

CITY OF DEKALB, ILLINOIS



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

CITY OF DEKALB, ILLINOIS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

Prepared by the City of DeKalb Finance Department

Cathy Haley, Finance Director
Robert Miller, Assistant Finance Director
Ted Kozinski, Comptroller/Accountant

CITY OF DEKALB, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

List of Principal Officialsi
Organization Chart..... ii
Transmittal Letteriii - xiii
Certificate of Achievement for Excellence in Financial Reporting.....xiv

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT 1 - 3

MANAGEMENT’S DISCUSSION AND ANALYSIS MD&A 1 - 15

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Statement of Net Position 4 - 5
Statement of Activities 6 - 7

Fund Financial Statements
Balance Sheet – Governmental Funds 8 - 9
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities..... 10
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds 11 - 12
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities 13
Statement of Net Position – Proprietary Funds 14 - 15
Statement of Revenues, Expenses and Changes in
Net Position – Proprietary Funds..... 16 - 17
Statement of Cash Flows – Proprietary Funds 18 - 19
Statement of Net Position – Fiduciary Funds 20
Statement of Changes in Net Position – Fiduciary Funds 21

Notes to the Financial Statements..... 22 - 70

CITY OF DEKALB, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and Employer Contributions	
Illinois Municipal Retirement Fund.....	71
Police Pension Fund	72
Firefighters' Pension Fund	73
Other Post-Employment Benefit Plan	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund	75
Motor Fuel Tax – Special Revenue Fund	76
Mass Transit – Special Revenue Fund.....	77
Tax Increment Financing #1 – Special Revenue Fund.....	78
Tax Increment Financing #2 – Special Revenue Fund.....	79

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule of Revenues – Budget and Actual – General Fund	80 - 81
Schedule of Expenditures – Budget and Actual – General Fund	82
Schedule of Detailed Expenditures – Budget and Actual – General Fund.....	83 - 84
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Tax Increment Financing – Debt Service Fund.....	85
Public Safety Building – Capital Projects Fund	86
Combining Balance Sheet – Nonmajor Governmental Funds.....	87
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental Funds	88
Combining Balance Sheet – Nonmajor Governmental – Special Revenue Funds.....	89 - 90
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental – Special Revenue Funds	91- 92
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Foreign Fire Insurance – Special Revenue Fund.....	93
Housing Rehabilitation – Special Revenue Fund	94
Community Development Block Grant – Special Revenue Fund	95
Heritage Ridge Special Service Area #3 – Special Revenue Fund	96
Knolls Special Service Area #4 – Special Revenue Fund	97
Greek Row Special Service Area #6 – Special Revenue Fund	98
Heartland Fields Special Service Area #14 – Special Revenue Fund	99
Economic Development – Special Revenue Fund.....	100
General Debt Service – Debt Service Fund.....	101
Combining Balance Sheet – Nonmajor Governmental – Capital Projects Funds	102
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental – Capital Projects Funds	103

CITY OF DEKALB, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES – Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Capital Projects – Capital Projects Fund	104
Equipment – Capital Projects Fund	105
Fleet Replacement – Capital Projects Fund	106
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water Fund Department Accounts – Enterprise Fund	107 - 108
Schedule of Capital Assets and Depreciation – Water – Enterprise Fund	109
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Airport – Enterprise Fund	110
Refuse – Enterprise Fund	111
Combining Statement of Net Position – Internal Service Funds	112
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	113
Combining Statement of Cash Flows – Internal Service Funds	114
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Workers' Compensation – Internal Service Fund	115
Health Insurance – Internal Service Fund	116
Liability/Property Insurance – Internal Service Fund	117
Combining Statement of Net Position – Pension Trust Funds	118
Combining Statement of Changes in Net Position – Pension Trust Funds	119
Schedule of Changes in Net Position – Budget and Actual	
Police Pension – Pension Trust Fund	120
Firefighters' Pension – Pension Trust Fund	121
Statement of Net Position and Combining Balance Sheet – Governmental Funds	
DeKalb Public Library Component Unit	122 - 123
Statement of Activities and Combining Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position – Governmental Funds	
DeKalb Public Library Component Unit	124 - 125

SUPPLEMENTAL SCHEDULES

Schedule of General Long-Term Debt	126 - 127
Long-Term Debt Requirements	
General Obligation Refunding Bonds of 2004	128 - 129
General Obligation Taxable Bonds of 2005	130
General Obligation Bonds of 2010A	131
General Obligation Refunding Bonds of 2010B	132

CITY OF DEKALB, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

SUPPLEMENTAL SCHEDULES – Continued

Long-Term Debt Requirements – Continued

General Obligation Refunding Bonds of 2010C	133
General Obligation Bonds of 2012A	134
General Obligation Bonds of 2013B	135
IEPA Loan #L17133700 Contract Payable of 1999	136
IEPA Loan #L17161400 Contract Payable of 2000	137
IEPA Loan #L174045 Contract Payable of 2012	138
General Obligation Bonds of 2013 – Component Unit	139
Loan Payable of 2013 – Component Unit	140
Debt Certificates of 2011 – Component Unit	141

STATISTICAL SECTION (Unaudited)

Net Position by Component – Last Ten Fiscal Years	142 - 143
Changes in Net Position – Last Ten Fiscal Years	144 - 145
Fund Balances of Governmental Funds – Last Ten Fiscal Years	146 - 147
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	148 - 149
Taxable Sales by Category – Last Ten Calendar Years	150 - 151
Taxable Sales by Category – Home Rule – Last Ten Calendar Years	152 - 153
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	154
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	155 - 156
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	157 - 158
Principal Property Taxpayers – Current Fiscal Year and Nine Fiscal Years Ago	159
Property Tax Levies and Collections – Last Ten Tax Levy Years	160 - 161
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	162 - 163
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	164
Schedule of Direct and Overlapping Governmental Activities Debt	165
Pledged Revenue Coverage – Last Ten Fiscal Years	166
Demographic and Economic Statistics – Last Ten Fiscal Years	167
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	168
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	169 - 170
Operating Indicators by Function/Program – Last Ten Fiscal Years	171 - 172
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	173

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, 2014

LEGISLATIVE

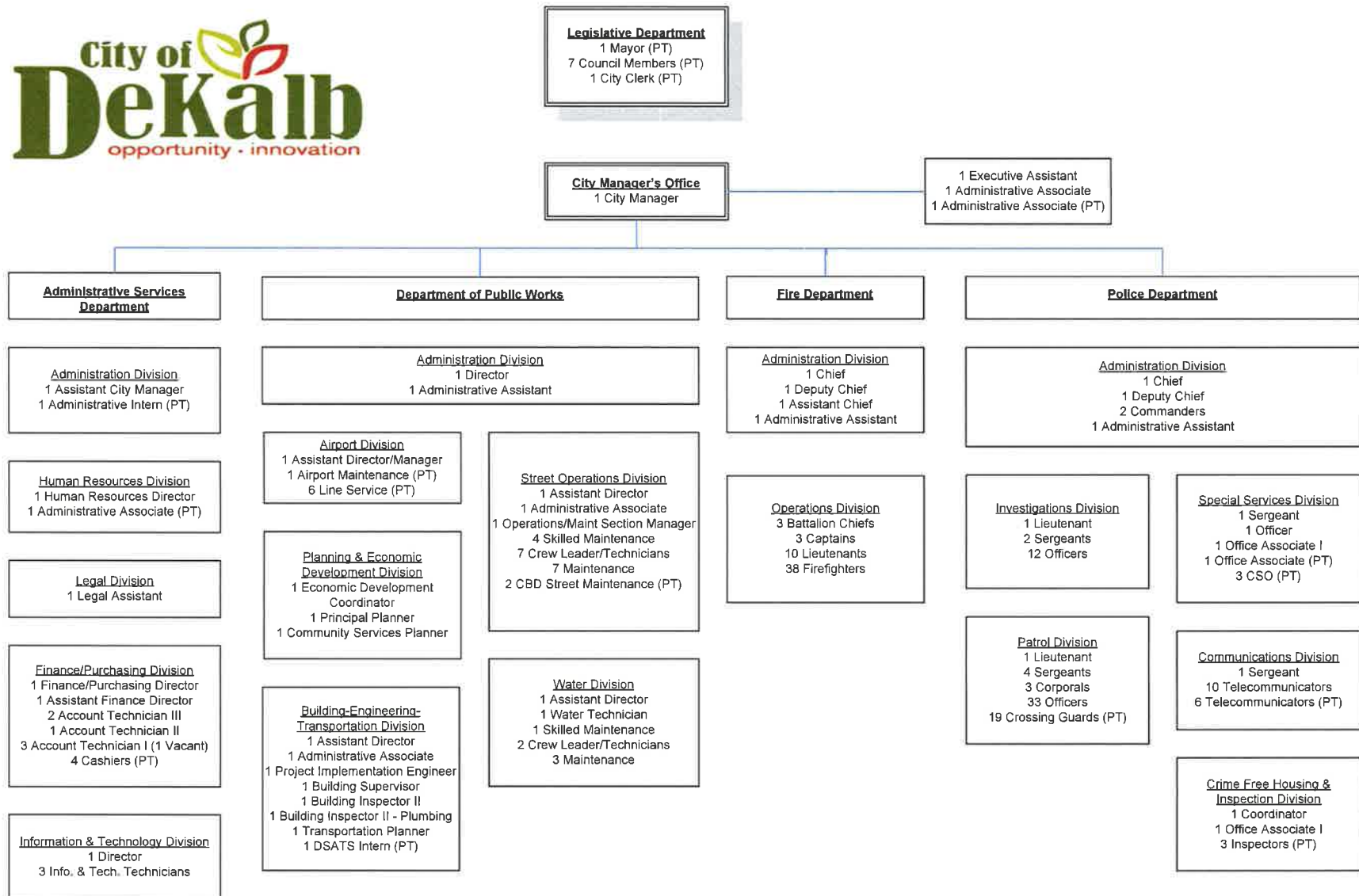
Mayor: John Rey

City Clerk: Elizabeth Peerboom

Ward 1:	David Jacobson, Alderman
Ward 2:	William Finucane, Alderman
Ward 3:	Kristen Lash, Alderman
Ward 4:	Robert Snow, Alderman
Ward 5:	Ronald Naylor, Alderman
Ward 6:	David Baker, Alderman
Ward 7:	Monica O’Leary, Alderman

ADMINISTRATIVE

City Manager:	Anne Marie Gaura
Police Chief:	Gene Lowery
Fire Chief:	Eric Hicks
Public Works Director:	T. J. Moore
Finance Director:	Cathy Haley





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

November 19, 2014

Mayor John Rey & DeKalb City Council
Anne Marie Gaura, City Manager
Citizens of DeKalb

We are pleased to forward for your consideration the City of DeKalb's FY 2014 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. 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 unmodified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2014. 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 190 full-time and 60 part-time employees. Hourly employees are represented by the Fraternal Order of Police Lodge #115, Local 1236 of the International Association of Firefighters, and Local 813 of the American Federation of State, County & Municipal Employees.

The DeKalb Public Library was established in 1893. Its present building, which was constructed in 1931, has been remodeled and an addition was constructed in 1979. The striking Art Deco architecture of the library has made it a local landmark, and in 1985 it was added to the National Register of Historic Buildings.

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 2014 budget the Council continued its conservative approach, which has been reflected 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 operations in the General Fund came in at a surplus of \$836,662. As a result, the total fund balance in the General fund ended with a positive balance of \$6,057,599 at the end of Fiscal Year 2014. This equates to 20.88% 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 21,000. Kishwaukee Community Hospital also has a significant economic presence that provides employment to more than 1,400 healthcare professionals and staff. Other large private employers include 3M, the Target Distribution Center, Wal-Mart, 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 3.80% (2006) to a high of 10.30% (2013).

Long-term Financial Planning

Excluding amounts restricted, committed, or assigned for various purposes, the unassigned fund balance in the General Fund was 20.39% of actual expenditures. This amount continues toward the City's fund balance goal of 25.00% that was adopted by the City Council in February 2010.

While the City is currently not in compliance with this goal it will be target discussed each year during the budget process to continue to strive to this level.

The Water Fund reported a net income excluding grants before transfers and contributions of \$1,824,908, with the overall Water Fund reporting a net income excluding grants before transfers and contributions of \$1,862,730. There was a transfer out of the Water Fund of \$650,000. The cash flows for the year reported a net increase in cash flows of \$136,549. A water rate study will be done during FY 2015.

The City's multi-year plan has been developed as a continuing effort to identify important infrastructure maintenance and replacement needs to assist with planning several years in advance.

This planning is done by annually reviewing these items during the budget process which includes the City Council determination on future capital equipment purchases and infrastructure projects based on fund balance projections.

Relevant Financial Policies

The City Council has in place several key written financial policies including a budget policy, reserve and fund balance policy, revenue and expenditure policy, accounting, auditing and financial reporting policy, capital asset policy, investment policy, debt management policy and purchasing policy. In addition, the City has a multi-year plan for capital equipment purchases.

The General Fund und balance policy is currently 25.00% of the total General Fund annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. Currently the City is not in compliance with this policy but increased this reserve by over 2.00% since FY 2013 increasing it to 20.39%. This will continue to be reviewed during the budget process annually to assure compliance with this financial policy.

Major Initiatives and Accomplishments during the Year

During FY 2014, 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

- The Legislative Department includes the City's annual Human Services Funding program, which provides over \$150,000 each year to local social service providers and is a companion to the \$60,000 of public services funding provided through the City's CDBG program.
- 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.

Administrative Services Department

- Achieved the Government Finance Officers Association Award "Excellence in Financial Reporting" for the 20th consecutive year.
- Assisted in the City Manager recruitment, as needed.
- Reviewed and implemented Financial Consultant Report.
- Implement downtown plan recommendation.
- City Hall renovation.
- Assisted with Library expansion.
- Continued TIF street/alley program.
- Collective bargaining negotiations with FOP, AFSCME, and IAFF.
- Promotional testing for Police Sergeant.
- Change in Work Comp Administrator.
- Safety Committee implementation.
- Wellness Committee implementation.
- Lateral Patrol Officer testing.
- Promotional testing for Police Sergeant.
- Safety Committee implementation.
- Implemented new Medicare insurance plan for Retirees.
- Responded to all FOIA requests in a timely manner.

- Implemented licensing procedures for hotel/motels.
- Hired and trained Deputy Clerks and insured cross training of all duties.
- Ensured that all elected and appointed officials complete Open Meetings Act training.
- Reviewed and revised chapters of the Municipal Code relating to licensing.
- Coordinated and streamlined licensing administrative tasks and recordkeeping.
- Communicated with City staff changes in ordinances.
- Ensured all application forms were updated and complete on website for easy public access.
- Continued to meet deadlines for preparation of agendas and minutes of City Council meetings.

Police Department

- The Police Department moved to their new facility located at 700 W. Lincoln Highway. The public open house was conducted on April 26th, 2014.
- Successfully implemented several of the components of the “20/20: A Clear Vision for the Future”, a strategic plan for 20 new crime reduction and community partnership initiatives in 20 months.
- Continued to enforce the administrative tow ordinance, which allows for the administrative towing of vehicles used by individuals who are arrested for a variety of criminal and traffic offenses.
- Worked with NIU and Kishwaukee College Associations in campaigning for the “Not on my Campus” initiative to enhance student and community awareness, accountability, and responsibility.
- Introduced the new Community Relations/Training Officer position. This position has implemented an array of programs City wide and has organized the department’s training program.
- Integrated police officers into the leadership academy. The first officer will graduate in the summer of 2014.
- Continued with the Domestic Violence and Sexual Assault Advocacy Program which provides services for victims. Safe Passage presented the department with an award acknowledging the improved level of cooperation and the partnership with their agency.
- With much success, the Targeted Response Unit (TRU) that was implemented in 2013 engaged in several investigations of drug trafficking and gang activity. Since its implementation, they have made 146 arrests, including 36 felonies and 28 criminal warrants.
- Announced a dedicated officer to the Drug Enforcement Administration (DEA) Narcotics Task Force.
- Strengthened our co-policing initiative with the NIU Police Department in creating comprehensive patrols in the college housing areas.
- Implemented the Sungard One Solution software for computer-aided dispatch (CAD), records management system (RMS), and mobile field reporting (MFR).
- Started the new “I Watch DeKalb” mobile application for crime reporting.
- Reinstated the K-9 program to address a variety of public safety and crime fighting measures.
- Formed a partnership with Sycamore Police and the DeKalb County Sheriff’s Department in creating the county’s first multi-agency Special Operations Team.

This partnership will address high risk incidents.

- Implemented “Coffee with the Chief” in order to establish a greater level of communication on an informal basis with the community.
- Introduced “Partnership with our Community” policing philosophy. This practice was introduced in the roll call training. This gives an opportunity to enhance communication and improve community relations.
- The Resident Officer Program (ROP) held various neighborhood forums which improved communications between the police and the neighborhood. The ROP officer also facilitated a cleanup of a property, attended several school functions, worked with community groups, and held a Tire Recycle day in which 483 old tires were collected and removed from the neighborhood. The Pleasant Street neighborhood saw a significant decrease in calls for service since the implementation of the Resident Officer Program.
- Implemented the new Crime Free Housing Bureau that noted a decrease in calls for service in rental neighborhoods impacted by crime. The Crime Free Housing conducted several training sessions for landlords.
- Purchased used DeKalb Fire Department ambulance and converted it into a prisoner transport vehicle.
- Implemented the department’s first self-defense class for women, “Rape Aggression Defense” (RAD) training.
- Implemented “Adopt a School” in which officers attended a school, in uniform, and interacted with the students, teachers, parents and staff. At Lincoln School an officer participated in the early morning breakfast program and read books to students.
- Conducted seven Training for Interventions Procedures “TIPS” training classes to instruct liquor serving establishments.
- In conjunction with the Illinois Liquor Control Commission 29 venues were checked multiple times for tobacco sales compliance.
- Implemented a mentoring program that upon a newly hired probationary officer who has completed the Field Training Program, will work with non-critiquing veteran officers who will serve as an example and provide support to them.
- Applied and awarded an Illinois Department of Transportation for \$47,000 and received a \$2,500 DeKalb County Community Foundation grant.
- Implemented a cross-training initiative where a patrol sergeant will work in the Investigation Division for three months.

Fire Department

- Continued partnerships within the community and the region to enhance the service level to our citizens.
- Continued to provide training for Resident Assistants at NIU.
- Continued to inspect all rooming houses, restaurants, gas stations, and places of assembly; began inspecting hotels and motels.
- Resumed training to maintain status as Level “A” Hazardous Materials Team and Technical Rescue 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.
- Added two administrative vehicles, one engine, and one ambulance to the DeKalb

Fire Department fleet.

- Implemented new City of DeKalb Emergency Operations Plan.
- Streamlined the probationary firefighter evaluation process.
- Converted Fire Department records to new Firehouse software to improve management of records for all organizational facets of the department.
- Implemented procedures for recording training into the new Firehouse software program.
- Continued to increase the teamwork and cooperation with the Building & Code personnel and City Staff, which has improved the customer service delivered to developers, business owners, and residents.
- Expanded the Knox Box program within the community and at the Fire Department.
- Added two additional members to the Fire Investigation Team.
- Continued participation in the Juvenile Firesetter Coalition for DeKalb County, along with other agencies in the county.
- A grant given to the department provided for the purchase of ten new sets of bunker gear for firefighters whose gear had passed its ten-year life span. The grant also provided for the purchase of seventeen new sets of firefighting boots, replacing eleven pairs of defective boots and providing a stock of six pairs for future needs.
- Station 1 improvements made include remodeling administration offices and a new shed to help with storage.
- A building addition was built that included two new bathrooms, a locker room, and bunkroom at Station 2.
- Station 3 improvements include replacing the roof, painting the interior walls, installing new carpet in the living quarters, and giving the kitchen a facelift.
- Ambulance inventories were streamlined to keep costs down. Inventories were designed to match Illinois Department of Public Health (IDPH) and Kishwaukee Community Health Emergency Medical Systems (KCHEMS) mandates, which enabled each ambulance to carry less inventory. Excess inventory was collected and brought to Station 1 for future restocking of the ambulances. In addition, some negotiations with supply vendors allowed us to reduce pricing on our supplies.
- We were awarded a grant of \$1,385 from IDPH, which was used to purchase vacuum splints for all the ambulances to replace the blue foam splints.
- New glucometers were put in place, which allowed us to lower our cost of test strips.
- Annual flow testing completed on all Scott SCBA by Scott technician.
- Annual SCBA face piece fit testing of all personnel.
- Annual SCBA inspection and battery replacement.
- Initial face piece and APR fit testing for all new hires.
- All compressor repairs and annual maintenance performed.
- Provided training to all personnel on all air systems.
- Installed communications equipment (mobile radios, portable radios, intercom systems, and mobile computers) in several new vehicles purchased by the department.
- Assisted the police department when it came time to move the dispatch center to the new police station. This also included moving the main fire transmitter to the new antenna tower at the police station.
- Three firefighters were added to the Vehicle Maintenance Team.
- The Vehicle Maintenance Team was reorganized to provide each member of the team a specific area of responsibility.
- Haz Mat Team participated in "Rapid Resource Response" mobilization drill at the

MRC in Wheeling, hosted by MABAS.

- Haz Mat Team drilled with 3M Corporation.
- Obtained from MABAS a new 4-gas monitor, new level "B" suits, white powder kits, drager tubes, and other "consumables."
- Conducted two five hour training session, which was a confined space and structural collapse scenario.
- Purchased a used semi-tractor and placed it in-service as a replacement for the 1979 semi-tractor that had many safety and mechanical issues.

Public Works Department

- Completed construction of a new municipal Police Station.
- Successfully bid and awarded new City-wide refuse program.
- Participated in the America in Bloom competition.
- Continued efforts with the NIU Greek Community to maintain an annual roadside litter collection program.
- Completed many localized improvement programs in concert with the NIU Cares Day program as a means to promote positive community relationships in the pursuit of addressing property maintenance initiative.
- Executed an agreement with Waste Management for residential waste collections for the City.
- Continued utilization of downtown part-time maintenance crews.
- Maintained Hanging Flower Pots, banners, public parking lots.
- Continued working with NIU on a landscaping planter program as a "communiversity" project.
- Continued public education efforts on landscape waste disposal practices.
- Completed first year a consultant prequalification process including 22 consulting engineering firms with a statement of interest for 12 projects.
- Managed capital improvement projects of one and half million dollars including alley repairs, sidewalk replacement, TIF Street Maintenance, crack sealing, and patching.
- Updated ADA assessable sidewalk ramps on Fisk Avenue for 1st to 7th Streets, 10th Street from Route 38 to Taylor, Maplewood Avenue from Grove to Taylor, and Grove Street from 5th to 7th.
- Managed the design process for the Kishwaukee River bike path between Route 38 and Prairie Park, along with securing backing from both the DeKalb Park District and NIU on this project.
- Designed and built bus stop ADA upgrades and new route signs using a New Freedom transit grant.
- Managed the design and completed the widening improvements of Taylor Street from the Kishwaukee Bridge west.
- Completed final phase of Bethany Road widening east on North 1st Street.
- Continued a multi-year alley and sidewalk replacement program for TIF areas and within the 5th ward.
- Completed Carroll Avenue traffic signal improvements including fiber optics cable from city hall to new police station.
- Designed improvements to Municipal Parking lot 7.
- Designed and constructed improvements to Municipal Parking Lot 10.
- Provided technical support and inspection of residential and commercial projects including Hampton Inn, DSW and Five Below.
- Worked with School District to install "Home of the Barbs" sign on Dresser Road

Water Tower.

- Designed and installed new street signage in the 5th Ward North District.
- Completed second year of municipal electrical aggregation. Over 2 million in savings to the community.
- All hangars at DTMA are rented.
- Two properties were purchased to secure the Runway Protection Zone for Runway 2-20.
- FAA/Illinois Division of Aeronautics Transportation Improvement Program (TIPS) to further improve DTMA.
- Completed an Economic Impact Study through the Illinois Division of Aeronautics.
- DTMA contributes \$10.7 million annually to the community.
- Continue to expand aviation educational opportunities via Fly America Flight School, Kishwaukee College Aviation Program, Kishwaukee Education Consortium High School Aviation Program and Experimental Aircraft Association functions.
- Secured a new High Tail Hangar land lease with WIN Aviation.
- Provided tours of DTMA to over 300 grade school aged children.
- Erected new directory and entry signs to DTMA.
- Secured a new Jet a refueler truck.
- Hired two (2) additional part time line staff at FBO.
- Attended and had booth at NBAA national conference promoting DTMA to aviation and cargo companies.
- Completed fiber optics installation at DTMA.
- Initiated City-wide participation/membership in the State Surplus Property Program.
- Attract new businesses to DTMA and continue to promote and secure development at the corner of Peace Rd. and Pleasant St. to increase revenues at DTMA.
- Completed final phase of water system SCADA upgrade.
- Completed South First Street Water Main Replacement from Taylor St. to Garden Rd.
- Painted East Water Tower.
- Completed MSI Utility Billing conversion.
- Developed functional GIS and attached all water assets to database.
- Upgraded Badger Meter reading software.
- Began meter change-out program to replace TRACE radio system with new ORION radios.
- Received award from the IDPH for the 18th consecutive year for achieving perfect compliance with the Illinois Fluoridation Act.
- Became members of the Illinois Public Works Mutual Aid Network (IPWMAN).
- Maintained safe roads during one of the worst winters on record, 53" of snow.
- Upgraded the City storm warning system to stay compliant with new FCC narrow banding regulations.
- Coordinated traffic control and cleanup during Corn Fest.
- Managed the 2nd year of a 5 year program for Emerald Ash Borer control.
- Upgraded 20 intersections with new traffic control monitors to improve coordination.
- Supplemented the CDBG Housing Rehabilitation Program with grants to income eligible homeowners.
- Supplement the City / Lowe's Weatherization / Beautification Program.
- Worked with Fire Prevention and Crime Free Housing Division to inspect and resolve building and code enforcement issues.
- Assisted homeowners, contractors, developers, and architects on all types of

residential and commercial buildings.

- Continued efforts increasing the property maintenance needs throughout the City.
- Inspected all DeKalb Taylor Municipal Airport private and corporate hangars.
- Tested numerous HVAC and electrical contractors to meet City requirements.
- Processed approximately 500 contractor licenses for annual renewal (HVAC/electrical/plumbing/street construction maintenance).
- Reworked building permit fees.
- Completed 3 public service projects (sidewalk replacement, water line and lighting upgrade).
- Received 16th consecutive Tree City USA Community Award from the Illinois Department of Natural Resources.
- Achieved full compliance with all Federal and State EPA water standards.
- Coordinated detours and traffic control for numerous special events.
- Continued in-house plan reviews, daily building inspections, occupancy inspections, plumbing inspections and furnace inspections with full time staff; and electrical inspections underway using outsourced electrical consultant.
- Assist MPO with traffic corridor planning, area traffic counts, and origin-destination traffic study.
- Continue meter change-out program with the goal to achieve 100% radio read devices.

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 2015 will include the following initiatives:

1. Infrastructure

Maintain consistent and comprehensive code enforcement; continue improvements to streets, sidewalks, alleys, and bike paths; road funding; downtown parking; and specific capital projects to strengthen the integration of NIU and the city.

2. Financial Stability

Attain financial stability and sustainability; concerns with property taxes; balance the budget; build reserves; secure funding to replace city vehicles and support other civic initiatives.

3. Sustainable Operations

Provide efficient and cost-effective city services; avoid cosmetic "fixes" and attend to the root cause of problems; adopt citywide enterprise software; explore creative ways to share resources through partnerships with NIU and the private sector; train staff and plan for succession.

4. Greater Focus on Strategic Planning

Integrate city and NIU planning; align strategic goals with available resources; be accountable.

5. Public Safety

Ensure adequate resources for Police and Fire functions.

6. Regional Airport

Develop the DeKalb Airport into a regional asset.

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, 2013. This was the twentieth 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 Department. Each member has my sincere appreciation for their assistance and contributions made in the preparation of this report. I would like to express a special appreciation to Robert Miller, Assistant Finance Director and Ted Kozinski, Comptroller/Accountant for their hard work and dedication to the preparation of this report.

Furthermore, I wish to express my appreciation to all members of the City who assisted and contributed to the preparation of this report. Most especially, to the Mayor, City Council, and City Manager for their continued support of all of our financial management efforts.

Sincerely,

A handwritten signature in black ink that reads "Catherine L. Haley". The signature is written in a cursive, flowing style.

Catherine L. Haley
Finance Director



Government Finance Officers Association

**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, 2013

Executive Director/CEO

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 19, 2014

The Honorable City Mayor
Members of 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the DeKalb Firefighters' Pension Fund and the DeKalb Police Pension Fund of the City of DeKalb, Illinois. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the DeKalb Firefighters' Pension Fund and the DeKalb Police Pension Fund of the City of DeKalb, Illinois, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of DeKalb, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules and supplemental schedules 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information – Continued

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision 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* in considering the City's internal control over financial reporting and compliance.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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 Position Summary** – The City of DeKalb had total net position increase from \$170,035,588 at June 30, 2013 to \$170,365,255 at June 30, 2014.
- **Governmental Activity Summary** – Net position for governmental activities decreased from the FY13 balance of \$117,207,208 to the FY14 balance of \$115,912,677, a deficit of (\$1,294,531.)
- **Business-type Activity Summary** – Net position for business-type activities rose \$1,091,804 from an FY13 balance of \$52,828,380 to the FY14 balance of \$53,920,184.
- **General Fund Summary** – Due to conservative budgetary actions taken by the City, the General Fund's \$6,057,599 total fund balance represented an \$836,662 increase from FY13. The FY13 unassigned portion of fund balance is \$5,177,514 and represents a strong improvement over the FY14 unassigned balance of \$5,916,598.
- **General Fund Budget vs. Actual** – Excluding the effects of transfers and other financing sources/(uses), the City's General Fund actual revenues were \$1,425,047 more than budgeted revenues while General Fund actual expenditures were more than budgeted expenditures by \$347,773.
- **Capital Assets** – Total capital and infrastructure assets of Governmental and Business-Type Activities went from \$193,393,526 at the close of FY13 to \$193,750,817 in FY14, an increase of \$357,291. 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 \$38,998,923 in FY13 to \$35,875,199 in FY14, a decrease of (\$3,123,724.) During the year the City issued \$103,117 in IEPA loans. A more detailed explanation of the City's long-term debt can be found in the following MD&A discussion as well as 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 Position (the "unrestricted net position") 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 Position ▪ 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 Position ▪ Statement of Revenues, Expenses, and Changes in Net Position ▪ Statement of Cash Flows 	<ul style="list-style-type: none"> ▪ Statement of Fiduciary net position ▪ Statement of Changes in Fiduciary Net position
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/deferred outflows and liabilities/deferred inflows; both financial and capital, short and long-term	Assets/deferred outflows expected to be used and liabilities/deferred inflows that come due during the year or shortly thereafter; no capital assets	All assets/deferred outflows and liabilities/deferred inflows; both financial and capital, short and long-term	All assets/deferred outflows and liabilities/deferred inflows; 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 POSITION:

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

For the City of DeKalb, the largest portion of net position is net investment in capital assets. 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 position 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 \$9.5 million in TIF District fund balances. These dollars can only be used according to Illinois Compiled Statutes.

Table 1
Statement of Net Position
As of June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current/Other Assets/ Deferred Outflows	\$ 36,251,758	39,284,121	7,927,449	7,829,389	44,179,207	47,113,510
Capital Assets	137,786,140	138,507,668	55,964,677	54,885,858	193,750,817	193,393,526
Total Assets	174,037,898	177,791,789	63,892,126	62,715,247	237,930,024	240,507,036
Long-Term Debt Outstanding	39,727,961	41,859,253	5,856,623	7,055,352	45,584,584	48,914,605
Other Liabilities/Deferred Inflows	18,397,260	18,725,328	4,115,319	2,831,515	22,512,579	21,556,843
Total Liabilities	58,125,221	60,584,581	9,971,942	9,886,867	68,097,163	70,471,448
Net Position						
Net Investment in Capital Assets	116,047,087	118,266,115	49,590,809	47,928,816	165,637,896	166,194,931
Restricted	11,764,636	12,182,850	-	-	11,764,636	12,182,850
Unrestricted (Deficit)	(11,899,046)	(13,241,757)	4,329,375	4,899,564	(7,569,671)	(8,342,193)
Total Net Position	115,912,677	117,207,208	53,920,184	52,828,380	169,832,861	170,035,588

Normal Impacts-Net position

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

- Net Results of Activities – Impacts (i.e., increases or decreases) current assets and unrestricted net position.
- 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 net investment in capital assets.
- Spending of Non-borrowed Current Assets on New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net position and increases the net investment in capital assets.
- Principal Payment on Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net position and increases the net investment in capital assets.
- Reduction of Capital Assets through Depreciation – Reduces capital assets and the net investment in capital assets.

Current Year Impacts-Net position

Net position of the City's combined governmental and business-type activities dropped slightly from last year's balance of \$170,035,588 to the current year's \$169,832,861 balance.

Net position of the City's governmental activities decreased (1.1%) from an FY13 balance of \$117,207,208 to an FY14 balance of \$115,912,677. Total Assets declined by (\$3,753,891) primarily due to the outflow of cash used to build a new Police Station. Total Liabilities fell by (\$2,459,360) largely due to reductions in debt service via normal, scheduled bond payments.

The governmental unrestricted net position deficit of (\$11,899,046) largely represents the City's TIF debt obligation. This amount compares favorably to last year's (\$13,241,757) deficit.

Net position of the City's business-type activities improved \$1,091,804 from a FY13 balance of \$52,828,380 to a FY14 balance of \$53,920,184. The overall improvement was due to positive Water Fund operations. The total FY14 expenses of these Funds (excluding transfers) have been relatively steady over the years at \$7,247,592 in FY14, \$7,479,772 in FY13, \$7,148,930 in FY12, \$7,330,400 in FY11, \$7,213,854 and in FY10.

Business-type unrestricted net position, which represents amounts available to finance continuing operations, decreased to \$4,329,375 in FY14 from \$4,899,564 in FY13.

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

Table 2
Changes in Net Position
For the Fiscal Year Ended June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ 3,594,051	2,969,759	8,005,409	8,370,846	11,599,460	11,340,605
Operating Grants/Contributions	1,166,973	1,131,494	-	-	1,166,973	1,131,494
Capital Grants/Contributions	4,072,079	4,843,630	959,182	130,658	5,031,261	4,974,288
General Revenues						
Property Taxes	12,618,068	12,900,601	-	-	12,618,068	12,900,601
Sales Taxes	13,769,653	14,190,613	-	-	13,769,653	14,190,613
Utility Taxes	3,600,059	3,534,755	-	-	3,600,059	3,534,755
State Income Taxes	4,197,440	4,130,363	-	-	4,197,440	4,130,363
Other Taxes	870,782	816,866	-	-	870,782	816,866
TIF Property and Sales Tax Surplus	563,640	679,642	-	-	563,640	679,642
Interest Income	164,693	124,029	113	4,338	164,806	128,367
Miscellaneous	953,687	623,137	2,492	(6,038)	956,179	617,099
Total Revenues	45,571,125	45,944,889	8,967,196	8,499,804	54,538,321	54,444,693
Expenses						
General Government	9,744,441	11,865,375	-	-	9,744,441	11,865,375
Public Safety	20,797,002	19,017,122	-	-	20,797,002	19,017,122
Highways and Streets	5,016,398	1,449,053	-	-	5,016,398	1,449,053
Community Development	10,726,424	13,208,902	-	-	10,726,424	13,208,902
Interest on Long-Term Debt	1,209,191	1,080,709	-	-	1,209,191	1,080,709
Water	-	-	4,080,350	4,081,382	4,080,350	4,081,382
Airport	-	-	1,322,518	1,641,540	1,322,518	1,641,540
Refuse	-	-	1,844,724	1,756,850	1,844,724	1,756,850
Total Expenses	47,493,456	46,621,161	7,247,592	7,479,772	54,741,048	54,100,933
Change in Net Position Before Transfers	(1,922,331)	(676,272)	1,719,604	1,020,032	(202,727)	343,760
Transfers	627,800	494,250	(627,800)	(494,250)	-	-
Change in Net Position	(1,294,531)	(182,022)	1,091,804	525,782	(202,727)	343,760
Net Position-Beginning	117,207,208	117,389,230	52,828,380	52,302,598	170,035,588	169,691,828
Net Position-Ending	115,912,677	117,207,208	53,920,184	52,828,380	169,832,861	170,035,588

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

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 1.70% (the June 30, 2014 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 position

Governmental Activities

Revenues:

FY14 revenues from governmental activities totaled \$45,571,125 versus \$45,944,889 last year. Although this fractional (0.8%) decrease cannot be attributed solely to any one factor, there were several notable changes from FY13:

- Capital Grants declined (\$772,000);
- Property tax revenues received into the General Fund and Tax Increment Financing (TIF) Funds fell only by (2.23%) despite a 8.97% decrease in equalized assessed valuation (EAV);
- Various General Fund sales taxes continued to be the City's largest source of elastic revenues and fell by (5.4%) over FY13 due to the expiration of TIF tax sharing with the State of Illinois.
- The bulk of the shortfalls listed above were offset by a full year of General Fund towing fees and increased State funding in the Mass Transit Fund.

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 FY14 governmental activities totaled \$47,493,456 compared to \$46,621,161 for FY13. Although expenses increase by 1.9% [FY13 6.4%], when taken as an aggregate whole, the amount was anticipated and budgeted accordingly. 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 \$8,967,196 in FY14. The \$373,764 increase from last year was primarily due to significant capital grants received in the Water and Airport Funds that were partially offset by decreases in water and airport operating revenues. Large variances in capital grants are common and year-to-year fluctuations are anticipated in advance.

Expenses:

FY14 expenses for business-type activities totaled \$7,247,592 compared to \$7,478,772 last year. The most notable cause for this (3.1%) decrease occurred mostly due to lower Water Fund depreciation as well as lower Airport Fund operations expenses.

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

Governmental Funds: Overview

For the fiscal year ended June 30, 2014, the governmental funds reflect a combined fund balance of \$18,010,063 compared to \$21,136,593 in FY13. The decrease was primarily due to these factors:

- (a) a \$1-million dollar cash surplus in the General Fund due to prudent fiscal management offset by,
- (b) an expected \$3.4-million dollar cash usage of bond proceeds for construction of the new Police Station.
- (c) an anticipated \$700,000 dollar cash usage in TIF #1 of surplus funds.

General Fund

The FY14 total fund balance was \$6,057,599. Of this balance, the unassigned portion of \$5,916,598 equals about 10-weeks of FY14 actual expenditures. The FY13 and FY12 unassigned balances stood at \$5,220,937 and \$4,669,218, respectively. The continuing positive shift in the unassigned balance represents the commitment of the City Council and Management to prudently monitor and protect the City's financial well-being.

By the end of FY 2016, according to the action plan adopted by Council, the City intends to establish an unassigned fund balance equating to 25% of actual expenditures. At 20.39% of FY14 actual expenditures, the City is on track in year three of this five-year process.

Table 3
General Fund Budgetary Highlights

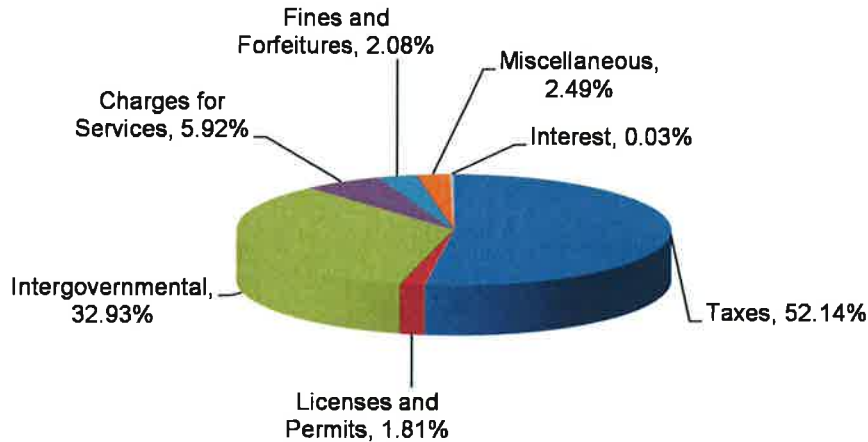
	FY14 Original Budget	FY14 Final Budget	FY14 Actual	FY13 Actual
Revenues				
Taxes	\$ 15,724,059	15,724,059	15,998,012	15,607,187
Licenses & Permits	378,025	378,025	554,740	483,375
Intergovernmental	10,427,070	10,427,070	10,565,657	9,920,048
Charges for Services	1,854,750	1,854,750	1,817,681	1,601,648
Fines & Forfeitures	585,200	585,200	897,493	678,942
Miscellaneous	289,500	289,500	850,068	607,238
Total Revenues	29,258,604	29,258,604	30,683,651	28,898,438
Expenditures				
General Government	5,566,099	5,566,099	5,134,851	5,189,549
Public Safety	19,104,002	19,104,002	19,859,836	18,603,710
Community Development	3,992,583	3,992,583	4,015,770	4,083,703
Total Expenditures	28,662,684	28,662,684	29,010,457	27,876,962
Excess (Deficiency) of Revenues Over (Under) Expenditures	595,920	595,920	1,673,194	1,021,476
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	42,185	-
Transfers In	1,939,503	1,939,503	1,965,590	1,739,942
Transfers Out	(2,203,639)	(2,203,639)	(2,844,307)	(2,277,621)
Change in Fund Balance	331,784	331,784	836,662	483,797

General Fund revenues came in more than original budgeted revenues by \$1,425,047 during FY14 due to conservative budget estimates based on the uncertainty of economic trends. General Fund expenditures were higher than the budget by \$347,773 due to greater than expected overtime personnel costs.

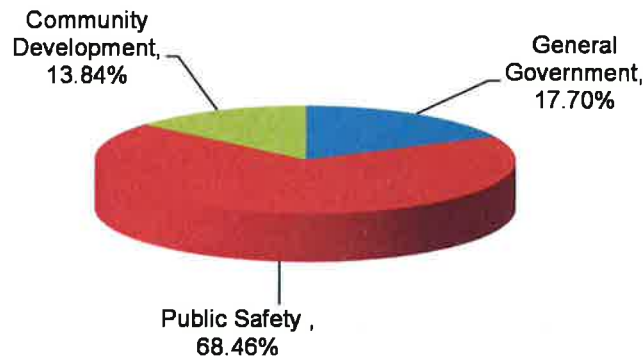
Unlike last year, when FY13 transfers essentially remained in-line with original budgetary estimates, FY14 transfers out exceeded expectations due mostly to incurred and expected future expenditures for capital assets.

Overall, the net impact of General Fund revenues, expenditures, and other financing sources (uses) created a FY14 fund balance surplus of \$836,662 and brought the ending FY14 fund balance to \$6,057,599 [FY13 \$5,220,937].

Revenues by Source - General Fund at June 30, 2014



Expenditures by Function - General Fund at June 30, 2014



Note: The percentages are derived from the data on pages 81-85 of this report.

Other Major Governmental Funds:

- Tax Increment Funds #1 and #2 had FY14 ending fund balances of \$2,392,419 and \$7,109,980 respectively as compared to FY13 balances of \$3,349,486 and \$6,672,420. 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 completion of widening improvements to Taylor Street from the Kishwaukee Bridge west, finishing the final phase of Bethany Road widening east on North First Street, and the design and construction of improvements to Municipal Parking Lot 10.

Proprietary Funds: Overview

For the fiscal year ended June 30, 2014, the Proprietary funds reflect a combined net position of \$53,920,184 compared to \$52,828,380 in FY13. The increase was largely due to improved operating income from the Water Fund.

Airport Fund

The FY14 Airport net position ended at \$28,016,968 compared to \$27,877,913 in FY13 and \$28,083,610 in FY12. Of ongoing concern are the operating deficits which have continued for a number of years:

- (\$491,997) in FY14
- (\$491,217) in FY13
- (\$413,576) in FY12
- (\$681,713) in FY11
- (\$524,272) in FY10
- (\$778,324) in FY09
- (\$645,131) in FY08
- (\$720,557) in FY07
- (\$467,332) in FY06

Through FY10, the cumulative operating deficits had an effect of creating an unrestricted net position 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 FY13 budgetary commitments to eliminate the expected ongoing deficits by planning supplemental General Fund transfers in future years. Accordingly, the Airport Fund ended FY14 with a positive unrestricted net position balance of \$46,631 compared to FY13 \$91,032.

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 FY13 the City began to operate as its own FBO and, in January 2011, started selling jet fuel directly to customers. Last, in FY14, staff was able to report that all airport hangars were rented.

Water Fund

The FY14 ending net position of the Water Fund stands at \$25,895,403 compared to \$24,948,554 last year and \$23,960,895 in FY12. Water Sales showed a decrease of approximately (5.2%) since last year while operating expenses were stable. The impact of the change in assets could mostly be seen in significant improvements in depreciable assets [i.e., \$44,831,399 in FY14 versus \$43,255,023 in FY13]. Cash and investments also improved to \$5,108,282 in FY14 from \$4,971,605 in FY13.

Overall, net position continues to increase and operating income continues to be positive (as can be seen in the following chart):

Table 4
Water Fund Highlights

	FY14 Actual	FY13 Actual	FY12 Actual	FY11 Actual	FY10 Actual
Operating Revenues					
Charges for Services					
Water Sales	\$ 5,097,577	5,340,253	5,237,993	5,372,917	5,020,452
Permits	59,137	96,580	103,901	81,379	115,741
Miscellaneous	22,466	66,216	23,865	21,845	31,868
Total Operating Revenues	5,179,180	5,503,049	5,365,759	5,476,141	5,168,061
Operating Expenses					
Operating Expenses	3,158,863	2,896,577	2,970,076	3,218,626	2,966,548
Depreciation and Amortization	728,297	994,129	982,451	996,517	1,013,040
Total Operating Expenses	3,887,160	3,890,706	3,952,527	4,215,143	3,979,588
Operating Income (Loss)	1,292,020	1,612,343	1,413,232	1,260,998	1,188,473
Nonoperating Revenues (Expenses)					
Nonoperating Revenues (Expenses)	304,829	(90,644)	(205,257)	(223,334)	(238,649)
Transfers Out	(650,000)	(550,000)	(275,400)	(289,840)	(321,836)
Contributions	-	15,960	-	324,671	41,454
Change in Net Position	946,849	987,659	932,575	1,072,495	669,442

Primarily due to planned water rate increases (which began in FY08), the unrestricted portion of net position has substantially improved over time—the balance now stands at \$4,274,931 compared to \$4,806,619 last year, \$3,861,366 in FY12, \$2,545,360 in FY11, and \$1,437,290 in FY10.

DEBT SERVICE

During the year the City issued no general obligation bond debt. However, the City obtained a \$103,117 IEPA loan for water system improvements to Hollister Avenue.

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 \$193,750,817 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 Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 10,113,091	10,113,091	19,386,047	18,896,047	29,499,138	29,009,138
Land Right of Way	25,736,657	25,736,657	407,381	407,381	26,144,038	26,144,038
Construction in Progress	12,405,368	15,221,676	89,424	89,424	12,494,792	15,311,100
Buildings and Improvements	4,793,847	4,606,512	2,950,806	3,044,458	7,744,653	7,650,970
Equipment	2,385,605	2,701,950	261,429	208,979	2,647,034	2,910,929
Vehicles	2,491,195	2,297,179	221,843	216,361	2,713,038	2,513,540
Infrastructure	79,860,377	77,830,603	8,257,231	8,529,437	88,117,608	86,360,040
Water Distribution System	-	-	24,390,516	23,493,771	24,390,516	23,493,771
Total	137,786,140	138,507,668	55,964,677	54,885,858	193,750,817	193,393,526

Major additions to capital assets during the year included:

- continuing construction of a new Police Station
- land purchases for the Airport expansion
- extensive watermain improvements

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 Position
June 30, 2014**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Net Position
June 30, 2014**

	Primary Government			Component
	Governmental	Business-		Unit
	Activities	Type	Totals	Public
		Activities		Library
ASSETS				
Current Assets				
Cash and Investments	\$ 23,129,656	5,534,298	28,663,954	12,778,482
Receivables - Net of Allowances	6,938,122	2,284,352	9,222,474	1,158,468
Internal Balances	-	-	-	-
Due from Other Governments	5,938,496	38,652	5,977,148	-
Prepays/Inventories	30,216	70,147	100,363	14,324
Total Current Assets	36,036,490	7,927,449	43,963,939	13,951,274
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	48,255,116	19,882,852	68,137,968	2,944,465
Depreciable Capital Assets	172,616,386	58,677,726	231,294,112	820,335
Accumulated Depreciation	(83,085,362)	(22,595,901)	(105,681,263)	(466,354)
Total Noncurrent Assets	137,786,140	55,964,677	193,750,817	3,298,446
Total Assets	173,822,630	63,892,126	237,714,756	17,249,720
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding	215,268	-	215,268	-
Total Assets and Deferred Outflows of Resources	174,037,898	63,892,126	237,930,024	17,249,720

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

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Totals	Unit Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,922,565	2,272,837	5,195,402	229,750
Accrued Payroll	669,845	40,102	709,947	23,649
Accrued Interest Payable	384,201	92,420	476,621	-
Claims Payable	573,011	-	573,011	-
Retainage Payable	597,823	10,000	607,823	-
Other Payables	166,229	326,651	492,880	-
Compensated Absences Payable	254,300	76,945	331,245	8,079
Current Portion of Long-Term Debt	2,296,031	1,296,364	3,592,395	3,376,111
Total Current Liabilities	7,864,005	4,115,319	11,979,324	3,637,589
Noncurrent Liabilities				
Compensated Absences Payable	4,831,706	307,778	5,139,484	32,314
Net Pension Obligation Payable	256,281	42,239	298,520	31,679
Net Other Post-Employment Benefit Paya	7,094,778	429,102	7,523,880	25,131
IEPA Loan Payable	-	2,951,138	2,951,138	-
Capital Lease Payable	216,666	-	216,666	-
General Obligation Bonds Payable - Net	27,328,530	2,126,366	29,454,896	6,420,000
Debt Certificates Payable	-	-	-	666,667
Total Noncurrent Liabilities	39,727,961	5,856,623	45,584,584	7,175,791
Total Liabilities	47,591,966	9,971,942	57,563,908	10,813,380
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	10,533,255	-	10,533,255	2,294,580
Total Liabilities and Deferred Inflows of Resources	58,125,221	9,971,942	68,097,163	13,107,960
NET POSITION				
Net Investment in Capital Assets	116,047,087	49,590,809	165,637,896	2,520,668
Restricted				
Specific Purpose	76,762	-	76,762	-
Maintenance of Roadways	2,070,540	-	2,070,540	-
Economic Development	9,502,399	-	9,502,399	-
Public Safety	114,935	-	114,935	-
Endowments	-	-	-	226,474
Culture and Recreation	-	-	-	1,388,855
Unrestricted	(11,899,046)	4,329,375	(7,569,671)	5,763
Total Net Position	115,912,677	53,920,184	169,832,861	4,141,760

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

CITY OF DEKALB, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended June 30, 2014**

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 9,744,441	485,114	-	3,227,003
Public Safety	20,797,002	2,504,342	-	-
Highways and Streets	5,016,398	144,137	1,166,973	845,076
Community Development	10,726,424	460,458	-	-
Interest on Long-Term Debt	1,209,191	-	-	-
Total Governmental Activities	47,493,456	3,594,051	1,166,973	4,072,079
Business-Type Activities				
Water	4,080,350	5,179,180	-	495,000
Airport	1,322,518	772,805	-	464,182
Refuse	1,844,724	2,053,424	-	-
Total Business-Type Activities	7,247,592	8,005,409	-	959,182
Total Primary Government	54,741,048	11,599,460	1,166,973	5,031,261
Component Unit - Public Library	2,396,373	43,855	-	70,038

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 Position

Net Position - Beginning

Net Position - 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	
(6,032,324)	-	(6,032,324)	-
(18,292,660)	-	(18,292,660)	-
(2,860,212)	-	(2,860,212)	-
(10,265,966)	-	(10,265,966)	-
(1,209,191)	-	(1,209,191)	-
(38,660,353)	-	(38,660,353)	-
-	1,593,830	1,593,830	-
-	(85,531)	(85,531)	-
-	208,700	208,700	-
-	1,716,999	1,716,999	-
(38,660,353)	1,716,999	(36,943,354)	-
-	-	-	(2,282,480)
12,392,230	-	12,392,230	1,837,895
5,960,002	-	5,960,002	-
3,600,059	-	3,600,059	-
1,831,234	-	1,831,234	-
671,834	-	671,834	-
4,475,094	-	4,475,094	-
4,197,440	-	4,197,440	-
787,656	-	787,656	-
131,245	-	131,245	37,034
1,572,848	-	1,572,848	-
164,693	113	164,806	16,282
953,687	2,492	956,179	259,728
627,800	(627,800)	-	-
37,365,822	(625,195)	36,740,627	2,150,939
(1,294,531)	1,091,804	(202,727)	(131,541)
117,207,208	52,828,380	170,035,588	4,273,301
115,912,677	53,920,184	169,832,861	4,141,760

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

CITY OF DEKALB, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2014**

		Special Revenue		
	General	Motor Fuel Tax	Mass Transit	Tax Increment Financing #1
ASSETS				
Cash and Investments	\$ 3,989,467	2,241,001	440,517	5,909,174
Receivables - Net of Allowances				
Taxes	2,226,555	-	-	3,117,127
Accounts	734,957	-	-	-
Accrued Interest	43,374	-	-	7,301
Other	79,921	-	915	-
Due from Other Governments	4,606,872	86,055	422,057	-
Due from Other Funds	344,944	710	-	5,765
Inventories	30,216	-	-	-
Total Assets	12,056,306	2,327,766	863,489	9,039,367
LIABILITIES				
Accounts Payable	990,809	257,226	816,275	60,364
Accrued Payroll	658,280	-	1,928	-
Retainage Payable	-	-	-	-
Other Payables	1,091,764	-	45,286	-
Due to Other Funds	588,704	-	-	102,233
Total Liabilities	3,329,557	257,226	863,489	162,597
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	2,669,150	-	-	6,484,351
Total Liabilities and Deferred Inflows of Resources	5,998,707	257,226	863,489	6,646,948
FUND BALANCES				
Nonspendable	30,216	-	-	-
Restricted	104,523	2,070,540	-	2,392,419
Committed	6,262	-	-	-
Unassigned	5,916,598	-	-	-
Total Fund Balances	6,057,599	2,070,540	-	2,392,419
Total Liabilities, Deferred Inflows of Resources and Fund Balances	12,056,306	2,327,766	863,489	9,039,367

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

<u>Tax Increment Financing #2</u>	<u>Debt Service Tax Increment Financing</u>	<u>Capital Projects Public Safety Building</u>	<u>Nonmajor</u>	<u>Totals</u>
7,826,020	-	469,591	306,107	21,181,877
715,340	-	-	4,953	6,063,975
-	-	-	-	734,957
-	-	-	-	50,675
-	-	-	317	81,153
-	-	21,967	99,653	5,236,604
-	-	589,252	169,527	1,110,198
-	-	-	-	30,216
8,541,360	-	1,080,810	580,557	34,489,655
60,826	-	87,219	58,912	2,331,631
-	-	-	-	660,208
-	-	597,823	-	597,823
-	-	-	109,427	1,246,477
-	-	169,527	249,734	1,110,198
60,826	-	854,569	418,073	5,946,337
1,370,554	-	-	9,200	10,533,255
1,431,380	-	854,569	427,273	16,479,592
-	-	-	-	30,216
7,109,980	-	-	87,174	11,764,636
-	-	226,241	272,044	504,547
-	-	-	(205,934)	5,710,664
7,109,980	-	226,241	153,284	18,010,063
8,541,360	-	1,080,810	580,557	34,489,655

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 Position of Governmental Activities

June 30, 2014

Total Governmental Fund Balances	\$ 18,010,063
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	137,786,140
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.	1,080,248
Unamortized losses are not considered to represent a financial resource and therefore, are not reported in the funds.	215,268
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 Position.	1,483,451
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest Payable	(384,201)
Compensated Absences Payable	(5,086,006)
Net Pension Obligation Payable	(256,281)
Net Other Post-Employment Benefit Obligation Payable	(7,094,778)
General Obligation Bonds Payable - Net	(29,313,530)
Capital Leases Payable	<u>(527,697)</u>
Net Position of Governmental Activities	<u>115,912,677</u>

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
For the Fiscal Year Ended June 30, 2014**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2014**

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
			Tax Increment Financing #1
Revenues			
Taxes	\$ 15,998,012	-	-
Licenses and Permits	554,740	-	-
Intergovernmental	10,565,657	1,691,126	3,215,398
Charges for Services	1,817,681	-	-
Fines and Forfeitures	897,493	-	-
Interest	84,758	5,879	-
Miscellaneous	765,310	-	2,609
Total Revenues	30,683,651	1,697,005	3,218,007
Expenditures			
Current			
General Government	5,134,851	-	3,206,814
Public Safety	19,859,836	-	-
Highways and Streets	-	800,879	-
Community Development	4,015,770	-	-
Capital Outlay	-	764,124	-
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	29,010,457	1,565,003	3,206,814
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,673,194	132,002	11,193
Other Financing Sources (Uses)			
Disposal of Capital Assets	42,185	-	-
Transfers In	1,965,590	-	1,228
Transfers Out	(2,844,307)	(67,469)	(12,421)
	(836,532)	(67,469)	(11,193)
Net Change in Fund Balances	836,662	64,533	-
Fund Balances - Beginning	5,220,937	2,006,007	-
Fund Balances - Ending	6,057,599	2,070,540	-

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

Tax Increment Financing #2	Debt Service Tax Increment Financing	Capital Projects Public Safety Building	Nonmajor	Totals
1,619,592	-	-	208,563	24,430,463
-	-	-	-	554,740
-	-	272,220	639,664	16,384,065
-	-	-	144,137	1,961,818
-	-	100,000	80,000	1,077,493
-	-	3,274	47	163,453
-	-	20,000	165,768	953,687
1,619,592	-	395,494	1,238,179	45,525,719
-	-	-	1,014,713	9,356,378
-	-	-	82,304	19,942,140
-	-	-	-	800,879
-	-	-	-	4,015,770
1,031,101	-	3,135,993	484,591	10,892,511
-	1,075,000	-	1,473,453	2,548,453
-	287,484	-	766,632	1,054,116
1,031,101	1,362,484	3,135,993	3,821,693	48,610,247
588,491	(1,362,484)	(2,740,499)	(2,583,514)	(3,084,528)
-	-	-	13,013	55,198
-	1,362,484	500,000	2,294,010	6,123,312
(150,931)	-	(900,931)	(90,297)	(6,220,512)
(150,931)	1,362,484	(400,931)	2,216,726	(42,002)
437,560	-	(3,141,430)	(366,788)	(3,126,530)
6,672,420	-	3,367,671	520,072	21,136,593
7,109,980	-	226,241	153,284	18,010,063

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

For the Fiscal Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ (3,126,530)
---	-----------------------

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	3,551,143
Depreciation Expense	(4,260,410)
Disposals - Net of Accumulated Depreciation	(12,261)

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.

44,166

A decrease in a net pension asset is not considered to be a decrease in
financial assets in the governmental funds.

(26,886)

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.

Deductions to Compensated Absences Payable	(211,894)
Deductions to Net Pension Obligation Payable	(55,690)
Deductions to Net Other Post-Employment Benefit Obligation Payable	43,181
Retirement of Debt - Net	2,332,419

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.

60,959

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.

367,272

Changes in Net Position of Governmental Activities

(1,294,531)

CITY OF DEKALB, ILLINOIS

Statement of Net Position - Proprietary Funds
June 30, 2014

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Net Position - Proprietary Funds
June 30, 2014**

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Airport	Nonmajor Refuse	Totals	Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 5,108,282	110,745	315,271	5,534,298	1,947,779
Receivables - Net of Allowances					
Accounts	2,019,999	13,834	231,363	2,265,196	-
Accrued Interest	1,660	-	-	1,660	271
Other	8,073	9,423	-	17,496	7,091
Due from Other Governments	-	38,652	-	38,652	-
Due from Other Funds	-	-	-	-	57,000
Prepays/Inventories	-	70,147	-	70,147	701,892
Total Current Assets	7,138,014	242,801	546,634	7,927,449	2,714,033
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets	528,648	19,354,204	-	19,882,852	-
Depreciable Capital Assets	44,831,399	13,846,327	-	58,677,726	-
Accumulated Depreciation	(18,425,535)	(4,170,366)	-	(22,595,901)	-
Total Noncurrent Assets	26,934,512	29,030,165	-	55,964,677	-
Total Assets	34,072,526	29,272,966	546,634	63,892,126	2,714,033

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	1,925,196	40,183	307,458	2,272,837	590,934
Accrued Payroll	34,710	5,392	-	40,102	9,637
Accrued Interest Payable	65,581	26,839	-	92,420	-
Claims Payable	-	-	-	-	573,011
Retainage Payable	10,000	-	-	10,000	-
Due to Other Funds	-	-	-	-	57,000
Other Payables	72,025	23,263	231,363	326,651	-
Current Portion of Long-Term Debt	727,467	645,842	-	1,373,309	-
Total Current Liabilities	2,834,979	741,519	538,821	4,115,319	1,230,582
Noncurrent Liabilities					
Compensated Absences Payable	272,562	35,216	-	307,778	-
Net Pension Obligation	38,178	4,061	-	42,239	-
Net Other Post-Employment Benefit Payable	376,690	52,412	-	429,102	-
IEPA Loan Contracts Payable	2,951,138	-	-	2,951,138	-
General Obligation Bonds Payable - Net	1,703,576	422,790	-	2,126,366	-
Total Noncurrent Liabilities	5,342,144	514,479	-	5,856,623	-
Total Liabilities	8,177,123	1,255,998	538,821	9,971,942	1,230,582
NET POSITION					
Net Investment in Capital Assets	21,620,472	27,970,337	-	49,590,809	-
Unrestricted	4,274,931	46,631	7,813	4,329,375	1,483,451
Total Net Position	25,895,403	28,016,968	7,813	53,920,184	1,483,451

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 Position - Proprietary Funds For the Fiscal Year Ended June 30, 2014

	<u>Water</u>
Operating Revenues	
Charges for Services	\$ 5,156,714
Miscellaneous	22,466
Interfund Services	-
Total Operating Revenues	<u>5,179,180</u>
Operating Expenses	
Administration	-
Operations	3,158,863
Depreciation and Amortization	728,297
Total Operating Expenses	<u>3,887,160</u>
Operating Income (Loss)	<u>1,292,020</u>
Nonoperating Revenues (Expenses)	
Interest Income	102
Disposal of Capital Assets	2,917
Interest Expense	(193,190)
	<u>(190,171)</u>
Income Before Transfers and Capital Contributions	<u>1,101,849</u>
Grants	495,000
Transfers In	-
Transfers Out	(650,000)
	<u>(155,000)</u>
Change in Net Position	946,849
Net Position - Beginning	<u>24,948,554</u>
Net Position - Ending	<u><u>25,895,403</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
756,277	2,013,424	7,926,415	-
16,528	40,000	78,994	-
-	-	-	6,566,225
772,805	2,053,424	8,005,409	6,566,225
-	-	-	6,925,193
916,935	1,844,724	5,920,522	-
347,867	-	1,076,164	-
1,264,802	1,844,724	6,996,686	6,925,193
(491,997)	208,700	1,008,723	(358,968)
11	-	113	1,240
(425)	-	2,492	-
(57,716)	-	(250,906)	-
(58,130)	-	(248,301)	1,240
(550,127)	208,700	760,422	(357,728)
464,182	-	959,182	-
225,000	-	225,000	725,000
-	(202,800)	(852,800)	-
689,182	(202,800)	331,382	725,000
139,055	5,900	1,091,804	367,272
27,877,913	1,913	52,828,380	1,116,179
28,016,968	7,813	53,920,184	1,483,451

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

CITY OF DEKALB, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2014**

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,145,736
Receipts from Interfund Services Provided	-
Payments to Employees	(1,221,498)
Payments to Suppliers	(1,235,556)
	<u>2,688,682</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	-
Transfers Out	(650,000)
	<u>(650,000)</u>
Cash Flows from Capital and Related Financing Activities	
Capital Grants	495,000
Purchase of Capital Assets	(1,673,310)
Disposal of Capital Assets	2,917
Debt Repayment	(636,641)
Debt Issuance	103,117
Interest Payments	(193,190)
	<u>(1,902,107)</u>
Cash Flows from Investing Activities	
Interest Received	102
Net Change in Cash and Cash Equivalents	136,677
Cash and Cash Equivalents - Beginning	4,971,605
Cash and Cash Equivalents - Ending	<u>5,108,282</u>
Reconciliation of Operating Income to Net Cash Provided	
(Used) by Operating Activities	
Operating Income (Loss)	1,292,020
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation and Amortization Expense	728,297
(Increase) Decrease in Current Assets	(33,444)
Increase (Decrease) in Current Liabilities	701,809
Net Cash Provided by Operating Activities	<u>2,688,682</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
796,824	2,039,739	7,982,299	-
-	-	-	6,537,777
(196,129)	-	(1,417,627)	-
(777,436)	(1,821,654)	(3,834,646)	(6,451,334)
(176,741)	218,085	2,730,026	86,443
225,000	-	225,000	725,000
-	(202,800)	(852,800)	-
225,000	(202,800)	(627,800)	725,000
464,182	-	959,182	-
(490,000)	-	(2,163,310)	-
-	-	2,917	-
(41,747)	-	(678,388)	-
-	-	103,117	-
(57,716)	-	(250,906)	-
(125,281)	-	(2,027,388)	-
11	-	113	1,240
(77,011)	15,285	74,951	812,683
187,756	299,986	5,459,347	1,135,096
110,745	315,271	5,534,298	1,947,779
(491,997)	208,700	1,008,723	(358,968)
347,867	-	1,076,164	-
24,019	(13,685)	(23,110)	(28,448)
(56,630)	23,070	668,249	473,859
(176,741)	218,085	2,730,026	86,443

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

CITY OF DEKALB, ILLINOIS

**Statement of Net Position - Fiduciary Funds
June 30, 2014**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,632,912
Investments	
U.S. Government and Agency Securities	16,903,052
Corporate Bonds	2,192,332
Certificates of Deposit	103,921
Money Market Mutual Funds	926,597
Mutual Funds	33,694,303
Receivables	
Accrued Interest	75,449
Prepays	<u>9,001</u>
Total Assets	<u>55,537,567</u>
LIABILITIES	
Accounts Payable	16,652
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,749,426</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,766,078</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>53,771,489</u></u>

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

CITY OF DEKALB, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds For the Fiscal Year Ended June 30, 2014

	Pension Trust
Additions	
Contributions - Employer	\$ 3,389,781
Contributions - Plan Members	1,053,309
Total Contributions	<u>4,443,090</u>
Investment Income	
Interest Earned	1,343,676
Net Change in Fair Value	<u>5,062,521</u>
	6,406,197
Less Investment Expenses	<u>(89,757)</u>
Net Investment Income	<u>6,316,440</u>
Total Additions	<u>10,759,530</u>
Deductions	
Administration	74,106
Benefits and Refunds	<u>5,178,324</u>
Total Deductions	<u>5,252,430</u>
Change in Net Position	5,507,100
Net Plan Position Held in Trust for Pension Benefits	
Net Position - Beginning	<u>48,264,389</u>
Net Position - Ending	<u>53,771,489</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, 2014

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). 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. 61, "The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34," 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, 2014

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 without the City Council's approval, 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, 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/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. 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) changes 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 position 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/deferred outflows, liabilities/deferred inflows, 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, 2014

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/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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 twelve 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 restricted grant revenues 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 the restricted property taxes for the 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 the restricted property taxes for the 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, 2014

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

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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, 2014

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 position and changes in net position 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 Position 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/deferred outflows and liabilities/deferred inflows 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, 2014

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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position 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/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows 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, 2014

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/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position 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 and charges for services as their major receivables.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Prepays/Inventories

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. Prepaids/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.

Capital Assets

Capital assets purchased or acquired with an original cost of \$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 Improvements	40 – 50 Years
Equipment	10 – 20 Years
Vehicles	3 – 20 Years
Infrastructure	25 – 50 Years
Water Distribution System	40 – 65 Years

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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 Position. Bond premiums and discounts, 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 expenses at the time of issuance.

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.

Net Position

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

Net investment in capital assets - 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position – Continued

Restricted - Consists of net position 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 - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

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. During the year, several supplementary appropriations were necessary.

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, 2014

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>
General	\$ 347,773
Public Safety Building	948,611
Foreign Fire Insurance	41,029
Knolls Special Service Area #4	913
Greek Row Special Service Area #6	2,685
Economic Development	82
General Debt Service	1,281
Equipment	96,610
Fleet Replacement	88,822
Refuse	40,476
Police Pension	13,895
Firefighters' Pension	87,072

DEFICIT FUND BALANCE

The following funds had deficit fund balance as of the date of this report: amendment

<u>Fund</u>	<u>Deficit</u>
Heartland Fields Special Service Area #14	\$ 310
Economic Development	25,681
Fleet Replacement	179,943

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.

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.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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; credit unions, 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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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 and 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 and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

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.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 \$10,924,381 and the bank balances totaled \$10,837,176.

Investments. The City has the following investment fair values and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
Illinois Funds	\$ 4	4	-	-	-
IMET	15,430,149	15,430,149	-	-	-
Municipal Bonds	2,309,420	2,201,412	108,008	-	-
	17,739,573	17,631,565	108,008	-	-

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.

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 investments in the Illinois Funds was rated AAAM by Standard & Poor's, the IMET Convenience Fund was rated AA Af by Standard & Poors, the IMET 1-3 year Fund was rated AA f by Standard & Poors and the municipal bonds were either not rated or rated from A+ to AAA by Standard & Poors.

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.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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

Custodial Credit Risk – Continued. 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. The IMET Convenience Fund is a depository vehicle that is 110 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of IMET Convenience Fund at the Federal Reserve Bank of New York.

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 IMET Convenience Fund 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 \$1,365,175 and the bank balances totaled \$1,365,175.

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	\$ 7,994,266	-	6,423,746	1,570,520	-
Corporate Bonds	2,192,332	-	625,548	1,566,784	-
	10,186,598	-	7,049,294	3,137,304	-

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, 2014, the ratings of the agency's corporate bonds are AA- to AA+ and the U.S. agencies are rated AA+ as rated by Standard and Poor's.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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

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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance

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. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

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. In addition to the securities and fair values listed above, the Fund also has \$18,162,602 invested in mutual funds. At year-end the Fund had greater than 5% of its overall portfolio (other than U.S. Government guaranteed obligations) invested in AMG Yacktman Fund of \$6,878,142, Oakmark International Fund of \$2,445,405, Schwab International Index Fund of \$1,687,595, and Schwab Total Stock Market Index Fund of \$4,469,338, which is in accordance with the Fund's investment policy.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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 \$1,298,255 and the bank balances totaled \$1,298,255.

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	\$ 7,748,186	-	5,983,031	1,765,155	-
U.S. Treasuries	1,160,600	-	711,486	449,114	-
	8,908,786	-	6,694,517	2,214,269	-

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, 2014, 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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. In addition to the securities and fair values listed above, the Fund also has \$15,531,701 invested in mutual funds. At year-end the Fund had greater than 5% of its overall portfolio (other than U.S. Government guaranteed obligations invested in DFA US Vector Equity of \$1,530,192, DFA Emerging Markets of \$2,010,703, DFA International Small Company of \$1,759,913, DFA US Small Cap Value of \$1,786,510, DFA US Small Cap of \$1,790,057, and DFA International Value of \$1,740,522, which is in accordance with the Fund's investment policy.

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2014, 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 and September 1. The County collects such taxes and remits them periodically.

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
Hollister Avenue Main Replacement	\$ 361,257	321,429	39,828
Municipal Parking Lot #11 and #12 Improvements	201,653	191,653	10,000
Municipal Parking Lot #10 Improvements	222,300	210,608	11,692
Bethan Road Widening	179,600	135,662	43,938
Taylor Street Widening	385,144	266,727	118,417
Police Station/Irving Construction	9,832,618	9,235,546	597,072
Total	11,182,572	1,126,079	223,875

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2014**

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	\$ 10,113,091	-	-	10,113,091
Land Right of Way	25,736,657	-	-	25,736,657
Construction in Progress	15,221,676	2,548,183	5,364,491	12,405,368
	<u>51,071,424</u>	<u>2,548,183</u>	<u>5,364,491</u>	<u>48,255,116</u>
Depreciable Capital Assets				
Buildings and Improvements	7,965,068	333,852	-	8,298,920
Equipment	4,972,811	26,900	63,996	4,935,715
Vehicles	6,999,861	642,218	296,551	7,345,528
Infrastructure	146,671,742	5,364,481	-	152,036,223
	<u>166,609,482</u>	<u>6,367,451</u>	<u>360,547</u>	<u>172,616,386</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,358,556	146,517	-	3,505,073
Equipment	2,270,861	343,245	63,996	2,550,110
Vehicles	4,702,682	435,941	284,290	4,854,333
Infrastructure	68,841,139	3,334,707	-	72,175,846
	<u>79,173,238</u>	<u>4,260,410</u>	<u>348,286</u>	<u>83,085,362</u>
Total Net Depreciable Capital Assets	<u>87,436,244</u>	<u>2,107,041</u>	<u>12,261</u>	<u>89,531,024</u>
Total Net Capital Assets	<u>138,507,668</u>	<u>4,655,224</u>	<u>5,376,752</u>	<u>137,786,140</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 90,067
Public Safety	338,077
Highways and Streets	380,871
Community Development	<u>3,451,395</u>
	<u>4,260,410</u>

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2014**

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	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 18,896,047	490,000	-	19,386,047
Land Improvements	407,381	-	-	407,381
Construction in Progress	89,424	-	-	89,424
	<u>19,392,852</u>	<u>490,000</u>	<u>-</u>	<u>19,882,852</u>
Depreciable Capital Assets				
Buildings and Improvements	4,804,864	-	-	4,804,864
Equipment	704,160	79,400	-	783,560
Vehicles	1,092,952	57,647	84,924	1,065,675
Airport Infrastructure	10,888,258	-	-	10,888,258
Water Distribution System	39,599,106	1,536,263	-	41,135,369
	<u>57,089,340</u>	<u>1,673,310</u>	<u>84,924</u>	<u>58,677,726</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,760,406	93,652	-	1,854,058
Equipment	495,181	26,950	-	522,131
Vehicles	876,591	51,740	84,499	843,832
Airport Infrastructure	2,358,821	272,206	-	2,631,027
Water Distribution System	16,105,335	639,518	-	16,744,853
	<u>21,596,334</u>	<u>1,084,066</u>	<u>84,499</u>	<u>22,595,901</u>
Total Net Depreciable Capital Assets	<u>35,493,006</u>	<u>589,244</u>	<u>425</u>	<u>36,081,825</u>
Total Net Capital Assets	<u>54,885,858</u>	<u>1,079,244</u>	<u>425</u>	<u>55,964,677</u>

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

Water	\$ 735,001
Airport	<u>349,065</u>
	<u>1,084,066</u>

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2014****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****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	\$ 102,233
General	Nonmajor Governmental	242,711
Motor Fuel Tax	Nonmajor Governmental	710
Tax Increment Financing # 1	General	5,765
Public Safety Building	General	582,939
Public Safety Building	Nonmajor Governmental	6,313
Nonmajor Governmental	Public Safety Building	169,527
Internal Service	Internal Service	57,000
		<u>1,167,198</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Motor Fuel Tax	\$ 67,469
General	Mass Transit	12,421
General	Tax Increment Financing #1	791,672
General	Tax Increment Financing #2	150,931
General	Nonmajor Governmental	90,297
General	Water	650,000
General	Nonmajor Business-Type	202,800
Mass Transit	General	1,228
Tax Increment Financing Debt Service	Tax Increment Financing #1	1,362,484
Public Safety Building	General	500,000
Nonmajor Governmental	General	384,029
Nonmajor Governmental	Public Safety Building	900,931
Nonmajor Governmental	General	1,009,050
Airport	General	225,000
Internal Service	General	725,000
		<u>7,073,312</u>

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers – Continued

The purpose of significant interfund transfers is as follows:

- \$1,362,484 transferred from the Tax Increment Financing #1 Fund to the Tax Increment Financing (“TIF”) Debt Service Fund covered current year TIF debt service payments. This transfer will not be repaid.
- \$1,009,050 transferred from the General Fund to the General Debt Service Fund (Nonmajor Governmental) covered current year general debt service costs. This transfer will not be repaid.
- \$791,672 transferred from the Tax Increment Financing #1 Fund and \$150,931 transferred from the Tax Increment Financing #2 to the General Fund represent surplus distributions. These transfers will not be repaid.
- \$650,000 transferred from the Water Fund to the General Fund is a Payment in Lieu of Taxes (aka “PILOT”). This transfer will not be repaid.
- \$500,000 transferred from the General Fund to the Public Safety Building Fund will assist in payment of police and fire building projects. This transfer will not be repaid.
- \$900,931 transferred from the Public Safety Building Fund to Nonmajor Governmental Funds covered current year debt service costs for bonds issued to construct the Police Station. This transfer will not be repaid.
- \$725,000 transferred from the General Fund to the Internal Service Funds will assist in payment of costs incurred in the Workers’ Compensation Fund (\$500,000) and Health Insurance Fund (\$225,000). These transfers will not be repaid.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
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	\$ 215,000	-	215,000	-
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	75,000	-	75,000	-
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	1,475,000	-	345,000	1,130,000
	Water	2,130,000	-	230,000	1,900,000
	Airport	475,000	-	5,000	470,000
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	605,000	-	30,000	575,000

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2014**

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 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	\$ 8,455,000	-	785,000	7,670,000
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	4,840,000	-	185,000	4,655,000
General Obligation Bonds of 2012A, due in annual installments of \$505,000 to \$865,000 plus interest at 2.00% to 2.50% through January 1, 2030.	General Debt Service	9,905,000	-	590,000	9,315,000
General Obligation Bonds of 2013B, due in annual installments of \$30,000 to \$745,000 plus interest at 0.80% to 3.00% through January 1, 2022.	General Debt Service	2,380,000	-	30,000	2,350,000
		<u>34,460,000</u>	<u>-</u>	<u>2,490,000</u>	<u>31,970,000</u>

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
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	\$ 1,918,613	-	219,222	1,699,391
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	1,575,421	-	180,008	1,395,413
IEPA Loan #L174045 Contract Payable of 2012, due in semi annual installments of \$5,749 including interest at 2.295% through October 26, 2032.	Water	179,954	103,117	7,411	275,660
		3,673,988	103,117	406,641	3,370,464

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Capital Leases Payable

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Equipment	Capital Projects	\$ 350,504	-	181,463	169,041
Equipment	Capital Projects	250,000	-	16,667	233,333
Police Software	Equipment	250,646	-	125,323	125,323
Equipment	Airport	13,785	-	6,747	7,038
		864,935	-	330,200	534,735

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

Fiscal Year	Governmental Activities	Business-Type Activities	Total Lease Payment
2015	\$ 316,888	7,265	324,153
2016	16,667	-	16,667
2017	16,667	-	16,667
2018	16,667	-	16,667
2019	16,667	-	16,667
2020	16,667	-	16,667
2021	16,667	-	16,667
2022	16,667	-	16,667
2023	16,667	-	16,667
2024	16,667	-	16,667
2025	16,667	-	16,667
2026	16,667	-	16,667
2027	16,667	-	16,667
2028	16,662	-	16,662
	533,554	7,265	540,819
Interest Portion	(5,857)	(227)	(6,084)
Principal Balance	527,697	7,038	534,735

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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	\$ 4,874,112	423,788	211,894	5,086,006	254,300
Net Pension Obligation	200,591	55,690	-	256,281	-
Net Other Post-Employment Benefit Obligation	7,137,959	-	43,181	7,094,778	-
General Obligation Bonds	31,250,000	-	2,225,000	29,025,000	1,985,000
Plus/Less Unamortized Items:					
Premium	529,954	-	63,287	466,667	-
Discount	(192,354)	-	(14,217)	(178,137)	-
Capital Leases	851,150	-	323,453	527,697	311,031
	<u>44,651,412</u>	<u>479,478</u>	<u>2,852,598</u>	<u>42,278,292</u>	<u>2,550,331</u>
Business-Type Activities					
Compensated Absences	389,196	4,473	8,946	384,723	76,945
Net Pension Obligation	36,561	5,678	-	42,239	-
Net Other Post-Employment Benefit Obligation	428,780	322	-	429,102	-
General Obligation Bonds	3,210,000	-	265,000	2,945,000	870,000
Plus Unamortized Items:					
Premium	59,269	-	7,903	51,366	-
IEPA Loan Contracts	3,673,988	103,117	406,641	3,370,464	419,326
Capital Leases	13,785	-	6,747	7,038	7,038
	<u>7,811,579</u>	<u>113,590</u>	<u>695,237</u>	<u>7,229,932</u>	<u>1,373,309</u>

For the governmental activities, the 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.

For the business-type activities, the 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, 2014**

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:

Fiscal Year	Governmental Activities		Business-Type Activities			
	General Obligation		General Obligation		IEPA	
	Bonds		Bonds		Loan Contract	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,985,000	1,036,140	870,000	135,522	419,326	80,976
2016	2,045,000	1,023,551	315,000	89,900	432,357	71,457
2017	2,100,000	1,010,742	330,000	75,725	443,355	60,459
2018	2,165,000	997,612	-	60,875	454,636	49,178
2019	2,355,000	984,186	695,000	60,875	466,200	37,614
2020	2,440,000	969,136	360,000	33,075	478,061	25,753
2021	2,545,000	948,136	375,000	16,875	490,223	13,591
2022	2,645,000	926,386	-	-	14,330	4,194
2023	1,560,000	904,036	-	-	14,661	3,863
2024	1,620,000	888,736	-	-	15,000	3,524
2025	1,670,000	873,136	-	-	15,347	3,177
2026	1,725,000	856,036	-	-	15,700	2,824
2027	1,785,000	841,036	-	-	16,062	2,462
2028	1,015,000	823,398	-	-	16,433	2,091
2029	865,000	805,442	-	-	16,812	1,712
2030	505,000	785,978	-	-	17,200	1,324
2031	-	-	-	-	17,598	926
2032	-	-	-	-	18,003	521
2033	-	-	-	-	9,160	110
Total	29,025,000	14,673,687	2,945,000	472,847	3,370,464	365,756

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, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of June 30, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 137,786,140
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2004	(1,130,000)
General Obligation Bonds of 2010B	(3,905,000)
General Obligation Bonds of 2010C	(4,655,000)
General Obligation Bonds of 2012A	(9,315,000)
General Obligation Bonds of 2012B	(2,350,000)
Unamortized Premium	(249,761)
Unamortized Discount	178,137
Unamortized Loss on Refunding	215,268
Capital Leases	<u>(527,697)</u>
Net Investment in Capital Assets	<u>116,047,087</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	55,964,677
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2004	(2,370,000)
General Obligation Taxable Bonds of 2005	(575,000)
Unamortized Premium	(51,366)
IEPA Loan #L17133700 Contract	(1,699,391)
IEPA Loan #L17161400 Contract	(1,395,413)
IEPA Loan #L174045 Contract	(275,660)
Capital Leases	<u>(7,038)</u>
Net Investment in Capital Assets	<u>49,590,809</u>

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Committed Fund Balance. The City reports committed fund balance in the Capital Projects Fund, Public Safety Building Fund, and Equipment Fund. Formal City Council action (ordinance and/or resolution) is required to establish, modify or rescind a fund balance commitment. 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.

	Special Revenue			Debt Service		Capital Projects		
	Tax		Tax		Tax		Public Safety	
	General	Motor Fuel Tax	Mass Transit	Increment Financing #1	Increment Financing #2	Increment Financing	Building	Nonmajor
								Totals
Fund Balances								
Nonspendable								
Inventories	\$ 30,216	-	-	-	-	-	-	30,216
Restricted								
Specific Purpose	-	-	-	-	-	-	-	76,762
Maintenance of Roadways	-	2,070,540	-	-	-	-	-	2,070,540
Economic Development	-	-	-	2,392,419	7,109,980	-	-	9,502,399
Public Safety								
Forfeitures	21,615	-	-	-	-	-	-	21,615
Anti-Crime Activities	18,999	-	-	-	-	-	-	18,999
DUI Fines	49,878	-	-	-	-	-	-	49,878
Crime Lab	14,031	-	-	-	-	-	-	14,031
Foreign Fire	-	-	-	-	-	-	-	10,412
	104,523	2,070,540	-	2,392,419	7,109,980	-	-	87,174
Committed								
Tri-Centennial CD	6,262	-	-	-	-	-	-	6,262
Capital Projects	-	-	-	-	-	-	226,241	272,044
	6,262	-	-	-	-	-	226,241	504,547
Unassigned	5,916,598	-	-	-	-	-	-	(205,934)
Total Fund Balances	6,057,599	2,070,540	-	2,392,419	7,109,980	-	226,241	153,284
								18,010,063

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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.

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, 2014, 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.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Personnel Benefit Cooperative (IPBC) – Continued

A reconciliation of claims payable for the fiscal years ended June 30, 2013 and 2014 are as follows:

	Workers' Compensation	Liability/ Property Insurance	Totals
Claims Payable - June 30, 2012	\$ 515,043	1,000	516,043
Incurred Claims	318,232	104,054	422,286
Claims Paid	(257,081)	(104,054)	(361,135)
Claims Payable - June 30, 2013	576,194	1,000	577,194
Incurred Claims	421,584	94,300	515,884
Claims Paid	(425,767)	(94,300)	(520,067)
Claims Payable - June 30, 2014	572,011	1,000	573,011

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.

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, 2014, the City has incurred \$1,180,203 in rebates.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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. Separate reports are issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 200 South 4th Street, DeKalb, IL 60115. 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. For the calendar year 2013, the employer contribution rate used by the employer was equal to the employer annual required contribution rate of 21.83 percent.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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, 2014 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	46
Current Employees	
Vested	45
Nonvested	<u>17</u>
	<u>108</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, 2014

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, 2014 the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	56
Current Employees	
Vested	31
Nonvested	26
	<u>113</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. 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.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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 ½ 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.

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.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

Significant Investments

At year-end the Police Pension Fund had greater than 5% of its overall portfolio (other than U.S. Government guaranteed obligations invested in AMG Yacktman Fund of \$6,878,142, Oakmark International Fund of \$2,445,405, Schwab International Index Fund of \$1,687,595, and Schwab Total Stock Market Index Fund of \$4,469,338 and the Firefighters' Pension Fund had greater than 5% of its overall portfolio (other than U.S. Government guaranteed obligations invested in DFA US Vector Equity of \$1,530,192, DFA Emerging Markets of \$2,010,703, DFA International Small Company of \$1,759,913, DFA US Small Cap Value of \$1,786,510, DFA US Small Cap of \$1,790,057, and DFA International Value of \$1,740,522. 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.

Annual Pension Cost and Net Pension Obligation

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 1,446,876	1,379,234	2,078,061	4,904,171
Interest on Net Pension Obligation (Asset)	19,903	1,426	(2,016)	19,313
Adjustment to Annual Required Contribution	5,490	(998)	1,378	5,870
Annual Pension Cost	1,472,269	1,379,662	2,077,423	4,929,354
Actual Contribution	1,446,876	1,352,291	2,037,490	4,836,657
Change in NPO/(NPA)	25,393	27,371	39,933	92,697
NPO/(NPA) - Beginning	245,371	19,017	(26,886)	237,502
NPO/(NPA) - Ending	270,764 *	46,388	13,047	330,199

* The DeKalb Public Library's portion of \$31,679 is included.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The City's actuarial assumptions and related information for each plan are as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	21.83%	25.93%	43.83%
Employee	4.50%	9.91%	9.46%
Actuarial Valuation Date	12/31/2013	6/30/2014	6/30/2014
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	27 Years	27 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, 2014

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 (asset) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 960,014	\$ 1,333,941	\$ 2,060,476
	2013	1,284,211	1,097,524	1,836,211
	2014	1,472,269	1,379,662	2,077,423
Actual Contributions	2012	922,618	1,306,414	2,019,607
	2013	1,279,073	1,079,450	1,807,256
	2014	1,446,876	1,352,291	2,037,490
Percentage of APC Contributed	2012	96.10%	97.94%	98.02%
	2013	99.60%	98.35%	98.42%
	2014	98.28%	98.02%	98.08%
Net Pension Obligation/ (Asset)	2012	240,233	943	(55,841)
	2013	245,371	19,017	(26,886)
	2014	270,764	46,388	13,047

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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	12/31/2013	6/30/2014	6/30/2014
Percent Funded	65.11%	55.64%	44.07%
Accuarial Accrued Liability for Benefits	\$23,947,233	\$52,132,456	\$56,188,242
Actuarial Value of Assets	\$15,590,999	\$29,008,901	\$24,762,588
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$8,356,234)	(\$23,123,555)	(\$31,425,654)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$6,224,361	\$5,215,818	\$4,649,060
Ratio of UAAL to Covered Payroll	134.25%	443.34%	675.96%

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, 2014

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; 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, 2014, retirees contributed \$399,535 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At June 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	127
Active Employees	<u>195</u>
Total	<u><u>322</u></u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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, 2014, was calculated as follows:

Annual Required Contribution	\$ 905,260
Interest on the Net OPEB Obligation	303,646
Adjustment to the ARC	<u>(253,038)</u>
Annual OPEB Cost	955,868
Actual Contribution	<u>(997,999)</u>
Increase in the Net OPEB Obligation	(42,131)
Net OPEB Obligation - Beginning	<u>7,591,142</u>
Net OPEB Obligation - Ending*	<u><u>7,549,011</u></u>

*The DeKalb Public Library's portion of \$25,131 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
2012	\$ 2,306,156	\$ 813,475	35.27%	\$ 7,608,734
2013	932,847	950,439	101.89%	7,591,142
2013	955,868	997,999	104.41%	7,549,011

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, 2014

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, 2014 was as follows:

Actuarial Accrued Liability (AAL)	\$ 20,149,079
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 20,149,079
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 14,916,350
UAAL as a Percentage of Covered Payroll	135.08%

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, 2014 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, 2014, was 30 years.

SUBSEQUENT EVENTS

On November 20, 2014, the City issued \$2,870,000 of General Obligation Bonds, due in annual installments from \$340,000 to \$750,000, plus interest at a rate of 1.544% through January 1, 2021.

On September 29, 2014 the Illinois Metropolitan Investment Fund (IMET) notified its member agencies of a potential default of certain guaranteed USDA repurchase agreement investments of the United States Department of Agriculture (USDA). IMET is working to collect on the USDA guarantees of these loans. As of the opinion date, the amount of the potential exposure is not determinable.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

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 \$12,690,703 and the bank balances totaled \$12,902,450.

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	\$ 56,401	-	56,401	-	-
U.S. Treasuries	31,378	-	31,378	-	-
	87,779	-	87,779	-	-

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, 2014

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 bank balance of the deposits was covered by 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 has no investments that represent more than 5 percent of the total cash and investment portfolio.

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2014, 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 and September 1. 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, 2014

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 Balnces	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,558,032	-	-	1,558,032
Construction in Progress	50,396	1,336,037	-	1,386,433
	1,608,428	1,336,037	-	2,944,465
Depreciable Capital Assets				
Buildings and Improvements	593,325	-	-	593,325
Equipment and Furniture	227,010	-	-	227,010
	820,335	-	-	820,335
Less Accumulated Depreciation				
Buildings and Improvements	339,880	10,023	-	349,903
Equipment and Furniture	98,983	17,468	-	116,451
	438,863	27,491	-	466,354
Total Net Depreciable Capital Assets	381,472	(27,491)	-	353,981
Total Net Capital Assets	1,989,900	1,308,546	-	3,298,446

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

LONG-TERM DEBT

General Obligation Bonds

The Library issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. 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>Enging Balances</u>
General Obligation Bonds of 2013, due in annual installments of \$265,000 to \$470,000 plus interest at 3.00% to 4.00% through Janaury 1, 2033.	Library General	\$ 6,685,000	-	-	6,685,000

Loans Payable

The Library enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the Library. Loans payable 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>Enging Balances</u>
Loan Payable of 2013, due in one payment of \$3,000,000 including interest at 3.25% on June 18, 2015.	Library General	\$ 3,000,000	-	-	3,000,000

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

LONG-TERM DEBT – Continued

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	Enging Balances
Debt Certificates of 2011, due in annual installments of \$111,111 plus interest at 2.960% through July 1, 2020.	Library General	\$ 888,889	-	111,111	777,778

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	\$ 36,128	8,530	4,265	40,393	8,079
Net Pension Obligation	27,236	8,886	4,443	31,679	-
Net Other Post-Employment Benefit Obligation	24,403	728	-	25,131	-
General Bonds Obligations Payable	6,685,000	-	-	6,685,000	265,000
Loans Payable	3,000,000	-	-	3,000,000	3,000,000
Debt Certificates	888,889	-	111,111	777,778	111,111
	10,661,656	18,144	119,819	10,559,981	3,384,190

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2014**

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:

Fiscal Year	General Obligation Bonds		Loans Payable		Debt Certificates	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 265,000	226,076	3,000,000	97,500	111,111	23,022
2016	270,000	218,126	-	-	111,111	19,733
2017	280,000	210,026	-	-	111,111	16,444
2018	285,000	201,626	-	-	111,111	13,156
2019	295,000	193,076	-	-	111,111	9,867
2020	305,000	184,226	-	-	111,111	6,578
2021	315,000	175,076	-	-	111,112	3,289
2022	325,000	165,626	-	-	-	-
2023	335,000	155,876	-	-	-	-
2024	345,000	145,826	-	-	-	-
2025	355,000	135,476	-	-	-	-
2026	365,000	124,826	-	-	-	-
2027	375,000	112,962	-	-	-	-
2028	390,000	99,838	-	-	-	-
2029	405,000	86,188	-	-	-	-
2030	420,000	71,000	-	-	-	-
2031	435,000	54,200	-	-	-	-
2032	450,000	36,800	-	-	-	-
2033	470,000	18,800	-	-	-	-
Total	6,685,000	2,615,650	3,000,000	97,500	777,778	92,089

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, 2014

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)
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%
2012	13,907,453	23,311,116	59.66%	9,403,663	5,919,833	158.85%
2013	15,590,999	23,947,233	65.11%	8,356,234	6,224,361	134.25%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2013	1,279,073	1,279,073	100.00%
2014	1,446,876	1,446,876	100.00%

CITY OF DEKALB, ILLINOIS

Police Pension Fund

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

June 30, 2014

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)
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%
2013	26,078,318	49,148,427	53.06%	23,070,109	4,923,730	468.55%
2014	29,008,901	52,132,456	55.64%	23,123,555	5,215,818	443.34%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2013	1,079,450	1,097,501	98.36%
2014	1,352,291	1,379,234	98.05%

CITY OF DEKALB, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

June 30, 2014

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)
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%
2013	22,186,069	52,889,722	41.95%	30,703,653	4,270,692	718.94%
2014	24,762,588	56,188,242	44.07%	31,425,654	4,649,060	675.96%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2013	1,807,256	1,837,536	98.35%
2014	2,037,490	2,078,061	98.05%

CITY OF DEKALB, ILLINOIS

Other Post-Employment Benefit Plan

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

June 30, 2014

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)
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%
2013	-	21,666,777	0.00%	21,666,777	13,631,798	158.94%
2014	-	20,149,079	0.00%	20,149,079	14,916,350	135.08%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2013	950,439	882,122	107.74%
2014	997,999	905,260	110.24%

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008. 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 For the Fiscal Year Ended June 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 15,724,059	15,724,059	15,998,012
Licenses and Permits	378,025	378,025	554,740
Intergovernmental	10,427,070	10,427,070	10,565,657
Charges for Services	1,854,750	1,854,750	1,817,681
Fines and Forfeitures	585,200	585,200	897,493
Interest	6,500	6,500	84,758
Miscellaneous	283,000	283,000	765,310
Total Revenues	29,258,604	29,258,604	30,683,651
Expenditures			
General Government	5,566,099	5,566,099	5,134,851
Public Safety	19,104,002	19,104,002	19,859,836
Community Development	3,992,583	3,992,583	4,015,770
Total Expenditures	28,662,684	28,662,684	29,010,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	595,920	595,920	1,673,194
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	42,185
Transfers In	1,939,503	1,939,503	1,965,590
Transfers Out	(2,203,639)	(2,203,639)	(2,844,307)
	(264,136)	(264,136)	(836,532)
Net Change in Fund Balance	331,784	331,784	836,662
Fund Balance - Beginning			5,220,937
Fund Balance - Ending			6,057,599

CITY OF DEKALB, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 1,150,000	1,150,000	1,138,728
Federal Grants	-	-	155,052
State Grants	199,000	199,000	397,346
Interest	2,000	2,000	5,879
Total Revenues	1,351,000	1,351,000	1,697,005
Expenditures			
Highways and Streets			
Commodities	100,000	100,000	100,000
Contractual Services	531,000	531,000	700,879
Capital Outlay			
Permanent Improvements	1,065,000	1,065,000	764,124
Total Expenditures	1,696,000	1,696,000	1,565,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345,000)	(345,000)	132,002
Other Financing (Uses)			
Transfers Out	-	-	(67,469)
Net Change in Fund Balance	(345,000)	(345,000)	64,533
Fund Balance - Beginning			2,006,007
Fund Balance - Ending			2,070,540

CITY OF DEKALB, ILLINOIS

Mass Transit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Federal Grants	\$ 802,712	802,712	436,891
State Grants	2,973,770	2,973,770	2,778,507
Miscellaneous	5,899	5,899	2,609
Total Revenues	<u>3,782,381</u>	<u>3,782,381</u>	<u>3,218,007</u>
Expenditures			
General Government			
Personal Services	113,681	113,681	101,438
Commodities	7,500	7,500	1,939
Contractual Services	3,673,525	3,673,525	3,095,052
Equipment	3,900	3,900	8,385
Total Expenditures	<u>3,798,606</u>	<u>3,798,606</u>	<u>3,206,814</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,225)</u>	<u>(16,225)</u>	<u>11,193</u>
Other Financing Sources (Uses)			
Transfers In	3,539	3,539	1,228
Transfers Out	-	-	(12,421)
	<u>3,539</u>	<u>3,539</u>	<u>(11,193)</u>
Net Change in Fund Balance	<u>(12,686)</u>	<u>(12,686)</u>	-
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u><u>-</u></u>

CITY OF DEKALB, ILLINOIS

Tax Increment Financing #1 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	\$ 6,345,899	6,345,899	6,604,296
Interest	50,000	50,000	69,495
Total Revenues	6,395,899	6,395,899	6,673,791
Expenditures			
Capital Outlay			
Contractual Services	185,000	185,000	138,024
Permanent Improvements	5,772,949	5,772,949	5,338,678
Total Expenditures	5,957,949	5,957,949	5,476,702
Excess (Deficiency) of Revenues Over (Under) Expenditures	437,950	437,950	1,197,089
Other Financing Sources (Uses)			
Transfers In	3,500,000	3,500,000	-
Transfers Out	(2,790,006)	(2,790,006)	(2,154,156)
	709,994	709,994	(2,154,156)
Net Change in Fund Balance	1,147,944	1,147,944	(957,067)
Fund Balance - Beginning			3,349,486
Fund Balance - Ending			2,392,419

CITY OF DEKALB, ILLINOIS**Tax Increment Financing #2 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,758,787	1,758,787	1,619,592
Expenditures			
Capital Outlay			
Contractual Services	360,631	360,631	310,889
Permanent Improvements	1,305,000	1,305,000	720,212
Total Expenditures	1,665,631	1,665,631	1,031,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	93,156	93,156	588,491
Other Financing (Uses)			
Transfers Out	(4,140,703)	(4,140,703)	(150,931)
Net Change in Fund Balance	(4,047,547)	(4,047,547)	437,560
Fund Balance - Beginning			6,672,420
Fund Balance - Ending			7,109,980

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.

Heartland Fields Special Service Area #14 Fund

The Heartland Fields Special Service Area #14 Fund is used to account for the accumulation of resources for improvements for Special Service Area #14.

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.

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.

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.

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 For the Fiscal Year Ended June 30, 2014

	Budget		Actual
	Original	Final	
Taxes			
Property	\$ 4,244,648	4,244,648	4,161,753
Home Rule Sales	5,807,528	5,807,528	5,935,106
Utility	3,520,715	3,520,715	3,600,059
Franchise	476,727	476,727	469,860
Restaurant/Bar	1,674,441	1,674,441	1,831,234
	<u>15,724,059</u>	<u>15,724,059</u>	<u>15,998,012</u>
Licenses and Permits			
Licenses			
Amusement	3,825	3,825	2,900
Liquor	167,000	167,000	242,200
Rooming House	12,500	12,500	11,400
Other	39,000	39,000	48,614
Permits			
Building	60,000	60,000	185,298
Electric	20,000	20,000	18,660
HVAC	15,000	15,000	10,989
Parking	2,700	2,700	3,280
Other	58,000	58,000	31,399
	<u>378,025</u>	<u>378,025</u>	<u>554,740</u>
Intergovernmental			
Federal Grant	20,000	20,000	23,660
State Grant	10,000	10,000	4,585
Replacement Tax	122,000	122,000	131,245
State Sales Tax	4,500,636	4,500,636	4,458,400
State Income Tax	4,200,462	4,200,462	4,197,440
State Use Tax	669,256	669,256	785,080
TIF Property Tax Surplus	175,993	175,993	177,986
TIF Sales Tax Surplus	357,373	357,373	385,654
Miscellaneous	371,350	371,350	401,607
	<u>10,427,070</u>	<u>10,427,070</u>	<u>10,565,657</u>

CITY OF DEKALB, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Charges for Services			
Fire Protection	\$ 742,000	742,000	822,322
Ambulance Fees	815,000	815,000	782,765
Police Services	19,000	19,000	1,762
Planning/Zoning Fees	12,000	12,000	-
Engineering Plan Review	13,000	13,000	-
Zoning Fees	6,000	6,000	7,934
Developmental Inspection Fees	20,000	20,000	3,966
Rents	227,000	227,000	197,586
Other	750	750	1,346
	<u>1,854,750</u>	<u>1,854,750</u>	<u>1,817,681</u>
Fines and Forfeitures			
Circuit Court	270,000	270,000	331,228
Police	195,000	195,000	65,310
Abatement	3,000	3,000	40,951
False Fire Alarm	1,000	1,000	1,700
Other	116,200	116,200	458,304
	<u>585,200</u>	<u>585,200</u>	<u>897,493</u>
Interest			
Investment Income	<u>6,500</u>	<u>6,500</u>	<u>84,758</u>
Miscellaneous			
Refunds/Reimbursements	145,000	145,000	467,852
Miscellaneous	<u>138,000</u>	<u>138,000</u>	<u>297,458</u>
	<u>283,000</u>	<u>283,000</u>	<u>765,310</u>
Total Revenues	<u>29,258,604</u>	<u>29,258,604</u>	<u>30,683,651</u>

CITY OF DEKALB, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 309,425	309,425	307,633
Administrative Services	2,843,130	2,843,130	2,654,517
Legal Counsel	282,831	282,831	280,841
General Fund Support Service	2,130,713	2,130,713	1,891,860
	5,566,099	5,566,099	5,134,851
Public Safety			
Police Protection	10,192,134	10,192,134	10,891,271
Fire Protection	8,911,868	8,911,868	8,968,565
	19,104,002	19,104,002	19,859,836
Community Development	3,992,583	3,992,583	4,015,770
Total Expenditures	28,662,684	28,662,684	29,010,457

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended June 30, 2014

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personnel Services	\$ 75,250	75,250	70,863
Commodities	2,550	2,550	2,071
Contractual Services	231,625	231,625	234,699
	<u>309,425</u>	<u>309,425</u>	<u>307,633</u>
Administrative Services			
Personnel Services	2,318,105	2,318,105	2,208,956
Commodities	106,650	106,650	89,128
Contractual Services	211,625	211,625	147,767
Other Services	192,000	192,000	194,437
Equipment	14,750	14,750	14,229
	<u>2,843,130</u>	<u>2,843,130</u>	<u>2,654,517</u>
Legal			
Personnel Services	81,881	81,881	82,592
Commodities	750	750	1,352
Contractual Services	3,200	3,200	6,260
Other Services	197,000	197,000	190,637
	<u>282,831</u>	<u>282,831</u>	<u>280,841</u>
General Fund Support Services			
Personnel Services	1,443,863	1,443,863	1,385,978
Commodities	147,150	147,150	176,564
Contractual Services	124,700	124,700	141,376
Other Services	415,000	415,000	187,942
	<u>2,130,713</u>	<u>2,130,713</u>	<u>1,891,860</u>
Total General Government	<u>5,566,099</u>	<u>5,566,099</u>	<u>5,134,851</u>

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended June 30, 2014

	Budget		Actual
	Original	Final	
Public Safety			
Police Protection			
Personnel Services	\$ 9,766,696	9,766,696	10,204,623
Commodities	260,725	260,725	467,238
Contractual Services	134,788	134,788	165,657
Other Services	23,000	23,000	30,999
Equipment	6,925	6,925	22,754
	10,192,134	10,192,134	10,891,271
Fire Protection			
Fire Administrative Services			
Personnel Services	608,625	608,625	606,378
Commodities	58,100	58,100	58,728
Contractual Services	32,432	32,432	24,781
Fire Service			
Personnel Services	7,844,588	7,844,588	7,987,913
Commodities	165,085	165,085	123,344
Contractual Services	190,284	190,284	157,945
Other Services	5,700	5,700	5,780
Equipment	7,054	7,054	3,696
	8,911,868	8,911,868	8,968,565
Total Public Safety	19,104,002	19,104,002	19,859,836
Community Development			
Public Works			
Personnel Services	2,924,302	2,924,302	3,012,073
Commodities	542,400	542,400	520,100
Contractual Services	444,281	444,281	402,699
Other Services	64,000	64,000	65,465
Equipment	17,600	17,600	15,433
Total Community Development	3,992,583	3,992,583	4,015,770
Total Expenditures	28,662,684	28,662,684	29,010,457

CITY OF DEKALB, ILLINOIS**Tax Increment Financing - Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Debt Service			
Principal	1,075,000	1,075,000	1,075,000
Interest and Fiscal Charges	295,334	295,334	287,484
Total Expenditures	1,370,334	1,370,334	1,362,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,370,334)	(1,370,334)	(1,362,484)
Other Financing Sources			
Transfers In	1,370,334	1,370,334	1,362,484
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

CITY OF DEKALB, ILLINOIS

Public Safety Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Actual	
Revenues			
Intergovernmental			
Local Fuel Tax	\$ 300,000	300,000	252,220
Hotel/Motel Tax	20,000	20,000	20,000
Fines and Forfeitures			
Police Fines	100,000	100,000	100,000
Interest		-	3,274
Miscellaneous	-	-	20,000
Total Revenues	420,000	420,000	395,494
Expenditures			
Capital Outlay	2,187,382	2,187,382	3,135,993
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,767,382)	(1,767,382)	(2,740,499)
Other Financing Sources (Uses)			
Transfers In	-	-	500,000
Transfers Out	(898,600)	(898,600)	(900,931)
	(898,600)	(898,600)	(400,931)
Net Change in Fund Balance	(2,665,982)	(2,665,982)	(3,141,430)
Fund Balance - Beginning			3,367,671
Fund Balance - Ending			226,241

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2014

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 105,357	-	200,750	306,107
Receivables - Net of Allowances				
Property Taxes	4,953	-	-	4,953
Other	-	-	317	317
Due from Other Governments	58,037	-	41,616	99,653
Due from Other Funds	-	-	169,527	169,527
Total Assets	168,347	-	412,210	580,557
LIABILITIES				
Accounts Payable	28,553	-	30,359	58,912
Due to Other Funds	67,711	-	182,023	249,734
Other Payables	1,700	-	107,727	109,427
Total Liabilities	97,964	-	320,109	418,073
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	9,200	-	-	9,200
Total Liabilities and Deferred Inflows of Resources	107,164	-	320,109	427,273
FUND BALANCES				
Restricted	87,174	-	-	87,174
Committed	-	-	272,044	272,044
Unassigned	(25,991)	-	(179,943)	(205,934)
Total Fund Balances	61,183	-	92,101	153,284
Total Liabilities, Deferred Inflows of Resources and Fund Balances	168,347	-	412,210	580,557

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2014

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 208,563	-	-	208,563
Intergovernmental	292,678	-	346,986	639,664
Charges for Services	-	-	144,137	144,137
Fines and Forfeitures	-	-	80,000	80,000
Interest	47	-	-	47
Miscellaneous	-	-	165,768	165,768
Total Revenues	501,288	-	736,891	1,238,179
Expenditures				
General Government	319,437	-	695,276	1,014,713
Public Safety	82,304	-	-	82,304
Capital Outlay	120,160	-	364,431	484,591
Debt Service				
Principal	-	1,150,000	323,453	1,473,453
Interest and Fiscal Charges	-	759,981	6,651	766,632
Total Expenditures	521,901	1,909,981	1,389,811	3,821,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,613)	(1,909,981)	(652,920)	(2,583,514)
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	13,013	13,013
Transfers In	-	1,909,981	384,029	2,294,010
Transfers Out	(90,297)	-	-	(90,297)
	(90,297)	1,909,981	397,042	2,216,726
Net Change in Fund Balances	(110,910)	-	(255,878)	(366,788)
Fund Balances - Beginning	172,093	-	347,979	520,072
Fund Balances - Ending	61,183	-	92,101	153,284

CITY OF DEKALB, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****June 30, 2014**

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block
ASSETS			
Cash and Investments	\$ 20,251	41,501	18,143
Receivables - Net of Allowances			
Property Taxes	-	-	-
Due from Other Governments	-	-	31,541
Total Assets	20,251	41,501	49,684
LIABILITIES			
Accounts Payable	9,839	402	6,829
Other Payables	-	-	1,700
Due to Other Funds	-	-	24,711
Total Liabilities	9,839	402	33,240
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	-	-	-
Total Liabilities and Deferred Inflows of Resources	9,839	402	33,240
FUND BALANCES			
Restricted	10,412	41,099	16,444
Unassigned	-	-	-
Total Fund Balances	10,412	41,099	16,444
Total Liabilities, Deferred Inflows of Resources and Fund Balances	20,251	41,501	49,684

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Economic Development	Totals
6,761	1,851	15,671	1,106	73	105,357
-	793	2,901	1,259	-	4,953
-	-	-	-	26,496	58,037
6,761	2,644	18,572	2,365	26,569	168,347
50	463	1,545	175	9,250	28,553
-	-	-	-	-	1,700
-	-	-	-	43,000	67,711
50	463	1,545	175	52,250	97,964
-	1,600	5,100	2,500	-	9,200
50	2,063	6,645	2,675	52,250	107,164
6,711	581	11,927	-	-	87,174
-	-	-	(310)	(25,681)	(25,991)
6,711	581	11,927	(310)	(25,681)	61,183
6,761	2,644	18,572	2,365	26,569	168,347

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2014

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block
Revenues			
Taxes	\$ 44,991	-	-
Intergovernmental	-	-	292,678
Interest	-	47	-
Total Revenues	44,991	47	292,678
Expenditures			
General Government	-	2,472	107,116
Public Safety	82,304	-	-
Capital Outlay	-	13,210	97,765
Total Expenditures	82,304	15,682	204,881
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,313)	(15,635)	87,797
Other Financing (Uses)			
Transfers Out	-	(1,000)	(87,797)
Net Change in Fund Balances	(37,313)	(16,635)	-
Fund Balances - Beginning	47,725	57,734	16,444
Fund Balances - Ending	10,412	41,099	16,444

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Economic Development	Totals
-	1,488	5,101	-	156,983	208,563
-	-	-	-	-	292,678
-	-	-	-	-	47
-	1,488	5,101	-	156,983	501,288
544	2,913	-	310	206,082	319,437
-	-	-	-	-	82,304
-	-	9,185	-	-	120,160
544	2,913	9,185	310	206,082	521,901
(544)	(1,425)	(4,084)	(310)	(49,099)	(20,613)
(500)	(500)	(500)	-	-	(90,297)
(1,044)	(1,925)	(4,584)	(310)	(49,099)	(110,910)
7,755	2,506	16,511	-	23,418	172,093
6,711	581	11,927	(310)	(25,681)	61,183

CITY OF DEKALB, ILLINOIS

Foreign Fire Insurance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Foreign Fire Insurance Tax	\$ 42,000	42,000	44,991
Expenditures			
Public Safety			
Commodities	15,500	15,500	23,871
Contractual Services	3,775	3,775	1,862
Equipment	22,000	22,000	56,571
Total Expenditures	41,275	41,275	82,304
Net Change in Fund Balance	725	725	(37,313)
Fund Balance - Beginning			47,725
Fund Balance - Ending			10,412

CITY OF DEKALB, ILLINOIS**Housing Rehabilitation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	47
Miscellaneous	-	-	-
Refunds and Reimbursements	15,000	15,000	-
Total Revenues	15,000	15,000	47
Expenditures			
General Government			
Contractual Services	5,750	5,750	1,290
Other Services	5,000	5,000	1,182
Capital Outlay			
Permanent Improvements	10,000	10,000	13,210
Total Expenditures	20,750	20,750	15,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,750)	(5,750)	(15,635)
Other Financing (Uses)			
Transfers Out	-	-	(1,000)
Net Change in Fund Balance	(5,750)	(5,750)	(16,635)
Fund Balance - Beginning			57,734
Fund Balance - Ending			41,099

CITY OF DEKALB, ILLINOIS**Community Development Block Grant - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 391,460	391,460	292,678
Expenditures			
General Government			
Commodities	150	150	480
Contractual Services	114,200	114,200	106,636
Capital Outlay			
Permanent Improvements	202,110	202,110	97,765
Total Expenditures	316,460	316,460	204,881
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,000	75,000	87,797
Other Financing (Uses)			
Transfers Out	(75,000)	(75,000)	(87,797)
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
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
General Government			
Commodities	1,000	1,000	-
Contractual Services	500	500	544
Total Expenditures	1,500	1,500	544
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,500)	(1,500)	(544)
Other Financing (Uses)			
Transfers Out	(500)	(500)	(500)
Net Change in Fund Balance	(2,000)	(2,000)	(1,044)
Fund Balance - Beginning			7,755
Fund Balance - Ending			6,711

CITY OF DEKALB, ILLINOIS**Knolls Special Service Area #4 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,486	1,486	1,488
Expenditures			
General Government			
Contractual Services	2,000	2,000	2,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	(514)	(514)	(1,425)
Other Financing (Uses)			
Transfers Out	(500)	(500)	(500)
Net Change in Fund Balance	<u>(1,014)</u>	<u>(1,014)</u>	(1,925)
Fund Balance - Beginning			<u>2,506</u>
Fund Balance - Ending			<u>581</u>

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
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 5,100	5,100	5,101
Expenditures			
Capital Outlay			
Permanent Improvements	6,500	6,500	9,185
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,400)	(1,400)	(4,084)
Other Financing (Uses)			
Transfers Out	(500)	(500)	(500)
Net Change in Fund Balance	(1,900)	(1,900)	(4,584)
Fund Balance - Beginning			16,511
Fund Balance - Ending			11,927

CITY OF DEKALB, ILLINOIS

Heartland Fields Special Service Area #14 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
General Government			
Contractual Services	980	980	310
Net Change in Fund Balance	<u>(980)</u>	<u>(980)</u>	(310)
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u>(310)</u>

CITY OF DEKALB, ILLINOIS

Economic Development - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Actual	
Revenues			
Taxes			
Hotel/Motel	\$ 208,000	208,000	156,983
Expenditures			
General Government			
Contractual Services	206,000	206,000	206,082
Net Change in Fund Balance	2,000	2,000	(49,099)
Fund Balance - Beginning			23,418
Fund Balance - Ending			(25,681)

CITY OF DEKALB, ILLINOIS**General Debt Service - Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Debt Service			
Principal	1,120,000	1,120,000	1,150,000
Interest and Fiscal Charges	788,700	788,700	759,981
Total Expenditures	1,908,700	1,908,700	1,909,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,908,700)	(1,908,700)	(1,909,981)
Other Financing Sources			
Transfers In	1,908,700	1,908,700	1,909,981
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

June 30, 2014

	Capital Projects	Equipment	Fleet Replacement	Totals
ASSETS				
Cash and Investments	\$ 5,763	194,930	57	200,750
Receivables - Net of Allowances				
Other	317	-	-	317
Due from Other Governments	41,616	-	-	41,616
Due from Other Funds	169,527	-	-	169,527
Total Assets	217,223	194,930	57	412,210
LIABILITIES				
Accounts Payable	30,359	-	-	30,359
Due to Other Funds	2,023	-	180,000	182,023
Other Payables	1,977	105,750	-	107,727
Total Liabilities	34,359	105,750	180,000	320,109
FUND BALANCES				
Committed	182,864	89,180	-	272,044
Unassigned	-	-	(179,943)	(179,943)
Total Fund Balances	182,864	89,180	(179,943)	92,101
Total Liabilities and Fund Balances	217,223	194,930	57	412,210

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014**

	Capital Projects	Equipment	Fleet Replacement	Totals
Revenues				
Intergovernmental	\$ 346,986	-	-	346,986
Charges for Services	144,137	-	-	144,137
Fines and Forfeitures	-	30,000	50,000	80,000
Miscellaneous	313	148,000	17,455	165,768
Total Revenues	491,436	178,000	67,455	736,891
Expenditures				
General Government	103,294	173,327	418,655	695,276
Capital Outlay	364,431	-	-	364,431
Debt Service				
Principal	181,463	125,323	16,667	323,453
Interest and Fiscal Charges	6,651	-	-	6,651
Total Expenditures	655,839	298,650	435,322	1,389,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164,403)	(120,650)	(367,867)	(652,920)
Other Financing Sources				
Disposal of Capital Assets	-	2,336	10,677	13,013
Transfers In	-	207,334	176,695	384,029
	-	209,670	187,372	397,042
Net Change in Fund Balances	(164,403)	89,020	(180,495)	(255,878)
Fund Balances - Beginning	347,267	160	552	347,979
Fund Balances - Ending	182,864	89,180	(179,943)	92,101

CITY OF DEKALB, ILLINOIS

Capital Projects - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Actual	
Revenues			
Intergovernmental			
Local Fuel Tax	\$ 375,000	375,000	335,381
State Grants	-	-	11,605
Charges for Services			
Rental Income	130,000	130,000	144,137
Miscellaneous	-	-	313
Total Revenues	<u>505,000</u>	<u>505,000</u>	<u>491,436</u>
Expenditures			
General Government			
Commodities	20,000	20,000	12,500
Contractual Services	103,500	103,500	75,841
Equipment	84,000	84,000	14,953
Capital Outlay			
Permanent Improvements	415,000	415,000	364,431
Debt Service			
Principal	181,464	181,464	181,463
Interest and Fiscal Charges	23,799	23,799	6,651
Total Expenditures	<u>827,763</u>	<u>827,763</u>	<u>655,839</u>
Net Change in Fund Balance	<u>(322,763)</u>	<u>(322,763)</u>	(164,403)
Fund Balance - Beginning			<u>347,267</u>
Fund Balance - Ending			<u>182,864</u>

CITY OF DEKALB, ILLINOIS

Equipment - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		
	Original	Actual	Actual
Revenues			
Fines and Forfeitures			
Administration Tow Fines	\$ 30,000	30,000	30,000
Miscellaneous			
Refunds and Reimbursements	135,000	135,000	148,000
Miscellaneous	13,654	13,654	-
Total Revenues	178,654	165,000	178,000
Expenditures			
General Government			
Commodities	21,340	21,340	24,939
Equipment	180,700	180,700	148,388
Debt Service			
Principal	-	-	125,323
Total Expenditures	202,040	202,040	298,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,386)	(37,040)	(120,650)
Other Financing Sources			
Disposal of Capital Assets	-	-	2,336
Transfers In	80,000	80,000	207,334
	80,000	80,000	209,670
Net Change in Fund Balance	56,614	42,960	89,020
Fund Balance - Beginning			160
Fund Balance - Ending			89,180

CITY OF DEKALB, ILLINOIS

Fleet Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		
	Original	Actual	Actual
Revenues			
Fines and Forfeitures			
Administration Tow Fines	\$ 50,000	50,000	50,000
Miscellaneous			
Refunds and Reimbursements	15,000	15,000	12,455
Miscellaneous	-	-	5,000
Total Revenues	65,000	65,000	67,455
Expenditures			
General Government			
Equipment	346,500	346,500	418,655
Debt Service			
Principal	-	-	16,667
Total Expenditures	346,500	346,500	435,322
Excess (Deficiency) of Revenues Over (Under) Expenditures	(281,500)	(281,500)	(367,867)
Other Financing Sources			
Disposal of Capital Assets	-	-	10,677
Transfers In	160,000	160,000	176,695
	160,000	160,000	187,372
Net Change in Fund Balance	(121,500)	(121,500)	(180,495)
Fund Balance - Beginning			552
Fund Balance - Ending			(179,943)

CITY OF DEKALB, ILLINOIS

Water Fund Department Accounts - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Operations and Maintenance		
	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales	\$ 5,272,429	5,272,429	5,097,577
Permits	19,500	19,500	21,315
Miscellaneous	22,000	22,000	22,466
Total Operating Revenues	5,313,929	5,313,929	5,141,358
Operating Expenses			
Operations			
Personal Services	1,807,361	1,807,361	1,869,577
Commodities	436,000	436,000	438,831
Contractual Services	623,200	623,200	567,112
Other Services/Expenses	692,414	692,414	40,961
Equipment	589,380	589,380	242,382
Permanent Improvements	546,400	546,400	-
Depreciation and Amortization	900,000	900,000	728,297
Total Operating Expenses	5,594,755	5,594,755	3,887,160
Operating Income (Loss)	(280,826)	(280,826)	1,254,198
Nonoperating Revenues (Expenses)			
Interest Income	300	300	102
Disposal of Capital Assets	-	-	2,917
Interest Expense	(183,801)	(183,801)	(193,190)
	(183,501)	(183,501)	(190,171)
Income (Loss) Before Transfers and Contributions	(464,327)	(464,327)	1,064,027
Grants	-	-	495,000
Transfers Out	(650,000)	(650,000)	(650,000)
	(650,000)	(650,000)	(155,000)
Change in Net Position	(1,114,327)	(1,114,327)	909,027
Net Position - Beginning			24,021,853
Net Position - Ending			24,930,880

System Construction			Totals		
Budget		Actual	Budget		Actual
Original	Final		Original	Final	
-	-	-	5,272,429	5,272,429	5,097,577
50,000	50,000	37,822	69,500	69,500	59,137
-	-	-	22,000	22,000	22,466
50,000	50,000	37,822	5,363,929	5,363,929	5,179,180
-	-	-	1,807,361	1,807,361	1,869,577
-	-	-	436,000	436,000	438,831
-	-	-	623,200	623,200	567,112
-	-	-	692,414	692,414	40,961
-	-	-	589,380	589,380	242,382
700,000	700,000	-	1,246,400	1,246,400	-
-	-	-	900,000	900,000	728,297
700,000	700,000	-	6,294,755	6,294,755	3,887,160
(650,000)	(650,000)	37,822	(930,826)	(930,826)	1,292,020
-	-	-	300	300	102
-	-	-	-	-	2,917
-	-	-	(183,801)	(183,801)	(193,190)
-	-	-	(183,501)	(183,501)	(190,171)
(650,000)	(650,000)	37,822	(1,114,327)	(1,114,327)	1,101,849
-	-	-	-	-	495,000
-	-	-	(650,000)	(650,000)	(650,000)
-	-	-	(650,000)	(650,000)	(155,000)
(650,000)	(650,000)	37,822	(1,764,327)	(1,764,327)	946,849
		926,701			24,948,554
		964,523			25,895,403

CITY OF DEKALB, ILLINOIS

Water - Enterprise Fund

**Schedule of Capital Assets and Depreciation
For the Fiscal Year Ended June 30, 2014**

	Assets			
	Beginning Balances	Additions	Retirements/ Transfers	Ending Balances
Land	\$ 528,648	-	-	528,648
Buildings and Improvements	2,544,389	-	-	2,544,389
Water System	39,599,106	1,536,263	-	41,135,369
Vehicles	657,158	57,647	96,934	617,871
Equipment	454,370	79,400	-	533,770
	<u>43,783,671</u>	<u>1,673,310</u>	<u>96,934</u>	<u>45,360,047</u>
	Accumulated Depreciation			
	Beginning Balances	Additions	Retirements/ Transfers	Ending Balances
Buildings and Improvements	804,339	50,888	-	855,227
Water System	16,105,335	639,518	-	16,744,853
Vehicles	585,056	25,915	96,934	514,037
Equipment	292,738	18,680	-	311,418
	<u>17,787,468</u>	<u>735,001</u>	<u>96,934</u>	<u>18,425,535</u>
Net Capital Asset Value	<u>25,996,203</u>			<u>26,934,512</u>

CITY OF DEKALB, ILLINOIS

Airport - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended June 30, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Rents/Taxes	\$ 370,000	370,000	340,913
Fuel Sales	550,000	550,000	415,364
Airport Operators	11,500	11,500	-
Miscellaneous	5,500	5,500	16,528
Total Operating Revenues	937,000	937,000	772,805
Operating Expenses			
Operations			
Personal Services	256,938	263,840	257,727
Commodities	508,700	508,700	382,218
Contractual Services	137,850	137,850	168,636
Other Services	108,300	108,300	60,961
Equipment	32,000	32,000	22,237
Permanent Improvements	1,780,106	1,780,106	25,156
Depreciation and Amortization	-	-	347,867
Total Operating Expenses	2,823,894	2,830,796	1,264,802
Operating Income (Loss)	(1,886,894)	(1,893,796)	(491,997)
Nonoperating Revenues (Expenses)			
Interest Income	-	-	11
Disposal of Capital Assets	-	-	(425)
Interest Expense	(54,725)	(54,725)	(57,716)
	(54,725)	(54,725)	(58,130)
Income (Loss) Before Transfers and Contributions	(1,941,619)	(1,948,521)	(550,127)
Grants	1,667,478	1,667,478	464,182
Transfers In	225,000	225,000	225,000
	1,892,478	1,892,478	689,182
Change in Net Position	(49,141)	(56,043)	139,055
Net Position - Beginning			27,877,913
Net Position - Ending			28,016,968

CITY OF DEKALB, ILLINOIS**Refuse - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,924,097	1,924,097	2,013,424
Miscellaneous	-	-	40,000
Total Operating Revenues	1,924,097	1,924,097	2,053,424
Operating Expenses			
Operations			
Contractual Services	1,804,248	1,804,248	1,844,724
Income Before Transfers	119,849	119,849	208,700
Transfers Out	(270,400)	(270,400)	(202,800)
Change in Net Position	<u>(150,551)</u>	<u>(150,551)</u>	5,900
Net Position - Beginning			<u>1,913</u>
Net Position - Ending			<u>7,813</u>

CITY OF DEKALB, ILLINOIS

**Combining Statement of Net Position - Internal Service Funds
June 30, 2014**

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 1,923,657	17,787	6,335	1,947,779
Receivables - Net of Allowances				
Accrued Interest	271	-	-	271
Other	-	1,652	5,439	7,091
Due from Other Funds	57,000	-	-	57,000
Prepays	458,244	213,648	30,000	701,892
Total Current Assets	2,439,172	233,087	41,774	2,714,033
LIABILITIES				
Current Liabilities				
Accounts Payable	582,538	1,317	7,079	590,934
Accrued Payroll	-	9,637	-	9,637
Claims Payable	572,011	-	1,000	573,011
Due to Other Funds	-	57,000	-	57,000
Total Current Liabilities	1,154,549	67,954	8,079	1,230,582
NET POSITION				
Unrestricted	1,284,623	165,133	33,695	1,483,451

CITY OF DEKALB, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds For the Fiscal Year Ended June 30, 2014

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Totals
Operating Revenues				
Charges for Services	\$ 703,841	5,708,820	130,000	6,542,661
Miscellaneous	-	-	23,564	23,564
Total Operating Revenues	703,841	5,708,820	153,564	6,566,225
Operating Expenses				
Administration	1,032,493	5,768,931	123,769	6,925,193
Operating Income (Loss)	(328,652)	(60,111)	29,795	(358,968)
Nonoperating Revenues				
Interest Income	1,219	21	-	1,240
Income (Loss) Before Transfers	(327,433)	(60,090)	29,795	(357,728)
Transfers In	500,000	225,000	-	725,000
Change in Net Position	172,567	164,910	29,795	367,272
Net Position - Beginning	1,112,056	223	3,900	1,116,179
Net Position - Ending	1,284,623	165,133	33,695	1,483,451

CITY OF DEKALB, ILLINOIS

**Combining Statement of Cash Flows - Internal Service Funds
For the Fiscal Year Ended June 30, 2014**

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Totals
Cash Flows from Operating Activities				
Interfund Services Provided	\$ 789,288	5,630,364	118,125	6,537,777
Payment to Suppliers	(460,055)	(5,871,856)	(119,423)	(6,451,334)
	329,233	(241,492)	(1,298)	86,443
Cash Flows from Noncapital Financing Activities				
Transfers In	500,000	225,000	-	725,000
Cash Flows from Investing Activities				
Interest Received	1,219	21	-	1,240
Net Change in Cash and Cash Equivalents	830,452	(16,471)	(1,298)	812,683
Cash and Cash Equivalents - Beginning	1,093,205	34,258	7,633	1,135,096
Cash and Cash Equivalents - Ending	1,923,657	17,787	6,335	1,947,779
Reconciliation of Operating Income to Net Cash				
Provided (Used) by Operating Activities				
Operating Income (Loss)	(328,652)	(60,111)	29,795	(358,968)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by (Used in)				
Operating Activities				
(Increase) Decrease in Current Assets	85,447	(78,456)	(35,439)	(28,448)
Increase (Decrease) in Current Liabilities	572,438	(102,925)	4,346	473,859
Net Cash Provided by Operating Activities	329,233	(241,492)	(1,298)	86,443

CITY OF DEKALB, ILLINOIS

Workers' Compensation Insurance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Contributions	\$ 702,991	702,991	703,841
Operating Expenses			
Administration			
Contractual Services	59,200	59,200	84,693
Claims	1,226,204	1,226,204	947,800
Total Operating Expenses	1,285,404	1,285,404	1,032,493
Operating Income (Loss)	(582,413)	(582,413)	(328,652)
Nonoperating Revenues			
Interest Income	1,000	1,000	1,219
Income (Loss) Before Transfers	(581,413)	(581,413)	(327,433)
Transfers In	500,000	500,000	500,000
Change in Net Position	(81,413)	(81,413)	172,567
Net Position - Beginning			1,112,056
Net Position - Ending			1,284,623

CITY OF DEKALB, ILLINOIS**Health Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Contributions	\$ 5,678,530	5,678,530	5,654,406
Miscellaneous	1,000	1,000	54,414
Total Operating Revenues	5,679,530	5,679,530	5,708,820
Operating Expenses			
Administration			
Contractual Services	19,000	19,000	14,473
Claims	5,878,416	5,878,416	5,754,458
Total Operating Expenses	5,897,416	5,897,416	5,768,931
Operating Income (Loss)	(217,886)	(217,886)	(60,111)
Nonoperating Revenues			
Interest Income	20	20	21
Income (Loss) Before Transfers	(217,866)	(217,866)	(60,090)
Transfers In	-	225,000	225,000
Change in Net Position	(217,866)	7,134	164,910
Net Position - Beginning			223
Net Position - Ending			165,133

CITY OF DEKALB, ILLINOIS**Liability/Property Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Contributions	\$ 130,000	130,000	130,000
Miscellaneous	10,000	10,000	23,564
Total Operating Revenues	140,000	140,000	153,564
Operating Expenses			
Administration			
Contractual Services	64,500	64,500	29,440
Claims	94,000	94,000	94,329
Other	50	50	-
Total Operating Expenses	158,550	158,550	123,769
Change in Net Position	(18,550)	(18,550)	29,795
Net Position - Beginning			3,900
Net Position - Ending			33,695

CITY OF DEKALB, ILLINOIS**Pension Trust Funds****Combining Statement of Net Position
June 30, 2014**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 735,603	897,309	1,632,912
Investments			
U.S. Treasury and Agency Securities	7,994,266	8,908,786	16,903,052
Corporate Bonds	2,192,332	-	2,192,332
Certificates of Deposit	-	103,921	103,921
Money Market Mutual Funds	629,572	297,025	926,597
Mutual Funds	18,162,602	15,531,701	33,694,303
Receivables			
Accrued Interest	26,571	48,878	75,449
Prepays	7,901	1,100	9,001
Total Assets	29,748,847	25,788,720	55,537,567
LIABILITIES			
Accounts Payable	10,178	6,474	16,652
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	729,768	1,019,658	1,749,426
Total Liabilities and Deferred Inflows of Resources	739,946	1,026,132	1,766,078
NET POSITION			
Held in Trust for Pension Benefits	29,008,901	24,762,588	53,771,489

CITY OF DEKALB, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2014

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,352,291	2,037,490	3,389,781
Contributions - Plan Members	632,775	420,534	1,053,309
Total Contributions	1,985,066	2,458,024	4,443,090
Investment Income			
Interest Income	672,124	671,552	1,343,676
Net Change in Fair Value	2,606,354	2,456,167	5,062,521
	3,278,478	3,127,719	6,406,197
Less Investment Expenses	(37,693)	(52,064)	(89,757)
Net Investment Income	3,240,785	3,075,655	6,316,440
Total Additions	5,225,851	5,533,679	10,759,530
Deductions			
Administration	39,544	34,562	74,106
Benefits and Refunds	2,255,726	2,922,598	5,178,324
Total Deductions	2,295,270	2,957,160	5,252,430
Change in Net Position	2,930,581	2,576,519	5,507,100
Net Position Held in Trust for Pension Benefits			
Beginning	26,078,320	22,186,069	48,264,389
Ending	29,008,901	24,762,588	53,771,489

CITY OF DEKALB, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual For the Fiscal Year Ended June 30, 2014

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,379,234	1,379,234	1,352,291
Contributions - Plan Members	497,403	497,403	632,775
Total Contributions	1,876,637	1,876,637	1,985,066
Investment Income			
Interest Income	577,305	577,305	672,124
Net Change in Fair Value	1,800,000	1,800,000	2,606,354
	2,377,305	2,377,305	3,278,478
Less Investment Expenses	(56,003)	(56,003)	(37,693)
Net Investment Income	2,321,302	2,321,302	3,240,785
Total Additions	4,197,939	4,197,939	5,225,851
Deductions			
Administration	33,250	33,250	39,544
Benefits and Refunds	2,248,125	2,248,125	2,255,726
Total Deductions	2,281,375	2,281,375	2,295,270
Change in Net Position	1,916,564	1,916,564	2,930,581
Net Position Held in Trust for Pension Benefits			
Beginning			26,078,320
Ending			29,008,901

CITY OF DEKALB, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2014**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,060,476	2,060,476	2,037,490
Contributions - Plan Members	414,678	414,678	420,534
Total Contributions	2,475,154	2,475,154	2,458,024
Investment Income			
Interest Income	525,000	525,000	671,552
Net Change in Fair Value	1,668,750	1,668,750	2,456,167
	2,193,750	2,193,750	3,127,719
Less Investment Expenses	(53,721)	(53,721)	(52,064)
Net Investment Income	2,140,029	2,140,029	3,075,655
Total Additions	4,615,183	4,615,183	5,533,679
Deductions			
Administration	32,905	32,905	34,562
Benefits and Refunds	2,837,183	2,837,183	2,922,598
Total Deductions	2,870,088	2,870,088	2,957,160
Change in Net Position	1,745,095	1,745,095	2,576,519
Net Position Held in Trust for Pension Benefits			
Beginning			22,186,069
Ending			24,762,588

COMPONENT UNIT – DEKALB PUBLIC LIBRARY

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Statement of Net Position and
Combining Balance Sheet - Governmental Funds
June 30, 2014

See Following Page

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Statement of Net Position and
Combining Balance Sheet - Governmental Funds
June 30, 2014

	<u>General</u>
ASSETS	
Cash and Investments	\$ 12,547,083
Receivables - Net of Allowances	
Taxes	1,157,535
Accrued Interest	95
Prepays	14,324
Capital Assets	
Nondepreciable	-
Depreciable	-
Accumulated Depreciation	-
Total Assets	<u>13,719,037</u>
LIABILITIES	
Accounts Payable	229,750
Accrued Payroll	23,649
Compensated Absences Payable	-
Net Pension Obligation Payable	-
Net Other Post-Employment Benefit Payable	-
General Obligations Bonds Payable	-
Loans Payable	-
Debt Certificates Payable	-
Total Liabilities	<u>253,399</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>2,294,580</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,547,979</u>
FUND BALANCES/NET POSITION	
Fund Balances	
Net Investment in Capital Assets	-
Nonspendable	14,324
Restricted - Culture and Recreation	11,156,734
Restricted - Endowments	-
Assigned	-
Total Fund Balances	<u>11,171,058</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>13,719,037</u>

Capital Projects	Permanent	Totals	Adjustments	Statement of Net Position
5,742	225,657	12,778,482	-	12,778,482
-	-	1,157,535	-	1,157,535
21	817	933	-	933
-	-	14,324	-	14,324
-	-	-	2,944,465	2,944,465
-	-	-	820,335	820,335
-	-	-	(466,354)	(466,354)
5,763	226,474	13,951,274	3,298,446	17,249,720
-	-	229,750	-	229,750
-	-	23,649	-	23,649
-	-	-	40,393	40,393
-	-	-	31,679	31,679
-	-	-	25,131	25,131
-	-	-	6,685,000	6,685,000
-	-	-	3,000,000	3,000,000
-	-	-	777,778	777,778
-	-	253,399	10,559,981	10,813,380
-	-	2,294,580	-	2,294,580
-	-	2,547,979	10,559,981	13,107,960
-	-	-	2,520,668	2,520,668
-	-	14,324	(14,324)	-
-	-	11,156,734	(9,767,879)	1,388,855
-	226,474	226,474	-	226,474
5,763	-	5,763	-	5,763
5,763	226,474	11,403,295	(7,261,535)	4,141,760
5,763	226,474	13,951,274	3,298,446	17,249,720

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Statement of Activities and Combining Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General</u>
Revenues	
Taxes	
Property Taxes	\$ 1,762,669
TIF Surplus	75,226
Replacement Taxes	37,034
Intergovernmental	
State Grants	55,038
Federal Grants	15,000
Charges for Services	43,855
Interest	18,234
Miscellaneous	259,728
Total Revenues	<u>2,266,784</u>
Expenditures	
Current	
Culture and Recreation	3,449,180
Debt Service	
Principal Retirement	111,111
Interest and Fiscal Charges	246,303
Total Expenditures	<u>3,806,594</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(1,539,810)</u>
Other Financing Sources (Uses)	
Transfers In	80,231
Transfers Out	-
	<u>80,231</u>
Net Change in Fund Balances/Net Position	(1,459,579)
Fund Balances/Net Position - Beginning	<u>12,630,637</u>
Fund Balances/Net Position - Ending	<u><u>11,171,058</u></u>

Capital Projects	Permanent	Totals	Adjustments	Statement of Activities
-	-	1,762,669	-	1,762,669
-	-	75,226	-	75,226
-	-	37,034	-	37,034
-	-	55,038	-	55,038
-	-	15,000	-	15,000
-	-	43,855	-	43,855
(543)	(1,409)	16,282	-	16,282
-	-	259,728	-	259,728
(543)	(1,409)	2,264,832	-	2,264,832
-	-	3,449,180	(1,299,110)	2,150,070
-	-	111,111	(111,111)	-
-	-	246,303	-	246,303
-	-	3,806,594	(1,410,221)	2,396,373
(543)	(1,409)	(1,541,762)	1,410,221	(131,541)
-	-	80,231	-	80,231
(80,000)	(231)	(80,231)	-	(80,231)
(80,000)	(231)	-	-	-
(80,543)	(1,640)	(1,541,762)	1,410,221	(131,541)
86,306	228,114	12,945,057	(8,671,756)	4,273,301
5,763	226,474	11,403,295	(7,261,535)	4,141,760

SUPPLEMENTAL SCHEDULES

CITY OF DEKALB, ILLINOIS

Schedule of General Long-Term Debt

Long-Term Debt Payable from Governmental Funds
June 30, 2014

See Following Page

CITY OF DEKALB, ILLINOIS

Schedule of General Long-Term Debt

**Long-Term Debt Payable from Governmental Funds
June 30, 2014**

	Compensated Absences	Net Pension Obligation	Net Other Post- Employment Benefits Obligation
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT			
Amount to be Provided for Retirement of General Long-Term Debt	\$ 5,086,006	256,281	7,094,778
GENERAL LONG-TERM DEBT PAYABLE			
Compensated Absences Payable	5,086,006	-	-
Net Pension Obligation	-	256,281	-
Net Other Post-Employment Benefits Obligation	-	-	7,094,778
Capital Lease Payable	-	-	-
General Obligation Bonds Payable	-	-	-
	5,086,006	256,281	7,094,778

Capital Lease	General Obligation Refunding Bonds of 2004	General Obligation Bonds of 2010A (TIF)	General Obligation Refunding Bonds of 2010B	General Obligation Refunding Bonds of 2010C	General Obligation Bonds of 2012A	General Obligation Bonds of 2013B	Totals
527,697	1,130,000	7,670,000	3,905,000	4,655,000	9,315,000	2,350,000	41,989,762
-	-	-	-	-	-	-	5,086,006
-	-	-	-	-	-	-	256,281
-	-	-	-	-	-	-	7,094,778
527,697	-	-	-	-	-	-	527,697
-	1,130,000	7,670,000	3,905,000	4,655,000	9,315,000	2,350,000	29,025,000
527,697	1,130,000	7,670,000	3,905,000	4,655,000	9,315,000	2,350,000	41,989,762

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2004 June 30, 2014

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
Purpose	Storm Sewer, Street Reconstruction, Park Land Acquisition, Radium Remediation, and Airport Improvements

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 655,000	154,025	809,025	2014	77,012	2015	77,013
2014	695,000	124,550	819,550	2015	62,274	2016	62,276
2015	720,000	93,275	813,275	2016	46,637	2017	46,638
2016	-	60,875	60,875	2017	30,438	2018	30,437
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	8,438	2021	8,437
	<u>3,500,000</u>	<u>543,550</u>	<u>4,043,550</u>		<u>271,775</u>		<u>271,775</u>
	1,130,000	103,050	1,233,050	General Debt Service Fund			
	1,900,000	352,875	2,252,875	Water Fund			
	<u>470,000</u>	<u>87,625</u>	<u>557,625</u>	Airport Fund			
	<u>3,500,000</u>	<u>543,550</u>	<u>4,043,550</u>				

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS - Continued

General Debt Service Fund

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 360,000	50,850	410,850	2014	25,425	2015	25,425
2014	380,000	34,650	414,650	2015	17,325	2016	17,325
2015	390,000	17,550	407,550	2016	8,775	2017	8,775
	<u>1,130,000</u>	<u>103,050</u>	<u>1,233,050</u>		<u>51,525</u>		<u>51,525</u>

Water Fund

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 240,000	82,725	322,725	2014	41,362	2015	41,363
2014	250,000	71,925	321,925	2015	35,962	2016	35,963
2015	265,000	60,675	325,675	2016	30,337	2017	30,338
2016	-	48,750	48,750	2017	24,375	2018	24,375
2017	555,000	48,750	603,750	2018	24,375	2019	24,375
2018	290,000	26,550	316,550	2019	13,275	2020	13,275
2019	300,000	13,500	313,500	2020	6,750	2021	6,750
	<u>1,900,000</u>	<u>352,875</u>	<u>2,252,875</u>		<u>176,436</u>		<u>176,439</u>

Airport Fund

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 55,000	20,450	75,450	2014	10,225	2015	10,225
2014	65,000	17,975	82,975	2015	8,987	2016	8,988
2015	65,000	15,050	80,050	2016	7,525	2017	7,525
2016	-	12,125	12,125	2017	6,063	2018	6,062
2017	140,000	12,125	152,125	2018	6,063	2019	6,062
2018	70,000	6,525	76,525	2019	3,263	2020	3,262
2019	75,000	3,375	78,375	2020	1,688	2021	1,687
	<u>470,000</u>	<u>87,625</u>	<u>557,625</u>		<u>43,814</u>		<u>43,811</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Taxable Bonds of 2005 June 30, 2014

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
Purpose	T-Hangars and Taxiway Improvements

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 575,000	32,347	607,347	2014	16,387	2015	15,960

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010A

June 30, 2014

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
Purpose	TIF Downtown Improvements and Northland Plaza Roadwork

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Dec. 1	Amount	Jun. 1	Amount
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>7,670,000</u>	<u>1,273,712</u>	<u>8,943,712</u>		<u>705,350</u>		<u>568,362</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010B

June 30, 2014

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
Purpose	Refund the Series 1997A and 2002 Bonds

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
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>2,041,023</u>	<u>5,946,023</u>		<u>1,020,515</u>		<u>1,020,508</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010C June 30, 2014

Date of Issue	December 1, 2010
Date of Maturity	January 1, 2023
Authorized Issue	\$5,415,000
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
Purpose	Refund a portion of the Series 2004 and 2009 Bond Anticipation Notes

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
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>4,655,000</u>	<u>1,468,684</u>	<u>6,123,684</u>		<u>734,342</u>		<u>734,342</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2012A June 30, 2014

Date of Issue	October 25, 2012
Date of Maturity	January 1, 2030
Authorized Issue	\$9,905,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 2.50%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago IL
Purpose	Police Station Construction

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 625,000	193,082	818,082	2014	96,541	2015	96,541
2014	635,000	180,582	815,582	2015	90,291	2016	90,291
2015	650,000	167,882	817,882	2016	83,941	2017	83,941
2016	660,000	154,882	814,882	2017	77,441	2018	77,441
2017	550,000	141,682	691,682	2018	70,841	2019	70,841
2018	-	130,682	130,682	2019	65,341	2020	65,341
2019	-	130,682	130,682	2020	65,341	2021	65,341
2020	-	130,682	130,682	2021	65,341	2022	65,341
2021	765,000	130,682	895,682	2022	65,341	2023	65,341
2022	780,000	115,382	895,382	2023	57,691	2024	57,691
2023	795,000	99,782	894,782	2024	49,891	2025	49,891
2024	810,000	82,682	892,682	2025	41,341	2026	41,341
2025	830,000	67,682	897,682	2026	33,841	2027	33,841
2026	845,000	50,044	895,044	2027	25,022	2028	25,022
2027	865,000	32,088	897,088	2028	16,044	2029	16,044
2028	505,000	12,624	517,624	2029	6,312	2030	6,312
	<u>9,315,000</u>	<u>1,821,122</u>	<u>11,136,122</u>		<u>910,561</u>		<u>910,561</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013B

June 30, 2014

Date of Issue	June 18, 2013
Date of Maturity	January 1, 2022
Authorized Issue	\$2,380,000
Denomination of Bonds	\$5,000
Interest Rates	0.80% to 3.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank, Chicago IL
Purpose	Police Station Construction

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2013	\$ 10,000	69,704	79,704	2014	34,852	2015	34,852
2014	10,000	69,615	79,615	2015	34,807	2016	34,808
2015	10,000	69,506	79,506	2016	34,753	2017	34,753
2016	15,000	69,376	84,376	2017	34,688	2018	34,688
2017	135,000	69,150	204,150	2018	34,575	2019	34,575
2018	700,000	65,100	765,100	2019	32,550	2020	32,550
2019	725,000	44,100	769,100	2020	22,050	2021	22,050
2020	745,000	22,350	767,350	2029	11,175	2030	11,175
	<u>2,350,000</u>	<u>478,901</u>	<u>2,828,901</u>		<u>239,450</u>		<u>239,451</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

**IEPA Loan #L17133700 Contract Payable of 1999
June 30, 2014**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2015	\$ 224,814	41,664	266,478
2016	230,549	35,929	266,478
2017	236,431	30,047	266,478
2018	242,462	24,016	266,478
2019	248,648	17,830	266,478
2020	254,991	11,487	266,478
2021	261,496	4,982	266,478
	1,699,391	165,955	1,865,346

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

IEPA Loan #L17133700 Contract Payable of 2000
June 30, 2014

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2015	\$ 184,600	34,212	218,812
2016	189,311	29,501	218,812
2017	194,139	24,673	218,812
2018	199,094	19,718	218,812
2019	204,170	14,642	218,812
2020	209,379	9,433	218,812
2021	214,720	4,092	218,812
	1,395,413	136,271	1,531,684

CITY OF DEKALB, ILLINOIS**Long-Term Debt Requirements****IEPA Loan #L174045 Contract Payable of 2012
June 30, 2014**

Date of Contract	August 9, 2013
Date of Maturity	October 26, 2032
Amount of Loan	\$283,072
Interest Rate	2.295%
Interest Dates	October 26 and April 26
Payable at	Illinois Environmental Protection Agency
Purpose	Hollister Avenue Watermain Replacement

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2015	\$ 9,912	5,100	15,012
2016	12,497	6,027	18,524
2017	12,785	5,739	18,524
2018	13,080	5,444	18,524
2019	13,382	5,142	18,524
2020	13,691	4,833	18,524
2021	14,007	4,517	18,524
2022	14,330	4,194	18,524
2023	14,661	3,863	18,524
2024	15,000	3,524	18,524
2025	15,347	3,177	18,524
2026	15,700	2,824	18,524
2027	16,062	2,462	18,524
2028	16,433	2,091	18,524
2029	16,812	1,712	18,524
2030	17,200	1,324	18,524
2031	17,598	926	18,524
2032	18,003	521	18,524
2033	9,160	110	9,270
	275,660	63,530	339,190

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements

General Obligation Bonds of 2013A
June 30, 2014

Date of Issue	June 18, 2013
Date of Maturity	January 1, 2033
Authorized Issue	\$6,685,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% to 4.00%
Interest Date	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago IL
Purpose	Library Expansion

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2015	\$ 265,000	226,076	491,076
2016	270,000	218,126	488,126
2017	280,000	210,026	490,026
2018	285,000	201,626	486,626
2019	295,000	193,076	488,076
2020	305,000	184,226	489,226
2021	315,000	175,076	490,076
2022	325,000	165,626	490,626
2023	335,000	155,876	490,876
2024	345,000	145,826	490,826
2025	355,000	135,476	490,476
2026	365,000	124,826	489,826
2027	375,000	112,962	487,962
2028	390,000	99,838	489,838
2029	405,000	86,188	491,188
2030	420,000	71,000	491,000
2031	435,000	54,200	489,200
2032	450,000	36,800	486,800
2033	470,000	18,800	488,800
	<u>6,685,000</u>	<u>2,615,650</u>	<u>9,300,650</u>

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements

Loan Payable of 2013
June 30, 2014

Date of Loan	June 18, 2013
Date of Maturity	June 18, 2015
Amount of Loan	\$3,000,000
Interest Rate	3.25%
Interest Dates	July 18
Payable at	First National Bank of Omaha, NE
Purpose	Library Expansion

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2015	\$ 3,000,000	97,500	3,097,500

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements

Debt Certificates of 2011

June 30, 2014

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, DeKalb, IL
Purpose	Library Expansion

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
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>777,778</u>	<u>92,089</u>	<u>869,867</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 Position by Component - Last Ten Fiscal Years*
June 30, 2014 (Unaudited)

See Following Page

CITY OF DEKALB, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
June 30, 2014 (Unaudited)

	2005	2006	2007	2008
Governmental Activities				
Net Investment in Capital Assets	\$ 104,193,560	107,038,191	109,228,834	113,947,561
Restricted	1,524,630	3,295,898	3,159,513	10,131,297
Unrestricted	(10,463,117)	(12,063,288)	(10,790,695)	(16,660,106)
Total Governmental Activities Net Position	95,255,073	98,270,801	101,597,652	107,418,752
Business-Type Activities				
Net Investment in Capital Assets	37,052,275	39,392,443	45,585,845	46,840,204
Unrestricted	1,273,772	(279,115)	(805,537)	(985,741)
Total Business-Type Activities Net Position	38,326,047	39,113,328	44,780,308	45,854,463
Primary Government				
Net Investment in Capital Assets	141,245,835	146,430,634	154,814,679	160,787,765
Restricted	1,524,630	3,295,898	3,159,513	10,131,297
Unrestricted	(9,189,345)	(12,342,403)	(11,596,232)	(17,645,847)
Total Primary Government Net Position	133,581,120	137,384,129	146,377,960	153,273,215

* Accrual Basis of Accounting

2009	2010	2011	2012	2013	2014
116,350,547	116,154,934	119,410,592	120,169,717	118,266,115	116,047,087
10,401,769	15,569,514	11,857,498	12,358,010	12,182,850	11,764,636
(14,726,824)	(20,131,463)	(17,715,142)	(15,138,497)	(13,241,757)	(11,899,046)
112,025,492	111,592,985	113,552,948	117,389,230	117,207,208	115,912,677
48,402,014	48,482,070	48,222,651	48,123,532	47,928,816	49,590,809
(724,236)	(463,724)	2,919,291	4,179,066	4,899,564	4,329,375
47,677,778	48,018,346	51,141,942	52,302,598	52,828,380	53,920,184
164,752,561	164,637,004	167,633,243	168,293,249	166,194,931	165,637,896
10,401,769	15,569,514	11,857,498	12,358,010	12,182,850	11,764,636
(15,451,060)	(20,595,187)	(14,795,851)	(10,959,431)	(8,342,193)	(7,569,671)
159,703,270	159,611,331	164,694,890	169,691,828	170,035,588	169,832,861

CITY OF DEKALB, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
June 30, 2014 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
General Government	\$ 6,565,079	6,505,926	8,553,164	9,084,220	10,441,675	9,268,403	10,647,791	8,859,145	11,865,375	9,744,441
Public Safety	14,495,797	14,009,805	16,371,735	17,889,697	19,020,552	19,606,432	19,660,618	20,989,072	19,017,122	20,797,002
Highways and Streets	5,455,783	7,706,447	6,133,081	7,844,631	6,074,929	9,415,300	4,465,186	2,207,978	1,449,053	5,016,398
Community Development	10,481,051	4,743,859	4,888,810	4,068,000	6,022,846	5,083,380	7,929,922	10,738,364	13,208,902	10,726,424
Interest on Long-Term Debt	1,026,539	1,154,903	960,500	1,010,059	902,204	723,651	857,764	1,016,815	1,080,709	1,209,191
Total Governmental Activities Expenses	38,024,249	34,120,940	36,907,290	39,896,607	42,462,206	44,097,166	43,561,281	43,811,374	46,621,161	47,493,456
Business-Type Activities										
Water and Sewer	3,876,880	4,131,341	4,206,023	4,146,713	4,347,248	4,222,070	4,438,481	4,159,836	4,081,382	4,080,350
Airport	766,597	839,450	1,039,450	994,597	1,111,227	914,295	1,154,982	1,318,730	1,641,540	1,322,518
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	1,756,850	1,844,724
Developmental Services	194,977	294,791	249,295	365,050	378,497	380,574	-	-	-	-
Total Business-Type Activities Expenses	6,037,692	6,579,467	6,898,546	6,972,575	7,493,617	7,188,854	7,330,400	7,148,930	7,479,772	7,247,592
Total Primary Government Expenses	44,061,941	40,700,407	43,805,836	46,869,182	49,955,823	51,286,020	50,891,681	50,960,304	54,100,933	54,741,048
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	266,806	337,340	259,887	303,453	292,071	340,015	325,169	238,190	330,222	485,114
Public Safety	4,961,170	2,281,500	2,325,586	2,440,715	2,631,448	2,710,546	2,739,272	2,462,313	2,090,752	2,504,342
Highways and Streets	791,567	555,022	433,385	333,154	325,866	210,319	496,852	212,232	125,794	144,137
Community Development	667,701	-	-	75,291	403,355	402,209	395,147	237,838	422,991	460,458
Operating Grants/Contributions	3,378,028	2,867,194	2,148,087	2,481,892	3,656,334	2,488,211	3,257,775	1,143,618	1,131,494	1,166,973
Capital Grants/Contributions	2,197,952	3,036,831	1,609,289	2,083,090	2,013,494	2,471,003	4,144,333	6,075,050	4,843,630	4,072,079
Total Governmental Activities Program Revenues	12,263,224	9,077,887	6,776,234	7,717,595	9,322,568	8,622,303	11,358,548	10,369,241	8,944,883	8,833,103
Business-Type Activities										
Charges for Services										
Water and Sewer	4,284,036	4,446,444	4,185,161	4,387,320	4,788,391	5,136,193	5,454,296	5,367,480	5,503,049	5,179,180
Airport	264,547	280,532	235,999	262,783	261,655	247,364	405,332	846,375	1,094,127	772,805
Refuse	1,318,513	1,407,499	1,501,041	1,584,288	1,623,529	1,625,213	1,696,646	1,757,410	1,773,670	2,053,424
Developmental Services	81,349	249,957	230,060	96,580	88,319	38,835	-	-	-	-
Operating Grants and Contributions	-	-	-	611	-	-	-	-	-	-
Capital Grants and Contributions	1,521,358	257,211	2,865,831	359,444	2,673,502	760,930	392,373	562,770	130,658	959,182
Total Business-Type Activities Program Revenues	7,469,803	6,641,643	9,018,092	6,691,026	9,435,396	7,808,535	7,948,647	8,534,035	8,501,504	8,964,591
Total Primary Government Program Revenues	19,733,027	15,719,530	15,794,326	14,408,621	18,757,964	16,430,838	19,307,195	18,903,276	17,446,387	17,797,694

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense) Revenue										
Governmental Activities	(25,761,025)	(25,043,053)	(30,131,056)	(32,179,012)	(33,139,638)	(35,474,863)	(32,202,733)	(33,442,133)	(37,676,278)	(38,660,353)
Business-Type Activities	1,432,111	62,176	2,119,546	(281,549)	1,941,779	619,681	618,247	1,385,105	1,021,732	1,716,999
Total Primary Government										
Net (Expense) Revenue	(24,328,914)	(24,980,877)	(28,011,510)	(32,460,561)	(31,197,859)	(34,855,182)	(31,584,486)	(32,057,028)	(36,654,546)	(36,943,354)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	6,907,239	7,408,007	8,799,430	10,366,305	12,446,812	13,371,039	13,405,653	12,733,599	12,673,310	12,392,230
Sales	8,738,221	9,630,952	10,160,582	10,251,569	11,297,335	11,413,254	11,426,292	11,132,604	11,078,544	10,435,096
Utility	3,933,220	4,032,927	4,077,785	4,230,240	4,012,575	3,739,824	4,449,288	3,788,953	3,534,755	3,600,059
Income	3,023,210	3,362,748	3,689,547	4,274,684	3,954,000	3,472,035	3,561,130	3,745,298	4,130,363	4,197,440
Other	2,008,060	2,252,273	2,469,560	2,695,564	2,575,341	2,484,759	3,426,431	4,775,612	4,835,868	4,994,817
Interest	169,202	340,505	428,938	347,511	189,302	75,779	71,691	37,782	124,029	164,693
Miscellaneous	12,581,513	1,357,565	2,677,000	5,618,738	2,972,237	188,830	157,306	839,167	623,137	953,687
Transfers	122,958	172,713	168,837	232,052	229,413	296,836	(2,453,290)	225,400	494,250	627,800
Total Governmental Activities	37,483,623	28,557,690	32,471,679	38,016,663	37,677,015	35,042,356	34,044,501	37,278,415	37,494,256	37,365,822
Business-Type Activities										
Property Taxes	74,674	75,194	-	-	-	-	-	-	-	-
Interest	30,356	9,214	-	132	300	16	16	380	4,338	113
Miscellaneous	766,846	813,410	3,245,071	1,452,830	110,649	42,707	28,384	571	(6,038)	2,492
Transfers	(122,958)	(172,713)	(168,837)	(232,052)	(229,413)	(321,836)	2,453,290	(225,400)	(494,250)	(627,800)
Total Business-Type Activities	748,918	725,105	3,076,234	1,220,910	(118,464)	(279,113)	2,481,690	(224,449)	(495,950)	(625,195)
Total Primary Government	38,232,541	29,282,795	35,547,913	39,237,573	37,558,551	34,763,243	36,526,191	37,053,966	36,998,306	36,740,627
Changes in Net Position										
Governmental Activities	11,722,598	3,514,637	2,340,623	5,837,651	4,537,377	(432,507)	1,841,768	3,836,282	(182,022)	(1,294,531)
Business-Type Activities	2,181,029	787,281	5,195,780	939,361	1,823,315	340,568	3,099,937	1,160,656	525,782	1,091,804
Total Primary Government	13,903,627	4,301,918	7,536,403	6,777,012	6,360,692	(91,939)	4,941,705	4,996,938	343,760	(202,727)

* Accrual Basis of Accounting

CITY OF DEKALB, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
June 30, 2014 (Unaudited)

	2005	2006	2007
General Fund			
Reserved	\$ 58,705	70,296	147,508
Unreserved	3,532,201	3,755,347	3,155,669
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	3,590,906	3,825,643	3,303,177
All Other Governmental Funds			
Reserved	3,345,268	4,643,715	3,166,191
Unreserved, Reported in,			
Special Revenue Funds	(20,788)	(18,120)	(8,808)
Debt Service Funds	-	-	-
Capital Projects Funds	(1,991,201)	(1,346,797)	(1,076,165)
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	1,333,279	3,278,798	2,081,218

* Modified Accrual Basis of Accounting

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

2008	2009	2010	2011	2012	2013	2014
738,577	2,067,865	2,177,003	6,257	-	-	-
2,161,911	1,633,753	1,331,219	-	-	-	-
-	-	-	50,934	61,660	37,161	30,216
-	-	-	-	-	-	104,523
-	-	-	-	6,262	6,262	6,262
-	-	-	2,692,928	4,669,218	5,177,514	5,916,598
2,900,488	3,701,618	3,508,222	2,750,119	4,737,140	5,220,937	6,057,599
1,808,174	2,653,139	2,783,493	-	-	-	-
(445)	(362)	(383)	-	-	-	-
-	-	-	-	-	-	-
9,104,021	8,552,208	13,352,510	-	-	-	-
-	-	-	3,650	1,500	-	-
-	-	-	11,725,897	12,537,031	12,176,588	11,660,113
-	-	-	340,327	219,840	3,739,068	498,285
-	-	-	-	-	-	(205,934)
10,911,750	11,204,985	16,135,620	12,069,874	12,758,371	15,915,656	11,952,464

CITY OF DEKALB, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
June 30, 2014 (Unaudited)

	2005	2006	2007
Revenues			
Taxes	\$ 24,548,569	26,710,135	29,097,231
Intergovernmental	5,522,101	4,558,814	3,724,715
Licenses, Permits and Fees	618,029	598,657	448,192
Charges for Services	4,613,201	1,796,958	1,685,991
Fines and Forfeitures	654,353	696,551	672,403
Interest	169,202	340,505	428,938
Miscellaneous	399,324	2,794,723	515,750
Total Revenues	<u>36,524,779</u>	<u>37,496,343</u>	<u>36,573,220</u>
Expenditures			
General Government	5,619,515	5,990,453	6,740,822
Public Safety	13,915,879	14,990,271	15,719,852
Highways and Streets	3,432,725	3,780,017	4,425,779
Community Development	3,609,518	2,821,395	1,843,360
Capital Outlay	8,157,674	8,835,397	6,647,200
Debt Service			
Principal Retirement	1,810,000	2,220,000	2,835,214
Interest and Fiscal Charges	1,032,874	1,085,767	906,585
Total Expenditures	<u>37,578,185</u>	<u>39,723,300</u>	<u>39,118,812</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(1,053,406)</u>	<u>(2,226,957)</u>	<u>(2,545,592)</u>
Other Financing Sources (Uses)			
Debt Issuance	5,623,102	4,101,958	1,079,114
Premium (Discount) on Debt Issuance	191,795	-	-
Payment to Escrow Agent	(5,145,695)	-	-
Disposal of Capital Assets	112,517	18,309	36,433
Transfers In	3,282,821	4,631,683	4,054,351
Transfers Out	<u>(3,202,021)</u>	<u>(4,458,970)</u>	<u>(3,885,514)</u>
	<u>862,519</u>	<u>4,292,980</u>	<u>1,284,384</u>
Net Change in Fund Balances	<u>(190,887)</u>	<u>2,066,023</u>	<u>(1,261,208)</u>
Debt Service as a Percentage			
of Noncapital Expenditures	<u>7.82%</u>	<u>8.48%</u>	<u>11.25%</u>

* Modified Accrual Basis of Accounting

2008	2009	2010	2011	2012	2013	2014
31,898,673	34,305,038	34,305,038	36,266,887	24,753,767	24,330,856	24,430,463
4,347,447	6,070,086	6,070,086	6,576,584	18,750,569	17,863,890	16,384,065
364,103	354,375	354,375	499,938	396,095	483,375	554,740
1,721,234	1,772,322	1,772,322	2,137,997	2,149,403	1,727,442	1,961,818
766,504	728,572	728,572	639,450	605,075	758,942	1,077,493
347,511	189,302	189,302	71,691	37,681	120,520	163,453
734,928	737,263	737,263	517,485	839,167	623,137	953,687
40,180,400	44,156,958	44,156,958	46,710,032	47,531,757	45,908,162	45,525,719
6,925,455	8,604,319	8,604,319	9,582,025	8,981,636	10,496,713	9,356,378
16,666,201	17,407,054	17,407,054	18,267,633	19,371,392	18,642,683	19,942,140
4,529,707	3,930,979	3,930,979	2,933,330	609,488	750,074	800,879
2,322,976	1,797,965	1,797,965	1,045,409	3,185,002	4,083,703	4,015,770
6,843,723	8,163,413	8,163,413	12,011,245	10,359,355	18,631,978	10,892,511
4,465,000	2,605,000	2,605,000	5,940,000	2,129,920	2,268,121	2,548,453
882,467	859,247	859,247	808,239	938,679	835,209	1,054,116
42,635,529	43,367,977	43,367,977	50,587,881	45,575,472	55,708,481	48,610,247
(2,455,129)	788,981	788,981	(3,877,849)	1,956,285	(9,800,319)	(3,084,528)
10,607,240	-	-	9,320,000	-	12,910,969	-
-	-	-	(41,304)	-	87,782	-
-	-	-	(7,158,799)	-	-	-
60,231	6,608	6,608	2,050	26,533	11,400	55,198
4,032,407	5,679,484	5,679,484	5,461,545	5,113,090	5,138,884	6,123,312
(3,800,355)	(5,450,071)	(5,450,071)	(8,529,492)	(4,420,390)	(4,707,634)	(6,220,512)
10,899,523	236,021	236,021	(946,000)	719,233	13,441,401	(42,002)
8,444,394	1,025,002	1,025,002	(4,823,849)	2,675,518	3,641,082	(3,126,530)
10.38%	13.44%	8.70%	14.62%	7.38%	6.99%	8.00%

CITY OF DEKALB, ILLINOIS

**Taxable Sales by Category - Last Ten Calendar Years
June 30, 2014 (Unaudited)**

	2004	2005	2006	2007
General Merchandise	\$ 160,665,590	163,641,647	170,225,753	171,985,064
Food	37,275,809	43,927,833	47,170,335	53,207,066
Drinking and Eating Places	52,351,156	52,849,443	60,927,328	65,260,253
Apparel	8,087,885	8,247,873	10,754,613	9,626,133
Furniture & H.H. & Radio	25,392,698	28,350,657	29,988,920	33,834,022
Lumber, Building Hardware	28,061,388	26,795,706	27,977,040	26,936,010
Automobile and Filling Stations	79,773,554	85,140,723	91,978,172	93,408,943
Drugs and Miscellaneous Retail	67,637,829	70,477,891	81,006,583	83,283,571
Agriculture and All Others	47,817,252	48,845,881	48,715,922	41,446,148
Manufacturers	6,481,064	11,253,745	12,975,167	15,254,811
Total	513,544,225	539,531,399	581,719,833	594,242,021
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.

2008	2009	2010	2011	2012	2013
164,736,328	154,138,547	161,257,806	129,818,177	149,564,784	145,091,378
60,740,900	55,760,959	56,012,687	67,456,918	65,852,747	65,400,022
67,402,498	64,478,308	66,461,264	66,649,641	68,587,766	67,411,032
7,332,715	6,235,098	5,912,150	30,582,619	7,128,112	8,019,269
28,883,333	24,677,414	25,081,450	22,181,422	20,684,998	20,194,461
24,505,165	22,566,265	21,682,737	21,563,108	22,120,923	23,492,009
94,746,090	76,117,806	81,678,462	84,369,200	90,624,448	81,838,781
84,314,769	81,599,087	79,606,161	76,036,417	74,197,724	78,920,501
39,136,195	28,154,513	28,623,247	29,011,979	29,448,085	30,174,323
18,224,889	13,889,966	15,507,914	7,289,300	1,546,592	3,116,244
590,022,882	527,617,963	541,823,878	534,958,781	529,756,179	523,658,020
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, 2014 (Unaudited)

	2004	2005	2006	2007
General Merchandise	\$ 103,347,408	107,910,203	111,235,234	110,641,629
Food	11,255,490	12,926,058	14,228,867	16,220,246
Drinking and Eating Places	51,038,005	51,883,076	59,524,764	63,696,181
Apparel	8,081,341	8,247,458	10,750,251	9,619,122
Furniture & H.H. & Radio	25,258,574	28,326,789	29,956,258	33,782,135
Lumber, Building Hardware	27,928,079	26,795,221	27,950,165	26,884,766
Automobile and Filling Stations	30,939,395	34,610,098	38,130,323	43,057,278
Drugs and Miscellaneous Retail	49,234,368	50,940,432	58,390,055	58,432,889
Agriculture and All Others	42,983,219	44,282,933	41,914,235	37,826,626
Manufacturers	5,952,384	11,013,882	12,663,868	14,914,125
Total	356,018,263	376,936,150	404,744,020	415,074,997
City Direct Sales Tax Rate	1.25%	1.25%	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.

2008*	2009	2010	2011	2012	2013
105,718,900	99,635,725	106,361,293	87,558,389	99,024,929	96,069,313
17,771,292	16,039,202	18,341,512	30,104,054	29,741,123	28,856,277
65,892,248	63,016,745	64,921,928	65,295,493	67,176,678	66,489,229
7,316,764	6,230,748	5,911,746	19,317,301	7,046,287	7,946,743
28,777,827	24,555,874	24,340,125	21,984,344	20,503,154	20,039,027
24,259,864	22,394,973	21,589,323	21,526,692	22,070,597	23,431,577
44,642,599	36,573,132	42,992,984	46,695,364	47,519,288	48,575,366
59,739,818	58,394,357	57,668,525	56,027,770	56,447,398	58,367,979
35,885,916	26,970,847	27,405,131	28,250,729	28,487,957	28,584,214
17,841,691	13,412,811	15,166,169	6,981,465	1,250,597	2,801,034
407,846,919	367,224,414	384,698,736	383,741,601	379,268,008	381,160,759
1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

CITY OF DEKALB, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years June 30, 2014 (Unaudited)

Fiscal Year	City Home Rule Rate	Municipal Retailers Occupation Tax	County Rate	State Rate	Total Sales Tax Rate
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%
2013	1.75%	1.00%	0.25%	5.00%	8.00%
2014	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, 2014 (Unaudited)**

See Following Page

CITY OF DEKALB, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years June 30, 2014 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property
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
2012	331,382,501	156,902,473
2013	300,043,381	143,720,391

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*
\$ 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
43,536,967	731,665	1,252,297	533,805,903	1.1321
39,939,551	673,596	1,546,704	485,923,623	1.3511

CITY OF DEKALB, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years June 30, 2014 (Unaudited)

	2004	2005	2006
City Direct Rates			
City of DeKalb	0.6000	0.5930	0.5967
Library	0.2135	0.2110	0.2124
Total Direct Rates	0.8135	0.8040	0.8091
Overlapping Rates			
DeKalb County	0.8679	0.8547	0.8668
DeKalb Township	0.1284	0.1216	0.1151
DeKalb Road & Bridge	0.2197	0.2145	0.1933
Forest Preserve District	0.0276	0.0269	0.0548
Sanitary District	0.1078	0.1015	0.0952
DeKalb School District #428	5.0648	4.9847	4.8927
Kishwaukee Community College	0.5569	0.5295	0.5435
Park District	0.6106	0.5826	0.5494
Total Direct and Overlapping Rates	8.3970	8.2199	8.1198
Share of Total Tax Rate Levied by City of DeKalb and the DeKalb Library	9.69%	9.78%	9.96%

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.

2007	2008	2009	2010	2011	2012	2013
0.6000	0.6000	0.6500	0.6899	0.7205	0.7952	0.9809
0.2437	0.2509	0.2793	0.2957	0.3088	0.3369	0.3701
0.8437	0.8509	0.9293	0.9856	1.0293	1.1321	1.3511
0.8449	0.8495	0.8539	0.9052	0.9694	1.0892	1.2013
0.1116	0.1130	0.1149	0.1260	0.1350	0.1508	0.1687
0.1874	0.1808	0.1839	0.1477	0.1548	0.1768	0.1977
0.0677	0.0678	0.0663	0.0700	0.0740	0.0797	0.0852
0.0913	0.0927	0.0944	0.1036	0.1110	0.1244	0.1393
4.7288	5.2079	5.2606	5.7414	6.2148	7.0275	7.8215
0.5497	0.5468	0.5638	0.5601	0.5758	0.6416	0.7294
0.5247	0.5131	0.5208	0.5606	0.5987	0.6745	0.7519
7.9498	8.4224	8.5879	9.2003	9.8628	11.0967	12.4459
10.61%	10.10%	10.82%	10.71%	10.44%	10.20%	10.86%

CITY OF DEKALB, ILLINOIS

Principal Property Taxpayers - Current Fiscal Year and Nine Fiscal Years Ago June 30, 2014 (Unaudited)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
3M	\$ 13,132,839	1	2.70%	\$ 5,207,701	4	1.14%
Target	10,073,509	2	2.07%			
Panduit	6,673,504	3	1.37%	5,538,354	3	1.21%
Goodyear	6,236,026	4	1.28%	7,809,584	1	1.71%
Nestle	6,030,714	5	1.24%	7,634,848	2	1.67%
Northland Plaza	5,085,990	6	1.05%	5,045,876	5	1.11%
DeKalb Area Retirement Center	4,941,552	7	1.02%	2,967,705	8	0.65%
University Village I & II	3,892,173	8	0.80%	4,200,609	6	0.92%
Faiview MSFP II, LLC	3,768,276	9	0.78%			
Dream Fund LLC	3,669,009	10	0.76%	3,921,816	7	0.86%
Walmart Stores				2,820,684	9	0.62%
DeKalb I, LLC				2,467,251	10	0.54%
	<u>63,503,592</u>		<u>13.07%</u>	<u>47,614,428</u>		<u>10.43%</u>

Data Sources: County Assessors 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, 2014 (Unaudited)**

See Following Page

CITY OF DEKALB, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years
June 30, 2014 (Unaudited)

Tax Levy Year	City of DeKalb								DeKalb	
	Rates per \$100	Total Tax Levy Requested	Collections within the Levy Year		Collections in Subsequent Years	Total Collections to Date		Rates per \$100	Total Tax Levy Requested	Collections
			Amount	Percentage of Levy		Amount	Percentage of Levy			Levy
										Amount
2004	0.6000	\$ 2,861,055	\$ 2,740,571	95.79%	-	\$ 2,740,571	95.79%	0.2135	\$ 974,400	\$ 974,400
2005	0.5930	3,022,052	3,022,052	100.00%	-	3,022,052	100.00%	0.2110	1,075,498	1,075,498
2006	0.5967	3,400,000	3,400,000	100.00%	-	3,400,000	100.00%	0.2124	1,210,003	1,210,003
2007	0.6000	3,742,937	3,679,970	98.32%	-	3,679,970	98.32%	0.2437	1,520,000	1,492,137
2008	0.6000	3,889,007	3,765,927	96.84%	-	3,765,927	96.84%	0.2509	1,620,420	1,574,213
2009	0.6500	4,185,332	4,160,967	99.42%	-	4,160,967	99.42%	0.2793	1,798,500	1,796,093
2010	0.6899	4,196,805	4,107,807	97.88%	-	4,107,807	97.88%	0.2957	1,798,523	1,760,288
2011	0.7205	4,196,890	4,127,590	98.35%	-	4,127,590	98.35%	0.3088	1,798,536	1,767,397
2012	0.7952	4,244,718	4,161,753	98.05%	-	4,161,753	98.05%	0.3369	1,798,552	1,762,669
2013	0.9809	4,270,457	2,192,022 *	51.33%	-	2,192,022	51.33%	0.3701	1,798,549	891,165 *

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

* Amount reflects collections through June 30, 2014.

Library within the Year	Collections in Subsequent Years	Totals									
		Total Collections to Date		Rates per \$100	Total Tax Levy Requested	Collections within the Levy Year		Collections in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy			Amount	Percentage of Levy		Amount	Percentage of Levy	
100.00%	-	\$ 974,400	100.00%	0.8135	\$ 3,835,455	\$ 3,714,971	96.86%	-	\$ 3,714,971	96.86%	
100.00%	-	1,075,498	100.00%	0.8040	4,097,550	4,097,550	100.00%	-	4,097,550	100.00%	
100.00%	-	1,210,003	100.00%	0.8091	4,610,003	4,610,003	100.00%	-	4,610,003	100.00%	
98.17%	-	1,492,137	98.17%	0.8437	5,262,937	5,172,107	98.27%	-	5,172,107	98.27%	
97.15%	-	1,574,213	97.15%	0.8509	5,509,427	5,340,140	96.93%	-	5,340,140	96.93%	
99.87%	-	1,796,093	99.87%	0.9293	5,983,832	5,957,060	99.55%	-	5,957,060	99.55%	
97.87%	-	1,760,288	97.87%	0.9856	5,995,328	5,868,095	97.88%	-	5,868,095	97.88%	
98.27%	-	1,767,397	98.27%	1.0293	5,995,426	5,894,987	98.32%	-	5,894,987	98.32%	
98.00%	-	1,762,669	98.00%	1.13211	6,043,270	5,924,422 *	98.03%	-	5,924,422	98.03%	
49.55%	-	891,165	49.55%	1.35106	6,069,006	3,083,187	50.80%	-	3,083,187	50.80%	

CITY OF DEKALB, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
June 30, 2014 (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
2005	\$ 19,008,122	\$ -	\$ 2,498,998	\$ 4,240,000	\$ -	\$ 948,115
2006	17,211,725	2,000,000	1,998,998	3,790,000	1,450,000	1,259,669
2007	15,355,328	3,000,000	1,498,998	3,365,000	-	1,028,621
2008	13,433,931	10,500,000	998,998	2,795,000	-	1,888,540
2009	11,452,534	10,500,000	498,998	2,145,000	-	1,583,900
2010	20,952,108	4,000,000	1,337,055	1,430,000	-	1,245,095
2011	21,869,785	-	-	655,000	-	892,257
2012	20,434,460	-	-	345,000	-	578,302
2013	31,285,714	-	-	-	-	851,150
2014	29,098,262	-	-	-	-	527,697

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			
\$ 4,710,000	\$ 400,000	\$ 6,350,346	\$ 95,975	\$ 38,251,556	5.32%	\$ 864.91
4,780,000	-	6,023,982	297,825	38,812,199	5.30%	862.44
4,590,000	-	5,689,292	252,789	34,780,028	4.68%	760.24
4,395,000	-	5,346,065	245,519	39,603,053	5.31%	862.87
4,180,000	-	4,994,081	188,714	35,543,227	4.76%	774.16
3,950,000	-	4,633,118	128,674	37,676,050	4.84%	858.97
3,710,000	-	4,262,947	66,093	31,456,082	4.04%	717.08
3,537,172	-	3,883,332	25,516	28,804,206	3.54%	654.20
3,269,269	-	3,673,988	13,786	39,093,907	4.64%	887.89
2,996,366	-	3,370,464	7,038	35,999,827	4.20%	817.62

CITY OF DEKALB, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years June 30, 2014 (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)
2005	\$ 23,718,122	\$ 467,946	\$ 23,250,176	5.09%	\$ 525.71
2006	21,991,725	709,533	21,282,192	4.18%	472.91
2007	19,945,328	648,125	19,297,203	3.39%	421.81
2008	17,828,931	524,966	17,303,965	2.77%	377.02
2009	15,632,534	578,835	15,053,699	2.33%	327.88
2010	24,902,108	560,413	24,341,695	3.78%	554.96
2011	25,579,785	231,049	25,348,736	4.17%	577.85
2012	23,971,632	185,283	23,786,349	4.08%	540.23
2013	34,554,983	-	34,554,983	6.47%	784.81
2014	32,094,628	-	32,094,628	6.60%	728.93

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 population data.

CITY OF DEKALB, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
June 30, 2014 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City	\$ 29,625,959	100.000%	\$ 29,625,959
Overlapping Debt			
DeKalb County	14,530,000	28.145%	4,089,470
DeKalb Community Unit School District #428	103,041,360	76.275%	78,595,098
Kishwaikee College #523	61,638,730	25.403%	15,657,927
Sycamore School District #427	-	98.197%	-
DeKalb Park District	2,760,000	100.000%	2,760,000
Total Overlapping Debt	181,970,089		101,102,495
Total Direct and Overlapping Debt	211,596,048		130,728,454

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, 2014 (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	
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
2013	6,679,893	1,330,744	-	8,010,637	345,000	9,212	22.62
2014	6,604,296	-	-	6,604,296	-	-	-

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

* 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.

***The City issued Tax Increment Financing Revenue Bonds in the amount of \$4,350,000 which were paid off in FY13.

CITY OF DEKALB, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years June 30, 2014 (Unaudited)

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Per Capita Personal Income	Median Family Income	Unemployment Rate
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	9.60%
2013	44,030	533,805,903	841,853,600	19,120	60,571	10.30%
2014	44,030	485,923,623	856,999,920	19,464	60,571	6.90%

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, 2014 (Unaudited)

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Population	Employees	Rank	Percentage of Total City Population
Northern Illinois University	3,596	1	8.17%	3,800	1	8.63%
Kishwaukee Community Hospital	1,400	2	3.18%	595	2	1.35%
3M	480	3	1.09%	270	6	0.61%
Target Distribution Center	435	4	0.99%			
Walmart	400	5	0.91%	450	4	1.02%
Tegant	325	6	0.74%			
American Marketing	320	7	0.73%	200	7	0.45%
Nestle Distribution	250	8	0.57%	275	5	0.62%
CST Storage	175	9	0.40%			
CVG DeKalb	120	10	0.27%			
Ideal Industries	100	11	0.23%	125	9	0.28%
Alloyd Company				475	3	1.08%
Engineered Storage Products				128	8	0.29%
GE Motors				120	10	0.27%
	<u>7,601</u>		<u>17.27%</u>	<u>6,438</u>		<u>14.62%</u>

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

CITY OF DEKALB, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years*
June 30, 2014 (Unaudited)

See Following Page

CITY OF DEKALB, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years* June 30, 2014 (Unaudited)

	2005	2006	2007
General Government			
Legislative**	9.00	9.00	9.00
Administrative Services	28.00	28.00	25.00
City Clerk	2.50	2.50	2.50
Legal	-	-	4.20
Public Safety			
Police			
Officers	60.00	60.00	61.00
Civilians	20.32	20.57	22.57
Fire			
Firefighters	56.00	59.00	60.00
Staff	2.00	2.00	2.00
Community Improvement			
Community Development	15.65	16.15	16.15
Engineering Services	3.50	3.50	3.50
Public Works			
Administration	1.50	1.50	1.50
Public Facilities	2.00	2.00	2.50
Engineering	-	-	-
Streets	24.80	24.80	25.80
Water and Sewer	18.00	17.00	16.50
Airport Division	2.50	2.50	3.00
Development Services	3.00	3.50	3.50
Mass Transit	1.35	1.85	1.85
Total	250.12	253.87	260.57

Data Source: City Budget Records

* This schedule lists positions budgeted but not necessarily filled.

** These positions are part-time.

2008	2009	2010	2011	2012	2013	2014
9.00	9.00	9.00	9.00	9.00	9.00	9.00
25.00	23.00	23.00	21.25	16.50	20.00	20.00
2.50	2.50	2.50	1.50	1.50	1.50	1.50
4.20	4.20	4.20	3.20	2.00	-	-
63.00	63.00	61.00	60.00	61.00	63.00	65.00
21.07	20.07	20.07	19.07	19.07	23.07	25.07
60.00	60.00	58.00	54.00	53.00	53.00	57.00
2.00	2.00	2.00	1.00	1.00	1.00	1.00
17.15	13.65	10.00	4.50	7.00	7.00	8.00
3.50	3.83	4.10	1.85	2.00	2.00	-
1.50	0.59	1.50	1.26	1.50	1.50	1.50
2.50	1.00	1.00	-	-	-	-
-	-	-	-	-	-	2.50
25.80	23.25	22.08	19.08	19.00	19.00	21.50
16.50	15.75	15.58	11.08	10.00	10.00	11.00
3.00	2.08	1.83	2.08	5.00	5.00	5.50
3.50	3.50	3.00	-	-	-	-
1.85	1.85	1.90	1.65	1.50	1.50	1.00
262.07	249.27	240.76	210.52	209.07	216.57	229.57

CITY OF DEKALB, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years June 30, 2014 (Unaudited)

	2005	2006	2007
General Government			
Community Development			
Building Permits Issued			
Residential Permits Issued:			
New Construction	293	205	76
Remodel	71	78	84
Industrial/Commercial Permits Issued:			
New Construction	18	24	27
Remodel	42	26	23
Other Permits	698	779	700
Total Number of Permits	1,122	1,112	910
Total Building Permit Valuation (\$)	67,271,969	62,775,315	22,371,977
Public Safety			
Police			
Physical Arrests	2,524	2,339	2,396
Traffic Violations	6,557	6,235	6,149
Parking Violations	16,150	17,418	17,405
Fire			
Fire Responses (Fire & Non-Fire)	2,275	2,397	2,333
Emergency Medical Services Responses	3,197	3,284	4,035
Public Works			
Vehicles Maintained by Dept.	121	124	126
Street Construction (Miles)	3.68	1.49	0.43
Street Reconstruction (Miles)	0.74	0.70	-
Street Resurfacing (Miles)	0.85	0.75	0.92
Water			
Average Daily Consumption 12/31			
Industrial/Commercial	546,530	564,799	567,998
Residential	2,259,132	2,363,354	2,372,037
Government/Church/School	776,828	705,612	690,318
Water Billing Accounts on 12/31			
Industrial/Commercial	719	728	747
Residential	9,005	9,384	9,838
Government/Church/School	206	206	210

Data Source: City Departments

2008	2009	2010	2011	2012	2013	2014
43	3	8	2	1	1	4
58	82	69	55	63	33	53
33	9	10	20	16	35	19
60	25	31	12	21	13	22
764	681	745	764	647	578	348
958	800	863	853	748	660	446
28,965,290	9,917,109	8,455,270	30,110,627	11,637,858	7,097,778	8,606,880
2,359	3,023	2,480	2,689	2,799	2,917	2,795
6,102	10,530	8,273	4,829	6,136	4,729	4,253
13,386	12,986	13,965	13,967	12,211	9,733	7,144
2,908	2,641	3,129	3,199	3,516	3,437	3,489
4,091	4,018	4,334	4,476	5,005	5,236	5,207
130	132	131	128	124	133	135
-	-	-	-	-	-	-
1.30	0.45	1.15	0.65	0.16	0.51	0.43
1.48	1.48	1.70	1.73	2.86	2.17	1.22
531,537	488,491	431,992	417,353	395,288	402,758	401,301
2,284,357	2,275,385	2,171,686	2,185,873	2,114,983	2,117,781	2,124,660
677,174	702,852	636,183	561,908	615,165	589,752	562,971
774	787	761	767	756	753	731
9,993	10,007	10,011	10,020	10,104	10,015	9,960
230	239	221	224	224	225	222

CITY OF DEKALB, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years June 30, 2014 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	28	29	26	26	28	27	27	26	28	28
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	5	5	5	5	6	7
Fire Trucks	4	4	5	5	4	4	4	4	4	4
Public Works										
Residential Streets (Miles)	119	124	125	125	126	128	128	128	128	128
Traffic Signals	19	20	20	21	22	22	23	24	24	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)	159	167	170	172	175	175	177	177	177	177

Data Source: City Departments