |
| Due from Other Governments | - | - |
| Due from Other Funds | - | - |
| | | |
| Total Assets | 44,152 | 71,485 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Accounts Payable | 2,362 | - |
| Other Payables | - | - |
| Due to Other Funds | - | 552 |
| Unearned/Deferred Revenues | - | - |
| Total Liabilities | 2,362 | 552 |
| Fund Balances | | |
| Restricted | 41,790 | 70,933 |
| Committed | - | - |
| Total Fund Balances | 41,790 | 70,933 |
| | | |
| Total Liabilities and Fund Balances | 44,152 | 71,485 |

| Community Development Block | Heritage Ridge Special Service Area #3 | Knolls Special Service Area #4 | Greek Row Special Service Area #6 | Economic Development | Totals |
|-----------------------------------|--|--------------------------------------|---|-------------------------|---------|
| 17,591 | 7,207 | 5,978 | 19,505 | 17,698 | 183,616 |
| - | 1,278 | 725 | 5,094 | - | 7,097 |
| 40,584 | - | - | - | 18,946 | 59,530 |
| 552 | - | - | - | - | 552 |
| 58,727 | 8,485 | 6,703 | 24,599 | 36,644 | 250,795 |
| 13,511 | 143 | 660 | 783 | 5,500 | 22,959 |
| 1,700 | - | - | - | - | 1,700 |
| 27,072 | - | - | - | - | 27,624 |
| - | 2,788 | 1,487 | 10,101 | - | 14,376 |
| 42,283 | 2,931 | 2,147 | 10,884 | 5,500 | 66,659 |
| 16,444 | 5,554 | 4,556 | 13,715 | - | 152,992 |
| - | - | - | - | 31,144 | 31,144 |
| 16,444 | 5,554 | 4,556 | 13,715 | 31,144 | 184,136 |
| 58,727 | 8,485 | 6,703 | 24,599 | 36,644 | 250,795 |

CITY OF DEKALB, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental - Special Revenue Funds

Year Ended June 30, 2012

| | Foreign Fire Insurance Tax | Housing Rehabilitation |
|--|----------------------------------|---------------------------|
| Revenues | | |
| Taxes | \$ 47,169 | - |
| Intergovernmental | - | 72,703 |
| Interest | - | 95 |
| Miscellaneous | - | 13,225 |
| Total Revenues | 47,169 | 86,023 |
| Expenditures | | |
| General Government | - | 4,130 |
| Public Safety | 30,755 | - |
| Capital Outlay | - | 60,820 |
| Total Expenditures | 30,755 | 64,950 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 16,414 | 21,073 |
| Other Financing Sources (Uses) | | |
| Transfers In | - | 5,000 |
| Transfers Out | - | - |
| | - | 5,000 |
| Net Change in Fund Balances | 16,414 | 26,073 |
| Fund Balances - Beginning | 25,376 | 44,860 |
| Fund Balances - Ending | 41,790 | 70,933 |

| Community Development Block | Heritage Ridge Special Service Area #3 | Knolls Special Service Area #4 | Greek Row Special Service Area #6 | Economic Development | Totals |
|-----------------------------------|--|--------------------------------------|---|-------------------------|----------|
| - | 2,788 | 1,486 | 10,102 | 156,700 | 218,245 |
| 287,414 | - | - | - | - | 360,117 |
| - | - | - | - | - | 95 |
| - | - | - | - | - | 13,225 |
| 287,414 | 2,788 | 1,486 | 10,102 | 156,700 | 591,682 |
| 76,867 | 563 | 3,037 | 8,604 | 137,682 | 230,883 |
| - | - | - | - | - | 30,755 |
| 121,310 | - | - | - | - | 182,130 |
| 198,177 | 563 | 3,037 | 8,604 | 137,682 | 443,768 |
| 89,237 | 2,225 | (1,551) | 1,498 | 19,018 | 147,914 |
| - | - | - | - | - | 5,000 |
| (89,237) | (750) | (750) | - | - | (90,737) |
| (89,237) | (750) | (750) | - | - | (85,737) |
| - | 1,475 | (2,301) | 1,498 | 19,018 | 62,177 |
| 16,444 | 4,079 | 6,857 | 12,217 | 12,126 | 121,959 |
| 16,444 | 5,554 | 4,556 | 13,715 | 31,144 | 184,136 |

CITY OF DEKALB, ILLINOIS

Foreign Fire Insurance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|----------------------------|-----------|--------|--------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Foreign Fire Insurance Tax | \$ 42,000 | 42,000 | 47,169 |
| Expenditures | | | |
| Public Safety | | | |
| Commodities | 15,000 | 15,000 | 9,349 |
| Contractual Services | 5,000 | 5,000 | 2,404 |
| Equipment | 22,500 | 22,500 | 19,002 |
| Total Expenditures | 42,500 | 42,500 | 30,755 |
| Net Change in Fund Balance | (500) | (500) | 16,414 |
| Fund Balance - Beginning | | | 25,376 |
| Fund Balance - Ending | | | 41,790 |

CITY OF DEKALB, ILLINOIS

Housing Rehabilitation - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|----------|----------|--------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Federal Grants | \$ 1,000 | 1,000 | 72,703 |
| Interest | 500 | 500 | 95 |
| Miscellaneous | | | |
| Refunds and Reimbursements | - | - | 13,225 |
| Total Revenues | 1,500 | 1,500 | 86,023 |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 1,500 | 1,500 | 743 |
| Other Services | 10,000 | 10,000 | 3,387 |
| Capital Outlay | | | |
| Permanent Improvements | 5,000 | 5,000 | 60,820 |
| Total Expenditures | 16,500 | 16,500 | 64,950 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,000) | (15,000) | 21,073 |
| Other Financing Sources | | | |
| Transfers In | - | - | 5,000 |
| Net Change in Fund Balance | (15,000) | (15,000) | 26,073 |
| Fund Balance - Beginning | | | 44,860 |
| Fund Balance - Ending | | | 70,933 |

CITY OF DEKALB, ILLINOIS

Community Development Block Grant - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|------------|----------|----------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Grants | \$ 450,851 | 450,851 | 287,414 |
| Expenditures | | | |
| General Government | | | |
| Commodities | 200 | 200 | 220 |
| Contractual Services | 73,827 | 73,827 | 76,647 |
| Other Services | 50 | 50 | - |
| Equipment | 1,000 | 1,000 | - |
| Capital Outlay | | | |
| Permanent Improvements | 315,000 | 315,000 | 121,310 |
| Total Expenditures | 390,077 | 390,077 | 198,177 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 60,774 | 60,774 | 89,237 |
| Other Financing (Uses) | | | |
| Transfers Out | (60,774) | (60,774) | (89,237) |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning | | | 16,444 |
| Fund Balance - Ending | | | 16,444 |

CITY OF DEKALB, ILLINOIS

Heritage Ridge Special Service Area #3 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|----------|-------|--------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 2,788 | 2,788 | 2,788 |
| Expenditures | | | |
| General Government | | | |
| Commodities | 1,500 | 1,500 | - |
| Contractual Services | 538 | 538 | 563 |
| Total Expenditures | 2,038 | 2,038 | 563 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 750 | 750 | 2,225 |
| Other Financing (Uses) | | | |
| Transfers Out | (750) | (750) | (750) |
| Net Change in Fund Balance | - | - | 1,475 |
| Fund Balance - Beginning | | | 4,079 |
| Fund Balance - Ending | | | 5,554 |

CITY OF DEKALB, ILLINOIS**Knolls Special Service Area #4 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|----------|-------|---------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 1,486 | 1,486 | 1,486 |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 736 | 736 | 3,037 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 750 | 750 | (1,551) |
| Other Financing (Uses) | | | |
| Transfers Out | (750) | (750) | (750) |
| Net Change in Fund Balance | - | - | (2,301) |
| Fund Balance - Beginning | | | 6,857 |
| Fund Balance - Ending | | | 4,556 |

CITY OF DEKALB, ILLINOIS

Greek Row Special Service Area #6 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|----------------------------|-----------|--------|--------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 10,101 | 10,101 | 10,102 |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 10,000 | 10,000 | 8,604 |
| Net Change in Fund Balance | 101 | 101 | 1,498 |
| Fund Balance - Beginning | | | 12,217 |
| Fund Balance - Ending | | | 13,715 |

CITY OF DEKALB, ILLINOIS**Economic Development - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|------------|----------|---------|
| | Original | Actual | |
| Revenues | | | |
| Taxes | | | |
| Hotel/Motel | \$ 150,000 | 150,000 | 156,700 |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 167,000 | 167,000 | 137,682 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,000) | (17,000) | 19,018 |
| Other Financing Sources | | | |
| Transfers In | 17,150 | 17,150 | - |
| Net Change in Fund Balance | 150 | 150 | 19,018 |
| Fund Balance - Beginning | | | 12,126 |
| Fund Balance - Ending | | | 31,144 |

CITY OF DEKALB, ILLINOIS**General Debt Service - Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|-------------|-------------|-------------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ - | - | - |
| Expenditures | | | |
| Debt Service | | | |
| Principal | 470,000 | 470,000 | 470,000 |
| Interest and Fiscal Charges | 541,100 | 541,100 | 542,083 |
| Total Expenditures | 1,011,100 | 1,011,100 | 1,012,083 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,011,100) | (1,011,100) | (1,012,083) |
| Other Financing Sources | | | |
| Transfers In | 1,011,100 | 1,011,100 | 1,012,083 |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | - |

CITY OF DEKALB, ILLINOIS**Combining Balance Sheet****Nonmajor Governmental - Capital Projects Funds****June 30, 2012**

| | Capital Projects | Public Safety Building | Equipment | Fleet Replacement | Totals |
|--|---------------------|------------------------------|-----------|----------------------|---------|
| ASSETS | | | | | |
| Cash and Investments | \$ 108,092 | 240,469 | 107,828 | 15 | 456,404 |
| Receivables - Net of Allowances | | | | | |
| Other | 1,977 | - | - | - | 1,977 |
| Due from Other Governments | 75,542 | 23,880 | - | - | 99,422 |
| Due from Other Funds | - | 31,699 | - | - | 31,699 |
| Total Assets | 185,611 | 296,048 | 107,828 | 15 | 589,502 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | 97,337 | 173,286 | - | - | 270,623 |
| Due to Other Funds | 7,120 | - | - | - | 7,120 |
| Unearned/Deferred Revenues | 81,063 | - | 42,000 | - | 123,063 |
| Total Liabilities | 185,520 | 173,286 | 42,000 | - | 400,806 |
| Fund Balances | | | | | |
| Committed | 91 | 122,762 | 65,828 | 15 | 188,696 |
| Total Liabilities and Fund Balances | 185,611 | 296,048 | 107,828 | 15 | 589,502 |

CITY OF DEKALB, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental - Capital Projects Funds

Year Ended June 30, 2012

| | Capital Projects | Public Safety Building | Equipment | Fleet Replacement | Totals |
|--|---------------------|------------------------------|-----------|----------------------|-----------|
| Revenues | | | | | |
| Intergovernmental | \$ 417,276 | 214,319 | - | 20,000 | 651,595 |
| Charges for Services | 212,232 | - | - | - | 212,232 |
| Interest | - | 140 | - | - | 140 |
| Miscellaneous | - | - | 118,000 | 22,487 | 140,487 |
| Total Revenues | 629,508 | 214,459 | 118,000 | 42,487 | 1,004,454 |
| Expenditures | | | | | |
| General Government | 60,792 | - | 36,820 | 343,847 | 441,459 |
| Capital Outlay | 468,562 | 513,736 | - | - | 982,298 |
| Debt Service | | | | | |
| Principal | 313,955 | - | - | - | 313,955 |
| Interest and Fiscal Charges | 34,380 | - | - | - | 34,380 |
| Total Expenditures | 877,689 | 513,736 | 36,820 | 343,847 | 1,772,092 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (248,181) | (299,277) | 81,180 | (301,360) | (767,638) |
| Other Financing Sources (Uses) | | | | | |
| Disposal of Capital Assets | 3,433 | - | - | 23,100 | 26,533 |
| Transfers In | 213,000 | 200,000 | - | 278,275 | 691,275 |
| Transfers Out | - | - | (91,275) | - | (91,275) |
| | 216,433 | 200,000 | (91,275) | 301,375 | 626,533 |
| Net Change in Fund Balances | (31,748) | (99,277) | (10,095) | 15 | (141,105) |
| Fund Balances - Beginning | 31,839 | 222,039 | 75,923 | - | 329,801 |
| Fund Balances - Ending | 91 | 122,762 | 65,828 | 15 | 188,696 |

CITY OF DEKALB, ILLINOIS

Capital Projects - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | |
|--|------------|-----------|-----------|
| | Original | Actual | Actual |
| Revenues | | | |
| Intergovernmental | | | |
| Local Fuel Tax | \$ 400,000 | 400,000 | 383,862 |
| State Grants | - | - | 33,414 |
| Charges for Services | | | |
| Rental Income | 89,000 | 89,000 | 139,399 |
| Refunds/Reimbursements | - | - | 72,833 |
| Public Building Construction Fees | 3,000 | 3,000 | - |
| Annexation Fees | 500 | 500 | - |
| Total Revenues | 492,500 | 492,500 | 629,508 |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 22,000 | 22,000 | 60,792 |
| Other Services | 348,335 | 348,335 | - |
| Capital Outlay | | | |
| Permanent Improvements | 378,000 | 378,000 | 468,562 |
| Debt Service | | | |
| Principal | - | - | 313,955 |
| Interest and Fiscal Charges | - | - | 34,380 |
| Total Expenditures | 748,335 | 748,335 | 877,689 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (255,835) | (255,835) | (248,181) |
| Other Financing Sources | | | |
| Disposal of Capital Assets | - | - | 3,433 |
| Transfers In | 200,000 | 213,000 | 213,000 |
| | 200,000 | 213,000 | 216,433 |
| Net Change in Fund Balance | (55,835) | (42,835) | (31,748) |
| Fund Balance - Beginning | | | 31,839 |
| Fund Balance - Ending | | | 91 |

CITY OF DEKALB, ILLINOIS

Public Safety Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|----------|---------|-----------|
| | Original | Actual | |
| Revenues | | | |
| Intergovernmental | | | |
| Local Fuel Tax | \$ - | - | 214,319 |
| Interest | 1,000 | 1,000 | 140 |
| Total Revenues | 1,000 | 1,000 | 214,459 |
| Expenditures | | | |
| Capital Outlay | - | - | 513,736 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,000 | 1,000 | (299,277) |
| Other Financing Sources | | | |
| Transfers In | 200,000 | 200,000 | 200,000 |
| Net Change in Fund Balance | 201,000 | 201,000 | (99,277) |
| Fund Balance - Beginning | | | 222,039 |
| Fund Balance - Ending | | | 122,762 |

CITY OF DEKALB, ILLINOIS

Equipment - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|------------|----------|----------|
| | Original | Actual | |
| Revenues | | | |
| Miscellaneous | | | |
| Refunds and Reimbursements | \$ 125,000 | 125,000 | 118,000 |
| Expenditures | | | |
| General Government | | | |
| Equipment | 125,000 | 125,000 | 36,820 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 81,180 |
| Other Financing (Uses) | | | |
| Transfers Out | - | (91,275) | (91,275) |
| Net Change in Fund Balance | - | (91,275) | (10,095) |
| Fund Balance - Beginning | | | 75,923 |
| Fund Balance - Ending | | | 65,828 |

CITY OF DEKALB, ILLINOIS

Fleet Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|-----------|-----------|-----------|
| | Original | Actual | |
| Revenues | | | |
| Intergovernmental | | | |
| Federal Pass Through | \$ - | - | 20,000 |
| Miscellaneous | | | |
| Refunds and Reimbursements | 18,000 | 18,000 | 22,487 |
| Total Revenues | 18,000 | 18,000 | 42,487 |
| Expenditures | | | |
| General Government | | | |
| Equipment | 174,000 | 174,000 | 343,847 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (156,000) | (156,000) | (301,360) |
| Other Financing Sources | | | |
| Disposal of Capital Assets | - | - | 23,100 |
| Transfers In | 200,000 | 278,275 | 278,275 |
| | 200,000 | 278,275 | 301,375 |
| Net Change in Fund Balance | 44,000 | 122,275 | 15 |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | 15 |

CITY OF DEKALB, ILLINOIS

Water Fund Department Accounts - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended June 30, 2012**

| | Operations and Maintenance | | |
|----------------------------------|----------------------------|-----------|------------|
| | Budget | | |
| | Original | Final | Actual |
| Operating Revenues | | | |
| Charges for Services | | | |
| Water Sales | \$ 5,130,811 | 5,130,811 | 5,237,993 |
| Permits | 13,320 | 13,320 | 19,029 |
| Miscellaneous | 23,000 | 23,000 | 25,586 |
| Total Operating Revenues | 5,167,131 | 5,167,131 | 5,282,608 |
| Operating Expenses | | | |
| Operations | | | |
| Personal Services | 1,836,830 | 1,836,830 | 1,824,173 |
| Commodities | 413,800 | 413,800 | 386,408 |
| Contractual Services | 496,100 | 496,100 | 687,416 |
| Other Services/Expenses | 44,000 | 44,000 | 44,711 |
| Equipment | 191,856 | 191,856 | 78,170 |
| Permanent Improvements | 675,000 | 675,000 | (51,267) |
| Depreciation and Amortization | 330,000 | 330,000 | 982,451 |
| Total Operating Expenses | 3,987,586 | 3,987,586 | 3,952,062 |
| Operating Income | 1,179,545 | 1,179,545 | 1,330,546 |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | 150 | 150 | 331 |
| Interest Expense | (213,468) | (213,468) | (207,309) |
| | (213,318) | (213,318) | (206,978) |
| Income Before Transfers | 966,227 | 966,227 | 1,123,568 |
| Transfers Out | (500,000) | (500,000) | (275,400) |
| Change in Net Assets | 466,227 | 466,227 | 848,168 |
| Net Assets - Beginning | | | 22,259,423 |
| Net Assets - Ending | | | 23,107,591 |

| System Construction | | | Totals | | |
|---------------------|--------|---------|-----------|-----------|------------|
| Budget | | Actual | Budget | | Actual |
| Original | Final | | Original | Final | |
| - | - | - | 5,130,811 | 5,130,811 | 5,237,993 |
| 50,000 | 50,000 | 84,872 | 63,320 | 63,320 | 103,901 |
| - | - | - | 23,000 | 23,000 | 25,586 |
| 50,000 | 50,000 | 84,872 | 5,217,131 | 5,217,131 | 5,367,480 |
| - | - | - | 1,836,830 | 1,836,830 | 1,824,173 |
| - | - | - | 413,800 | 413,800 | 386,408 |
| - | - | - | 496,100 | 496,100 | 687,416 |
| - | - | - | 44,000 | 44,000 | 44,711 |
| - | - | - | 191,856 | 191,856 | 78,170 |
| - | - | 465 | 675,000 | 675,000 | (50,802) |
| - | - | - | 330,000 | 330,000 | 982,451 |
| - | - | 465 | 3,987,586 | 3,987,586 | 3,952,527 |
| 50,000 | 50,000 | 84,407 | 1,229,545 | 1,229,545 | 1,414,953 |
| - | - | - | 150 | 150 | 331 |
| - | - | - | (213,468) | (213,468) | (207,309) |
| - | - | - | (213,318) | (213,318) | (206,978) |
| 50,000 | 50,000 | 84,407 | 1,016,227 | 1,016,227 | 1,207,975 |
| - | - | - | (500,000) | (500,000) | (275,400) |
| 50,000 | 50,000 | 84,407 | 516,227 | 516,227 | 932,575 |
| | | 768,897 | | | 23,028,320 |
| | | 853,304 | | | 23,960,895 |

CITY OF DEKALB, ILLINOIS

Water - Enterprise Fund

**Schedule of Capital Assets and Depreciation
Year Ended June 30, 2012**

| | Assets | | | |
|----------------------------|--------------------------|----------------|---------------------------|--------------------|
| | Beginning Balances | Additions | Retirements/ Transfers | Ending Balances |
| Land | \$ 528,648 | - | - | 528,648 |
| Buildings and Improvements | 2,544,389 | - | - | 2,544,389 |
| Water System | 39,166,351 | - | - | 39,166,351 |
| Vehicles | 616,258 | - | - | 616,258 |
| Equipment | 403,783 | - | - | 403,783 |
| | <u>43,259,429</u> | <u>-</u> | <u>-</u> | <u>43,259,429</u> |
| | | | | |
| | Accumulated Depreciation | | | |
| | Beginning Balances | Additions | Retirements/ Transfers | Ending Balances |
| Buildings and Improvements | 702,563 | 50,888 | - | 753,451 |
| Water System | 14,322,241 | 886,137 | - | 15,208,378 |
| Vehicles | 522,410 | 32,486 | - | 554,896 |
| Equipment | 330,587 | 17,271 | - | 347,858 |
| | <u>15,877,801</u> | <u>986,782</u> | <u>-</u> | <u>16,864,583</u> |
| | | | | |
| Net Asset Value | <u>27,381,628</u> | | | <u>26,394,846</u> |

CITY OF DEKALB, ILLINOIS

Airport - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | |
|----------------------------------|-------------|-------------|------------|
| | Original | Final | Actual |
| Operating Revenues | | | |
| Charges for Services | | | |
| Rents/Taxes | \$ 272,000 | 272,000 | 386,245 |
| Fuel Sales | 576,000 | 576,000 | 430,138 |
| Airport Operators | 10,320 | 10,320 | - |
| Miscellaneous | 20,000 | 20,000 | 29,992 |
| Total Operating Revenues | 878,320 | 878,320 | 846,375 |
| Operating Expenses | | | |
| Operations | | | |
| Personal Services | 282,115 | 282,115 | 305,669 |
| Commodities | 549,200 | 549,200 | 324,993 |
| Contractual Services | 139,110 | 139,110 | 192,866 |
| Other Services | 193,042 | 193,042 | 74,083 |
| Equipment | 32,000 | 32,000 | 10,432 |
| Permanent Improvements | 1,377,746 | 1,377,746 | 8,750 |
| Depreciation and Amortization | - | - | 343,158 |
| Total Operating Expenses | 2,573,213 | 2,573,213 | 1,259,951 |
| Operating Income (Loss) | (1,694,893) | (1,694,893) | (413,576) |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | - | - | 49 |
| Disposal of Capital Assets | - | - | 571 |
| Grants | 1,335,502 | 1,335,502 | 562,770 |
| Interest Expense | - | - | (58,779) |
| | 1,335,502 | 1,335,502 | 504,611 |
| Income (Loss) Before Transfers | (359,391) | (359,391) | 91,035 |
| Transfers In | 250,000 | 250,000 | 250,000 |
| Change in Net Assets | (109,391) | (109,391) | 341,035 |
| Net Assets - Beginning | | | 27,742,575 |
| Net Assets - Ending | | | 28,083,610 |

CITY OF DEKALB, ILLINOIS**Refuse - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--------------------------|------------------|------------------|----------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 1,783,393 | 1,783,393 | 1,757,410 |
| Operating Expenses | | | |
| Operations | | | |
| Contractual Services | 1,727,021 | 1,727,021 | 1,670,364 |
| Equipment | 16,000 | 16,000 | - |
| Total Operating Expenses | 1,743,021 | 1,743,021 | 1,670,364 |
| Income Before Transfers | 40,372 | 40,372 | 87,046 |
| Transfers Out | (200,000) | (200,000) | (200,000) |
| Change in Net Assets | <u>(159,628)</u> | <u>(159,628)</u> | (112,954) |
| Net Assets - Beginning | | | <u>371,047</u> |
| Net Assets - Ending | | | <u>258,093</u> |

CITY OF DEKALB, ILLINOIS**Combining Statement of Net Assets - Internal Service Funds
June 30, 2012**

| | Workers' Compensation | Health Insurance | Liability/ Property Insurance | Totals |
|---------------------------------|--------------------------|---------------------|-------------------------------------|-----------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Investments | \$ 1,162,472 | 93,384 | 12,230 | 1,268,086 |
| Receivables - Net of Allowances | | | | |
| Accounts | - | 20,242 | - | 20,242 |
| Other | 10,083 | 885 | - | 10,968 |
| Prepays | 392,342 | 40,373 | - | 432,715 |
| Total Current Assets | 1,564,897 | 154,884 | 12,230 | 1,732,011 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | 49,854 | 5,978 | 10,763 | 66,595 |
| Claims Payable | 515,043 | - | 1,000 | 516,043 |
| Unearned/Deferred Revenue | - | 885 | - | 885 |
| Total Current Liabilities | 564,897 | 6,863 | 11,763 | 583,523 |
| NET ASSETS | | | | |
| Unrestricted | 1,000,000 | 148,021 | 467 | 1,148,488 |

CITY OF DEKALB, ILLINOIS

**Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds
Year Ended June 30, 2012**

| | Workers' Compensation | Health Insurance | Liability/ Property Insurance | Totals |
|--------------------------------|--------------------------|---------------------|-------------------------------------|-------------|
| Operating Revenues | | | | |
| Charges for Services | \$ 2,001,826 | 5,089,585 | 154,798 | 7,246,209 |
| Miscellaneous | - | - | 13,845 | 13,845 |
| Total Operating Revenues | 2,001,826 | 5,089,585 | 168,643 | 7,260,054 |
| Operating Expenses | | | | |
| Administration | 476,747 | 5,364,499 | 232,723 | 6,073,969 |
| Operating Income (Loss) | 1,525,079 | (274,914) | (64,080) | 1,186,085 |
| Nonoperating Revenues | | | | |
| Interest Income | 83 | 18 | - | 101 |
| Income (Loss) Before Transfers | 1,525,162 | (274,896) | (64,080) | 1,186,186 |
| Transfers In | 711,914 | - | 58,000 | 769,914 |
| Transfers Out | (1,237,214) | - | - | (1,237,214) |
| Change in Net Assets | 999,862 | (274,896) | (6,080) | 718,886 |
| Net Assets - Beginning | 138 | 422,917 | 6,547 | 429,602 |
| Net Assets - Ending | 1,000,000 | 148,021 | 467 | 1,148,488 |

CITY OF DEKALB, ILLINOIS

Combining Statement of Cash Flows - Internal Service Funds Year Ended June 30, 2012

| | Workers' Compensation | Health Insurance | Liability/ Property Insurance | Totals |
|--|--------------------------|---------------------|-------------------------------------|-------------|
| Cash Flows from Operating Activities | | | | |
| Interfund Services Provided | \$ 1,599,401 | 5,031,085 | 175,611 | 6,806,097 |
| Payment to Suppliers | (1,145,409) | (5,360,616) | (281,628) | (6,787,653) |
| | 453,992 | (329,531) | (106,017) | 18,444 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Transfers In | 711,914 | - | 58,000 | 769,914 |
| Transfers Out | (1,237,214) | - | - | (1,237,214) |
| | (525,300) | - | 58,000 | (467,300) |
| Cash Flows from Investing Activities | | | | |
| Interest Received | 83 | 18 | - | 101 |
| Net Change in Cash and Cash Equivalents | (71,225) | (329,513) | (48,017) | (448,755) |
| Cash and Cash Equivalents - Beginning | 1,233,697 | 422,897 | 60,247 | 1,716,841 |
| Cash and Cash Equivalents - Ending | 1,162,472 | 93,384 | 12,230 | 1,268,086 |
| Reconciliation of Operating Income to Net Cash | | | | |
| Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | 1,525,079 | (274,914) | (64,080) | 1,186,085 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities | | | | |
| (Increase) Decrease in Current Assets | (402,425) | (58,500) | 6,968 | (453,957) |
| Increase (Decrease) in Current Liabilities | (668,662) | 3,883 | (48,905) | (713,684) |
| Net Cash Provided by Operating Activities | 453,992 | (329,531) | (106,017) | 18,444 |

CITY OF DEKALB, ILLINOIS

Workers' Compensation Insurance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--------------------------|--------------|-------------|-------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Contributions | \$ 2,000,000 | 2,000,000 | 2,001,826 |
| Operating Expenses | | | |
| Administration | | | |
| Commodities | 1,000 | 1,000 | - |
| Contractual Services | 25,700 | 25,700 | 124,731 |
| Claims | 900,000 | 900,000 | 352,016 |
| Total Operating Expenses | 926,700 | 926,700 | 476,747 |
| Operating Income | 1,073,300 | 1,073,300 | 1,525,079 |
| Nonoperating Revenues | | | |
| Interest Income | - | - | 83 |
| Income Before Transfers | 1,073,300 | 1,073,300 | 1,525,162 |
| Transfers In | 711,914 | 711,914 | 711,914 |
| Transfers Out | - | (1,237,214) | (1,237,214) |
| Change in Net Assets | 1,785,214 | 548,000 | 999,862 |
| Net Assets - Beginning | | | 138 |
| Net Assets - Ending | | | 1,000,000 |

CITY OF DEKALB, ILLINOIS**Health Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--------------------------|--------------|-----------|-----------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Contributions | \$ 4,963,927 | 4,963,927 | 4,991,801 |
| Miscellaneous | 30,000 | 30,000 | 97,784 |
| Total Operating Revenues | 4,993,927 | 4,993,927 | 5,089,585 |
| Operating Expenses | | | |
| Administration | | | |
| Contractual Services | 16,528 | 16,528 | 19,970 |
| Claims | 5,303,399 | 5,303,399 | 5,344,529 |
| Total Operating Expenses | 5,319,927 | 5,319,927 | 5,364,499 |
| Operating Income (Loss) | (326,000) | (326,000) | (274,914) |
| Nonoperating Revenues | | | |
| Interest Income | 50 | 50 | 18 |
| Change in Net Assets | (325,950) | (325,950) | (274,896) |
| Net Assets - Beginning | | | 422,917 |
| Net Assets - Ending | | | 148,021 |

CITY OF DEKALB, ILLINOIS**Liability/Property Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended June 30, 2012**

| | Budget | | Actual |
|--|------------|---------|----------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Contributions | \$ 405,000 | 405,000 | 154,798 |
| Miscellaneous | 22,000 | 22,000 | 13,845 |
| Total Operating Revenues | 427,000 | 427,000 | 168,643 |
| Operating Expenses | | | |
| Administration | | | |
| Contractual Services | 35,000 | 35,000 | 170,728 |
| Claims | 100,000 | 100,000 | 61,719 |
| Other | 90,500 | 90,500 | 276 |
| Total Operating Expenses | 225,500 | 225,500 | 232,723 |
| Operating Income (Loss) Before Transfers | 201,500 | 201,500 | (64,080) |
| Transfers In | - | 58,000 | 58,000 |
| Change in Net Assets | 201,500 | 259,500 | (6,080) |
| Net Assets - Beginning | | | 6,547 |
| Net Assets - Ending | | | 467 |

CITY OF DEKALB, ILLINOIS**Pension Trust Funds****Combining Statement of Net Plan Assets
June 30, 2012**

| | Police Pension | Firefighters' Pension | Totals |
|---------------------------------------|-------------------|--------------------------|------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 516,431 | 884,555 | 1,400,986 |
| Investments | | | |
| U.S. Government and Agency Securities | 12,121,758 | 11,231,278 | 23,353,036 |
| Corporate Bonds | 619,158 | 90,779 | 709,937 |
| Certificates of Deposit | - | 101,664 | 101,664 |
| Money Market Mutual Funds | 1,022,636 | 290,781 | 1,313,417 |
| Mutual Funds | 11,159,723 | 9,098,181 | 20,257,904 |
| Receivables | | | |
| Accrued Interest | 76,012 | 49,618 | 125,630 |
| Prepays | 388 | 1,100 | 1,488 |
| Total Assets | 25,516,106 | 21,747,956 | 47,264,062 |
| LIABILITIES | | | |
| Accounts Payable | 14,432 | 820 | 15,252 |
| Unearned/Deferred Revenue | 544,011 | 910,804 | 1,454,815 |
| Total Liabilities | 558,443 | 911,624 | 1,470,067 |
| NET ASSETS | | | |
| Held in Trust for Pension Benefits | 24,957,663 | 20,836,332 | 45,793,995 |

CITY OF DEKALB, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets Year Ended June 30, 2012

| | Police Pension | Firefighters' Pension | Totals |
|---|-------------------|--------------------------|-------------|
| Additions | | | |
| Contributions - Employer | \$ 1,306,414 | 2,019,607 | 3,326,021 |
| Contributions - Plan Members | 446,082 | 398,920 | 845,002 |
| Total Contributions | 1,752,496 | 2,418,527 | 4,171,023 |
| Investment Income | | | |
| Interest Income | 583,626 | 492,840 | 1,076,466 |
| Net Change in Fair Value | (1,279,347) | (291,673) | (1,571,020) |
| | (695,721) | 201,167 | (494,554) |
| Less Investment Expenses | (55,266) | (47,999) | (103,265) |
| Net Investment Income | (750,987) | 153,168 | (597,819) |
| Total Additions | 1,001,509 | 2,571,695 | 3,573,204 |
| Deductions | | | |
| Administration | 26,112 | 63,029 | 89,141 |
| Benefits and Refunds | 1,942,575 | 2,534,324 | 4,476,899 |
| Total Deductions | 1,968,687 | 2,597,353 | 4,566,040 |
| Change in Net Assets | (967,178) | (25,658) | (992,836) |
| Net Plan Assets Held in Trust for Pension Benefits | | | |
| Beginning | 25,924,841 | 20,861,990 | 46,786,831 |
| Ending | 24,957,663 | 20,836,332 | 45,793,995 |

CITY OF DEKALB, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual Year Ended December 31, 2011

| | Budget | | Actual |
|--|--------------|-----------|-------------|
| | Original | Final | |
| Additions | | | |
| Contributions - Employer | \$ 1,114,707 | 1,114,707 | 1,306,414 |
| Contributions - Plan Members | 495,088 | 495,088 | 446,082 |
| Total Contributions | 1,609,795 | 1,609,795 | 1,752,496 |
| Investment Income | | | |
| Interest Income | 1,026,417 | 1,026,417 | 583,626 |
| Net Change in Fair Value | 1,800,000 | 1,800,000 | (1,279,347) |
| | 2,826,417 | 2,826,417 | (695,721) |
| Less Investment Expenses | (57,680) | (57,680) | (55,266) |
| Net Investment Income | 2,768,737 | 2,768,737 | (750,987) |
| Total Additions | 4,378,532 | 4,378,532 | 1,001,509 |
| Deductions | | | |
| Administration | 37,510 | 37,510 | 26,112 |
| Benefits and Refunds | 1,799,881 | 1,799,881 | 1,942,575 |
| Total Deductions | 1,837,391 | 1,837,391 | 1,968,687 |
| Change in Net Assets | 2,541,141 | 2,541,141 | (967,178) |
| Net Plan Assets Held in Trust for Pension Benefits | | | |
| Beginning | | | 25,924,841 |
| Ending | | | 24,957,663 |

CITY OF DEKALB, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual Year Ended June 30, 2012

| | Budget | | Actual |
|--|--------------|-----------|------------|
| | Original | Final | |
| Additions | | | |
| Contributions - Employer | \$ 2,063,370 | 2,063,370 | 2,019,607 |
| Contributions - Plan Members | 447,840 | 447,840 | 398,920 |
| Total Contributions | 2,511,210 | 2,511,210 | 2,418,527 |
| Investment Income | | | |
| Interest Income | 800,000 | 800,000 | 492,840 |
| Net Change in Fair Value | 100,000 | 100,000 | (291,673) |
| | 900,000 | 900,000 | 201,167 |
| Less Investment Expenses | (60,000) | (60,000) | (47,999) |
| Net Investment Income | 840,000 | 840,000 | 153,168 |
| Total Additions | 3,351,210 | 3,351,210 | 2,571,695 |
| Deductions | | | |
| Administration | 2,418,245 | 2,418,245 | 63,029 |
| Benefits and Refunds | 40,000 | 40,000 | 2,534,324 |
| Total Deductions | 2,458,245 | 2,458,245 | 2,597,353 |
| Change in Net Assets | 892,965 | 892,965 | (25,658) |
| Net Plan Assets Held in Trust for Pension Benefits | | | |
| Beginning | | | 20,861,990 |
| Ending | | | 20,836,332 |

COMPONENT UNIT – DEKALB PUBLIC LIBRARY

**DEKALB PUBLIC LIBRARY
COMPONENT UNIT**

**Statement of Net Assets and
Combining Balance Sheet - Governmental Funds
June 30, 2012**

See Following Page

**DEKALB PUBLIC LIBRARY
COMPONENT UNIT**

**Statement of Net Assets and
Combining Balance Sheet - Governmental Funds
June 30, 2012**

| | <u>General</u> |
|--|-----------------------------|
| ASSETS | |
| Cash and Investments | \$ 1,772,706 |
| Receivables - Net of Allowances | |
| Taxes | 875,792 |
| Accrued Interest | 2,523 |
| Due from Other Governments | 5,245 |
| Prepays | 9,430 |
| Capital Assets | |
| Nondepreciable | - |
| Depreciable | - |
| Accumulated Depreciation | - |
| | <u> </u> |
| Total Assets | <u><u>2,665,696</u></u> |
| LIABILITIES AND FUND BALANCES/NET ASSETS | |
| Liabilities | |
| Accounts Payable | 30,910 |
| Accrued Payroll | 16,626 |
| Unearned/Deferred Revenues | 1,766,592 |
| Compensated Absences Payable | - |
| Net Pension Obligation Payable | - |
| Other Post-Employment Benefit Payable | - |
| Debt Certificates Payable | - |
| Total Liabilities | <u><u>1,814,128</u></u> |
| Fund Balances | |
| Invested in Capital Assets - Net of Related Debt | - |
| Nonspendable | 9,430 |
| Restricted - Culture and Recreation | 842,138 |
| Restricted - Endowments | - |
| Assigned | - |
| Total Fund Balances | <u><u>851,568</u></u> |
| | <u><u>2,665,696</u></u> |
| Total Liabilities and Fund Balances | |

| Capital Projects | Permanent | Totals | Adjustments | Statement of Net Assets |
|---------------------|-----------|-----------|-------------|----------------------------|
| 143,113 | 230,148 | 2,145,967 | - | 2,145,967 |
| - | - | 875,792 | - | 875,792 |
| 368 | 590 | 3,481 | - | 3,481 |
| - | - | 5,245 | - | 5,245 |
| - | - | 9,430 | - | 9,430 |
| - | - | - | 1,573,060 | 1,573,060 |
| - | - | - | 809,635 | 809,635 |
| - | - | - | (412,175) | (412,175) |
| 143,481 | 230,738 | 3,039,915 | 1,970,520 | 5,010,435 |
| - | - | 30,910 | - | 30,910 |
| - | - | 16,626 | - | 16,626 |
| - | - | 1,766,592 | - | 1,766,592 |
| - | - | - | 27,211 | 27,211 |
| - | - | - | 25,504 | 25,504 |
| - | - | - | 22,332 | 22,332 |
| - | - | - | 1,000,000 | 1,000,000 |
| - | - | 1,814,128 | 1,075,047 | 2,889,175 |
| - | - | - | 970,520 | 970,520 |
| - | - | 9,430 | (9,430) | - |
| - | - | 842,138 | - | 842,138 |
| - | 230,738 | 230,738 | - | 230,738 |
| 143,481 | - | 143,481 | (65,617) | 77,864 |
| 143,481 | 230,738 | 1,225,787 | 895,473 | 2,121,260 |
| 143,481 | 230,738 | 3,039,915 | 1,970,520 | 5,010,435 |

**DEKALB PUBLIC LIBRARY
COMPONENT UNIT**

**Statement of Activities and Combining Statement of
Revenues, Expenditures and Changes in Fund Balances/Net Assets - Governmental Funds
Year Ended June 30, 2012**

| | <u>General</u> |
|--|-----------------------|
| Revenues | |
| Taxes | |
| Property Taxes | \$ 1,760,288 |
| TIF Surplus | 95,492 |
| Replacement Taxes | 33,387 |
| Intergovernmental | |
| State Grants | 44,980 |
| Federal Grants | 17,400 |
| Charges for Services | 48,723 |
| Interest | 5,996 |
| Miscellaneous | 41,295 |
| Total Revenues | <u>2,047,561</u> |
| Expenditures | |
| Current | |
| Culture and Recreation | <u>3,502,886</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,455,325)</u> |
| Other Financing Sources (Uses) | |
| Debt Issuance | 1,000,000 |
| Transfers In | 223,933 |
| Transfers Out | - |
| | <u>1,223,933</u> |
| Net Change in Fund Balances/Net Assets | (231,392) |
| Fund Balances/Net Assets - Beginning as Restated | <u>1,082,960</u> |
| Fund Balances/Net Assets - Ending | <u><u>851,568</u></u> |

| Capital Projects | Permanent | Totals | Adjustments | Statement of Activities |
|---------------------|-----------|-------------|-------------|----------------------------|
| - | - | 1,760,288 | - | 1,760,288 |
| - | - | 95,492 | - | 95,492 |
| - | - | 33,387 | - | 33,387 |
| - | - | 44,980 | - | 44,980 |
| - | - | 17,400 | - | 17,400 |
| - | - | 48,723 | - | 48,723 |
| 343 | 314 | 6,653 | - | 6,653 |
| - | 19,901 | 61,196 | - | 61,196 |
| 343 | 20,215 | 2,068,119 | - | 2,068,119 |
| - | - | 3,502,886 | (1,552,682) | 1,950,204 |
| 343 | 20,215 | (1,434,767) | 1,552,682 | 117,915 |
| - | - | 1,000,000 | (1,000,000) | - |
| - | - | 223,933 | - | 223,933 |
| (160,000) | (63,933) | (223,933) | - | (223,933) |
| (160,000) | (63,933) | 1,000,000 | (1,000,000) | - |
| (159,657) | (43,718) | (434,767) | 552,682 | 117,915 |
| 303,138 | 274,456 | 1,660,554 | 342,791 | 2,003,345 |
| 143,481 | 230,738 | 1,225,787 | 895,473 | 2,121,260 |

SUPPLEMENTAL SCHEDULES

CITY OF DEKALB, ILLINOIS

**Schedule of General Long-Term Debt
Long-Term Debt Payable from Governmental Funds**

June 30, 2012

See Following Page

CITY OF DEKALB, ILLINOIS

**Schedule of General Long-Term Debt
Long-Term Debt Payable from Governmental Funds**

June 30, 2012

| | Compensated Absences | Net Pension Obligation | Net Other Post- Employment Benefits Obligation | Capital Lease |
|---|-------------------------|------------------------------|--|------------------|
| 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 | 4,657,508 | 179,828 | 7,159,438 | 578,302 |
| | 4,657,508 | 179,828 | 7,159,438 | 578,302 |
| GENERAL LONG-TERM DEBT PAYABLE | | | | |
| Compensated Absences Payable | 4,657,508 | - | - | - |
| Net Pension Obligation | - | 179,828 | - | - |
| Net Other Post-Employment Benefits Obligation | - | - | 7,159,438 | - |
| Capital Lease Payable | - | - | - | 578,302 |
| General Obligation Bonds Payable | - | - | - | - |
| Revenue Bonds Payable | - | - | - | - |
| | 4,657,508 | 179,828 | 7,159,438 | 578,302 |

| General Obligation Bonds of 2002A (TIF) | General Obligation Refunding Bonds of 2003A (TIF) | General Obligation Refunding Bonds of 2004 | General Obligation Bonds of 2010A (TIF) | General Obligation Refunding Bonds of 2010B | General Obligation Refunding Bonds of 2010C | Tax Increment Financing Revenue Bonds of 2003 | Totals |
|--|---|--|--|---|---|--|------------|
| - | - | - | - | - | - | 185,283 | 185,283 |
| 425,000 | 150,000 | 1,810,000 | 9,225,000 | 3,905,000 | 5,020,000 | 159,717 | 33,269,793 |
| 425,000 | 150,000 | 1,810,000 | 9,225,000 | 3,905,000 | 5,020,000 | 345,000 | 33,455,076 |
| - | - | - | - | - | - | - | 4,657,508 |
| - | - | - | - | - | - | - | 179,828 |
| - | - | - | - | - | - | - | 7,159,438 |
| - | - | - | - | - | - | - | 578,302 |
| 425,000 | 150,000 | 1,810,000 | 9,225,000 | 3,905,000 | 5,020,000 | - | 20,535,000 |
| - | - | - | - | - | - | 345,000 | 345,000 |
| 425,000 | 150,000 | 1,810,000 | 9,225,000 | 3,905,000 | 5,020,000 | 345,000 | 33,455,076 |

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements General Obligation Bonds of 2002A

June 30, 2012

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|--------------|----------|---------|-----------------|--------|---------|--------|
| | Principal | Interest | Totals | Dec. 30 | Amount | Jun. 30 | Amount |
| 2011 | \$ 210,000 | 12,800 | 222,800 | 2012 | 8,500 | 2013 | 4,300 |
| 2012 | 215,000 | 4,300 | 219,300 | 2013 | 4,300 | 2014 | - |
| | 425,000 | 17,100 | 442,100 | | 12,800 | | 4,300 |

CITY OF DEKALB, ILLINOIS**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2003A****June 30, 2012**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|--------------|----------|---------|-----------------|--------|--------|--------|
| | Principal | Interest | Totals | Dec. 1 | Amount | Jun. 1 | Amount |
| 2011 | \$ 75,000 | 4,031 | 79,031 | 2012 | 2,672 | 2013 | 1,359 |
| 2012 | 75,000 | 1,329 | 76,329 | 2013 | 1,329 | 2014 | - |
| | 150,000 | 5,360 | 155,360 | | 4,001 | | 1,359 |

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements General Obligation Refunding Bonds of 2004

June 30, 2012

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|------------------|----------------|------------------|-----------------|----------------|--------|----------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2011 | \$ 565,000 | 199,825 | 764,825 | 2012 | 99,913 | 2013 | 99,912 |
| 2012 | 580,000 | 177,225 | 757,225 | 2013 | 88,613 | 2014 | 88,612 |
| 2013 | 655,000 | 154,025 | 809,025 | 2014 | 77,012 | 2015 | 77,013 |
| 2014 | 695,000 | 124,550 | 819,550 | 2015 | 62,276 | 2016 | 62,274 |
| 2015 | 720,000 | 93,275 | 813,275 | 2016 | 46,637 | 2017 | 46,638 |
| 2016 | - | 60,875 | 60,875 | 2017 | 30,437 | 2018 | 30,438 |
| 2017 | 695,000 | 60,875 | 755,875 | 2018 | 30,438 | 2019 | 30,437 |
| 2018 | 360,000 | 33,075 | 393,075 | 2019 | 16,538 | 2020 | 16,537 |
| 2019 | 375,000 | 16,875 | 391,875 | 2020 | 8,437 | 2021 | 8,438 |
| | <u>4,645,000</u> | <u>920,600</u> | <u>5,565,600</u> | | <u>460,301</u> | | <u>460,299</u> |

CITY OF DEKALB, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2005**

June 30, 2012

| | |
|-------------------------|---------------------------------------|
| Date of Issue | July 1, 2005 |
| Date of Maturity | January 1, 2015 |
| Authorized Issue | \$800,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 5.70% |
| Interest Dates | July 1 and January 1 |
| Principal Maturity Date | January 1 |
| Payable at | Depository Trust Company, New York NY |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|----------------|----------------|----------------|-----------------|---------------|--------|---------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2011 | \$ 30,000 | 35,767 | 65,767 | 2012 | 18,097 | 2013 | 17,670 |
| 2012 | 30,000 | 34,057 | 64,057 | 2013 | 17,242 | 2014 | 16,815 |
| 2013 | 575,000 | 32,347 | 607,347 | 2014 | 16,387 | 2015 | 15,960 |
| | <u>635,000</u> | <u>102,171</u> | <u>737,171</u> | | <u>51,726</u> | | <u>50,445</u> |

CITY OF DEKALB, ILLINOIS**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2010A****June 30, 2012**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|------------------|------------------|-------------------|-----------------|------------------|--------|----------------|
| | Principal | Interest | Totals | Dec. 1 | Amount | Jun. 1 | Amount |
| 2011 | \$ 770,000 | 297,374 | 1,067,374 | 2012 | 152,537 | 2013 | 144,837 |
| 2012 | 785,000 | 281,826 | 1,066,826 | 2013 | 144,838 | 2014 | 136,988 |
| 2013 | 800,000 | 263,974 | 1,063,974 | 2014 | 136,987 | 2015 | 126,987 |
| 2014 | 825,000 | 243,663 | 1,068,663 | 2015 | 126,988 | 2016 | 116,675 |
| 2015 | 845,000 | 220,675 | 1,065,675 | 2016 | 116,675 | 2017 | 104,000 |
| 2016 | 870,000 | 190,600 | 1,060,600 | 2017 | 104,000 | 2018 | 86,600 |
| 2017 | 1,020,000 | 152,800 | 1,172,800 | 2018 | 86,600 | 2019 | 66,200 |
| 2018 | 1,060,000 | 111,200 | 1,171,200 | 2019 | 66,200 | 2020 | 45,000 |
| 2019 | 1,105,000 | 67,900 | 1,172,900 | 2020 | 45,000 | 2021 | 22,900 |
| 2020 | 1,145,000 | 22,900 | 1,167,900 | 2021 | 22,900 | 2022 | - |
| | <u>9,225,000</u> | <u>1,852,912</u> | <u>11,077,912</u> | | <u>1,002,725</u> | | <u>850,187</u> |

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010B

June 30, 2012

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|------------------|------------------|------------------|-----------------|------------------|--------|------------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2011 | \$ - | 175,968 | 175,968 | 2012 | 87,984 | 2013 | 87,984 |
| 2012 | - | 175,968 | 175,968 | 2013 | 87,984 | 2014 | 87,984 |
| 2013 | - | 175,968 | 175,968 | 2014 | 87,984 | 2015 | 87,984 |
| 2014 | - | 175,968 | 175,968 | 2015 | 87,984 | 2016 | 87,984 |
| 2015 | - | 175,968 | 175,968 | 2016 | 87,984 | 2017 | 87,984 |
| 2016 | - | 175,968 | 175,968 | 2017 | 87,984 | 2018 | 87,984 |
| 2017 | - | 175,968 | 175,968 | 2018 | 87,984 | 2019 | 87,984 |
| 2018 | - | 175,968 | 175,968 | 2019 | 87,984 | 2020 | 87,984 |
| 2019 | - | 175,968 | 175,968 | 2020 | 87,984 | 2021 | 87,984 |
| 2020 | - | 175,968 | 175,968 | 2021 | 87,984 | 2022 | 87,984 |
| 2021 | - | 175,968 | 175,968 | 2022 | 87,984 | 2023 | 87,984 |
| 2022 | 150,000 | 169,592 | 319,592 | 2023 | 84,796 | 2024 | 84,796 |
| 2023 | 840,000 | 133,052 | 973,052 | 2024 | 66,526 | 2025 | 66,526 |
| 2024 | 875,000 | 94,115 | 969,115 | 2025 | 47,058 | 2026 | 47,057 |
| 2025 | 915,000 | 52,482 | 967,482 | 2026 | 26,241 | 2027 | 26,241 |
| 2026 | 955,000 | 8,070 | 963,070 | 2027 | 4,038 | 2028 | 4,032 |
| 2027 | 170,000 | - | 170,000 | 2028 | - | 2029 | - |
| | <u>3,905,000</u> | <u>2,392,959</u> | <u>6,297,959</u> | | <u>1,196,483</u> | | <u>1,196,476</u> |

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements General Obligation Refunding Bonds of 2010C

June 30, 2012

| | |
|-------------------------|------------------------------------|
| Date of Issue | December 1, 2010 |
| Date of Maturity | January 1, 2023 |
| Authorized Issue | \$3,415,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 1.90% to 5.90% |
| Interest Dates | July 1 and January 1 |
| Principal Maturity Date | January 1 |
| Payable at | Northern Trust Company, Chicago IL |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|------------------|------------------|------------------|-----------------|----------------|--------|----------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2011 | \$ 180,000 | 241,632 | 421,632 | 2012 | 120,816 | 2013 | 120,816 |
| 2012 | 185,000 | 237,402 | 422,402 | 2013 | 118,701 | 2014 | 118,701 |
| 2013 | 190,000 | 232,316 | 422,316 | 2014 | 116,158 | 2015 | 116,158 |
| 2014 | 195,000 | 226,520 | 421,520 | 2015 | 113,260 | 2016 | 113,260 |
| 2015 | 205,000 | 219,792 | 424,792 | 2016 | 109,896 | 2017 | 109,896 |
| 2016 | 620,000 | 211,900 | 831,900 | 2017 | 105,950 | 2018 | 105,950 |
| 2017 | 650,000 | 184,930 | 834,930 | 2018 | 92,465 | 2019 | 92,465 |
| 2018 | 680,000 | 154,380 | 834,380 | 2019 | 77,190 | 2020 | 77,190 |
| 2019 | 715,000 | 119,700 | 834,700 | 2020 | 59,850 | 2021 | 59,850 |
| 2020 | 755,000 | 81,090 | 836,090 | 2021 | 40,545 | 2022 | 40,545 |
| 2021 | 645,000 | 38,056 | 683,056 | 2022 | 19,028 | 2023 | 19,028 |
| | <u>5,020,000</u> | <u>1,947,718</u> | <u>6,967,718</u> | | <u>973,859</u> | | <u>973,859</u> |

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

Tax Increment Financing Revenue Bonds of 2003

June 30, 2012

| | |
|-------------------------|------------------------------------|
| Date of Issue | January 14, 2003 |
| Date of Maturity | January 1, 2013 |
| Authorized Issue | \$4,350,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | Variable 3.50% at June 30, 2010 |
| Interest Dates | July 1 and January 1 |
| Principal Maturity Date | January 1 |
| Payable at | Northern Trust Company, Chicago IL |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|--------------|----------|---------|-----------------|--------------|--------|--------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2011 | \$ 345,000 | 12,731 | 357,731 | 2012 | <u>6,366</u> | 2013 | <u>6,365</u> |

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

**IEPA Loan #L17133700 Contract Payable of 1999
June 30, 2012**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Year Ended | Requirements | | |
|---------------|--------------|----------|-----------|
| | Principal | Interest | Totals |
| 2012 | \$ 213,768 | 52,710 | 266,478 |
| 2013 | 219,222 | 47,256 | 266,478 |
| 2014 | 224,814 | 41,664 | 266,478 |
| 2015 | 230,549 | 35,929 | 266,478 |
| 2016 | 236,431 | 30,047 | 266,478 |
| 2017 | 242,462 | 24,016 | 266,478 |
| 2018 | 248,648 | 17,830 | 266,478 |
| 2019 | 254,991 | 11,487 | 266,478 |
| 2020 | 261,496 | 4,982 | 266,478 |
| | 2,132,381 | 265,921 | 2,398,302 |

CITY OF DEKALB, ILLINOIS**Long-Term Debt Requirements****IEPA Loan #L17133700 Contract Payable of 2000
June 30, 2012**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Year Ended | Requirements | | |
|---------------|--------------|----------|-----------|
| | Principal | Interest | Totals |
| 2012 | \$ 175,530 | 43,282 | 218,812 |
| 2013 | 180,008 | 38,804 | 218,812 |
| 2014 | 184,600 | 34,212 | 218,812 |
| 2015 | 189,311 | 29,501 | 218,812 |
| 2016 | 194,139 | 24,673 | 218,812 |
| 2017 | 199,094 | 19,718 | 218,812 |
| 2018 | 204,170 | 14,642 | 218,812 |
| 2019 | 209,379 | 9,433 | 218,812 |
| 2020 | 214,720 | 4,092 | 218,812 |
| | 1,750,951 | 218,357 | 1,969,308 |

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements
Debt Certificates of 2011

June 30, 2012

| | |
|-------------------------|-------------------|
| Date of Issue | December 16, 2011 |
| Date of Maturity | July 1, 2020 |
| Authorized Issue | \$1,000,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 2.960% |
| Interest Date | July 1 |
| Principal Maturity Date | July 1 |
| Payable at | Castle Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | Totals |
|----------------|------------------|----------------|------------------|
| | Principal | Interest | |
| 2013 | \$ 111,111 | 16,033 | 127,144 |
| 2014 | 111,111 | 26,311 | 137,422 |
| 2015 | 111,111 | 23,022 | 134,133 |
| 2016 | 111,111 | 19,733 | 130,844 |
| 2017 | 111,111 | 16,444 | 127,555 |
| 2018 | 111,111 | 13,156 | 124,267 |
| 2019 | 111,111 | 9,867 | 120,978 |
| 2020 | 111,111 | 6,578 | 117,689 |
| 2021 | 111,112 | 3,289 | 114,401 |
| | <u>1,000,000</u> | <u>134,433</u> | <u>1,134,433</u> |

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

CITY OF DEKALB, ILLINOIS

Net Assets by Component - Last Ten Fiscal Years*
June 30, 2012 (Unaudited)

See Following Page

CITY OF DEKALB, ILLINOIS

Net Assets by Component - Last Ten Fiscal Years* June 30, 2012 (Unaudited)

| | 2003 | 2004 | 2005 | 2006 |
|---------------------------------|-------------------|--------------------|--------------------|--------------------|
| Governmental Activities | | | | |
| Invested in Capital Assets - | | | | |
| Net of Related Debt | \$ 67,806,348 | 79,281,779 | 104,193,560 | 107,038,191 |
| Restricted | 5,554,546 | 3,395,377 | 1,524,630 | 3,295,898 |
| Unrestricted | (17,759,129) | (14,013,207) | (10,463,117) | (12,063,288) |
| Total Governmental | | | | |
| Activities Net Assets | 55,601,765 | 68,663,949 | 95,255,073 | 98,270,801 |
| Business-Type Activities | | | | |
| Invested in Capital Assets - | | | | |
| Net of Related Debt | 26,779,195 | 34,483,474 | 37,052,275 | 39,392,443 |
| Restricted | - | - | - | - |
| Unrestricted | 2,237,149 | 1,631,020 | 1,273,772 | (279,115) |
| Total Business-Type | | | | |
| Activities Net Assets | 29,016,344 | 36,114,494 | 38,326,047 | 39,113,328 |
| Primary Government | | | | |
| Invested in Capital Assets - | | | | |
| Net of Related Debt | 94,585,543 | 113,765,253 | 141,245,835 | 146,430,634 |
| Restricted | 5,554,546 | 3,395,377 | 1,524,630 | 3,295,898 |
| Unrestricted | (15,521,980) | (12,382,187) | (9,189,345) | (12,342,403) |
| Total Primary Government | | | | |
| Net Assets | 84,618,109 | 104,778,443 | 133,581,120 | 137,384,129 |

* Accrual Basis of Accounting

The City implemented GASB Statement No. 34 for the fiscal year ended June 30, 2003.

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 109,228,834 | 113,947,561 | 116,350,547 | 116,154,934 | 119,410,592 | 120,169,717 |
| 3,159,513 | 10,131,297 | 10,401,769 | 15,569,514 | 11,857,498 | 12,358,010 |
| (10,790,695) | (16,660,106) | (14,726,824) | (20,131,463) | (17,715,142) | (15,138,497) |
| 101,597,652 | 107,418,752 | 112,025,492 | 111,592,985 | 113,552,948 | 117,389,230 |
| 45,585,845 | 46,840,204 | 48,402,014 | 48,482,070 | 48,222,651 | 48,123,532 |
| - | - | - | - | - | - |
| (805,537) | (985,741) | (724,236) | (463,724) | 2,919,291 | 4,179,066 |
| 44,780,308 | 45,854,463 | 47,677,778 | 48,018,346 | 51,141,942 | 52,302,598 |
| 154,814,679 | 160,787,765 | 164,752,561 | 164,637,004 | 167,633,243 | 168,293,249 |
| 3,159,513 | 10,131,297 | 10,401,769 | 15,569,514 | 11,857,498 | 12,358,010 |
| (11,596,232) | (17,645,847) | (15,451,060) | (20,595,187) | (14,795,851) | (10,959,431) |
| 146,377,960 | 153,273,215 | 159,703,270 | 159,611,331 | 164,694,890 | 169,691,828 |

CITY OF DEKALB, ILLINOIS

Changes in Net Assets - Last Ten Fiscal Years*
June 30, 2012 (Unaudited)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 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 | 10,647,791 | 8,859,145 |
| 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 | 19,660,618 | 20,989,072 |
| Highways and Streets | 6,675,918 | 5,880,017 | 5,455,783 | 7,706,447 | 6,133,081 | 7,844,631 | 6,074,929 | 9,415,300 | 4,465,186 | 2,207,978 |
| Community Development | 8,232,178 | 4,872,446 | 10,481,051 | 4,743,859 | 4,888,810 | 4,068,000 | 6,022,846 | 5,083,380 | 7,929,922 | 10,738,364 |
| Interest on Long-Term Debt | 912,735 | 1,049,120 | 1,026,539 | 1,154,903 | 960,500 | 1,010,059 | 902,204 | 723,651 | 857,764 | 1,016,815 |
| 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 | 43,561,281 | 43,811,374 |
| Business-Type Activities | - | - | - | - | - | - | - | - | - | - |
| Water and Sewer | 3,758,743 | 3,830,129 | 3,876,880 | 4,131,341 | 4,206,023 | 4,146,713 | 4,347,248 | 4,222,070 | 4,438,481 | 4,159,836 |
| Airport | 466,286 | 692,739 | 766,597 | 839,450 | 1,039,450 | 994,597 | 1,111,227 | 914,295 | 1,154,982 | 1,318,730 |
| Refuse | - | - | 1,199,238 | 1,313,885 | 1,403,778 | 1,466,215 | 1,656,645 | 1,671,915 | 1,736,937 | 1,670,364 |
| Developmental Services | 1,194,973 | 1,256,963 | 194,977 | 294,791 | 249,295 | 365,050 | 378,497 | 380,574 | - | - |
| 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 | 7,330,400 | 7,148,930 |
| 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 | 50,891,681 | 50,960,304 |
| 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 | 325,169 | 238,190 |
| 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 | 2,739,272 | 2,462,313 |
| Highways and Streets | 762,876 | 1,147,291 | 791,567 | 555,022 | 433,385 | 333,154 | 325,866 | 210,319 | 496,852 | 212,232 |
| Community Development | 226,137 | 196,922 | 667,701 | - | - | 75,291 | 403,355 | 402,209 | 395,147 | 237,838 |
| Operating Grants/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 | 3,257,775 | 1,143,618 |
| Capital Grants/Contributions | 282,853 | 537,433 | 2,197,952 | 3,036,831 | 1,609,289 | 2,083,090 | 2,013,494 | 2,471,003 | 4,144,333 | 6,075,050 |
| 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 | 11,358,548 | 10,369,241 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water and Sewer | 4,088,655 | 4,634,512 | 4,284,036 | 4,446,444 | 4,185,161 | 4,387,320 | 4,788,391 | 5,136,193 | 5,454,296 | 5,367,480 |
| Airport | 251,265 | 245,688 | 264,547 | 280,532 | 235,999 | 262,783 | 261,655 | 247,364 | 405,332 | 846,375 |
| 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 | 1,696,646 | 1,757,410 |
| Developmental Services | - | - | 81,349 | 249,957 | 230,060 | 96,580 | 88,319 | 38,835 | - | - |
| 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 | 392,373 | 562,770 |
| 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 | 7,948,647 | 8,534,035 |
| 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 | 19,307,195 | 18,903,276 |

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 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) | (32,202,733) | (33,442,133) |
| Business-Type Activities | 246,747 | 395,515 | 1,432,111 | 62,176 | 2,119,546 | (281,549) | 1,941,779 | 619,681 | 618,247 | 1,385,105 |
| 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) | (31,584,486) | (32,057,028) |
| 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 | 13,405,653 | 12,733,599 |
| Sales | 6,315,900 | 8,008,678 | 8,738,221 | 9,630,952 | 10,160,582 | 10,251,569 | 11,297,335 | 11,413,254 | 11,426,292 | 11,132,604 |
| Utility | 3,714,912 | 3,740,234 | 3,933,220 | 4,032,927 | 4,077,785 | 4,230,240 | 4,012,575 | 3,739,824 | 4,449,288 | 3,788,953 |
| 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 | 3,561,130 | 3,745,298 |
| Other | 1,431,807 | 1,513,142 | 2,008,060 | 2,252,273 | 2,469,560 | 2,695,564 | 2,575,341 | 2,484,759 | 3,426,431 | 4,775,612 |
| Interest | 247,457 | 106,229 | 169,202 | 340,505 | 428,938 | 347,511 | 189,302 | 75,779 | 71,691 | 37,782 |
| Miscellaneous | 2,921,118 | 12,757,264 | 12,581,513 | 1,357,565 | 2,677,000 | 5,618,738 | 2,972,237 | 188,830 | 157,306 | 839,167 |
| Transfers | 115,450 | 227,600 | 122,958 | 172,713 | 168,837 | 232,052 | 229,413 | 296,836 | (2,453,290) | 225,400 |
| 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 | 34,044,501 | 37,278,415 |
| Business-Type Activities | | | | | | | | | | |
| Property Taxes | 74,587 | 75,539 | 74,674 | 75,194 | - | - | - | - | - | - |
| Interest | 119,957 | 30,607 | 30,356 | 9,214 | - | 132 | 300 | 16 | 16 | 380 |
| Miscellaneous | 1,495,775 | 5,048,831 | 766,846 | 813,410 | 3,245,071 | 1,452,830 | 110,649 | 42,707 | 28,384 | 571 |
| Transfers | (115,450) | (227,600) | (122,958) | (172,713) | (168,837) | (232,052) | (229,413) | (321,836) | 2,453,290 | (225,400) |
| Total Business-Type Activities | 1,574,869 | 4,927,377 | 748,918 | 725,105 | 3,076,234 | 1,220,910 | (118,464) | (279,113) | 2,481,690 | (224,449) |
| 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 | 36,526,191 | 37,053,966 |
| Changes 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) | 1,841,768 | 3,836,282 |
| Business-Type Activities | 1,821,616 | 5,322,892 | 2,181,029 | 787,281 | 5,195,780 | 939,361 | 1,823,315 | 340,568 | 3,099,937 | 1,160,656 |
| Total Primary Government | (1,805,378) | 18,415,111 | 13,903,627 | 4,301,918 | 7,536,403 | 6,777,012 | 6,360,692 | (91,939) | 4,941,705 | 4,996,938 |

* Accrual Basis of Accounting

The City implemented GASB Statement No. 34 for the fiscal year ended June 30, 2003.

CITY OF DEKALB, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years* June 30, 2012 (Unaudited)

| | 2003 | 2004 | 2005 |
|---|------------------|------------------|------------------|
| General Fund | | | |
| Reserved | \$ 62,650 | 105,452 | 58,705 |
| Unreserved | 2,546,211 | 3,155,369 | 3,532,201 |
| Nonspendable | - | - | - |
| Restricted | - | - | - |
| Unassigned | - | - | - |
| Total General Fund | 2,608,861 | 3,260,821 | 3,590,906 |
| All Other Governmental Funds | | | |
| Reserved | 3,851,405 | 4,323,494 | 3,345,268 |
| Unreserved, Reported in, | | | |
| Special Revenue Funds | 862,086 | (22,476) | (20,788) |
| Debt Service Funds | - | - | - |
| Capital Projects Funds | (2,023,015) | (2,446,767) | (1,991,201) |
| Nonspendable | - | - | - |
| Restricted | - | - | - |
| Committed | - | - | - |
| Total All Other Governmental Funds | 2,690,476 | 1,854,251 | 1,333,279 |

* Modified Accrual Basis of Accounting

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

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------|-------------|------------|------------|------------|------------|------------|
| 70,296 | 147,508 | 738,577 | 2,067,865 | 2,177,003 | 6,257 | - |
| 3,755,347 | 3,155,669 | 2,161,911 | 1,633,753 | 1,331,219 | - | - |
| - | - | - | - | - | 50,934 | 61,660 |
| - | - | - | - | - | - | 6,262 |
| - | - | - | - | - | 2,692,928 | 4,669,218 |
| 3,825,643 | 3,303,177 | 2,900,488 | 3,701,618 | 3,508,222 | 2,750,119 | 4,737,140 |
| 4,643,715 | 3,166,191 | 1,808,174 | 2,653,139 | 2,783,493 | - | - |
| (18,120) | (8,808) | (445) | (362) | (383) | - | - |
| - | - | - | - | - | - | - |
| (1,346,797) | (1,076,165) | 9,104,021 | 8,552,208 | 13,352,510 | - | - |
| - | - | - | - | - | 3,650 | 1,500 |
| - | - | - | - | - | 11,725,897 | 12,537,031 |
| - | - | - | - | - | 340,327 | 219,840 |
| 3,278,798 | 2,081,218 | 10,911,750 | 11,204,985 | 16,135,620 | 12,069,874 | 12,758,371 |

CITY OF DEKALB, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years* June 30, 2012 (Unaudited)

| | 2003 | 2004 | 2005 |
|--|---------------|-------------|-------------|
| Revenues | | | |
| Taxes | \$ 19,851,614 | 22,032,400 | 24,548,569 |
| Intergovernmental | 2,361,278 | 3,061,974 | 5,522,101 |
| Licenses, Permits and Fees | 487,590 | 846,571 | 618,029 |
| Charges for Services | 1,503,096 | 1,840,495 | 4,613,201 |
| Fines and Forfeitures | 468,009 | 638,815 | 654,353 |
| Interest | 247,457 | 106,229 | 169,202 |
| Miscellaneous | 273,079 | 351,754 | 399,324 |
| Total Revenues | 25,192,123 | 28,878,238 | 36,524,779 |
| Expenditures | | | |
| General Government | 3,426,581 | 4,088,975 | 5,619,515 |
| Public Safety | 11,388,426 | 12,432,869 | 13,915,879 |
| Highways and Streets | 4,406,307 | 3,928,040 | 3,432,725 |
| Community Development | 1,255,596 | 763,579 | 3,609,518 |
| Capital Outlay | 10,333,537 | 6,432,217 | 8,157,674 |
| Debt Service | | | |
| Principal Retirement | 1,185,000 | 1,545,000 | 1,810,000 |
| Interest and Fiscal Charges | 884,632 | 1,071,575 | 1,032,874 |
| Total Expenditures | 32,880,079 | 30,262,255 | 37,578,185 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,687,956) | (1,384,017) | (1,053,406) |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | 10,452,502 | 5,337,498 | 5,623,102 |
| Premium (Discount) on Debt Issuance | 52,164 | 46,962 | 191,795 |
| Payment to Escrow Agent | - | (4,871,180) | (5,145,695) |
| Disposal of Capital Assets | 4,533 | 7,744 | 112,517 |
| Transfers In | 2,890,076 | 3,242,930 | 3,282,821 |
| Transfers Out | (2,774,626) | (3,015,330) | (3,202,021) |
| | 10,624,649 | 748,624 | 862,519 |
| Net Change in Fund Balances | 2,936,693 | (635,393) | (190,887) |
| Debt Service as a Percentage of Noncapital Expenditures | 6.55% | 9.39% | 7.82% |

* Modified Accrual Basis of Accounting

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 26,710,135 | 29,097,231 | 31,898,673 | 34,305,038 | 34,305,038 | 36,266,887 | 24,753,767 |
| 4,558,814 | 3,724,715 | 4,347,447 | 6,070,086 | 6,070,086 | 6,576,584 | 396,095 |
| 598,657 | 448,192 | 364,103 | 354,375 | 354,375 | 499,938 | 18,750,569 |
| 1,796,958 | 1,685,991 | 1,721,234 | 1,772,322 | 1,772,322 | 2,137,997 | 2,149,403 |
| 696,551 | 672,403 | 766,504 | 728,572 | 728,572 | 639,450 | 605,075 |
| 340,505 | 428,938 | 347,511 | 189,302 | 189,302 | 71,691 | 37,681 |
| 2,794,723 | 515,750 | 734,928 | 737,263 | 737,263 | 517,485 | 839,167 |
| 37,496,343 | 36,573,220 | 40,180,400 | 44,156,958 | 44,156,958 | 46,710,032 | 47,531,757 |
| 5,990,453 | 6,740,822 | 6,925,455 | 8,604,319 | 8,604,319 | 9,582,025 | 8,981,636 |
| 14,990,271 | 15,719,852 | 16,666,201 | 17,407,054 | 17,407,054 | 18,267,633 | 19,371,392 |
| 3,780,017 | 4,425,779 | 4,529,707 | 3,930,979 | 3,930,979 | 2,933,330 | 609,488 |
| 2,821,395 | 1,843,360 | 2,322,976 | 1,797,965 | 1,797,965 | 1,045,409 | 3,185,002 |
| 8,835,397 | 6,647,200 | 6,843,723 | 8,163,413 | 8,163,413 | 12,011,245 | 10,359,355 |
| 2,220,000 | 2,835,214 | 4,465,000 | 2,605,000 | 2,605,000 | 5,940,000 | 2,129,920 |
| 1,085,767 | 906,585 | 882,467 | 859,247 | 859,247 | 808,239 | 938,679 |
| 39,723,300 | 39,118,812 | 42,635,529 | 43,367,977 | 43,367,977 | 50,587,881 | 45,575,472 |
| (2,226,957) | (2,545,592) | (2,455,129) | 788,981 | 788,981 | (3,877,849) | 1,956,285 |
| 4,101,958 | 1,079,114 | 10,607,240 | - | - | 9,320,000 | - |
| - | - | - | - | - | (41,304) | - |
| - | - | - | - | - | (7,158,799) | - |
| 18,309 | 36,433 | 60,231 | 6,608 | 6,608 | 2,050 | 26,533 |
| 4,631,683 | 4,054,351 | 4,032,407 | 5,679,484 | 5,679,484 | 5,461,545 | 5,113,090 |
| (4,458,970) | (3,885,514) | (3,800,355) | (5,450,071) | (5,450,071) | (8,529,492) | (4,420,390) |
| 4,292,980 | 1,284,384 | 10,899,523 | 236,021 | 236,021 | (946,000) | 719,233 |
| 2,066,023 | (1,261,208) | 8,444,394 | 1,025,002 | 1,025,002 | (4,823,849) | 2,675,518 |
| 8.48% | 11.25% | 10.38% | 13.44% | 8.70% | 14.62% | 7.38% |

CITY OF DEKALB, ILLINOIS

Taxable Sales by Category - Last Ten Calendar Years June 30, 2012 (Unaudited)

| | 2002 | 2003 | 2004 | 2005 |
|---------------------------------|----------------|-------------|-------------|-------------|
| General Merchandise | \$ 128,539,781 | 142,530,983 | 160,665,590 | 163,641,647 |
| Food | 48,701,136 | 43,870,967 | 37,275,809 | 43,927,833 |
| Drinking and Eating Places | 45,196,455 | 49,213,644 | 52,351,156 | 52,849,443 |
| Apparel | 8,827,618 | 8,578,046 | 8,087,885 | 8,247,873 |
| Furniture & H.H. & Radio | 9,544,614 | 13,100,491 | 25,392,698 | 28,350,657 |
| Lumber, Building Hardware | 26,441,207 | 27,609,867 | 28,061,388 | 26,795,706 |
| Automobile and Filling Stations | 78,031,930 | 76,853,556 | 79,773,554 | 85,140,723 |
| Drugs and Miscellaneous Retail | 64,099,407 | 65,747,938 | 67,637,829 | 70,477,891 |
| Agriculture and All Others | 46,850,438 | 48,715,480 | 47,817,252 | 48,845,881 |
| Manufacturers | 2,666,709 | 1,500,600 | 6,481,064 | 11,253,745 |
| Total | 458,899,295 | 477,721,572 | 513,544,225 | 539,531,399 |
| City Direct Sales Tax Rate | 1.00% | 1.00% | 1.00% | 1.00% |

Data Source: Illinois Department of Revenue

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

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 170,225,753 | 171,985,064 | 164,736,328 | 154,138,547 | 161,257,806 | 129,818,177 |
| 47,170,335 | 53,207,066 | 60,740,900 | 55,760,959 | 56,012,687 | 67,456,918 |
| 60,927,328 | 65,260,253 | 67,402,498 | 64,478,308 | 66,461,264 | 66,649,641 |
| 10,754,613 | 9,626,133 | 7,332,715 | 6,235,098 | 5,912,150 | 30,582,619 |
| 29,988,920 | 33,834,022 | 28,883,333 | 24,677,414 | 25,081,450 | 22,181,422 |
| 27,977,040 | 26,936,010 | 24,505,165 | 22,566,265 | 21,682,737 | 21,563,108 |
| 91,978,172 | 93,408,943 | 94,746,090 | 76,117,806 | 81,678,462 | 84,369,200 |
| 81,006,583 | 83,283,571 | 84,314,769 | 81,599,087 | 79,606,161 | 76,036,417 |
| 48,715,922 | 41,446,148 | 39,136,195 | 28,154,513 | 28,623,247 | 29,011,979 |
| 12,975,167 | 15,254,811 | 18,224,889 | 13,889,966 | 15,507,914 | 7,289,300 |
| 581,719,833 | 594,242,021 | 590,022,882 | 527,617,963 | 541,823,878 | 534,958,781 |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

CITY OF DEKALB, ILLINOIS

Taxable Sales by Category - Home Rule - Last Ten Calendar Years June 30, 2012 (Unaudited)

| | 2002 | 2003 | 2004 | 2005 |
|---------------------------------|---------------|-------------|-------------|-------------|
| General Merchandise | \$ 83,069,119 | 91,964,969 | 103,347,408 | 107,910,203 |
| Food | 15,137,372 | 14,016,749 | 11,255,490 | 12,926,058 |
| Drinking and Eating Places | 44,382,469 | 48,265,899 | 51,038,005 | 51,883,076 |
| Apparel | 8,814,596 | 8,576,497 | 8,081,341 | 8,247,458 |
| Furniture & H.H. & Radio | 9,531,051 | 13,071,912 | 25,258,574 | 28,326,789 |
| Lumber, Building Hardware | 26,387,077 | 27,609,659 | 27,928,079 | 26,795,221 |
| Automobile and Filling Stations | 23,011,393 | 26,521,109 | 30,939,395 | 34,610,098 |
| Drugs and Miscellaneous Retail | 48,040,163 | 48,469,493 | 49,234,368 | 50,940,432 |
| Agriculture and All Others | 42,675,080 | 44,057,392 | 42,983,219 | 44,282,933 |
| Manufacturers | 2,357,819 | 1,099,009 | 5,952,384 | 11,013,882 |
| Total | 303,406,139 | 323,652,688 | 356,018,263 | 376,936,150 |
| City Direct Sales Tax Rate | 0.75% | 0.75% | 1.25% | 1.25% |

Data Source: Illinois Department of Revenue

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

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

| 2006 | 2007 | 2008* | 2009 | 2010 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 111,235,234 | 110,641,629 | 105,718,900 | 99,635,725 | 106,361,293 | 87,558,389 |
| 14,228,867 | 16,220,246 | 17,771,292 | 16,039,202 | 18,341,512 | 30,104,054 |
| 59,524,764 | 63,696,181 | 65,892,248 | 63,016,745 | 64,921,928 | 65,295,493 |
| 10,750,251 | 9,619,122 | 7,316,764 | 6,230,748 | 5,911,746 | 19,317,301 |
| 29,956,258 | 33,782,135 | 28,777,827 | 24,555,874 | 24,340,125 | 21,984,344 |
| 27,950,165 | 26,884,766 | 24,259,864 | 22,394,973 | 21,589,323 | 21,526,692 |
| 38,130,323 | 43,057,278 | 44,642,599 | 36,573,132 | 42,992,984 | 46,695,364 |
| 58,390,055 | 58,432,889 | 59,739,818 | 58,394,357 | 57,668,525 | 56,027,770 |
| 41,914,235 | 37,826,626 | 35,885,916 | 26,970,847 | 27,405,131 | 28,250,729 |
| 12,663,868 | 14,914,125 | 17,841,691 | 13,412,811 | 15,166,169 | 6,981,465 |
| 404,744,020 | 415,074,997 | 407,846,919 | 367,224,414 | 384,698,736 | 383,741,601 |
| 1.25% | 1.25% | 1.75% | 1.75% | 1.75% | 1.75% |

CITY OF DEKALB, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years June 30, 2012 (Unaudited)

| Calendar Year | City Home Rule Rate | Municipal Retailers Occupation Tax | County Rate | State Rate | Total Sales Tax Rate |
|------------------|---------------------------|--|----------------|---------------|----------------------------|
| 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* | 1.75% | 1.00% | 0.25% | 5.00% | 8.00% |
| 2009 | 1.75% | 1.00% | 0.25% | 5.00% | 8.00% |
| 2010 | 1.75% | 1.00% | 0.25% | 5.00% | 8.00% |
| 2011 | 1.75% | 1.00% | 0.25% | 5.00% | 8.00% |
| 2012 | 1.75% | 1.00% | 0.25% | 5.00% | 8.00% |

Data Source: City, County and State Records

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

CITY OF DEKALB, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
June 30, 2012 (Unaudited)**

See Following Page

CITY OF DEKALB, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years June 30, 2012 (Unaudited)

| Tax Levy Year | Residential Property | Commercial Property |
|---------------------|-------------------------|------------------------|
| 2002 | \$ 249,835,479 | \$ 131,987,707 |
| 2003 | 269,635,069 | 133,004,731 |
| 2004 | 283,926,434 | 137,737,281 |
| 2005 | 325,079,355 | 145,545,712 |
| 2006 | 369,659,572 | 155,565,480 |
| 2007 | 407,662,378 | 163,615,149 |
| 2008 | 420,413,802 | 172,166,813 |
| 2009 | 413,507,993 | 176,052,268 |
| 2010 | 389,625,409 | 167,457,427 |
| 2011 | 365,267,969 | 167,604,810 |

Data Source: Office of the County Clerk

Note: The City only reports the rate setting EAV

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

| Industrial | Farm | Railroad | Total Taxable Assessed Value | Total Direct Tax Rate* |
|---------------|------------|------------|---------------------------------------|------------------------------|
| \$ 31,572,837 | \$ 784,642 | \$ 511,155 | \$ 414,691,820 | 0.8189 |
| 31,995,654 | 585,425 | 553,020 | 435,773,899 | 0.8097 |
| 33,506,906 | 548,207 | 623,213 | 456,342,041 | 0.8135 |
| 37,922,484 | 488,038 | 587,227 | 509,622,816 | 0.8040 |
| 43,514,766 | 494,098 | 572,356 | 569,806,272 | 0.8091 |
| 51,250,520 | 666,539 | 628,255 | 623,822,841 | 0.8437 |
| 51,905,133 | 686,727 | 682,620 | 645,855,095 | 0.8509 |
| 52,801,237 | 721,404 | 833,695 | 643,916,597 | 0.9293 |
| 49,380,638 | 825,082 | 1,044,391 | 608,332,947 | 0.9856 |
| 47,742,181 | 782,590 | 1,107,165 | 582,504,715 | 1.0293 |

CITY OF DEKALB, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years June 30, 2012 (Unaudited)

| | 2002 | 2003 | 2004 |
|--|--------|--------|--------|
| City Direct Rates | | | |
| City of DeKalb | 0.6057 | 0.5967 | 0.6000 |
| Library | 0.2132 | 0.2130 | 0.2135 |
| Total Direct Rates | 0.8189 | 0.8097 | 0.8135 |
| Overlapping Rates | | | |
| DeKalb County | 0.8666 | 0.8622 | 0.8679 |
| DeKalb Township | 0.3525 | 0.3494 | 0.3480 |
| DeKalb Road & Bridge | - | - | - |
| Forest Preserve District | 0.0278 | 0.0274 | 0.0276 |
| Sanitary District | 0.1085 | 0.1079 | 0.1078 |
| School Districts | 5.7035 | 5.6659 | 5.6217 |
| Park District | 0.6108 | 0.6235 | 0.6106 |
| Total Direct and Overlapping Rates | 8.4886 | 8.4460 | 8.3971 |
| Share of Total Tax Rate Levied by City of DeKalb and the DeKalb Library | 9.65% | 9.59% | 9.69% |

Data Source: Office of the County Clerk

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

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------|--------|--------|--------|--------|--------|--------|
| 0.5930 | 0.5967 | 0.6000 | 0.6000 | 0.6500 | 0.6899 | 0.7205 |
| 0.2110 | 0.2124 | 0.2437 | 0.2509 | 0.2793 | 0.2957 | 0.3088 |
| 0.8040 | 0.8091 | 0.8437 | 0.8509 | 0.9293 | 0.9856 | 1.0293 |
| 0.8547 | 0.8668 | 0.8449 | 0.8495 | 0.8539 | 0.9052 | 0.9694 |
| 0.3361 | 0.1151 | 0.1116 | 0.1130 | 0.1149 | 0.1260 | 0.1350 |
| - | 0.1933 | 0.1874 | 0.1808 | 0.1839 | 0.1477 | 0.1548 |
| 0.0269 | 0.0548 | 0.0677 | 0.0678 | 0.0663 | 0.0700 | 0.0740 |
| 0.1015 | 0.0952 | 0.0913 | 0.0927 | 0.0944 | 0.1036 | 0.1110 |
| 5.5142 | 5.4362 | 5.2785 | 5.7546 | 5.8245 | 6.3015 | 6.7906 |
| 0.5826 | 0.5494 | 0.5247 | 0.5131 | 0.5208 | 0.5606 | 0.5987 |
| 8.2200 | 8.1199 | 7.9498 | 8.4224 | 8.5880 | 9.2002 | 9.8628 |
| 9.78% | 9.96% | 10.61% | 10.10% | 10.82% | 10.71% | 10.44% |

CITY OF DEKALB, ILLINOIS

Principal Property Taxpayers - Current Fiscal Year and Nine Fiscal Years Ago June 30, 2012 (Unaudited)

| Taxpayer | 2012 | | | 2003 | | |
|-------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Target | \$ 12,151,249 | 1 | 2.00% | | | |
| Padnuit Corporation | 8,026,861 | 2 | 1.32% | \$ 5,335,077 | 3 | 1.29% |
| Good Year Tire & Rubber Co. | 7,522,255 | 3 | 1.24% | 7,514,946 | 1 | 1.81% |
| Nestle Food Co. | 7,274,596 | 4 | 1.20% | 7,448,439 | 2 | 1.80% |
| Northland Plaza | 6,135,015 | 5 | 1.01% | | | |
| DeKalb Area Retirement Center | 5,948,382 | 6 | 0.98% | 3,740,897 | 7 | 0.90% |
| Fairview MSFP II | 4,545,512 | 7 | 0.75% | | | |
| Dream Fund, LLC | 4,425,772 | 8 | 0.73% | 4,373,673 | 5 | 1.05% |
| Heritage Woods | 3,984,782 | 9 | 0.66% | | | |
| JLAR | 3,780,502 | 10 | 0.62% | | | |
| Minnesota Mining & Mfg. | | | | 5,010,745 | 4 | 1.21% |
| University Village I & II | | | | 4,042,130 | 6 | 0.97% |
| Linda Mason | | | | 3,093,667 | 8 | 0.75% |
| Wal-Mart | | | | 2,714,267 | 9 | 0.65% |
| Herbert Katz | | | | 2,516,983 | 10 | 0.61% |
| | <u>63,794,926</u> | | <u>10.51%</u> | <u>45,790,824</u> | | <u>11.04%</u> |

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

CITY OF DEKALB, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
June 30, 2012 (Unaudited)**

| 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 |
| 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% | 0.8040 | 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 | 4,160,967 | 99.42% | 0.2793 | 1,798,500 | 1,796,093 | 99.87% | 0.9293 | 5,983,832 | 5,957,060 | 99.55% |
| 2010 | 0.6899 | 4,196,805 | 4,107,807 | 97.88% | 0.2957 | 1,798,523 | 1,760,288 | 97.87% | 0.9856 | 5,995,328 | 5,868,095 | 97.88% |
| 2011 | 0.7205 | 4,196,890 | 2,080,301 * | 49.57% | 0.3088 | 1,798,536 | 890,801 * | 49.53% | 1.0293 | 5,995,426 | 2,971,102 | 49.56% |

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

* Amount reflects collections through June 30, 2012

CITY OF DEKALB, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
June 30, 2012 (Unaudited)**

| Fiscal Year | Governmental Activities | | | | | |
|----------------|--------------------------------|------------------------------------|--------------------------------|---|------------------------------------|-------------------|
| | General Obligation Bonds | G.O. Bond Anticipation Notes | Due to Other Governments | Tax Increment Financing Revenue Bonds | Tax Increment Financing Note | Capital Leases |
| 2003 | \$ 28,824,415 | \$ - | \$ 3,498,998 | \$ 5,151,978 | \$ - | \$ 485,853 |
| 2004 | 25,942,116 | - | 2,998,998 | 5,024,958 | - | 689,400 |
| 2005 | 23,391,241 | - | 2,498,998 | 4,486,748 | - | 1,297,964 |
| 2006 | 20,901,293 | 2,126,473 | 1,998,998 | 3,850,284 | 1,450,000 | 1,417,995 |
| 2007 | 18,422,582 | 2,044,300 | 1,498,998 | 3,383,188 | 1,204,750 | 1,136,932 |
| 2008 | 15,938,598 | 11,059,080 | 998,998 | 2,931,072 | - | 2,169,133 |
| 2009 | 13,456,864 | 10,769,965 | 498,998 | 2,238,315 | - | 1,772,259 |
| 2010 | 24,685,345 | 4,043,350 | 1,337,055 | 1,482,387 | - | 1,367,385 |
| 2011 | 29,543,385 | - | - | 678,996 | - | 966,514 |
| 2012 | 27,149,373 | - | - | 357,731 | - | 618,181 |

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

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

| General Obligation Bonds | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|--------------------------------|------------------------------------|-------------------------|-------------------|--------------------------------|--|-------------------|
| | G.O. Bond Anticipation Notes | IEPA Loan Payable | Capital Leases | | | |
| \$ 8,549,101 | \$ 414,220 | \$ 8,742,456 | \$ - | \$ 55,667,021 | 8.77% | \$ 16,261.00 |
| 7,580,117 | 404,740 | 8,256,764 | - | 50,897,093 | 7.25% | 16,260.96 |
| 6,495,554 | 401,387 | 7,764,608 | 110,994 | 46,447,494 | 6.46% | 16,261.00 |
| 6,715,057 | - | 7,279,320 | 337,075 | 46,076,495 | 6.30% | 16,261.00 |
| 6,304,679 | - | 6,794,032 | 280,806 | 41,070,267 | 5.52% | 16,261.00 |
| 5,899,685 | - | 6,308,744 | 271,639 | 45,576,949 | 6.11% | 16,261.00 |
| 5,485,404 | - | 5,823,456 | 204,355 | 40,249,616 | 5.39% | 16,261.00 |
| 5,068,027 | - | 5,338,168 | 137,071 | 43,458,788 | 5.59% | 17,730.00 |
| 4,653,308 | - | 4,852,879 | 69,784 | 40,764,866 | 5.24% | 17,730.00 |
| 4,247,021 | - | 4,367,610 | 27,154 | 36,767,494 | 4.52% | 18,488.00 |

CITY OF DEKALB, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years June 30, 2012 (Unaudited)

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Total Taxable Assessed Value of Property (1) | Per Capita (2) |
|-------------|--------------------------|--|---------------|--|----------------|
| 2003 | \$ 28,824,415 | \$ 436,932 | \$ 28,387,483 | 6.85% | \$ 727.55 |
| 2004 | 25,942,116 | 627,244 | 25,314,872 | 5.81% | 586.37 |
| 2005 | 23,391,241 | 467,946 | 22,923,295 | 5.02% | 518.32 |
| 2006 | 20,901,293 | 709,533 | 20,191,760 | 3.96% | 448.68 |
| 2007 | 18,422,582 | 648,125 | 17,774,457 | 3.12% | 388.52 |
| 2008 | 15,938,598 | 524,966 | 15,413,632 | 2.47% | 335.83 |
| 2009 | 13,456,864 | 578,835 | 12,878,029 | 1.99% | 280.49 |
| 2010 | 24,685,345 | 560,413 | 24,124,932 | 3.75% | 550.02 |
| 2011 | 29,543,385 | 231,049 | 29,312,336 | 4.82% | 668.21 |
| 2012 | 27,149,373 | 185,283 | 26,964,090 | 4.63% | 612.40 |

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

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

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

CITY OF DEKALB, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt June 30, 2012 (Unaudited)

| Governmental Unit | Gross Debt | Percentage of Debt Applicable to City (1) | City's Share of Debt |
|--|---------------|--|----------------------------|
| City | \$ 20,880,000 | 100.000% | \$ 20,880,000 |
| Overlapping Debt | | | |
| DeKalb County | - | 28.798% | - |
| DeKalb Community Unit School District #428 | 106,741,360 | 76.200% | 81,336,916 |
| Kishwaikee College #523 | 48,688,730 | 27.175% | 13,231,162 |
| Sycamore School District #427 | 61,174,475 | 0.910% | 556,688 |
| DeKalb Park District | 1,100,000 | 99.172% | 1,090,892 |
| Total Overlapping Debt | 217,704,565 | | 96,215,658 |
| Total Direct and Overlapping Debt | 238,584,565 | | 117,095,658 |

Data Source: Office of the County Clerk

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

CITY OF DEKALB, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years June 30, 2012 (Unaudited)

| Fiscal Year | Tax Increment Financing Bonds and Notes | | | | | | |
|----------------|---|----------------|----------------------------|-------------------------------|--------------|------------|----------|
| | Incremental | Incremental | Less: | Net | Debt Service | | Coverage |
| | Property Taxes | Sales Taxes | Contractual Obligations | Available for Debt Service | Principal | Interest | |
| 2003* | \$ 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** | 3,727,681 | 1,329,249 | 500,000 | 4,556,930 | 450,000 | 312,377 | 5.98 |
| 2007*** | 4,596,145 | 1,506,288 | 500,000 | 5,602,433 | 1,005,214 | 112,592 | 5.01 |
| 2008 | 5,360,771 | 1,576,559 | 500,000 | 6,437,330 | 570,000 | 87,629 | 9.79 |
| 2009 | 6,597,332 | 1,645,810 | 498,998 | 7,744,144 | 650,000 | 87,122 | 10.51 |
| 2010 | 6,883,479 | 1,477,587 | 1,337,055 | 7,024,011 | 715,000 | 76,212 | 8.88 |
| 2011 | 6,937,664 | 1,400,702 | - | 8,338,366 | 775,000 | 48,464 | 10.13 |
| 2012 | 6,691,097 | 1,368,512 | - | 8,059,609 | 310,000 | 9,831 | 25.20 |

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

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

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

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

CITY OF DEKALB, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years June 30, 2012 (Unaudited)

| Fiscal Year | Population | Equalized Assessed Value | Personal Income | Per Capita Personal Income | Median Family Income | Unemployment Rate |
|-------------|------------|--------------------------|-----------------|----------------------------|----------------------|-------------------|
| 2003 | 39,018 | 414,691,820 | \$ 634,471,698 | \$ 16,261 | 53,017 | 5.20% |
| 2004 | 43,172 | 435,773,899 | 702,017,982 | 16,261 | 53,017 | 5.00% |
| 2005 | 44,226 | 456,342,041 | 719,158,986 | 16,261 | 53,017 | 5.10% |
| 2006 | 45,003 | 509,622,816 | 731,793,783 | 16,261 | 53,017 | 3.80% |
| 2007 | 45,749 | 569,806,272 | 743,924,489 | 16,261 | 53,017 | 4.10% |
| 2008 | 45,897 | 623,822,841 | 746,331,117 | 16,261 | 53,017 | 5.30% |
| 2009 | 45,912 | 645,855,095 | 746,575,032 | 16,261 | 53,017 | 9.80% |
| 2010 | 43,862 | 643,916,597 | 777,673,260 | 17,730 | 60,571 | 9.80% |
| 2011 | 43,867 | 608,332,947 | 777,761,910 | 17,730 | 60,571 | 10.00% |
| 2012 | 44,030 | 582,504,715 | 814,026,640 | 18,488 | 60,571 | 9.30% |

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

CITY OF DEKALB, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago June 30, 2012 (Unaudited)

| Employer | 2012 | | | 2003 | | |
|-------------------------------|--------------|------|--|--------------|------|--|
| | Employees | Rank | Percentage of Total City Population | Employees | Rank | Percentage of Total City Population |
| Northern Illinois University | 3,596 | 1 | 8.17% | 4,000 | 1 | 10.25% |
| Kishwaukee Community Hospital | 1,200 | 2 | 2.73% | 490 | 2 | 1.26% |
| 3M | 480 | 3 | 1.09% | 250 | 7 | 0.64% |
| Wal-Mart | 475 | 4 | 1.08% | 450 | 3 | 1.15% |
| Kishwaukee College | 430 | 5 | 0.98% | | | |
| Ideal Industries | 350 | 7 | 0.79% | | | |
| Nestle Distribution | 250 | 6 | 0.57% | 300 | 6 | 0.77% |
| SK Express, Inc. | 200 | 8 | 0.45% | | | |
| Engineered Storage Products | 120 | 9 | 0.27% | | | |
| Edward Hines Lumber Co. | 100 | 10 | 0.23% | | | |
| Alloyd Company | | | | 436 | 4 | 1.12% |
| Monsanto Company | | | | 400 | 5 | 1.03% |
| A.O. Smith | | | | 210 | 8 | 0.54% |
| Good Year | | | | 180 | 9 | 0.46% |
| | <u>7,201</u> | | <u>16.35%</u> | <u>6,716</u> | | <u>17.21%</u> |

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

CITY OF DEKALB, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years*
June 30, 2012 (Unaudited)

See Following Page

CITY OF DEKALB, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years* June 30, 2012 (Unaudited)

| | 2003 | 2004 | 2005 |
|------------------------------|---------------|---------------|---------------|
| General Government | | | |
| Legislative** | 9.00 | 9.00 | 9.00 |
| Administrative Services | 20.70 | 20.00 | 28.00 |
| City Clerk | 2.50 | 2.50 | 2.50 |
| Legal | - | - | - |
| Public Safety | | | |
| Police | | | |
| Officers | 57.00 | 57.00 | 60.00 |
| Civilians | 20.57 | 21.57 | 20.32 |
| Fire | | | |
| Firefighters | 55.00 | 56.00 | 56.00 |
| Staff | 2.00 | 2.00 | 2.00 |
| Community Improvement | | | |
| Community Development | 18.00 | 18.65 | 15.65 |
| Engineering Services | - | - | 3.50 |
| Public Works | | | |
| Administration | 2.00 | 2.00 | 1.50 |
| Public Facilities | 2.00 | 2.00 | 2.00 |
| Engineering | 5.00 | 5.00 | - |
| Information & Technology | 7.00 | 6.00 | - |
| Streets | 22.10 | 23.80 | 24.80 |
| Water and Sewer | 16.00 | 18.00 | 18.00 |
| Airport Division | 1.50 | 1.50 | 2.50 |
| Development Services | - | - | 3.00 |
| Mass Transit | - | 0.35 | 1.35 |
| Total | 240.37 | 245.37 | 250.12 |

Data Source: City Budget Records

* This schedule lists positions budgeted but not necessarily filled

** These positions are part-time

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------|--------|--------|--------|--------|--------|--------|
| 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| 28.00 | 25.00 | 25.00 | 23.00 | 23.00 | 21.25 | 16.50 |
| 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 1.50 | 1.50 |
| - | 4.20 | 4.20 | 4.20 | 4.20 | 3.20 | 2.00 |
| 60.00 | 61.00 | 63.00 | 63.00 | 61.00 | 60.00 | 61.00 |
| 20.57 | 22.57 | 21.07 | 20.07 | 20.07 | 19.07 | 19.07 |
| 59.00 | 60.00 | 60.00 | 60.00 | 58.00 | 54.00 | 53.00 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| 16.15 | 16.15 | 17.15 | 13.65 | 10.00 | 4.50 | 4.50 |
| 3.50 | 3.50 | 3.50 | 3.83 | 4.10 | 1.85 | 2.00 |
| 1.50 | 1.50 | 1.50 | 0.59 | 1.50 | 1.26 | 1.26 |
| 2.00 | 2.50 | 2.50 | 1.00 | 1.00 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 24.80 | 25.80 | 25.80 | 23.25 | 22.08 | 19.08 | 19.08 |
| 17.00 | 16.50 | 16.50 | 15.75 | 15.58 | 11.08 | 11.08 |
| 2.50 | 3.00 | 3.00 | 2.08 | 1.83 | 2.08 | 2.35 |
| 3.50 | 3.50 | 3.50 | 3.50 | 3.00 | - | - |
| 1.85 | 1.85 | 1.85 | 1.85 | 1.90 | 1.65 | 1.65 |
| 253.87 | 260.57 | 262.07 | 249.27 | 240.76 | 210.52 | 204.99 |

CITY OF DEKALB, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
June 30, 2012 (Unaudited)**

| | 2003 | 2004 | 2005 |
|---------------------------------------|------------|------------|------------|
| General Government | | | |
| Community Development | | | |
| Building Permits Issued | | | |
| Residential Permits Issued: | | | |
| New Construction | 172 | 332 | 293 |
| Remodel | 56 | 77 | 71 |
| Industrial/Commercial Permits Issued: | | | |
| New Construction | 38 | 33 | 18 |
| Remodel | 43 | 31 | 42 |
| Other Permits | 729 | 835 | 698 |
| Total Number of Permits | 1,038 | 1,308 | 1,122 |
| Total Building Permit Valuation (\$) | 48,722,649 | 82,646,830 | 67,271,969 |
| Public Safety | | | |
| Police | | | |
| Physical Arrests | 2,041 | 2,212 | 2,524 |
| Traffic Violations | 6,063 | 6,468 | 6,557 |
| Parking Violations | 17,050 | 177,774 | 16,150 |
| Fire | | | |
| Fire Responses (Fire & Non-Fire) | 1,949 | 2,050 | 2,275 |
| Emergency Medical Services Responses | 3,029 | 3,029 | 3,197 |
| Public Works | | | |
| Vehicles Maintained by Dept. | 97 | 119 | 121 |
| Street Construction (Miles) | 1.77 | 1.94 | 3.68 |
| Street Reconstruction (Miles) | 0.26 | 0.32 | 0.74 |
| Street Resurfacing (Miles) | 1.42 | 2.80 | 0.85 |
| Water | | | |
| Average Daily Consumption 12/31 | | | |
| Industrial/Commercial | 516,196 | 527,834 | 546,530 |
| Residential | 2,214,748 | 2,279,568 | 2,259,132 |
| Government/Church/School | 884,843 | 737,971 | 776,828 |
| Water Billing Accounts on 12/31 | | | |
| Industrial/Commercial | 685 | 701 | 719 |
| Residential | 8,355 | 8,599 | 9,005 |
| Government/Church/School | 170 | 195 | 206 |

Data Source: Various City Departments

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------|------------|------------|-----------|-----------|------------|------------|
| 205 | 76 | 43 | 3 | 8 | 2 | 1 |
| 78 | 84 | 58 | 82 | 69 | 55 | 63 |
| 24 | 27 | 33 | 9 | 10 | 20 | 16 |
| 26 | 23 | 60 | 25 | 31 | 12 | 21 |
| 779 | 700 | 726 | 681 | 745 | 764 | 647 |
| 1,112 | 910 | 920 | 800 | 863 | 853 | 748 |
| 62,775,315 | 22,371,977 | 28,965,290 | 9,917,109 | 8,455,270 | 30,110,627 | 11,637,858 |
| 2,339 | 2,396 | 2,359 | 3,023 | 2,480 | 2,689 | 2,799 |
| 6,235 | 6,149 | 6,102 | 10,530 | 8,273 | 4,829 | 6,136 |
| 17,418 | 17,405 | 13,386 | 12,986 | 13,965 | 13,967 | 12,211 |
| 2,397 | 2,333 | 2,908 | 2,641 | 3,129 | 3,199 | 3,516 |
| 3,284 | 4,035 | 4,091 | 4,018 | 4,334 | 4,476 | 5,005 |
| 124 | 126 | 130 | 132 | 131 | 128 | 124 |
| 1.49 | 0.43 | - | - | - | - | - |
| 0.70 | - | 1.30 | 0.45 | 1.15 | 0.65 | 0.16 |
| 0.75 | 0.92 | 1.48 | 1.48 | 1.70 | 1.73 | 2.86 |
| 564,799 | 567,998 | 531,537 | 488,491 | 431,992 | 417,353 | 395,288 |
| 2,363,354 | 2,372,037 | 2,284,357 | 2,275,385 | 2,171,686 | 2,185,873 | 2,114,983 |
| 705,612 | 690,318 | 677,174 | 702,852 | 636,183 | 561,908 | 615,165 |
| 728 | 747 | 774 | 787 | 761 | 767 | 756 |
| 9,384 | 9,838 | 9,993 | 10,007 | 10,011 | 10,020 | 10,104 |
| 206 | 210 | 230 | 239 | 221 | 224 | 224 |

CITY OF DEKALB, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years June 30, 2012 (Unaudited)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations/Municipal Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Vehicles | 24 | 26 | 28 | 29 | 26 | 26 | 28 | 27 | 27 | 26 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Ambulances | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Fire Trucks | 5 | 5 | 4 | 4 | 5 | 5 | 4 | 4 | 4 | 4 |
| Public Works | | | | | | | | | | |
| Residential Streets (Miles) | 114 | 116 | 119 | 124 | 125 | 125 | 126 | 128 | 128 | 128 |
| Traffic Signals | 18 | 19 | 19 | 20 | 20 | 21 | 22 | 22 | 23 | 24 |
| Water | | | | | | | | | | |
| Water Towers | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Storage Capacity (MG) | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 |
| Water Wells | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Water Mains (Miles) | 151 | 155 | 159 | 167 | 170 | 172 | 175 | 175 | 177 | 177 |

Data Source: Various City Departments