



# 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending December 31, 2014



City of Rolling Meadows, 3600 Kirchoff Road, Rolling Meadows, IL 60008  
847-394-8500 [www.cityrm.org](http://www.cityrm.org)

**CITY OF ROLLING MEADOWS, ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2014**

Prepared by the Finance Department

**CITY OF ROLLING MEADOWS, ILLINOIS**

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## INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of Rolling Meadows, including:

- List of Principal Officials
- Organizational Chart
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

# CITY OF ROLLING MEADOWS, ILLINOIS

## List of Principal Officials December 31, 2014

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### LEGISLATIVE

Mayor: Tom Rooney

Deputy City Clerk: Ginny Cotugno

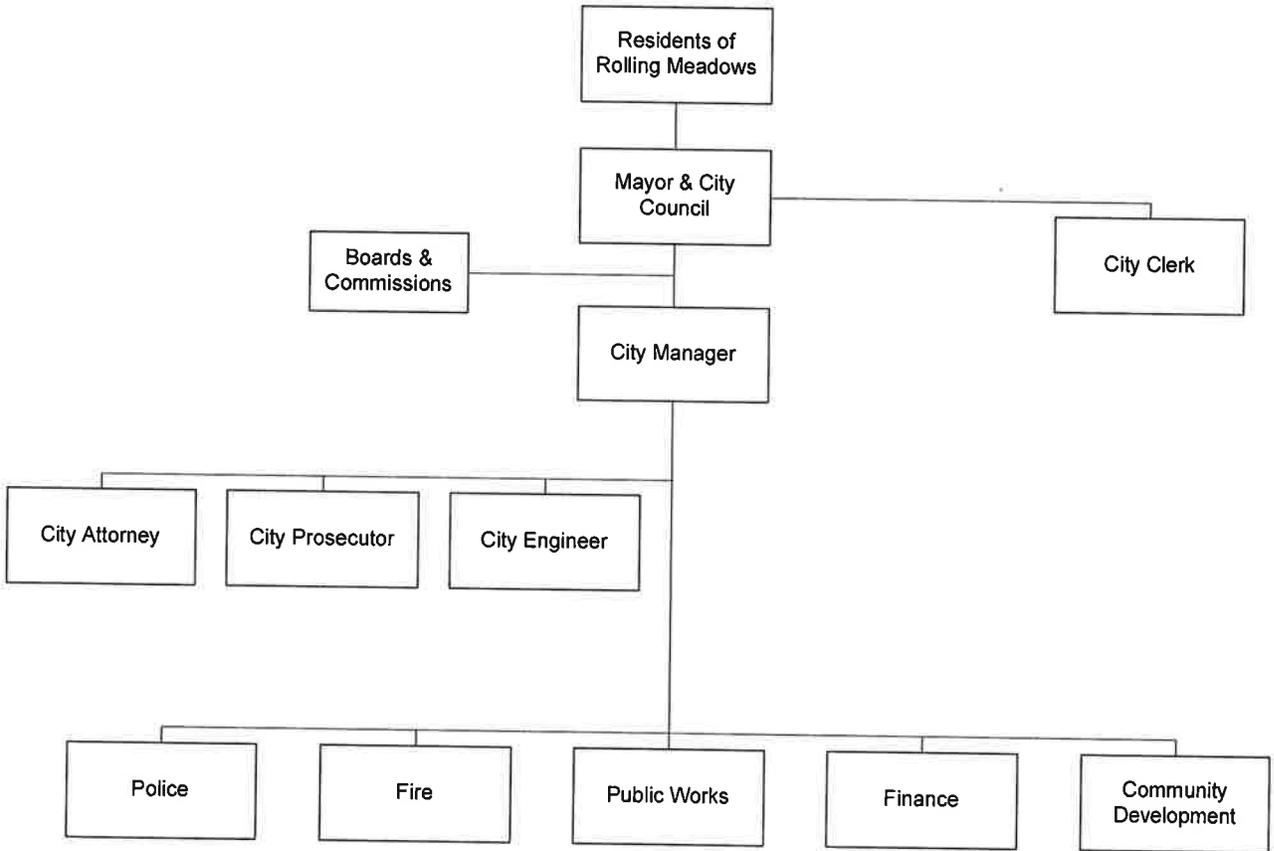
Ward 1:	Mike Cannon, Alderman
Ward 2:	Len Prejna, Alderman
Ward 3:	Laura Majikes, Alderman
Ward 4:	Brad Judd, Alderman
Ward 5:	Rob Banger, Jr., Alderman
Ward 6:	John D'Astice, Alderman
Ward 7:	Tim Veenbaas, Alderman

### ADMINISTRATIVE

City Manager:	Barry Krumstok
Finance Director:	Melissa Gallagher
Public Works Director:	Fred Vogt
Police Chief:	David Scanlan
Fire Chief:	Scott Franzgrote
Community Development Director:	Valerie Dehner

# City of Rolling Meadows

## Organizational Chart





*"PROGRESS THRU PARTICIPATION"*

April 14, 2015

To the Mayor of the City of Rolling Meadows  
Members of the City Council  
Citizens and Businesses of the City of Rolling Meadows, Illinois

The Comprehensive Annual Financial Report (CAFR) of the **CITY OF ROLLING MEADOWS, ILLINOIS** for the Fiscal Year ended December 31, 2014, is hereby submitted. The submittal of this report complies with Illinois state law which requires that the City issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

For the year ended December 31, 2014, the licensed certified public accounting firm of Lauterbach & Amen, LLP, has issued an unmodified ("clean") opinion on the City of Rolling Meadows financial statements. The independent auditors report can be found at the front of the financial section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the City of Rolling Meadows. The results of operations as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

This report includes all funds of the City (primary government), as well as its component units, the Rolling Meadows Public Library (discreetly presented component unit). Component units are autonomous entities for which the primary government is financially accountable.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis. This letter of transmittal should be read in conjunction with the management's discussion and analysis and the notes to the financial statements to obtain the most complete assessment of the City's current financial status and its future prospects. The City's Management's Discussion and Analysis can be found immediately following the report of the independent auditors.

### **PROFILE OF THE CITY OF ROLLING MEADOWS**

The City of Rolling Meadows is located in northwest suburban Cook County, 27 miles from downtown Chicago, Illinois. Two major expressways serving the Northwest suburban area are the Northwest Tollway (Interstate 90), and Illinois Route 53 (also serving for part of its length as Interstate 290).

Rolling Meadows is part of the Chicago northwest suburban area that encompasses 32 communities along Interstate 90 from O'Hare Airport to Elgin, Illinois, referred to as the "Golden Corridor". The diversity of business and industry provides a stable economic base, which in turn creates outstanding municipal services, educational systems, health and human care agencies and recreational facilities.

The City of Rolling Meadows is centrally located within the "Golden Corridor" with O'Hare Airport approximately 10 miles east of the City. The City's development, like that of much of the Northwest, traces to the mid-1950s when the Illinois Toll Road and O'Hare International Airport were under construction. The early residential developer of the City (Kimball Hill) acquired approximately 537 acres of farmland immediately south of the Arlington Racetrack and broke ground for first single-family homes on July 21, 1953. At the time the City incorporated on February 26, 1955, it had a population of 5,162. The City's current population as of the 2010 U.S. Census is 24,099.

The City operates under a City Manager form of government. The City Manager administers the City's day-to-day operations. The legislative authority of the City is vested in a seven-member council, each elected from their respective wards. The Mayor and City Clerk are elected at large. Each Alderman and the Mayor serve staggered, four-year terms with term limits. The public voted by referendum to eliminate the elected City Treasurer's position in 2006, and subsequently those duties were assigned to the Finance Director.

The City provides a full range of municipal services with 160 full-time, 19 part-time and 12 seasonal persons working in Public Safety, Public Works, Planning and Zoning, Community Development, Economic Development, Information Technology, Finance and General Administration. The City maintains approximately 61 miles of streets and about 134 miles of parkway. The City operates its own water distribution system with sewage treatment provided by the Metropolitan Water Reclamation District. The City is a member of two joint ventures; the first is the Northwest Suburban Joint Action Water Agency (JAWA), which provides water from Lake Michigan through Chicago. The City also maintains a few deep water wells as reserves (In case of emergency, the City also has two emergency water connects, one with the Village of Palatine and the other with the Village of Arlington Heights. These communities are currently in a different water system acquiring water from the City of Evanston.) The second joint venture is the Solid Waste Agency of Northern Cook County (SWANCC), which provides solid waste disposal services. The City also owns and operates its own fleet of refuse vehicles (recycling is a contracted service).

The City also contracts with Northwest Central Dispatch for emergency 911 services.

The Rolling Meadows Public Library is operated under an appointed board, which is separate from the City Council. Library Board positions are appointed by the City's Mayor (with consent of the City Council) and expire on a rotating basis. Library operations are administered by the Library Board, however, the City is required by state statute to include within its property tax levy and budget, the Library's requests. The Library does not have authority to issue debt, and must do so through the City. Thus, the Library is a component unit of the City. (The City performs many functions for the Library including Payroll, IMRF reporting, monthly bank reconciliations, and other items.)

In December 2013, Standard & Poor's Rating Services raised the City's long-term rating on the City of Rolling Meadows' general obligation bonds to AA+ from A+. Standard & Poor's cited the City's very strong budgetary flexibility, liquidity and strong budgetary performance among the reasons behind the increase in the credit rating.

In November 2014, Moody's Investor Service upgraded Rolling Meadows' general obligation (GO) bond rating to Aa3 from a previous rating of A1, reflecting the agency's confidence in the City's overall financial health. The Moody's report cited a substantial increase in the City's reserve levels as well as a strong capacity to meet financial obligations.

The City's Management and the City Council continually review its debt structure for any potential interest savings.

## MAJOR INITIATIVES

The City actively pursues economic development activities in an effort to expand and diversify its revenue base and ultimately secure the financial health of the organization and community.

Fiscal Year 2014 saw increased economic activity, expansion of existing businesses and development interest in the City of Rolling Meadows, punctuated by continued building permit activity (both residential and commercial) and building improvement valuation. For the past three years, the City hired an economic development consultant, Mike Mallon of Mallon and Associates [now D & K Real Estate Service Corp. (d/b/a DK Mallon)], to assist the City of Rolling Meadows in driving economic development and retail activities. At Economic Development Committee Meetings, the economic development consultant and City Staff provide recaps and updates of activities and progress to that end.

Economic Development continues to be a priority for the City of Rolling Meadows. The City Council approved an updated Market Summary by Goodman Williams Group. The Market Summary provides information including demographic characteristics, major employment centers, employment density, leakage analysis, shopping center locations, information regarding available property and other additional items. The Market Summary is useful to site seekers, real estate developers, brokers and potential businesses interested in investing in the City.

In FY 2013, the Continental Towers property at 1701 Golf Road sold for \$58.5 million and the City received approximately \$175,000 in real estate transfer taxes. The new owner, Glen Star Properties, is working on renovations to improve the property. Continental Towers is an approximately 910,000 square foot, Class A office complex and is comprised of three 12-story towers situated on a 34-acre site. [New parking garage and other internal items and external work expected in 2015.]

The \$5.3 million federally and state funded Golf Road Reconstruction Project was completed in 2014. With 70,000 cars passing through this area each day, this retail and business corridor is expected to benefit greatly from the project.

Through the Illinois Environmental Protection Agency's (IEPA) low-interest loan program, the City completed construction for watermain and sewermain replacements for more than 50-year old infrastructure. The City began to pay these loans in FY 2014.

As part of the City's commitment to funding local roads between the Annual Street Program, ongoing repairs and maintenance and grant reimbursed projects, the City spent \$1.9 million (\$550,000 Annual Street Program and various other projects). The City's Ad-Hoc Capital Improvements Committee will be reviewing funding options for future roadway improvements.

The Emerald Ash Borer (EAB) that have been found are in the process of being removed in Rolling Meadows. This will continue for a few more years. The Public Works Department has, at this point, evaluated and kept up with the infested trees and hopefully will be able to stay ahead of the nuisance. With nearly 2,000 ash trees throughout the City, funds were committed in the FY 2013, FY 2014 and FY 2015 Budgets to keep up with the tree removals and reforestation, and will continue in future budgets.

In 2013, the Economic Development Consultant reported that the Jewel-Osco, located in the City's Downtown at 3000 Kirchoff Road, implemented more local control at their store by providing products that match their customers' needs and tastes. The City has seen that this new approach has helped retain and

bring in additional customers just based on some results from the City's Food & Beverage Taxes. In addition in 2014, the Dollar Tree Store located by the Jewel-Osco double in size and merchandise.

In FY 2014, the City of Rolling Meadows continued to review data and research concerning the increasing service demands for fire service. The City has two fire stations currently located at 3111 Meadow Drive (Fogarty Fire Station) and 2455 Plum Grove Road (Neuckranz Fire Station). The Fire Department is working with City Council and Staff to identify ways to meet the challenge of providing the community with the highest levels of fire, rescue and emergency services by decreasing response times. The City Council over the next year will be reviewing the next steps.

In FY 2014, Arthur J. Gallagher, a large international insurance company, purchased a large property at 2850 West Golf Road at the Gould Center. The City received \$75,000 in real estate transfer tax fees on this sale for FY 2014. The company had leased this same location years ago before it constructed an office building in Itasca in 1991. The proposed site is currently being evaluated by the City Council for a possible Tax Increment Financing District (TIF).

#### **Other Highlights from 2014**

- This year the Dollar Tree completed a renovation and expansion of their current footprint at 3208 Kirchoff Road.
- In the newly purchased Continental Towers along the Golf and Algonquin Corridor, Rational Oven celebrated their grand opening in FY 2014 with a ribbon cutting ceremony sponsored by the Rolling Meadows Chamber of Commerce. Rational Oven is a German professional oven company specializing in hot food preparation and selected Rolling Meadows as its U.S. showroom location.
- Panera Bread Co. at 1321 Golf Road opened its doors in January 2014 and features one of the few Panera's with a drive-thru window. The restaurant is very busy especially during lunch hours and will continue to be in future years.
- The McDonald's at 1775 Algonquin Road completed a renovation that included tearing down the existing building and rebuilding a prototype with a dual drive-through.
- Starbuck's at 1414 Golf Road completed a remodeling project in 2014.
- Hand & Stone Massage at 1215 Golf Road opened their doors in 2014.
- Grande Jake's Authentic Mexican Grill (5500 New Wilke Road) – Grande Jake's opened in late December 2013. The Rolling Meadows Chamber of Commerce sponsored a ribbon cutting ceremony in January 2014. The Plan Commission and the City Council has since approved a front yard setback as well as outdoor seating with alcohol service. The restaurant is busy and doing well in 2014.
- Michoacan Ice Cream Shop (2219 Algonquin Road) – a homemade ice cream shop – opened in 2014.
- Weber Grill located at 2900 Golf Road now leases the entire building (48,000 square feet) which was owned by Jani-King. Weber Grill already has its corporate office in Rolling Meadows.
- Ramen House Shinchuan opened its doors in 2014 and they are located at 1939 Plum Grove Road.

## Other Economic Development Activities

Recognizing the need to promote the City of Rolling Meadows as a place to do business, the City keeps its website up-to-date to provide economic development resources, maps and videos for businesses seeking a location in the City and to offer research and information. [Regarding the website, the City will be rolling out a new one in FY 2015.] The City works closely with its Chamber of Commerce to encourage networking and business promotion. The City uses its now monthly newsletter (for the FY 2014 Budget the City Council approved a change to six, monthly printed newsletters and six monthly, online newsletters per year) as a means to promote new businesses opening in the City. At its City Council Meeting, the City highlights new businesses opening and provides that information to the media. The City partners with organizations such as Meet Chicago Northwest to foster communication and marketing for businesses, hotels and restaurants.

## Plans for 2015

Fiscal Year 2015 is expected to result in continued economic development in certain areas of the City which should lead to greater economic activity and growth in City sales tax, income tax, hotel taxes and food & beverage tax revenues. As the City's recent Market Summary indicates, Rolling Meadows' daytime employment is estimated at 16,514.

For 2015, the City continues to work on various economic development activities:

**First**, the City's Downtown area along Kirchoff Road is an area of redevelopment and growth. There are several items of interest for redevelopment:

- Meadows Marketplace (formerly the Dominick's Property) and its developer, Clark Street Development, began redevelopment in 2012 with the expectation that much of the vacant square footage was to be filled by the end of 2013. Clark Street Development continues to work marketing the property to a potential junior box retailer, other retailers or possibly another use for the property.
- As mentioned in last year's Transmittal Letter, the next area of redevelopment was the AMF bowling center at 3245 Kirchoff Road (the City's "Downtown" area). Chicago-based Lexington Homes has been approved by the City to develop a 54-unit townhome community on Kirchoff Road. The new development will feature a mix of two and three-bedroom townhomes and this project is expected to create opportunities for future downtown businesses.
- The Former Ray's Auto location at 3001 Kirchoff Road is a property that may be redeveloped into a coffee and ice cream shop – a perfect location for foot traffic on weekdays and weekends (or after a baseball game or school).

**Second**, the next area is along the Golf and Algonquin Road Corridor. Currently, the City has been in talks with multiple restaurants and businesses to move into various properties. Listed below are a few of the new items for this area:

- Arthur J. Gallagher Co. recognized as one of "America's Best Employers" by Forbes Magazine is relocating to the Golf Road Corridor. The fourth largest international insurance brokerage and risk management services firm, Gallagher purchased the property at 2850 Golf Road in 2014. Their plan is to move its world headquarters from Itasca back to Rolling Meadows. The plans calls for significant renovations to the Golf Road property and the company will be bringing upwards of 1,100 plus employees.

- As mentioned previously, Glen Star Properties, is working on renovations to improve the property at 1701 Golf Road known as Continental Towers. The property is an approximately 910,000 square foot, Class A office complex and is comprised of three 12-story towers situated on a 34-acre site. This property is expected to be close to full occupancy after the remodeling is completed (a parking garage is being worked on).
- Umi Grill closed in 2014 located at 1440 Golf Road. The property recently sold and is now owned by “Chen’s Brothers of Illinois, LLC” of Chicago. The group is looking to open a “China Buffet” type restaurant and have submitted for building permits.
- The City has been approached by an interested party for the former Chili’s Restaurant at 1480 Golf Road with thoughts of reopening a bar and grill.
- At the Atrium Center at 3800 Golf Road, Capital One Financial Corporation is currently doing a build-out. The company will be expanding into offices that will be vacated by Riverside Publishing in the near future. Once the expansion is completed, Capital One will occupy 75% of the Atrium Center.
- Just east of the Atrium Center, Weichi, the world’s largest engine producer, is entering the American market. The Rolling Meadows facility will primarily be used for research and development. The company is in the midst of \$4.4 million in improvements to their property and have received a 7b Cook County incentive.
- ATS/Sortimat located at 5540 Meadowbrook Industrial Court has expanded into 27,800 square feet of additional warehouse space. The company is completing roof and mechanical work at that location in 2015. In 2010, the City Council approved a Cook County 6b tax incentive for ATS/Sortimat.
- The building on the site of the former Russell’s Barbeque has now been demolished by the owner. Inquiries for this property have included a memory care/adult day care facilities and a self-storage facility.
- At the site of 3985/3989 Algonquin Road (former Supermercado which closed in August 2014), plans have been submitted to the City and construction is in progress for a store/grocer/restaurant.
- A Japanese Grill Restaurant remodeling permit has been approved by the City at 1673 Algonquin Road (former Muscle Maker Grill Restaurant).
- Another target area is the vacant Sam’s Club property on Golf Road and the City is hopeful for some positive economic development on this property.

**Third**, another area which is seeing redevelopment and growth is the Plum Grove Road area (cross streets of Plum Grove Road/Kirchoff Road and Plum Grove Road/Euclid Road):

- The Former Pizza Hut building (2101 Plum Grove Road) is being renovated to open as a Hardee’s Restaurant and will open at a later date.

Along with economic redevelopment, the City takes pride in its community, residents and businesses. Below are some of the activities that continue into 2015:

- In 2011, the City of Rolling Meadows City Council approved the creation of the Rolling Meadows Community Events Foundation. The registered 501(c)3 non-profit organization has a

separate bank account from the City of Rolling Meadows and its sole activity of the Rolling Meadows Community Events Foundation is to obtain donations for public purposes to support and finance annual community events. The funds will help with the maintenance and upkeep of the Rolling Meadows Historical Museum, 4<sup>th</sup> of July event(s), Veterans Memorial Committee & Memorial Day events, holiday tree lighting items/activities, winter holiday decorations, and other community items/events.

- Social media continues to be an added communication tool. Residents may receive late-breaking news, service updates and other important information through the City's Facebook page and Twitter feed. The Police Department added a smart phone application called "My PD App" that provides related police items to the public.
- Rolling Meadows Crime Stoppers began its first full year of operation in 2013. The group supports the Police Department law enforcement efforts and raises funds for community outreach programs.
- Over the past two years, the Rolling Meadows' National Night Out celebration welcomed more than 1,000 residents for an evening of family fun. Residents enjoyed crafts, face painting, games, live entertainment including the Jesse White tumblers and fireworks. The free event raised awareness of crime prevention and of the Rolling Meadows Police Department. FY 2015, local businesses, Rolling Meadows Crime Stoppers and the Rolling Meadows Community Events Foundation will sponsor National Night Out as a community event for all residents.
- The City enhanced its Police Department's Social Services Outreach Program by hiring an Outreach Specialist. The program coordinates resources and promotes the education and health of City residents.
- The City of Rolling Meadows has a proud tradition of honoring local veterans. For the Memorial Day weekend, the City sponsors a Veterans Dinner where local veterans reconnect with fellow service members. The following day, the City hosts a Memorial Day Parade and Observance Ceremony for veterans, their families and the community.
- FY 2015 marks the third year of the City's "Farmers and Food Trucks" monthly events from May to September at City Hall. The City offers its own unique take on the traditional farmers' market with farmers, food trucks and local market and craft items offered during each event. The first two years drew impressive crowds in the City's downtown area. In FY 2015, the City is adding a Friday night market in conjunction with a car show.
- Each year the City sponsors Independence Day Events on July 4<sup>th</sup>. The Independence Day Parade kicks off the day followed by City-sponsored fireworks.
- Each December to welcome the holiday season, City officials and residents gather to light the City's Holiday Tree held in front of the McDonald's at 3000 Kirchoff Road.
- The City supports the U.S. Marine's Toys for Tots Program by collecting toys for children in need at City Hall and the Library.
- The City also conducted two blood drives during 2014 and will sponsor several in 2015.
- In FY 2015, a community-wide birthday celebration will begin with a series of planned events and activities to commemorate Rolling Meadows' 60<sup>th</sup> Anniversary.

## Long-Term City Initiatives

The City's economic development long term activities are focused on the following efforts:

- Retention, redevelopment and expansion of existing retail, commercial and industrial buildings and properties;
- Recruiting new desirable commercial enterprises;
- Partnering with local businesses to provide information and resources and to strengthen the public-partnership between government and business.

## Economic Development Committee

The City established an Economic Development Committee (EDC) in 1988 to encourage greater cooperation with the private sector in attracting and retaining business and industry. The committee is comprised of members of commercial and retail sectors, City staff and elected officials. In FY 2014, the committee met seven times to discuss pertinent economic development items.

In 1996, the EDC formulated a policy statement to help guide future economic development activity. Pursuant to the EDC's policy statement, the City seeks opportunities to forge partnerships with enterprises, which will enhance the City's development with diverse, high quality and high revenue generating types of commercial, office and manufacturing projects that conform to the City's Comprehensive Plan and development goals, objectives and policies.

Since 2006, the Economic Development Committee has heard and recommended approval for eleven 6B and three Class C Cook County Incentive Programs which has resulted in multi-million dollar rehabilitation/renovation of the buildings, reoccupation of nearly 300,000 square feet of industrial space in Rolling Meadows and more than 400 new employees.

In 2012, the Economic Development Committee recommended Mike Mallon of Mallon and Associates, as the City's retail consultant (reapproved for 2013, 2014 and 2015). In doing so, the City has taken an active role in recruiting new retail businesses throughout the City.

## Redevelopment Relating to Tax Increment Financing Districts

- **TIF District No. 1 – Kirchoff and Meadows (created 1988)** expired on December 31, 2012. Chicago-based Clark Street Development took full control of the former Dominick's property at the southeast corner of Kirchoff Road and Meadow Drive with plans to upgrade the shopping center and to attract new businesses to Rolling Meadow's downtown. The TIF was terminated in 2012 (remaining funds were distributed to taxing bodies).
- **TIF District No. 2 – Riverwalk Condominiums and Retail Space (created 2002)** – In January 2003, the City entered into a redevelopment agreement with Salt Creek Development Corporation. The site now houses three buildings with 124 condominiums and 14,000 square foot of commercial / office space. A fourth building, originally planned, was not built. The City owns the land and uses it as a green space. In 2013, the City refunded the General Obligation Bonds associated with this TIF for a little more than \$60,000 in interest savings for taxpayers. At this point in time, there is no redevelopment activity for the fourth parcel.
- **TIF District No. 3 – Route 53 / Algonquin Road (created 2004)** – Working with a developer at the time, the City implemented Tax Increment Financing District No. 3 for the redevelopment of the southwest corner of Algonquin and Route 53 into a 43-acre mixed use development. Due to the economy, the developer abandoned the proposed project. However, a new developer has purchased the 40-acre existing residential development and is the process of redeveloping and

improving the site. The close proximity to Woodfield Mall and the Renaissance Hotel and Convention Center in Schaumburg make this an attractive development parcel. However, lower than expected Equalized Assessed Valuation has not produced additional tax increment dollars. In January and February, 2013, the City held discussions on the future of this TIF including the possibility of dissolving the TIF. The City Council terminated TIF #3 by Ordinance 13-33 on August 13, 2013. The City Council approved Resolution 13-R-96 to amend the FY 2013 Budget to use General Fund reserves to eliminate a negative fund balance of \$131,238 in the TIF # 3 Woodfield Fund.

### **Collaboration Initiatives**

- **Golf Road Transit and Pedestrian Mobility Study** - The Golf Road Corridor between Route 53 on the west and the corporate limits on the east is the City's major corporate and retail center. In response to comments from existing companies in this area as to how difficult it is for these companies to attract bright new employees from the City of Chicago, the City of Rolling Meadows applied for and was awarded an RTA Planning grant for \$80,000 in June 2010. The City is working closely with the businesses in this corridor as well as the RTA, PACE, IDOT and Metra to identify and rectify those conditions that are hindering people traveling to and from the Golf Road corridor using transportation other than the automobile.
- **Northwest Suburban Housing Collaborative** – For several years, representatives from the Villages of Arlington Heights, Mount Prospect, Palatine, Buffalo Grove and the City of Rolling Meadows met informally to discuss common housing related issues in the area. In 2011, the five municipalities entered into an Intergovernmental Agreement and formed the Northwest Suburban Housing Collaborative. The Collaborative is addressing the issues of 1) condominium foreclosures; 2) multi-family rental housing preservation; and 3) vacant and abandoned properties.
- **Algonquin Road Corridor** – In February 2013, the City Council identified the Algonquin Road Corridor (a stretch of retail, industrial and residential from Golf Road to Route 53) as a primary goal for the City to review and evaluate for potential redevelopment. The City will work with its municipal and business partners as it begins this process. As a reminder, in FY 2012, the City completed its final phase of a \$1.8 million federally-funded program in Rolling Meadows and Arlington Heights to improve lighting along Algonquin Road and surrounding areas. The lighting improves visibility conditions for commercial and retail businesses along this corridor.

### **LOCAL ECONOMY**

The area economy is still in a slow recovery, yet, there are some upward trends in the areas of sales tax, income tax, use tax and hotel taxes. However, some items show while there have been some slight upward trends, there have been some one-time revenues such as real estate transfers, building permits and red light fines. The City's unemployment rate as of December 2014 was 6.4%.

Rolling Meadows is centrally located and enjoys excellent regional transportation connection. Approximately, 290,000 people live within five miles of downtown Rolling Meadows (Kirchoff Road) and another 149,000 work within that area.

Based on area data, reports show that retail sales have nearly returned to pre-recession 2007 levels but lost some ground over the last few years. While the City experienced some natural growth, revenues are not at pre-recession numbers. According to various data, vacancy rates for commercial real estate has decreased slightly with major stores shifting to meet the new challenges and impacts of e-commerce and customers' demands for quality, yet economical goods.

The City's population as of the 2010 U.S. Census is 24,099 and according to the City's recent Market Summary is estimated at 24,419. Family households make up approximately 67% of Rolling Meadows households. The median household income is \$58,000, higher than the median Cook County and comparable to income levels in the seven county metropolitan area. Homeownership is predominant in Rolling Meadows as 70% of households are owner-occupied. Some recent data from various sources show that there is a positive turnaround trend in the real estate market.

### **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

Management of the City of Rolling Meadows is responsible for establishing and maintaining an internal control structure. The internal control structure is designed to ensure that the assets of the City are protected from loss, theft, fraud, misappropriation or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. This structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City of Rolling Meadows maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, certain special revenue funds, capital project funds, debt service funds, enterprise funds, and internal service funds are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

### **RELEVANT FINANCIAL POLICIES THIS YEAR**

In order to insure that the City continues to meet its immediate and long term service goals, several financial policies and procedures have been implemented by management. Highlighted are some of the more pertinent policies that the City followed in FY 2014:

- Issued a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- The City formed an Ad-Hoc Capital Improvements Committee to review capital projects and offer recommendations for long-term capital improvements.
- The City is committed to rebuilding fund balance reserves and has eliminated negative fund balances and has made significant progress to that end. TIF #2 (Kirchoff/Owl) is the only Fund with a negative fund balance position and is estimated to become positive by the end of its TIF term in 2025.
- The City adopted a Fund Balance Policy for the General Fund which the City shall maintain a General Fund Unassigned Balance (available) from 15% to 30% of General Fund operating expenditures.
- Posted on the City's website employees' salary and benefit data, as a continued transparency initiative (providing this data since 2011).
- As required by Public Act 97-0609, the City posted employee compensation data for Illinois Municipal Retirement Fund (IMRF) employees who are expected to receive compensation greater

than \$75,000. The City took this mandate one step further, to enhance transparency, and published this data for all employees.

- City refinanced General Obligation Bonds work more than \$2.0 million dollars which will save a little more than \$60,000 over the next five years. The bonds were originally issued to pay for redevelopment costs at the mixed use Riverwalk development on Kirchoff Road (the City's TIF #2 Fund).
- Staff and the City Council discussed long-range financial planning in 2011 and 2012 during its budget discussions. One of the goals discussed was reviewing the City's outstanding debt. In 2012, the City refunded nearly \$10 million worth of general obligation bonds to save taxpayers approximately \$750,000 over the next 12 years. [In 2013, the City refunded general obligation bonds to maximize its interest savings over the long-term.]
- Prepared and reviewed monthly revenue, expenditure and cash balance reporting for all funds with particular focus on the General Fund to the City Council. These financial reports ensure that the City Council is made aware of any variances from the appropriated budget. (The budget document continues to be revised and made easier to understand.)
- Adhered to a capitalization policy which establishes the capitalization thresholds and estimated useful lives of fixed assets.
- Mid-year prior to the presentation of the proposed budget, the City prepares a five-year capital plan with a five-year financial forecast which outlines management's intentions regarding capital asset purchases and infrastructure improvements.
- Followed a purchasing policy to ensure that goods and services are obtained in a timely manner at the lowest possible cost.
- Followed a written credit card policy for all business-related credit card purchases. Employees must sign a credit card policy agreement prior to a city-issued credit card may be issued.
- Adhered to an investment policy which invests public funds in a manner which protects principal, maximizes return for a given level of risk and meets the daily cash flow needs of the City.
- In June, the City complied with the state-mandated annual treasurer reporting requirements. The report is published in a local newspaper and posted on the City's website at [www.cityrm.org](http://www.cityrm.org) under the Finance Department page.

## **PENSION TRUST FUNDS AND POST EMPLOYMENT BENEFITS**

Three pension plans are established by state statute, which cover City employees. The benefits and funding of each plan are determined by state statute, and each plan provides retirement, disability and death benefits for participants. The City of Rolling Meadows is committed to fully funding the pension funds each year per the actuarial report.

In December 2010, the Illinois General Assembly approved pension reform legislation that pushed the 30-year closed amortization period to 2040 with a funding target of 90%. The City of Rolling Meadows maintains the financially prudent approach to continue funding at the 2033 mark with a funding target of 100%. The Firefighters' and Police Pension Funds are fully funded through an annual property tax levy and are funded at the 2033 amortization target vs. 2040.

The City of Rolling Meadows worked with the private actuary to ensure that the actuarial report for the Police and Fire Pension was current and the actuarial valuation matched the fiscal year. This was accomplished for this audit year. Based on December 31, 2014, the funded status for the Police Pension Fund is 50.22% and for the Fire Pension Fund is 43.48%. Last year the Police Pension Fund's funded status was 50.85% and the Fire Pension Funded Status was 44.41%. The funded status decreased due to updated actuarial standards that are now on par with industry standards.

Firefighters contribute 9.455% of their annual base salary, and police officers contribute 9.91% of their annual base salary. Sworn firefighters and police officers hired after July 1986 contribute to Medicare (1.45% of taxable income).

The Illinois Municipal Retirement Fund (IMRF) pension plan covers civilian employees working at least 1,000 hours within a 12-month consecutive time period. Funding for this pension plan is made through contributions from the employer (actuarially determined annually by the IMRF) and employees of the City (established at 4.5% of total compensation). Employees covered under this pension plan also contribute to Social Security (4.2% of salary capped annually) and Medicare (1.45% of total compensation).

The IMRF pension plan's funded status as of December 31, 2014 is 64.85% compared with the last year's funded status at 69.57%. In FY 2014, the City Council approved a payment of \$300,000 for City's IMRF Net Pension Obligation. This payment was credited in December 2014 and the City will realize the full effect of this payment in FY 2015.

The notes to the financial statement provide more information pertaining to employee pensions.

The City also provides post-retirement health care benefits for retirees and their dependents. The City finances these benefits on a pay-as-you-go basis. Retirees pay 100% of their health care premiums.

## **RISK MANAGEMENT**

The City of Rolling Meadows participates in two public entity risk pools to protect against casualty and health-risk losses. The Intergovernmental Personnel Benefit Cooperative (IPBC) insures employee health, accident and life claims and the Intergovernmental Risk Management Agency (IRMA) insures general liability, first-party property losses, third-party liability claims, workers' compensation claims and public official liability claims.

## **AWARDS**

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 Rolling Meadows for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the twenty-eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report 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.

## ACKNOWLEDGMENTS

The preparation of this report was made possible by the dedication and hard work of the entire Finance Department staff. In particular, I would like to acknowledge Finance Director, Melissa Gallagher, and Senior Accountants Laura Matz and Diana Schoeneck, Utility Billing Accountant Debbie Rybarczyk and the City's two Part-Time Cashiers, Cathy Leschman and Maria Tarpinian, and all City Departments (and Department Heads) who assisted and contributed to the preparation of this report. Also, I would like to thank Lori Ciezak, Deb Austerlade and Joyce Deleon in Administration. City Departments provide excellent service and work for the City.

Additionally, we would like to acknowledge the Mayor and City Council for their leadership and support in planning and conducting the financial operations of the City, which has made preparation of this report possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Barry Krumstok".

Barry Krumstok  
City Manager



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**City of Rolling Meadows  
Illinois**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 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 of Rolling Meadows' independent auditing firm.



## **INDEPENDENT AUDITORS' REPORT**

April 14, 2015

The Honorable City Mayor  
Members of the City Council  
City of Rolling Meadows, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois, as of and for the year ended December 31, 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 Rolling Meadows Public Library, a discretely presented component unit or the Police Pension Trust Fund. 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 Rolling Meadows Public Library and the Police Pension Trust Fund, 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, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois, as of December 31, 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**

### *Required Supplementary Information*

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 Rolling Meadows, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison 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 budgetary comparison 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 budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

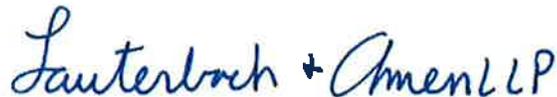
**Other Matters – Continued**

*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 April 14, 2015, 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.

A handwritten signature in blue ink that reads "Lauterbach + Amen LLP". The signature is written in a cursive, flowing style.

LAUTERBACH & AMEN, LLP

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF ROLLING MEADOWS, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**

The City of Rolling Meadows' Management's Discussion and Analysis is designed to provide readers a narrative overview and analysis of the City's financial statements for the year ending December 31, 2014. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal (beginning on page iii) and the City's financial statements (beginning on page 4).

**Financial Highlights**

The following are a few highlights to be discussed in greater detail in this Management's Discussion and Analysis and within the 2014 Comprehensive Annual Financial Report (CAFR):

**Net Position and Performance in Total:** The City's total net position as of December 31, 2014 was \$138,701,658, an increase of \$6,427,645 or 4.9% from FY 2013. The City's combined Governmental Funds ending fund balance is \$8,736,997 – an increase of \$1,083,765 from FY 2013 to FY 2014.

**Governmental Activity Summary:** Net position for governmental activities ended at \$123,764,983, an increase of \$5,176,444.

**Business-Type Activity Summary:** Net position for business-type activities ended at \$14,936,675, an increase of \$1,251,201.

**General Fund Summary:** At December 31, 2014, the Total Fund Balance for the General Fund was \$8,031,906 or 34.2% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$7,565,662 (27.6% of 2014 operating expenditures) is Unassigned Fund Balance (available fund balance) and can be used to meet the City's ongoing obligations to its residents, businesses and creditors. [In FY 2014, the City Council committed \$421,452 in the General Fund to be used for funding Compensated Absences. This commitment is part of the \$8.0 million General Fund Balance.]

This fund balance totals to approximately three months of General Fund operating expenditures. The cash position of the General Fund at the end of the current fiscal year was \$4,813,991 – an increase from FY 2013 of \$1,678,612.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Rolling Meadows' basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The government-wide statements are divided between governmental activities and business-type activities, with the public library reported as a discretely presented component unit. The perspective of the fund financial statements presents financial information for individual funds established by the City for specific purposes. They are categorized into three distinct groups: governmental, proprietary and fiduciary. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following table (Table 1) summarizes the major features of the City's financial statements. This is a useful tool and should be read in conjunction with this analysis and the CAFR.

TABLE (1)

Description	Fund Financial Statements			
	Government-Wide 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 of the City that operate similar to private business such as the Utilities Fund and the Refuse Fund.	Activities in which the City is trustee or agents of another's resources such as pension plans.
Required financial Statements	1. Statement of net position 2. Statement of activities	1. Balance sheet 2. Statement of revenues, expenditures and changes in fund balance	1. Statement of net position 2. Statement of revenues, expenses, and changes in net position 3. Statement of cash flows	1. Statement of fiduciary net position 2. Statement of changes in fiduciary net position
Accounting Basis	Accrual	Modified accrual	Accrual	Accrual
Measurement Focus	Economic resource	Current financial resources	Economic resource	Economic resource
Type of asset/deferred outflows & liability/deferred inflows information	All assets/deferred outflows and liabilities/deferred inflows; both financial and capital short and long-term.	Assets/deferred inflows expected to be used and liabilities/deferred outflows that come due during the year or shortly thereafter; no capital assets.	All assets/deferred inflows and liabilities/deferred inflows; both financial and capital short and long-term.	All assets/deferred outflows and liabilities/deferred inflows, short and long-term. Does not contain capital assets.
Type or inflow & outflow information	All revenues and expenses during the year regardless of when the cash is received or paid.	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and 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 the cash is received or paid.	All revenues and expenses during the year regardless of when the cash is received or paid.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may relate to cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government (legislative, administrative, community development, information technology, finance), public safety (fire, police, 911 services), public works, highways and streets, health and welfare, and economic development (community development). The business-type activities of the City include utilities (water, sewer, stormwater management) and refuse.

The government-wide financial statements include the City of Rolling Meadows, and its discretely presented component unit, the Rolling Meadows Public Library, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements may be found on pages 4 through 7 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rolling Meadows, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Rolling Meadows can be divided into three categories: governmental, proprietary and fiduciary.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

At year-end, the City of Rolling Meadows maintains ten individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Motor Fuel Tax Fund and the Debt Service Fund, all major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and may be found elsewhere in this report.

The City of Rolling Meadows adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements may be found on pages 8 through 11 of this report.

### ***Proprietary Funds***

The City of Rolling Meadows maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains two enterprise funds to account for its Utilities and Refuse Collection Funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains five internal service funds: the Vehicle and Equipment Replacement and Municipal Garage Funds account for its fleet of vehicles, the Building and Land Fund to account for building maintenance and improvements, the Health Insurance Fund for health insurance premiums (including retirees), and the Liability Insurance Fund for general liability insurance as well as workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utilities and Refuse Collection Funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements may be found on pages 12 through 14 of this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City. The three fiduciary funds include both pension funds for sworn police officers and firefighters, as well as surety bonds for building contractors. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements may be found on pages 15 and 16 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 17 through 69 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and the budgetary comparison schedules for the General Fund and the Motor Fuel Tax Fund. Required supplementary information may be found on pages 70 through 81 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules may be found on pages 82 through 121 of this report.

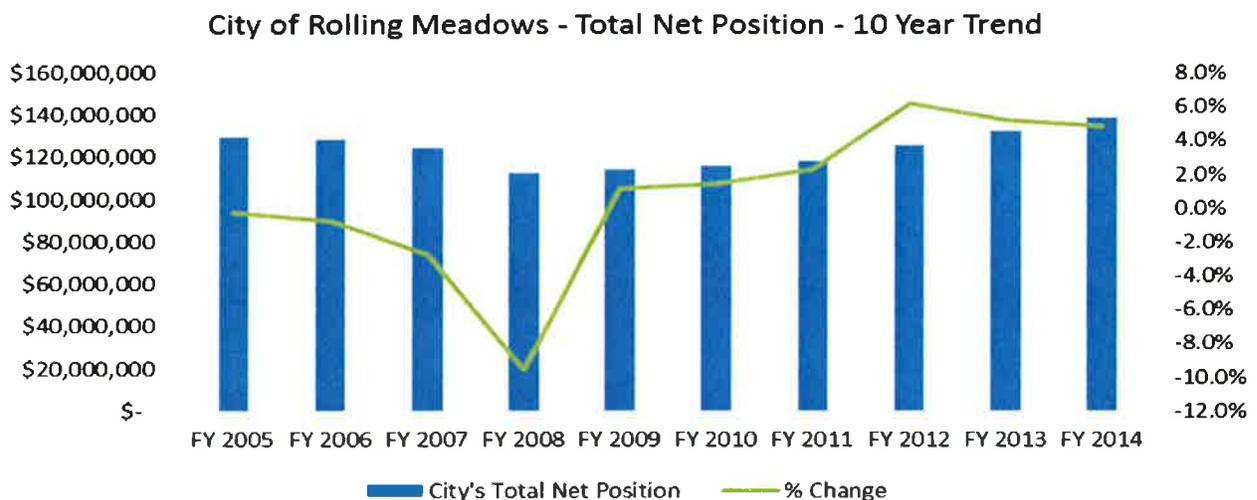
## Infrastructure Assets

The City depreciates its assets (infrastructure – buildings, roads, sidewalks bridges, watermain, storm sewers, certain vehicles and equipment per the City’s capital asset policy) over the assets’ useful life.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

### Statement of Net Position

In FY 2005 the City’s Total Net Position was \$129.3 million and in FY 2014 the City’s Total Net Position was \$138.7 million. The City of Rolling Meadows Total Net Position across all Funds increased approximately by \$9.4 million from FY 2005 to FY 2014 or a 7.3% overall percentage change. The recessionary impacts show in the chart below. This chart also depicts the overall improving health of the City of Rolling Meadows.



As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Rolling Meadows, the City’s net position at December 31, 2014 was \$138,701,658. The following table and graph displays the City’s net position for the past six years and details continued growth in the City’s net position due to continued fund balance growth.

**Table & Graph (2) - City of Rolling Meadows Net Position (in thousands)**

Net Position	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Governmental Activities (in thousands)	\$105,289	\$105,557	\$107,023	\$113,018	\$118,588	\$123,769
Business-Type Activities (in thousands)	\$8,806	\$10,181	\$11,391	\$12,760	\$13,685	\$14,936
<b>Total City Net Position</b>	<b>\$114,095</b>	<b>\$115,738</b>	<b>\$118,414</b>	<b>\$125,778</b>	<b>\$132,274</b>	<b>\$138,705</b>
<b>\$ Change from Previous Year</b>	<b>\$1,265</b>	<b>\$1,643</b>	<b>\$2,676</b>	<b>\$7,364</b>	<b>\$6,496</b>	<b>\$6,431</b>
<b>% Change from Previous Year</b>	<b>1.1%</b>	<b>1.4%</b>	<b>2.3%</b>	<b>6.2%</b>	<b>5.2%</b>	<b>4.9%</b>

**City of Rolling Meadows - Net Position for Fiscal Years 2009 to 2014 (in thousands)**

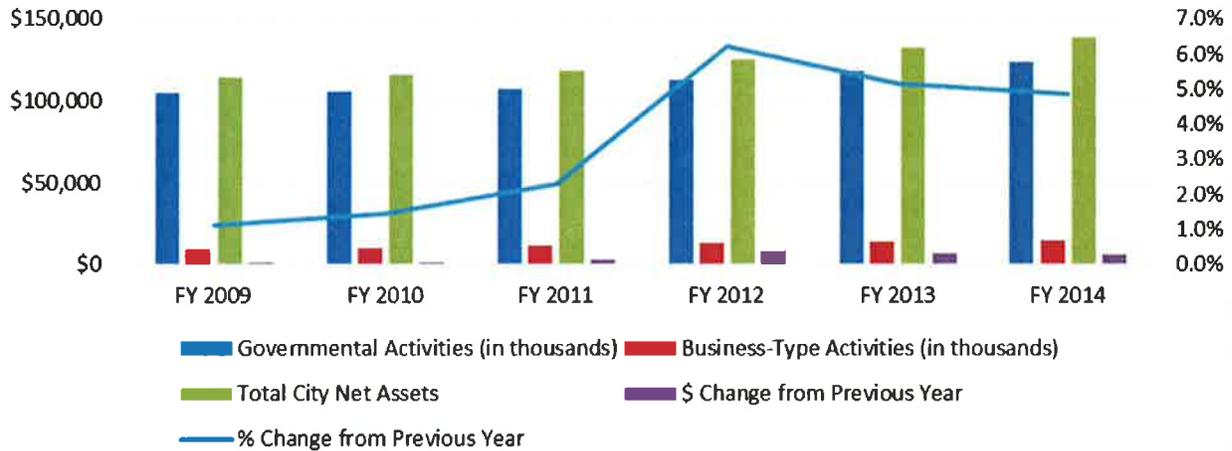


Table 3 reflects the condensed Statement of Net Position compared between FY 2013 and FY 2014.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Current and Other Assets	\$ 29.0	\$ 31.8	\$ 6.9	\$ 7.8	\$ 35.9	\$ 39.6
Capital Assets	128.1	128.2	12.8	13.0	140.9	141.2
<b>Total Assets</b>	<b>157.1</b>	<b>160.0</b>	<b>19.7</b>	<b>20.8</b>	<b>176.8</b>	<b>180.8</b>
Noncurrent Liabilities	21.4	18.7	4.9	4.7	26.3	23.4
Other Liabilities/Deferred Inflows	17.1	17.9	1.1	1.1	18.2	19.0
<b>Total Liabilities</b>	<b>38.5</b>	<b>36.6</b>	<b>6.0</b>	<b>5.8</b>	<b>44.5</b>	<b>42.4</b>
<b><u>Net Position:</u></b>						
Net Investment In:						
Capital Assets	\$ 114.8	\$ 117.3	\$ 8.4	\$ 8.8	\$ 123.2	\$ 126.1
Restricted	1.3	1.3	-	-	1.3	1.3
Unrestricted (Deficit)	2.4	5.2	5.3	6.1	7.7	11.3
<b>Total Net Position</b>	<b>\$ 118.5</b>	<b>\$ 123.8</b>	<b>\$ 13.7</b>	<b>\$ 14.9</b>	<b>\$ 132.2</b>	<b>\$ 138.7</b>

*\* Note: Rounding difference will occur between CAFR and this Table.*

## **Current Year Financial Impacts**

The City's \$6.4 million increase of combined net position was the result of the governmental activities net position (all funds except the Utilities and the Refuse Collection Funds) increasing by \$5.2 million and the business-type activities net position (Utilities and the Refuse Collection Funds) increasing by \$1.2 million.

The City's net position is classified into three categories according to the order of their relative liquidity. These include assets invested in capital, restricted net position, and unrestricted net position. By far the largest portion of the total City of Rolling Meadows' net position shown in the summary Table 3, \$126.1 million reflects its net investment in capital assets (e.g., land, buildings, infrastructure, streets, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the City of Rolling Meadows' net position (approximately \$1.1 million) represents resources that are subject to external restrictions as to how they may be used. These restrictions include \$524,543 for public safety which represents the combined ending fund balances for the 911 Fund, the Foreign Fire Insurance Fund and the Police Asset Seizure Fund. The Restricted for Highways and Streets equals \$642,126 for the fund balance in the Motor Fuel Tax Fund. The Restricted for Debt Service equals the balance in the Debt Service Fund of \$67,553.

Unrestricted net position consists of net position that does not meet the definition of net position invested in capital assets or restricted net position. At the end of the current fiscal year, the City of Rolling Meadows is able to report a positive net position for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. Additional information on the Statement of Net Position may be found on page 4 and 5 of this CAFR.

## **Change in Net Position in the Statement of Activities**

The fiscal year 2014 activities of the City of Rolling Meadows caused total net position to increase by \$6,427,645 [both governmental and business-type activities had an increase in net assets of \$5,176,444 (or 4.4% increase) and \$1,251,201 (or 9.1% increase), respectively]. The net position at the end of the end of fiscal year 2014 is \$138,701,658. Key elements are as follows in Table 4. The basic premise of this financial statement is to reflect the relative type of revenue in that the format identifies how each function of the government on the whole draws from general revenues, utility fees, grants, or other fees.

**TABLE 3. City of Rolling Meadows**  
**Changes in Net Position**  
**For the Fiscal Years Ended December 31, 2013 and 2014**  
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Service	\$ 5.3	\$ 5.5	\$ 11.1	\$ 11.9	\$ 16.4	\$ 17.4
Operating & Capital Grants	1.6	1.7	-	-	1.6	1.7
<b>General Revenues:</b>						
Property Taxes	13.2	13.2	-	-	13.2	13.2
Other Taxes	14.0	14.1	-	-	14.0	14.1
Other Revenues	0.4	0.3	-	-	0.4	0.3
<b>Total Revenues</b>	<b>\$ 34.5</b>	<b>\$ 34.8</b>	<b>\$ 11.1</b>	<b>\$ 11.9</b>	<b>\$ 45.6</b>	<b>\$ 46.7</b>
<b>Expenses</b>						
<b>Governmental Activities:</b>						
General Government	\$ 1.8	\$ 1.9	\$ -	\$ -	\$ 1.8	\$ 1.9
Public Safety	21.3	21.7	-	-	21.3	21.7
Highway & Streets	1.3	1.0	-	-	1.3	1.0
Public Works	3.9	4.4	-	-	3.9	4.4
Health & Welfare	0.01	0.01	-	-	-	0.01
Economic Development	0.01	0.06	-	-	0.1	0.06
Interest	0.5	0.4	-	-	0.5	0.4
<b>Business Type Activities:</b>						
Refuse Collection	\$ -	\$ -	\$ 2.0	\$ 2.1	\$ 2.0	\$ 2.1
Utilities	-	-	8.2	8.5	8.2	8.5
<b>Total Expenses</b>	<b>\$ 28.8</b>	<b>\$ 29.6</b>	<b>\$ 10.2</b>	<b>\$ 10.6</b>	<b>\$ 39.1</b>	<b>\$ 40.3</b>
<b>Change in Net Position</b>	<b>\$ 5.7</b>	<b>\$ 5.2</b>	<b>\$ 0.9</b>	<b>\$ 1.2</b>	<b>\$ 6.6</b>	<b>\$ 6.4</b>
<b>Net Position Ending</b>	<b>\$ 118.5</b>	<b>\$ 123.8</b>	<b>\$ 13.7</b>	<b>\$ 14.9</b>	<b>\$ 132.2</b>	<b>\$ 138.7</b>
* Note: Rounding difference will occur in this Table. <span style="float: right;"><b>Total Percentage Net Position Change from FY 2013 to FY 2014 is 4.9%</b></span>						

For FY 2014 Program Revenues (all governmental revenues combined) compared to FY 2013 – Charges for Services of \$5.5 million increased by \$187,507, Operating Grants/Contributions of \$34,558 decreased by \$10,465 (Police Grants or Reimbursements), Capital Grants and Contributions of \$1.6 million decreased by \$21,240. For Capital Grants and Contributions, the Motor Fuel Tax Fund received the annual state allotment for State Motor Fuel Tax of \$597,000 and two High Growth Motor Fuel Tax payments totaling \$213,694 for FY 2014. In addition for Capital Grants and Contributions, the Local Road Fund recorded revenues (some are receivables) for state and federal funds totaling \$809,415 for the following projects: Rohlwing/Industrial Roadway Project, Commuter Drive Roadway project and Golf/New Wilke Roadway Project.

FY 2014 General Revenues increased by \$129,207 compared to FY 2013. Property Taxes decreased overall by \$26,920 (due to prior year refunds), State Sales and Home Rule Sales Tax increased overall by \$438,520, Telecommunications Tax decreased by \$215,402, Electric Utility Tax increased by \$3,641, Hotel Tax increased by \$67,696, Food and Beverage Tax increased by \$52,900, Real Estate Transfer Tax increased by \$205,134, Other Taxes increased by \$10,051, Income Taxes decreased by \$41,677, Local Use Tax decreased by \$36,923, Replacement Taxes decreased by \$6,808, Interest decreased by \$48,603 and Miscellaneous Revenues increased by \$64,120.

Governmental Activities Expenses increased by \$675,100 or a percentage change of 2.3% from FY 2013 to FY 2014. The overall change from FY 2013 to FY 2014 is due Public Safety Governmental Activities increasing by \$404,013 (mostly pensions), General Government by \$94,148, Highways and Streets decreased by \$278,437, Public Works (includes capital assets) increased by \$549,003, Health and Welfare decreased by \$129, Economic Development increased by \$5,887 and Interest on Long-Term Debt decreased by \$99,375.

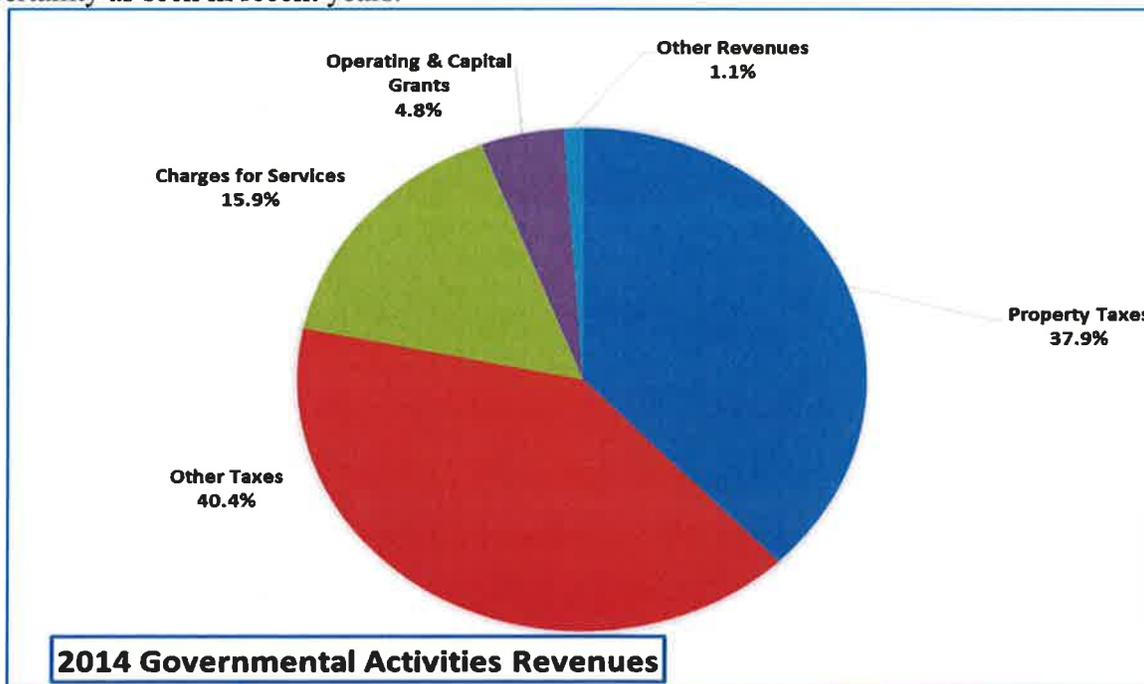
For FY 2014 Business-Type Activities in terms of “Charges for Services,” the FY 2014 Budget increased rates for Water (7.5%), Sewer (5%) and Stormwater (5%) with some additional received for other line items. The overall change in “Charges for Services” total \$738,144 for the Utilities Fund or 8.3%. For the Refuse Fund, “Charges for Services” increased by \$106,669 or by 4.9% due to an increase in the Refuse Rate of 2% with some additional revenue received for other line items.

**Governmental Activities**

**Revenues:**

Total revenues for the City’s Governmental Activities for FY 2014 were \$27,646,045 – an increase of less than 0.50% from FY 2013 (when excluding Operating and Capital Grants and Charges for Services).

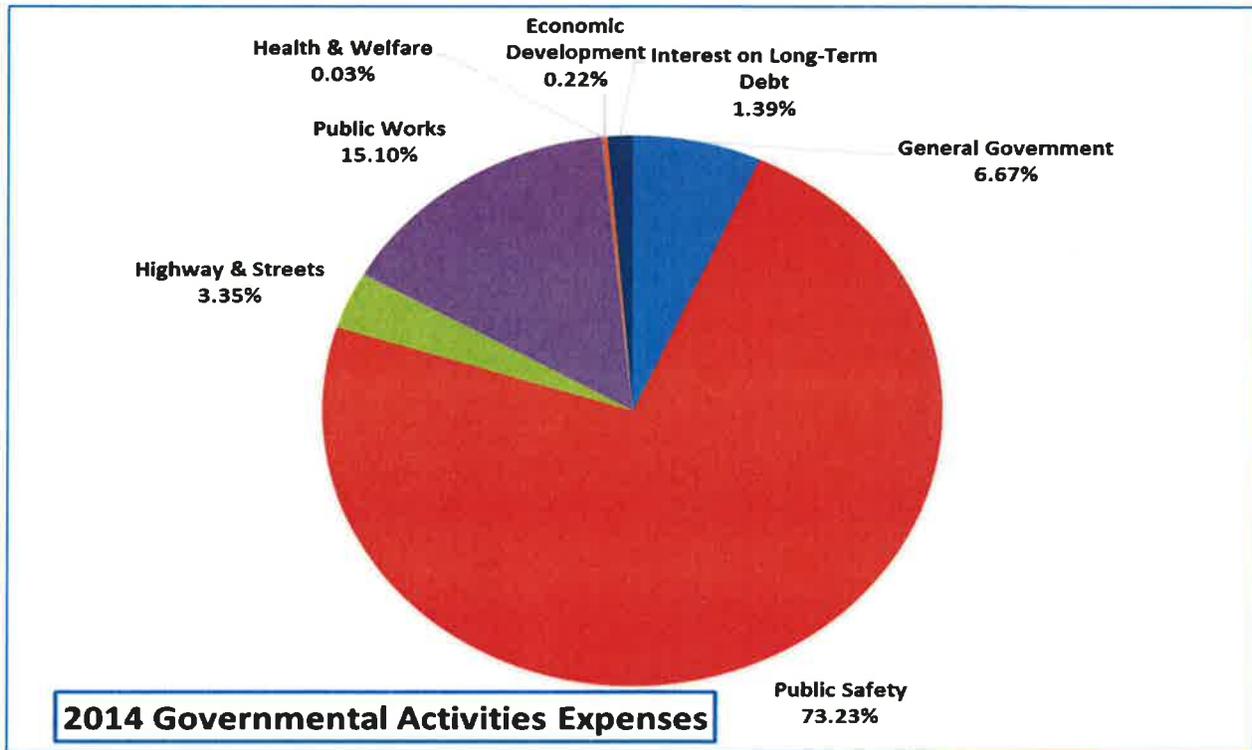
The following chart reflects the percentage breakdown for each of the categories of governmental activities revenue. Taxes such as Sales Tax (State and Home Rule), Telecommunications Taxes, Electric Utility Tax, Hotel Tax, Food & Beverage Tax, Real Estate Tax, Income Tax and Other Taxes account for the largest share at 40.4% of total governmental activity revenue or \$14.1 million. Property Taxes follow at 37.9% or \$13.1 million, Charges for Services at 15.9% or \$5.5 million, Operating and Capital Grants at 4.8% or \$1.6 million and Other Revenues at 1.1% or \$378,918. The City has a balanced and diversified revenue stream to mitigate economic uncertainty as seen in recent years.



**Expenses:**

Total expenses for the City’s Governmental Activities for FY 2014 were \$29,657,004 – a \$678,497 or 2.3% increase from FY 2013. The overall change from FY 2013 to FY 2014 is due capital projects for Local Roads and some savings in contractual, supply and health care line items in General Government, Public Safety increases due to employee contracts and pension benefits, and retirement of long-term debt.

The following chart reflects the percentage breakdown for each of the categories of governmental activities expenses.



Typical to a municipality such as the size of the City of Rolling Meadows, public safety – police and fire operations – comprise a large share of the governmental activities. For the City of Rolling Meadows, the share public safety is 73.2% or \$21,718,054 of the City’s governmental activities expenses. Public Safety includes police and fire public safety operations in the General Fund, 911 Fund expenditures, Foreign Fire Insurance expenditures and Asset Seizure expenditures (non-capital). It is important to highlight that the fire and police pension expenses are budgeted and expended from the public safety budget. The employer contribution for Police and Fire Pensions comprised \$5,162,097 or 24% of the total Public Safety expenses for FY 2014 (the same percentage as FY 2012 and FY 2013). The employer contribution for the Police Pension Fund was \$2,483,648 and for the Fire Pension Fund was \$2,678,449.

For the other categories in Governmental Expenses, General Government makes up close to 7% or \$2.0 million, Highways and Streets (State Motor Fuel Tax and Local Road – Contractual/Supply Items) is approximately 3% or \$993,051, Public Works is 15% (includes capital items) or \$4,478,722, Economic Development at \$65,738 and Health/Welfare at \$10,352 are each less than 1%, and Interest on Long-Term Debt is approximately 1% or \$412,711.

## **Business-Type Activities**

Total revenues or charges for services for the City's Business-Type Activities for FY 2014 were \$11,927,826 - \$9.6 million for the Utilities Fund and \$2.3 million for the Refuse Collection Fund. The major revenue components of the "charges for services" classification for business-type activities are fees from the City's Utilities Fund (water, sewer, refuse and stormwater) and Refuse Fund. These fees are the primary source of revenue deemed sufficient to support ongoing operations, maintenance and capital infrastructure improvements. Total charges for services for these activities were \$11.9 million, which represents an increase of \$844,813 or about a 7.6% increase from FY 2013. Total expenses for the City's Business-Type Activities for FY 2014 were \$10,678,055.

Of the total operating expenses for business-type activities for Utilities, 82% is related to Water, 14% to Sewer and 4% to Stormwater. For FY 2014, the City paid \$3,515,442 to the Northwest Suburban Municipal Joint Action Water Agency (JAWA) for the City's water supply. To compare, the City paid \$3,154,254 in FY 2013, \$2,834,482 in FY 2012, \$2,378,053 in FY 2011 and \$2,379,336 in FY 2010. Since FY 2010, the City has experienced \$1.1 million more in the cost from Northwest Suburban Municipal Joint Action Water Agency (JAWA) for the City's water supply. It is also important to note on the Statement of Net Position, the City holds an Investment in Joint Venture with JAWA. The City's share of the net position of JAWA at December 31, 2014 was \$451,230.

Refuse expenses are accounted for separately in the Refuse Collection Fund.

## **Financial Analysis of the Government's Funds**

As noted earlier, the City of Rolling Meadows uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing resources available at the end of the year in comparison with the City's upcoming financing requirements. At December 31, 2014 the governmental funds reported a combined fund balance of \$8,736,997, an increase from FY 2013 of \$1,083,765. The overall increase is primarily attributed to the General Fund's increase of \$1.9 million in fund balance from FY 2013. The General Fund's revenues and expenditures are discussed at length in the following paragraphs.

There were some other changes to note – the Motor Fuel Tax Fund Balance decreased from \$768,778 to \$642,126 partly due to planned expenditures and a continued decline in the State Motor Fuel Tax. The 911 Fund increased from \$179,389 to \$271,626 due to some savings in the Professional Services line item due to non-emergency calls handled at the City versus Northwest Central Dispatch. The Debt Service Fund increased from \$40,997 to \$67,553 due to some of the past refunding savings for the City's general obligation bonds. The Local Road Fund decreased from \$745,796 to \$488,579 due to reimbursements received from state and federal agencies. TIF #1 (Kirchoff & Owl) decreased from \$890,492 to \$1,020,387 due to planned debt service payments.

The two remaining governmental funds are restricted for use. These Funds are not governed by the City of Rolling Meadows; however, separate governing authorities may authorize the use of the funds to offset certain City expenditures. In FY 2014, the Foreign Fire Tax Fund paid for \$49,513 and the Police Asset Seizure Fund paid for \$147,323.

### **General Fund Budgetary Highlights**

Over the course of the fiscal year, the City Council approved three budget amendments to the FY 2014 Budget.

The City Council approved Resolution 14-R-53 which amended the FY 2014 Budget to close out the Transit Oriented Development Fund (Fund #41) and commit the balance of \$421,452 to the General Fund for the purpose of “committing” accumulating funds for funding Compensated Absences.

The City Council approved Resolution 14-R-81 which amended the FY 2014 Budget that paid down a capital lease for a Fire Department Rescue Pumper in the amount of \$148,510 earlier than its maturity date of FY 2017. The City saved the taxpayers \$11,367 and the savings was added to the Vehicle & Equipment Replacement Fund’s reserves.

The City Council approved Resolution 14-R-83 which authorized the City to make a lump sum payment in the amount of \$300,000 for the purpose of paying the City’s Net Pension Obligation (NPO) to the Illinois Municipal Retirement Fund (IMRF).

The next chart shows the detail for the FY 2014 Original/Final Budget and the FY 2014 Actual results. The chart also shows the percentage of the Actual results to the Original/Final Budget.

<b>General Fund Budgetary Highlights Detail - FY 2014</b>					
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>% of Actual to Original/Final Budget</b>	
<b>Revenues</b>					
Taxes	\$ 20,928,130	\$ 20,928,130	\$ 21,232,222	101.5%	
Intergovernmental	2,767,250	2,767,250	2,981,987	107.8%	
Licenses and Permits	794,000	794,000	1,055,844	133.0%	
Charges for Services	2,540,420	2,540,420	2,615,701	103.0%	
Fines and Forfeitures	863,000	863,000	1,259,447	145.9%	
Interest	5,000	5,000	(39,382)	-787.6%	
Miscellaneous	356,438	356,438	405,159	113.7%	
<b>Total Revenues</b>	<b>\$ 28,254,238</b>	<b>\$ 28,254,238</b>	<b>\$ 29,510,978</b>	<b>104.4%</b>	
<b>Expenditures</b>					
General Government	4,063,971	4,363,971	4,062,109	100.0%	
Public Safety	21,028,251	21,028,251	20,939,029	99.6%	
Public Works	2,457,520	2,457,520	2,400,591	97.7%	
Health/Welfare and Culture	15,430	15,430	10,352	67.1%	
Economic Development	15,770	15,770	14,845	94.1%	
<b>Total Expenditures</b>	<b>\$ 27,580,942</b>	<b>\$ 27,880,942</b>	<b>\$ 27,426,926</b>	<b>99.4%</b>	
Excess of Revenues Over (Under) Expenditures	673,296	373,296	2,084,052	309.5%	
<b>Other Financing Sources (Uses)</b>					
Disposal of Capital Assets	500	500	600	120.0%	
Transfers In	47,000	468,452	468,452	996.7%	
Transfers Out	(624,515)	(624,515)	(624,515)	100.0%	
	<b>\$ (577,015)</b>	<b>\$ (155,563)</b>	<b>\$ (155,463)</b>	<b>26.9%</b>	
<b>Net Change in Fund Balance</b>	<b>\$ 96,281</b>	<b>\$ 217,733</b>	<b>\$ 1,928,589</b>		
<b>Fund Balance - Beginning</b>			<b>\$ 6,103,317</b>		
<b>Fund Balance - Ending</b>			<b>\$ 8,031,906</b>		

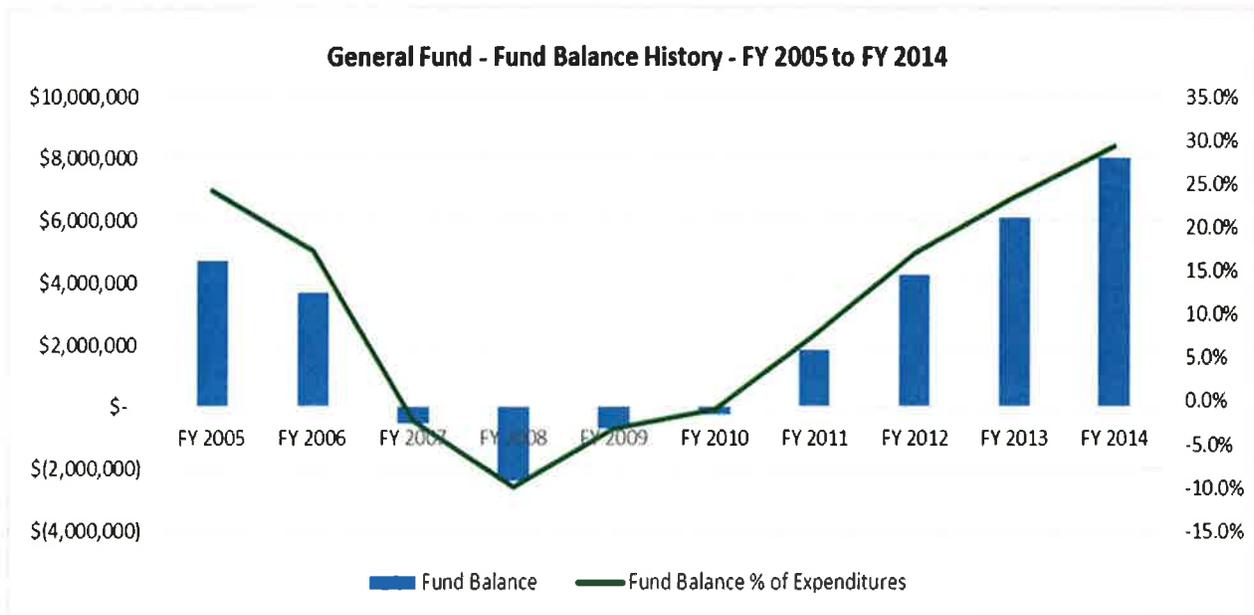
In FY 2014, the City budgeted \$28,254,238 for Revenues and Actual Revenues received were \$29,510,978 or \$1,256,740 more than the Final Budget. Revenues came in at 104.4% or 4.4% higher than the Budget. The City budgeted \$27,880,942 and Actual Expenditures came in lower at \$27,426,926 or \$454,016 under budget. Expenditures came in at 99.4% or 0.6% under Budget.

The Other Financing Uses included the sale of minor assets of \$600 and a budgeted \$624,515 transfer from the General Fund to the Debt Service Fund to pay for the 2012 (2004 Refunded) General Obligation Bond principal and interest payment. The FY 2014 Budget also included two repayments one from the 911 Fund in the amount of \$42,000 and the other from the Garage Fund in the amount of \$5,000. In addition, one budget amendment closed the Transit Oriented Development Fund (#41). This Fund's \$421,452 balance was transferred to General Fund for the purpose of committing that balance to funding Compensated Absences. The next chart details the Transfers from the General Fund for FY 2014.

<b>Other Financing Uses - Transfers for FY 2014</b>	
Debt Service Transfer for 2012 (2004 Refunded Bonds)	\$ (624,515)
Budget Amendment by Resolution 14-R-53 to Commit Funds in the General Fund for Compensated Absences	421,452
FY 2014 Budget - Repayment from 911 Fund for Prior Year Transfer	42,000
FY 2014 Budget - Repayment from Garage Fund for Prior Year Transfer	5,000
<b>Net Transfers From or To the General Fund</b>	<b>\$ (156,063)</b>

Following is the General Fund's activities and additional information that may be found on page 70 of this report. Over the last several years, the City of Rolling Meadows has taken proactive steps to begin to rebuild fund balance reserves, and eliminate negative funds. The City has one Fund that remains in a negative fund balance position which is TIF #2 (Kirchoff/Owl). That Fund will become positive near the end of the TIF's term and is negative due to the fact that a fourth parcel was not built on the development due to the downturn in the economy.

At December 31, 2014, the Total Fund Balance for the General Fund was \$8,031,906 or 29.3% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$7,565,662 (27.6% of 2014 operating expenditures) is Unassigned Fund Balance (available fund balance) and can be used to meet the City's ongoing obligations to its residents, businesses and creditors (approximately three months of operating reserves). As shown on the next chart, the General Fund has stabilized. The City adopted a Fund Balance Policy for the General Fund which the City shall maintain a General Fund Unassigned Balance (available) from 15% to 30% of General Fund operating expenditures.



## General Fund – Revenues

General Fund revenues ended the fiscal year with approximately \$1.1 million more than the FY 2013 Budget. As shown in the chart below there are 17 revenue line items that make up the majority of General Fund revenues (85%). The FY 2014 Actual to the FY 2014 Budget shows a \$1.1 million change or 4.6% from actual to budget. Not one single line item contributes to the entire change in revenues. There are eight line items that have more weight and these make up 72% of the \$1.1 million change or \$812,008.

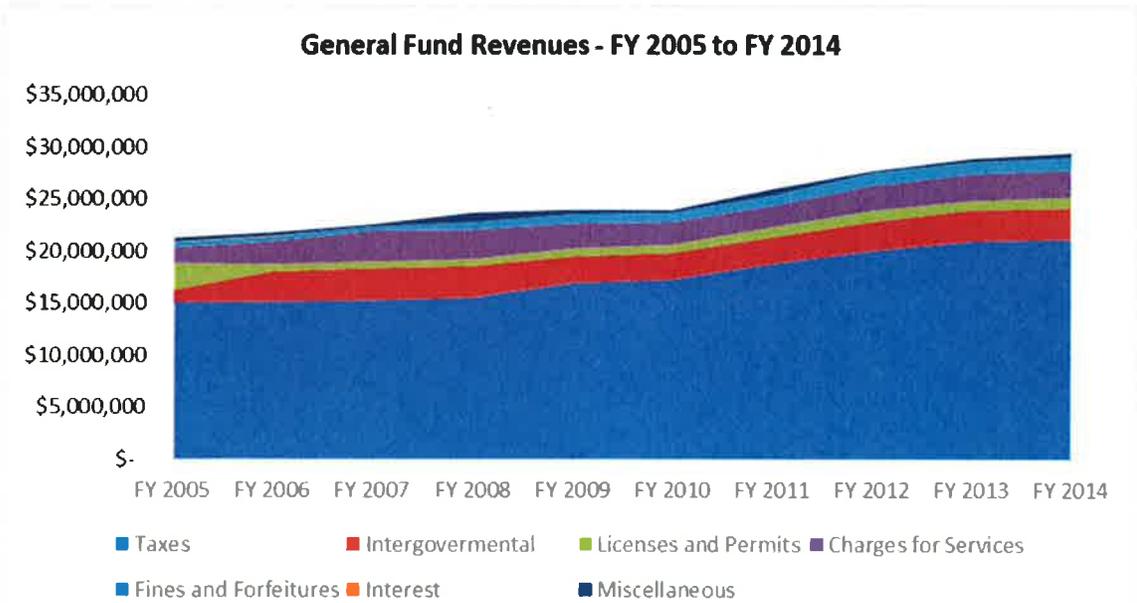
It is important to note that certain revenue line items in certain fiscal years will receive “one-time” revenues for various projects or fees. For instance, Red Light Fines, Building Permits, Real Estate Transfer Taxes and Hotel Taxes exceeded the budgeted amount.

The City received more in Red Light Fines which was attributed to higher resolution cameras. The economy continues to improve and more hotel rooms have been booked locally accounting for the increase in Hotel Taxes. The real estate market is moving in a better direction and properties are selling. There were a few “one-time” revenues for real estate transfers (which the City experienced over the last few years). In particular, the Golf Road Properties located at 2850 and 2550 Golf Road were purchased by Insurance Broker Arthur J. Gallagher & Co. and Buck Meadows LLC for \$25 million and the City received \$75,000 in real estate transfer fees. The City experienced more building improvements for businesses and residential properties bringing in additional building permit revenue better than expected.

Furthermore, for the Current Property Tax Levy the City received 2.9% more than budget or \$148,644. On the downside there were prior year tax refunds of \$183,168 from Cook County. Income Tax came in about 5% better than budget or \$112,225. Telecommunications Tax was negatively impacted by overall declining revenue and from the Illinois Department of Revenue rebate to the State of Illinois of \$77,410 (to be discussed later). Telecommunications Tax is one revenue line item that has been declining due to fewer land lines and bundling by telecommunications carriers.

<b>Major Revenue Sources - Budget to Actual (85% of General Fund Revenues)</b>				
	<b>FY 2014 Budget</b>	<b>FY 2014 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
Property Taxes - Prior Years' Taxes	\$ 10,000	\$ (173,168)	\$ (183,168)	-1831.7%
Property Taxes - Current Levy	\$ 5,146,311	\$ 5,294,955	\$ 148,644	2.9%
Property Taxes - Police Pension	\$ 2,478,905	\$ 2,483,648	\$ 4,743	0.2%
Property Taxes - Fire Pension	\$ 2,662,914	\$ 2,678,449	\$ 15,535	0.6%
Municipal Sales Tax	\$ 3,300,000	\$ 3,318,967	\$ 18,967	0.6%
Home Rule Sales Tax	\$ 2,300,000	\$ 2,406,705	\$ 106,705	4.6%
Telecommunications Tax	\$ 1,700,000	\$ 1,489,623	\$ (210,377)	-12.4%
Electric Utility Tax	\$ 1,310,000	\$ 1,318,396	\$ 8,396	0.6%
Hotel Tax	\$ 350,000	\$ 466,914	\$ 116,914	33.4%
Food and Beverage Tax	\$ 1,200,000	\$ 1,219,329	\$ 19,329	1.6%
Real Estate Transfer Tax	\$ 210,000	\$ 433,172	\$ 223,172	106.3%
Cable Franchise Fees	\$ 260,000	\$ 295,232	\$ 35,232	13.6%
State Income Tax	\$ 2,170,000	\$ 2,282,225	\$ 112,225	5.2%
Local Use Tax	\$ 390,000	\$ 470,811	\$ 80,811	20.7%
Replacement Tax	\$ 174,000	\$ 194,283	\$ 20,283	11.7%
Building Permits	\$ 300,000	\$ 545,307	\$ 245,307	81.8%
Red Light Enforcement Fines	\$ 425,000	\$ 784,291	\$ 359,291	84.5%
	<b>\$ 24,387,130</b>	<b>\$ 25,509,139</b>	<b>\$ 1,122,009</b>	<b>4.6%</b>

Below is a chart that shows trend data for General Fund revenues from FY 2005 to FY 2014. Overall the City's General Fund revenues are diversified. To gain a sense of how current year impacts affected General Fund revenues, major revenue line items are explained in further depth following this chart.



Property Taxes comprise 36.4% of the General Fund's revenues. The Prior Years' Taxes reflect a negative \$173,168 due to the fact that property tax appeals occurred. Overall, Property Taxes came in at budget due to loss and costs measures provided for by Cook County to ensure the City receives its entire tax levy.

Municipal State Sales Tax came in better than budget by \$18,967 or less than 1% and Home Rule Sales Tax better than budget by \$106,705 or by 4.6%.

As mentioned in last year's Management's Discussion & Analysis, in April of 2013, the City entered into a sales tax sharing agreement with Uncle Joe's Tuscan Fresh Market. The grocer was expected to open in October 2013, however the business did not move ahead to open as expected. The FY 2014 Budget was adopted in December 2013 and included a proposed increase to state sales tax and home rule sales tax and a corresponding increase to expenses to cover the sale tax sharing. This is noted here to mention that the sales tax sharing netted to zero with the corresponding revenues so there was no overall budget issue. [The tax sharing has been removed.]

Telecommunications Tax continues to be a tax the City keeps a close eye on due to its continual decline. In FY 2014, Telecommunications Tax came in lower than budget by \$210,377 or by 12.4%. The City continues to make adjustments in its budget for the loss of this revenue. There is some analysis that says this tax is declining because of the loss of land line phones and other types of bundling options for cell phones.

As mentioned previously, the City received a notice from the Illinois Department of Revenue indicated that as a "result of a federal class action lawsuit, a large telecommunications carrier was ordered to seek refunds from the states on behalf of customers that were charged telecommunications taxes on transactions that were not properly taxable under federal and state

laws.” This issue caused the State of Illinois to refund millions of dollars worth of Telecommunication Excise Taxes. As the notice mentioned, a “significant portion” of the State refunds were proceeds that were distributed to local governments. The City was impacted with a revenue loss of \$77,410 for FY 2014.

Electric Utility Tax came in on budget at 100.6% or by \$8,396 and continues to be a stable revenue source.

Hotel Tax showed growth over the last few years which is a positive sign for the economy. There are four nationally recognized hotels doing business in the City of Rolling Meadows. Due to an improving economy and business travel, the City’s Hotel Tax came in above budget at 133.4% of budget or by \$116,914.

The City’s Food and Beverage Tax came in on budget at 101.6% or by \$19,329. There are a number of new restaurants and businesses coming in to the City of Rolling Meadows in FY 2014 and the City anticipates some limited growth in this area. The McDonald’s renovation project on Algonquin Road was completed and they celebrated their grand re-opening. Panera, Grande Jake, and McDonald’s are going strong. [Note: Panera will be online a full year coming to the middle of January 2015.]

Real Estate Transfer Tax is a tax on the sale of real estate property and it is a tax that City conservatively estimates each year (\$3 per \$1,000 of the sales price). The tax came in better than budget by \$223,172 or 106.3% of budget. The reason for the additional amount beyond the budgeted amount is there were some larger real estate transfers in FY 2014 similar to FY 2013. These one-time revenues cannot be anticipated by the City of Rolling Meadows.

The Golf Road Properties located at 2850 and 2550 Golf Road were purchased by Insurance Broker Arthur J. Gallagher & Co. and Buck Meadows LLC for \$25 million and the City received \$75,000 in real estate transfer fees.

The City received a real estate transfer fee in the amount of \$40,867 on the sale of the property at 2800 Golf Road. RTC Industries (the current tenant – a large retail strategists, research and design firm) will remain at that location.

The City also received a real estate transfer fee in the amount of \$29,610 for the sale of the property at 3200 Squibb. JC Restoration sold the property as a lease buyback and will remain in the parcel.

Cable Franchise Fees are a stable revenue source for the City and were above budget by 13.6% or by \$35,232.

State Income Tax came in better than budget by 5.2% or \$112,225. This tax revenue continues to be a key indicator of the economy’s slow movement.

The Local Use Tax (the sales tax that the purchaser owes on items that are purchased for use in Illinois) came in better than budget by 20.7% or \$80,811 which is primarily attributed to the improving economy and some changes with the Illinois Department of Revenue’s tax procedures.

The Personal Property Replacement Tax (PPRT) came in better than budget by 11.7% or \$20,283 for FY 2014.

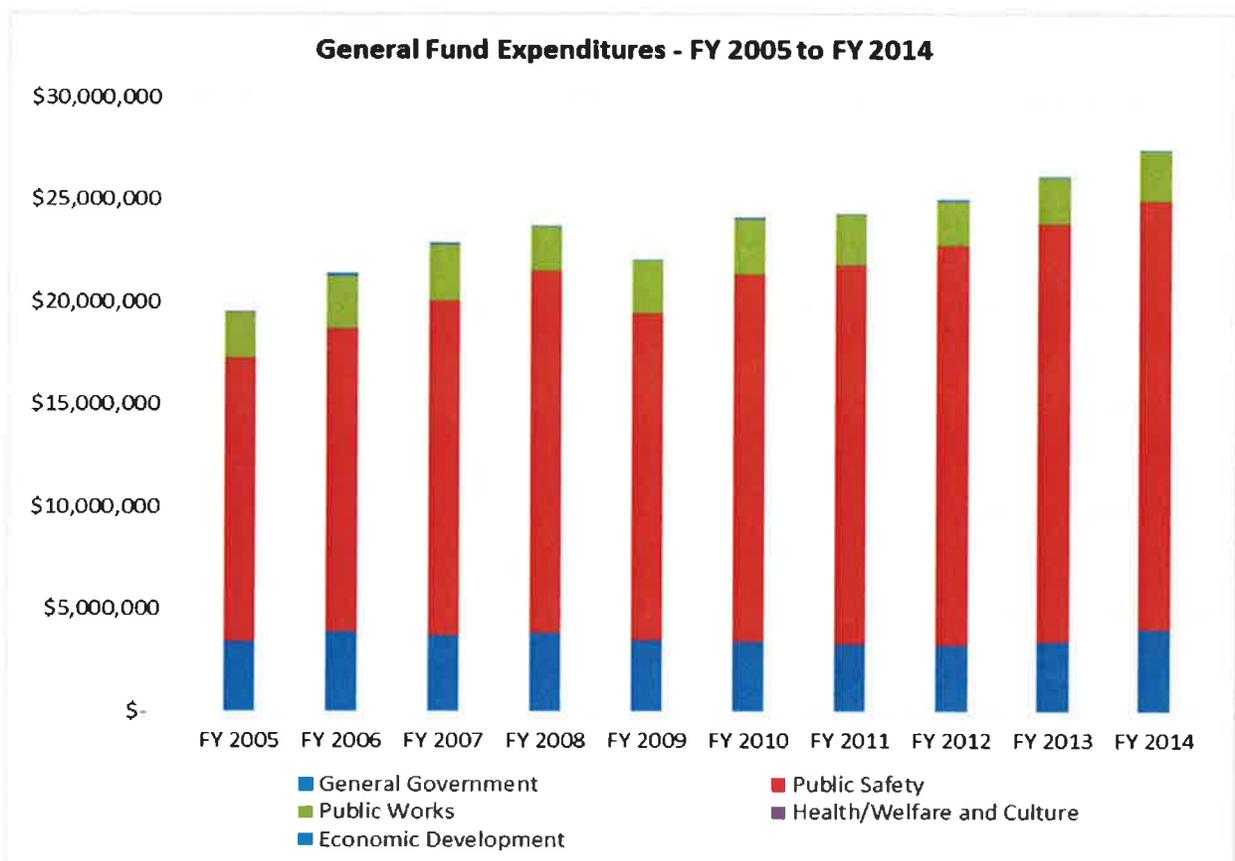
Grant revenues were above budget at 104.3% due to some police grant revenues coming in.

Building Permits revenues came in at \$545,307. These revenues came in above budget by 81.8% or \$245,307 more than budget. These are one-time revenues the City cannot anticipate. The City may see additional increases over the next few years for some expected business and residential building projects.

Another revenue line item the City received more revenue from is Red Light Enforcement Fines. Due to increased resolution clarity in red light cameras, this revenue source came in at \$784,291. Red Light Enforcement Fines came in better than budget by \$359,291 or 184.5% of budget.

Again, the City of Rolling Meadows has a diversified mix of General Fund revenues. Remaining line items aside what were mentioned came in for the most part near, at or above budget.

### General Fund - Expenditures



The above chart details General Fund expenditures from FY 2005 to FY 2014 with the most significant increase in the City's pension obligations for Police, Fire and Non-Union Pension Funds. For FY 2014, year-end results show that General Fund expenditures came in under budget by \$454,016 or 0.6% under budget.

General Government came in under budget by \$301,862 primarily due to savings in the Benefits line for Health Care, Supplies and Contractual Services. In addition, there were some personnel vacancies.

Public Safety (Police & Fire) came in under budget by \$89,222 due to savings in the same line items – Benefits line for Health Care, Supplies and Contractual Services.

Public Works came in under budget by \$56,929 due to some earlier than planned retirements.

Health and Welfare came in under budget by \$5,078 and Economic Development came in under budget by \$925.

As an additional note, in FY 2014, the City spent \$268,659 on EAB Tree Removals and EAB Replacements. This is a multi-year program.

**Proprietary Funds** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but include long-term outflows and capital assets. Unrestricted net position of the Utilities and Refuse Collection Funds at the end of the year amounted to a total of \$6,089,240 — increased by \$838,729 from FY 2013.

### Capital Asset and Debt Administration

Capital Assets - The City of Rolling Meadows' investment in capital assets for its governmental and business-type activities as of December 31, 2014 amounts to \$141,250,252 (net of accumulated depreciation)(see Statement of Net Position). This investment in capital assets includes land, land improvements, construction in progress, buildings, machinery, equipment, roads, bridges and vehicles. The following table summarizes the changes in Capital Assets. The governmental activities net capital assets increased by \$172,595 due primarily to depreciation of existing assets and that there are several road projects that are currently in the construction in progress category (Annual Street Program, various road projects, vehicles and equipment). The business-type activities net capital assets increased by \$231,130 with new capital assets added and the depreciation of existing assets (various watermain projects, Smart Point Water Meter Project, Pressure Valve/Vault Projects, Sanitary Sewer Rehabilitation Project, Stormwater Rehabilitation Project and others).

City of Rolling Meadows Capital Assets at Year End Net of Depreciation (in Millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2014	2013	2014	2013	2014
Land	\$ 99.6	\$ 99.6	\$ -	\$ -	\$ 99.6	\$ 99.6
Land Improvements	0.7	0.6	0.1	0.1	0.8	\$ 0.7
Construction in Progress	3.8	5.0	1.8	2.6	5.6	\$ 7.6
Buildings	5.6	5.1	1.4	1.4	7.0	\$ 6.5
Machinery & Equipment	1.3	1.4	0.3	0.2	1.5	\$ 1.6
Infrastructure	16.4	15.4	9.2	8.7	25.6	\$ 24.1
Vehicles	0.8	1.1	-	-	0.8	\$ 1.1
<b>Total</b>	<b>\$ 128.1</b>	<b>\$ 128.2</b>	<b>\$ 12.8</b>	<b>\$ 13.0</b>	<b>\$ 140.9</b>	<b>\$ 141.2</b>

*\* Rounding differences may occur.*

Additional information on the City of Rolling Meadows' capital assets may be found on pages 37 through 39 of this report.

**DEBT OUTSTANDING**

At the end of the fiscal year 2014, the City of Rolling Meadows had total bonded debt outstanding of \$12,740,000 and 100% comprises debt backed by the full faith and credit of the government. No short term debt was issued during 2014.

**City of Rolling Meadows  
Outstanding General Obligation Debt (000's)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2014	2013	2014	2013	2014
General obligation Bonds	\$ 13.3	\$ 11.2	\$ 1.9	\$ 1.5	\$ 15.2	\$ 12.7

In FY 2013, taking advantage of historically low interest rates, the City refinanced general obligation bonds for the City’s TIF #2 Kirchoff & Owl Fund saving approximately \$60,000 in interest savings.

In FY 2012, the City refinanced nearly \$10 million worth of general obligation bonds to save taxpayers nearly \$750,000 over the life of the bonds. The three general obligation bonds included the 2002A, the 2002B and the 2004 Series.

In December 2013, Standard & Poor’s Rating Services raised the City’s long-term rating on the City of Rolling Meadows’ general obligation bonds to AA+ from A+ based on Standard & Poor’s Rating recently released local General Obligation criteria. Standard & Poor’s cited the City’s very strong budgetary flexibility, liquidity and strong budgetary performance among the reasons behind the increase in the credit rating.

In November 2014, Moody’s Investor Service upgraded Rolling Meadows’ general obligation (GO) bond rating to Aa3 from a previous rating of A1, reflecting the agency’s confidence in the City’s overall financial health. The Moody’s report cited a substantial increase in the City’s reserve levels as well as a strong capacity to meet financial obligations.

The City of Rolling Meadows has taken advantage of low-interest loans from the Illinois Environmental Protection Agency (IEPA) for construction and eligible engineering costs associated with watermain improvements and sewerworks improvements. The IEPA Loans are paid from the City’s Utilities Fund. The IEPA Water Loan Payable at December 31, 2014 for the Waterworks Improvements is \$1,239,828. The final repayment schedule for the IEPA Sewer Loan of 2013 is not available at the time of the issuance of this report. However the current IEPA Sewer Loan Payable at December 31, 2014 is \$1,346,576. The City began making payments on both of the IEPA Loans in FY 2014.

As mentioned previously, the City Council approved Resolution 14-R-83 which authorized the City to make a lump sum payment in the amount of \$300,000 for the purpose of paying the City’s Net Pension Obligation (NPO) to the Illinois Municipal Retirement Fund (IMRF).

As mentioned previously, the City Council approved Resolution 14-R-81 which amended the FY 2014 Budget that paid down a capital lease for a Fire Department Rescue Pumper in the amount of \$148,510 earlier than its maturity date of FY 2017. The City saved the taxpayers \$11,367 and the

savings was added to the Vehicle & Equipment Replacement Fund's reserves. The City does not have any outstanding capital leases at this point in time.

The City of Rolling Meadows, under its home rule authority, does not have a legal debt limit.

Additional information on the City of Rolling Meadows' long-term debt may be found in Note 3 on pages 41 through 45 of this report.

### **Economic Factors and Next Year's Budget**

The General Fund is the City's primary operating fund and pays for most of the City's services – public safety [fire and police services], public works services and City administration services, [except for water, sewer and stormwater services accounted for in the Utilities Funds and Refuse (Garbage and Recycling) services accounted for in the Refuse Fund]. The financial condition for the City and in particular the General Fund has improved significantly over the last several years with a few one-time revenues such as Building Permits, Red Light Enforcement Fines, and Real Estate Transfer Taxes. In addition, the City has experienced new growth in Income Tax, Local Use Tax, Sales Tax and other items. The General Fund's financial health continues to improve overall and the City's focus is to improve cash and fund balance reserves going forward.

While the City continues to work on economic development and other measures to attract and maintain businesses, the City is committed to evaluating overall expenditures and is committed to delivering services in a cost-efficient manner. Building fund balance reserves continues to be a cornerstone to the City's budget process. In addition, the City is committed to funding its pension obligations in fiscally prudent manner. While the City Council, Management and Staff have taken a financially conservative approach to the City's financial management especially in light of the economic uncertainty, the City will be re-evaluating certain revenue line items to make adjustments in future budgets.

### **Requests for Information**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be addressed to the Finance Department, City of Rolling Meadows, 3600 Kirchoff Road, Rolling Meadows, Illinois, 60008.

## **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 ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position**

**December 31, 2014**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position  
December 31, 2014**

	Governmental Activities	Business- Type Activities	Totals	Component Unit Public Library
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 11,492,353	5,502,686	16,995,039	2,470,012
Receivables - Net of Allowances	16,848,747	1,728,392	18,577,139	3,581,586
Prepays/Inventories	3,465,099	146,129	3,611,228	-
Total Current Assets	31,806,199	7,377,207	39,183,406	6,051,598
Noncurrent Assets				
Capital Assets				
Nondepreciable	104,589,576	2,581,651	107,171,227	608,893
Depreciable	71,725,145	23,688,007	95,413,152	7,949,696
Accumulated Depreciation	(48,056,410)	(13,277,717)	(61,334,127)	(4,959,556)
	128,258,311	12,991,941	141,250,252	3,599,033
Other Assets				
Investment in Joint Venture	-	451,230	451,230	-
Total Noncurrent Assets	128,258,311	13,443,171	141,701,482	3,599,033
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Refunding	269,831	-	269,831	-
Total Assets and Deferred Outflows of Resources	160,334,341	20,820,378	181,154,719	9,650,631

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

	Governmental Activities	Business- Type Activities	Totals	Component Unit Public Library
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	1,206,909	596,387	1,803,296	126,785
Accrued Payroll	190,566	27,896	218,462	84,875
Deposits Payable	(8,227)	-	(8,227)	-
Interest Payable	7,717	12,062	19,779	-
Other Payables	606,902	-	606,902	-
Current Portion of Long-Term Liabilities				
Compensated Absences Payable	793,340	25,929	819,269	69,642
IEPA Loans Payable	-	52,726	52,726	-
General Obligation Bonds Payable	2,230,979	339,021	2,570,000	-
Total Current Liabilities	5,028,186	1,054,021	6,082,207	281,302
Noncurrent Liabilities				
Deposits Payable	150,035	408,595	558,630	-
Compensated Absences Payable	3,428,101	595,536	4,023,637	-
Net Pension Obligation Payable	4,130,434	-	4,130,434	58,578
Net Other Post-Employment Benefit Payable	2,074,510	-	2,074,510	98,851
IEPA Loans Payable	-	2,533,678	2,533,678	-
General Obligation Bonds Payable	8,950,919	1,219,081	10,170,000	-
Total Noncurrent Liabilities	18,733,999	4,756,890	23,490,889	157,429
Total Liabilities	23,762,185	5,810,911	29,573,096	438,731
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	12,304,631	72,792	12,377,423	3,581,586
Grants	502,542	-	502,542	-
Total Deferred Inflows of Resources	12,807,173	72,792	12,879,965	3,581,586
Total Liabilities and Deferred Inflows of Resources	36,569,358	5,883,703	42,453,061	4,020,317
<b>NET POSITION</b>				
Net Investment in Capital Assets	117,346,244	8,847,435	126,193,679	3,599,033
Restricted - Public Safety	524,543	-	524,543	-
Restricted - Highways and Streets	642,126	-	642,126	-
Restricted - Debt Service	59,836	-	59,836	-
Restricted - Public Library	-	-	-	265,875
Unrestricted	5,192,234	6,089,240	11,281,474	1,765,406
Total Net Position	123,764,983	14,936,675	138,701,658	5,630,314

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

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Activities  
For the Fiscal Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 1,978,376	2,949,559	-	-
Public Safety	21,718,054	2,088,946	34,668	-
Highways and Streets	993,051	494,121	-	1,620,109
Public Works	4,478,722	-	-	-
Health and Welfare	10,352	-	-	-
Economic Development	65,738	-	-	-
Interest on Long-Term Debt	412,711	-	-	-
Total Governmental Activities	29,657,004	5,532,626	34,668	1,620,109
Business-Type Activities				
Utilities	8,557,359	9,638,533	-	-
Refuse Collection	2,120,696	2,289,293	-	-
Total Business-Type Activities	10,678,055	11,927,826	-	-
Total Primary Government	40,335,059	17,460,452	34,668	1,620,109
Component Unit - Public Library	3,663,214	35,772	42,076	-

General Revenues  
Taxes  
    Property  
    State Sales and Home Rule  
    Simplified Telecommunications  
    Electric Utility  
    Hotel  
    Food and Beverage  
    Real Estate Transfer  
    Other Taxes  
Intergovernmental - Unrestricted  
    Income Taxes  
    Local Use Taxes  
    Replacement Taxes  
Interest  
Miscellaneous  
Total General Revenues

Change in Net Position  
Net Position - Beginning  
Net Position - Ending

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

Net (Expenses)/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Totals	Public Library
971,183	-	971,183	-
(19,594,440)	-	(19,594,440)	-
1,121,179	-	1,121,179	-
(4,478,722)	-	(4,478,722)	-
(10,352)	-	(10,352)	-
(65,738)	-	(65,738)	-
(412,711)	-	(412,711)	-
(22,469,601)	-	(22,469,601)	-
-	1,081,174	1,081,174	-
-	168,597	168,597	-
-	1,249,771	1,249,771	-
(22,469,601)	1,249,771	(21,219,830)	-
-	-	-	(3,585,366)
13,185,352	-	13,185,352	3,544,610
5,725,672	-	5,725,672	-
1,489,622	-	1,489,622	-
1,318,396	-	1,318,396	-
466,914	-	466,914	-
1,219,330	-	1,219,330	-
433,172	-	433,172	-
481,350	-	481,350	-
2,282,225	-	2,282,225	-
470,811	-	470,811	-
194,283	-	194,283	68,620
(36,478)	1,430	(35,048)	410
415,396	-	415,396	1,558
27,646,045	1,430	27,647,475	3,615,198
5,176,444	1,251,201	6,427,645	29,832
118,588,539	13,685,474	132,274,013	5,600,482
123,764,983	14,936,675	138,701,658	5,630,314

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2014**

	General	Special Revenue Motor Fuel Tax	Debt Service	Nonmajor	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 4,813,991	614,499	58,556	817,096	6,304,142
Receivables - Net of Allowances					
Property Taxes	10,308,827	-	1,324,697	709,669	12,343,193
Other Taxes	2,749,677	60,687	-	33,948	2,844,312
Accounts	516,092	-	-	1,139,993	1,656,085
Due from Other Funds	1,023,741	-	-	-	1,023,741
Prepays	44,792	-	-	2,677	47,469
<b>Total Assets</b>	<b>19,457,120</b>	<b>675,186</b>	<b>1,383,253</b>	<b>2,703,383</b>	<b>24,218,942</b>
<b>LIABILITIES</b>					
Accounts Payable	336,288	33,060	-	480,887	850,235
Accrued Payroll	186,415	-	-	-	186,415
Deposits Payable	(8,227)	-	-	-	(8,227)
Due to Other Funds	15,706	-	-	1,023,741	1,039,447
Other Payables	606,902	-	-	-	606,902
<b>Total Liabilities</b>	<b>1,137,084</b>	<b>33,060</b>	<b>-</b>	<b>1,504,628</b>	<b>2,674,772</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	10,288,130	-	1,315,700	700,801	12,304,631
Grants	-	-	-	502,542	502,542
<b>Total Deferred Inflows of Resources</b>	<b>10,288,130</b>	<b>-</b>	<b>1,315,700</b>	<b>1,203,343</b>	<b>12,807,173</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>11,425,214</b>	<b>33,060</b>	<b>1,315,700</b>	<b>2,707,971</b>	<b>15,481,945</b>
<b>FUND BALANCES</b>					
Nonspendable	44,792	-	-	2,677	47,469
Restricted	-	642,126	67,553	524,543	1,234,222
Committed	421,452	-	-	-	421,452
Assigned	-	-	-	488,579	488,579
Unassigned	7,565,662	-	-	(1,020,387)	6,545,275
<b>Total Fund Balances</b>	<b>8,031,906</b>	<b>642,126</b>	<b>67,553</b>	<b>(4,588)</b>	<b>8,736,997</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>19,457,120</b>	<b>675,186</b>	<b>1,383,253</b>	<b>2,703,383</b>	<b>24,218,942</b>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to  
Net Position - Governmental Activities**

**December 31, 2014**

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<b>Total Governmental Fund Balances</b>	<b>\$ 8,736,997</b>
 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.	128,258,311
Less: Internal Service Capital Assets	(8,369,359)
 Internal Service Funds are used by the City to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	   16,454,939
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(4,191,177)
Net Pension Obligation Payable	(4,130,434)
Net Other Post-Employment Benefit Payable	(2,074,510)
General Obligation Bonds Payable	(11,181,898)
Unamortized Loss on Refunding	269,831
Accrued Interest Payable	(7,717)
	<hr/>
<b>Net Position of Governmental Activities</b>	<b><u>123,764,983</u></b>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2014**

	General	Special Revenue Motor Fuel Tax	Debt Service	Nonmajor	Totals
<b>Revenues</b>					
Taxes	\$ 21,232,222	-	1,354,731	1,732,855	24,319,808
Intergovernmental	2,981,987	810,694	-	809,415	4,602,096
Licenses and Permits	1,055,844	-	-	494,121	1,549,965
Charges for Services	2,615,701	-	-	-	2,615,701
Fines and Forfeitures	1,259,447	-	-	107,513	1,366,960
Interest	(39,382)	1,414	-	364	(37,604)
Miscellaneous	405,159	-	-	10,237	415,396
<b>Total Revenues</b>	<b>29,510,978</b>	<b>812,108</b>	<b>1,354,731</b>	<b>3,154,505</b>	<b>34,832,322</b>
<b>Expenditures</b>					
Current					
General Government	4,062,109	-	-	-	4,062,109
Public Safety	20,939,029	-	-	749,265	21,688,294
Highways and Streets	-	338,760	-	654,291	993,051
Public Works	2,400,591	-	-	-	2,400,591
Health/Welfare and Culture	10,352	-	-	-	10,352
Economic Development	14,845	-	-	50,893	65,738
Capital Outlay	-	-	-	1,986,357	1,986,357
Debt Service					
Principal Retirement	-	-	1,625,000	541,300	2,166,300
Interest and Fiscal Charges	-	-	327,690	53,675	381,365
<b>Total Expenditures</b>	<b>27,426,926</b>	<b>338,760</b>	<b>1,952,690</b>	<b>4,035,781</b>	<b>33,754,157</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,084,052</b>	<b>473,348</b>	<b>(597,959)</b>	<b>(881,276)</b>	<b>1,078,165</b>
<b>Other Financing Sources (Uses)</b>					
Disposal of Capital Assets	600	-	-	-	600
Transfers In	468,452	-	624,515	620,000	1,712,967
Transfers Out	(624,515)	(600,000)	-	(483,452)	(1,707,967)
	(155,463)	(600,000)	624,515	136,548	5,600
<b>Net Change in Fund Balances</b>	<b>1,928,589</b>	<b>(126,652)</b>	<b>26,556</b>	<b>(744,728)</b>	<b>1,083,765</b>
<b>Fund Balances - Beginning</b>	<b>6,103,317</b>	<b>768,778</b>	<b>40,997</b>	<b>740,140</b>	<b>7,653,232</b>
<b>Fund Balances - Ending</b>	<b>8,031,906</b>	<b>642,126</b>	<b>67,553</b>	<b>(4,588)</b>	<b>8,736,997</b>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**For the Fiscal Year Ended December 31, 2014**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,083,765**

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	1,779,245
Depreciation Expense	(1,871,019)

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.

Reduction to Compensated Absences Payable	289,868
Reduction to Net Pension Obligation Payable	236,392
Additions to Net Other Post-Employment Benefit Payable	(298,971)
Retirement of Debt	2,166,300
Amortization of Loss of Refunding	(33,729)

Changes to accrued interest on long-term debt in the Statement of Activities  
do not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

2,383

Internal service funds are used by the City to charge the costs of vehicle and equipment  
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is  
reported with governmental activities.

1,822,210

**Changes in Net Position of Governmental Activities**

5,176,444

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
December 31, 2014**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 4,552,833	949,853	5,502,686	5,188,211
Receivables - Net of Allowances - Accounts	1,425,092	303,300	1,728,392	5,157
Prepays	457	40,782	41,239	3,417,630
Inventories	104,890	-	104,890	-
Total Current Assets	6,083,272	1,293,935	7,377,207	8,610,998
Noncurrent Assets				
Capital Assets				
Nondepreciable	2,581,651	-	2,581,651	1,216,853
Depreciable	23,089,394	598,613	23,688,007	21,744,033
Accumulated Depreciation	(12,808,271)	(469,446)	(13,277,717)	(14,591,527)
	12,862,774	129,167	12,991,941	8,369,359
Other Assets				
Investment in Joint Venture	451,230	-	451,230	-
Total Noncurrent Assets	13,314,004	129,167	13,443,171	8,369,359
Total Assets	19,397,276	1,423,102	20,820,378	16,980,357
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	571,698	24,689	596,387	340,968
Accrued Payroll	22,885	5,011	27,896	4,151
Accrued Interest Payable	12,062	-	12,062	-
Compensated Absences Payable	23,624	2,305	25,929	4,379
IEPA Loans Payable	52,726	-	52,726	-
General Obligation Bonds Payable	306,217	32,804	339,021	-
Total Current Liabilities	989,212	64,809	1,054,021	349,498
Noncurrent Liabilities				
Deposits Payable	408,595	-	408,595	150,035
Compensated Absences Payable	551,812	43,724	595,536	25,885
IEPA Loans Payable	2,533,678	-	2,533,678	-
General Obligation Bonds Payable	1,150,595	68,486	1,219,081	-
Total Noncurrent Liabilities	4,644,680	112,210	4,756,890	175,920
Total Liabilities	5,633,892	177,019	5,810,911	525,418
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	72,792	-	72,792	-
Total Liabilities and Deferred Inflows of Resources	5,706,684	177,019	5,883,703	525,418
<b>NET POSITION</b>				
Net Investment in Capital Assets	8,819,558	27,877	8,847,435	8,369,359
Unrestricted	4,871,034	1,218,206	6,089,240	8,085,580
Total Net Position	13,690,592	1,246,083	14,936,675	16,454,939

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended December 31, 2014**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 9,375,094	2,265,452	11,640,546	-
Miscellaneous	263,439	23,841	287,280	1,774,987
Interfund Services	-	-	-	7,436,661
Total Operating Revenues	<u>9,638,533</u>	<u>2,289,293</u>	<u>11,927,826</u>	<u>9,211,648</u>
Operating Expenses				
Administration	1,191,534	848,962	2,040,496	6,228,619
Public Safety	-	-	-	92,933
Public Works	644,640	-	644,640	191,361
Operations	5,990,272	1,209,797	7,200,069	-
Depreciation	619,150	57,261	676,411	873,098
Total Operating Expenses	<u>8,445,596</u>	<u>2,116,020</u>	<u>10,561,616</u>	<u>7,386,011</u>
Operating Income	<u>1,192,937</u>	<u>173,273</u>	<u>1,366,210</u>	<u>1,825,637</u>
Nonoperating Revenues (Expenses)				
Disposal of Capital Assets	-	-	-	11,017
Interest Income	1,430	-	1,430	1,126
Interest Expense	(111,763)	(4,676)	(116,439)	(10,570)
	<u>(110,333)</u>	<u>(4,676)</u>	<u>(115,009)</u>	<u>1,573</u>
Income Before Transfers	<u>1,082,604</u>	<u>168,597</u>	<u>1,251,201</u>	<u>1,827,210</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Change in Net Position	<u>1,082,604</u>	<u>168,597</u>	<u>1,251,201</u>	<u>1,822,210</u>
Net Position - Beginning	<u>12,607,988</u>	<u>1,077,486</u>	<u>13,685,474</u>	<u>14,632,729</u>
Net Position - Ending	<u><u>13,690,592</u></u>	<u><u>1,246,083</u></u>	<u><u>14,936,675</u></u>	<u><u>16,454,939</u></u>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended December 31, 2014**

	Business-Type Activities - Enterprise			Governmental Activities
	Utilities	Refuse Collection	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 10,595,179	2,265,083	12,860,262	-
Interfund Services Provided	-	-	-	8,525,673
Payments to Suppliers	(6,309,218)	(1,845,444)	(8,154,662)	(6,313,908)
Payments to Employees	(1,439,590)	(238,985)	(1,678,575)	(221,363)
	<u>2,846,371</u>	<u>180,654</u>	<u>3,027,025</u>	<u>1,990,402</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	-	-	-	(5,000)
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	83,356	-	83,356	11,017
Capital Debt Proceeds	203,146	-	203,146	-
Purchase of Capital Assets	(990,897)	-	(990,897)	(1,137,467)
Principal Paid on Debt	(357,688)	(31,800)	(389,488)	(191,233)
Interest Paid on Debt	(111,763)	(4,676)	(116,439)	(10,570)
	<u>(1,173,846)</u>	<u>(36,476)</u>	<u>(1,210,322)</u>	<u>(1,328,253)</u>
Cash Flows from Investing Activities				
Interest Received	1,430	-	1,430	1,126
Net Change in Cash and Cash Equivalents	1,673,955	144,178	1,818,133	658,275
Cash and Cash Equivalents - Beginning	2,878,878	805,675	3,684,553	4,529,936
Cash and Cash Equivalents - Ending	<u>4,552,833</u>	<u>949,853</u>	<u>5,502,686</u>	<u>5,188,211</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	1,192,937	173,273	1,366,210	1,825,637
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	619,150	57,261	676,411	873,098
(Increase) Decrease in Current Assets	956,646	(24,210)	932,436	(685,975)
Increase (Decrease) in Current Liabilities	77,638	(25,670)	51,968	(22,358)
Net Cash Provided by Operating Activities	<u>2,846,371</u>	<u>180,654</u>	<u>3,027,025</u>	<u>1,990,402</u>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Fiduciary Net Position  
December 31, 2014**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,197,703	391,411
Investments		
U.S. Government and Agency Obligations	6,945,927	-
Corporate Bonds	13,891,081	-
Mutual Funds	17,904,722	-
Common Stock	16,196,750	-
Certificate of Deposits	1,185,979	-
Receivables		
Accrued Interest	194,559	-
Due from Other Funds	15,706	-
Prepays	3,353	-
Total Assets	<u>61,535,780</u>	<u>391,411</u>
<b>LIABILITIES</b>		
Accounts Payable	23,994	-
Deposits Payable	-	391,411
Total Liabilities	<u>23,994</u>	<u>391,411</u>
<b>NET POSITION</b>		
Held in Trust for Pension Benefits	<u><u>61,511,786</u></u>	-

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended December 31, 2014**

	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 5,162,097
Contributions - Plan Members	898,743
Miscellaneous	200
<b>Total Contributions</b>	<u>6,061,040</u>
<b>Investment Earnings</b>	
Interest Earned	2,091,753
Net Change in Fair Value	1,062,154
	<u>3,153,907</u>
Less Investment Expenses	<u>(185,505)</u>
<b>Net Investment Income</b>	<u>2,968,402</u>
<b>Total Additions</b>	<u>9,029,442</u>
<b>Deductions</b>	
Administration	96,668
Benefits and Refunds	5,652,741
	<u>5,749,409</u>
<b>Change in Net Position</b>	3,280,033
<b>Net Position - Beginning</b>	<u>58,231,753</u>
<b>Net Position - Ending</b>	<u>61,511,786</u>

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rolling Meadows (City), Illinois, is a municipal corporation and operates under the City Manager form of government. The City's major operations include police and fire protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, water, sewer, refuse collection, stormwater management, and general administrative services.

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 Rolling Meadows
Discretely Presented Component Unit:	City of Rolling Meadows Public Library

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting 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 sworn 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 government 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 ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2014**

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### **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's Mayor, 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 pension trust fund.

##### **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.

##### **City of Rolling Meadows Public Library**

The City of Rolling Meadows Public Library operates and maintains the public library within the City. The Public Library's Board is appointed by the Mayor of the City. The Public Library may not issue bonded debt without the City's approval. Separate audited financial statements for the Public Library may be obtained from the Public Library's offices at 3110 Martin Lane, Rolling Meadows, Illinois 60008.

#### **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 protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, and general administrative services are classified as governmental activities. The City's water, sewer, refuse collection, and stormwater management services are classified as business-type activities.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### 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, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, 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 tax, sales tax, intergovernmental revenues, interest income, 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 comprises 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 ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

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 or 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 one major special revenue fund, the Motor Fuel Tax Fund, which is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The City uses this fund to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals. The City also maintains three nonmajor special revenue funds, the 911 Emergency Telephone Fund, the Foreign Fire Tax Fund and the Asset Seizure Fund.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**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 Debt Service Fund is treated as a major fund and is used to account for the payment of interest and principal on the City's general long-term debt obligations for the governmental activities.

**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 nonmajor capital projects funds, the Local Road Fund, the Transit Oriented Area Development Fund, the TIF #1 Kirchoff/Meadow Fund and the TIF #2 Kirchoff/Owl Fund.

**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 (a) is 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 two major enterprise funds, the Utilities Fund and the Refuse Collection Fund. The Utilities Fund is used to account for all resources collected and used to provide water and sanitary services to the City as well as to account for the resources collected to finance storm water runoff and creek bank improvements. The Refuse Collection Fund is used to account for all the resources collected and used to provide waste collection and disposal services.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Proprietary Funds – Continued

**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 five internal services funds, the Municipal Garage Fund, the Vehicle Replacement Fund, the Buildings and Land Fund, the Liability Insurance Fund, and the Health Insurance Fund. The Municipal Garage Fund is used to account for the resources collected from other City departments used to provide maintenance to City vehicles and major equipment/machinery. The Vehicle Replacement Fund is used to account for the resources collected from other City departments used in replacing City vehicles and major equipment. The Buildings and Land Fund is used to account for the resources collected from other City departments used for the purchase of land or buildings, or the remodeling, renovation, and expansion of current buildings. The Liability Insurance Fund is used to account for the resources collected from other City departments used to manage funding of the property/casualty/workers compensation claims. The Health Insurance Fund is used to account for resources collected from other City departments to fund the City's portion of health insurance premiums as well as those of retired employees.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

#### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity 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 for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. 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.

**Agency Funds** are used to account for assets held by the City in a purely custodial capacity. The City's Compliance Deposits Fund is used to account for money paid to the City pursuant to zoning and building codes.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds – Continued

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). 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, these funds are 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-type 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.

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.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type 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 inflow 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. 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, pension trust and agency 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 and of the City’s internal service 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. Operating expenses for enterprise funds and internal service 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.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents 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.

##### Receivables

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

##### 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. Internal service fund services provided and used are not eliminated in the process of consolidation. 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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Prepays/Inventories

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

**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. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. 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:

Land Improvements	7 - 31.5 Years
Buildings	7 - 45 Years
Vehicles and Equipment	15 - 60 Years
Water and Sewerage Infrastructure	5 - 20 Years
Other Infrastructure	5 - 15 Years

**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 pursuant to the City’s personnel rules and union contracts.

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.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### 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.

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.”

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds, except the Foreign Fire Tax, the Asset Seizure, the TIF #1 Kirchoff/Meadow Fund and the pension trust funds. All annual appropriations lapse at fiscal year end.

All departments of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the prior years, 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. A final budget must be prepared and adopted prior to December 31.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures/expenses of any fund must be approved by the governing body.

During the year, supplemental appropriations were necessary. The amounts reflected in the financial statements represent the original and final amended budget.

**EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

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

<u>Fund (Fund Number)</u>	<u>Excess</u>
Motor Fuel Tax (03)	\$ 9,260

In FY 2014, the overage in expenditures for the Motor Fuel Tax Fund (03) of \$9,260 is due to additional road salt purchased for the harsh winter.

**DEFICIT FUND BALANCE/NET POSITION**

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

<u>Fund (Fund Number)</u>	<u>Deficit</u>
TIF #2 Kirchoff/Owl (37)	\$ 1,020,387

## **CITY OF ROLLING MEADOWS, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

##### **DEFICIT FUND BALANCE/NET POSITION – Continued**

The TIF #2 Kirchoff/Owl (37) Fund remains in a deficit fund balance and cash balance position. The Fund's debt service matures in FY 2017. If no development occurs on the remaining parcel, the Fund is estimated to become positive in approximately FY 2020 due to incremental taxes over time. (TIF #2 was created in 2002 and has a term of 23 years to FY 2025 if no further action is completed on this TIF).

#### **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.

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 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 provided the investment in separate accounts does not exceed ten percent of the pension fund's net position. 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.

## CITY OF ROLLING MEADOWS, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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 – 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 \$13,545,970 and the bank balances totaled \$13,650,996. Additionally, the City has \$428,571 invested in the Illinois Funds and \$3,020,498 invested in the IMET Fund.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its interests rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools. The City's investments in the Illinois Funds have an average maturity of less than one year. The City's investments in the IMET Fund have an average maturity of 1-3 years.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the City's investment policy further states investments are limited to U.S. government obligations; U.S. government agency obligations which have a liquid market value with a readily determinable market value; certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier by a nationally recognized rating agency; investment-grade obligations of state and local governments and public authorities; repurchase agreements whose underlying purchased securities consist of money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; local government investment pools; any other investments allowed by Illinois Complied Statutes. At year-end, the City's investment in the Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated Aaa by Moody's.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### 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.* 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. Per the City's investment policy, the amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the City and evidenced by a safekeeping agreement. In accordance with its investment policy, all City deposits with financial institutions are fully insured and collateralized.

For an investment, 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 investments in the Illinois Funds and the IMET Fund are not subject to custodial credit risk.

*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 states that the City shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual institutions. Furthermore, no financial institution shall hold more than fifty percent (50%) of the City's investment portfolio, exclusive of U.S. Treasury securities held in safekeeping. Commercial paper shall not exceed twenty-five percent (25%) of the City's investment portfolio. At December 31, 2014, all of the City's investments are in compliance with the guidelines outlined above in the City's investment policy. At year-end, the City's investment in the IMET Fund is over 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 Pension Fund's deposits totaled \$486,398 and the bank balances totaled \$487,561.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 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**

*Investments.* The Pension Fund assumes any callable securities will not be called. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Certificates of Deposit	\$ 1,185,979	245,105	843,581	97,293	-
U.S. Treasuries	1,937,656	-	1,863,501	74,155	-
U.S. Agencies	2,587,148	57	328,717	1,828,736	429,638
Corporate Bonds	8,886,598	-	7,629,348	1,257,250	-
	<u>14,597,381</u>	<u>245,162</u>	<u>10,665,147</u>	<u>3,257,434</u>	<u>429,638</u>

*Interest Rate Risk.* In accordance with the Fund’s investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The Fund’s investment policy provides no additional limitations related to interest rate risk.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. government agencies were all rated triple A by Standard & Poor’s or by Moody’s Investors Services or were small issues that were unrated. The following is a schedule of unrated investments by investment type:

<u>Investment Type</u>	<u>Total Value</u>	<u>AAA Rate</u>	<u>Unrated</u>
Governmental National Mortgage Association	\$39,971	\$-	\$39,971

*Custodial Credit Risk.* For deposits, this is the risk that in the event of bank failure the Fund’s deposits may not be returned to it. At December 31, 2014, \$237,561 was uninsured and uncollateralized. The Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository, since flow-through FDIC is available for the Fund’s deposits with financial institutions. For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**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**

*Concentration Risk.* At December 31, 2014, the Fund has over 5% of plan net position invested in Fifth Third money market fund \$1,446,209, as well as various agency securities as indicated in the above table. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier, are backed by the issuing organization. Although unlike treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund’s investment policy specifies “the Board of Trustees has consciously diversified the aggregate fund to ensure adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.” The Fund’s investment policy has state diversification is necessary to meet the Fund’s goal of safety of principal and reasonable return. The Pension Board has diversified its equity mutual fund holdings as follows:

Vanguard Institutional - \$10,930,167

Harbor International - \$3,631,451

Blair Williams - \$748,468

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Intermediate Bonds	45%	0.1%
Large-Cap Core Equity	30%	5.4%
Small Cap Equity	10%	6.2%
Large Cap International Equity	12%	5.8%
Small Cap International Equity	3%	6.4%
Private Core Real Estate	5%	5.4%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2014 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the previous table.

#### Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

*Deposits.* At year-end, the carrying amount of the Pension Fund's deposits totaled \$4,711,305 and the bank balances totaled \$4,714,625.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 344,415	-	-	208,514	135,901
U.S. Agencies	2,076,708	570,650	1,163,754	112,864	229,440
Corporate Bonds	5,004,483	-	1,340,386	2,227,376	1,436,721
	7,425,606	570,650	2,504,140	2,548,754	1,802,062

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund's investment policy does not address interest rate risk.

*Credit Risk.* The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. agencies were all rated triple A by Standard & Poor's and by Moody's Investors Services.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### 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

*Foreign Currency Risk.* The Fund's investment policy does not address exposure to foreign currency risk.

*Custodial Credit Risk.* The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2014, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Fund's investment policy does not limit custodial credit risk for investments. At December 31, 2014, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

*Concentration Risk.* At year end, the Fund also has \$13,244,569 invested in common stock, and \$1,148,427 invested in mutual funds. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2014, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in SPDR S&P 500 ETF TR of \$2,488,062.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	42%	2.5-4.2%
Domestic Equities	70%	8.4-6.6%
International Equities	15%	5.9-9.5%
Commodities	5%	3.0%
REITS	5%	5.9%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### 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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2014 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table above.

#### Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 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 Cook County and are payable in two installments, on or about March 1 and September 1 during the following year. The County collects such taxes and remits them periodically. Based upon collection histories, the City has provided an allowance for uncollectible property taxes equivalent to 5% and 3% of the current year's levy for Debt Service Funds and all other funds, respectively.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 99,626,456	-	-	99,626,456
Construction in Progress	3,789,118	1,886,770	712,768	4,963,120
	<u>103,415,574</u>	<u>1,886,770</u>	<u>712,768</u>	<u>104,589,576</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	1,367,862	-	-	1,367,862
Buildings	13,160,718	-	-	13,160,718
Infrastructure	46,372,629	784,469	-	47,157,098
Machinery and Equipment	4,185,754	418,950	-	4,604,704
Vehicles	4,938,797	539,291	43,325	5,434,763
	<u>70,025,760</u>	<u>1,742,710</u>	<u>43,325</u>	<u>71,725,145</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	635,363	46,748	-	682,111
Buildings	7,551,594	494,323	-	8,045,917
Infrastructure	29,999,717	1,749,625	-	31,749,342
Machinery and Equipment	2,996,664	243,600	-	3,240,264
Vehicles	4,172,280	209,821	43,325	4,338,776
	<u>45,355,618</u>	<u>2,744,117</u>	<u>43,325</u>	<u>48,056,410</u>
Net Depreciable Capital Assets	<u>24,670,142</u>	<u>(1,001,407)</u>	<u>-</u>	<u>23,668,735</u>
Net Capital Assets	<u>128,085,716</u>	<u>885,363</u>	<u>712,768</u>	<u>128,258,311</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	\$ 1,871,019
Internal Service	<u>873,098</u>
	<u>2,744,117</u>

Depreciation of capital assets held by the City's internal service funds are charged to various functions based on their usage of the assets.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 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
<b>Nondepreciable Capital Assets</b>				
Construction in Progress	\$ 1,757,466	907,541	83,356	2,581,651
<b>Depreciable Capital Assets</b>				
Land Improvements	250,242	-	-	250,242
Building Improvements	3,674,232	-	-	3,674,232
Machinery and Equipment	1,978,564	-	-	1,978,564
Waterworks System	8,192,578	-	-	8,192,578
Sewerage System	9,469,216	83,356	-	9,552,572
Garage	39,819	-	-	39,819
	<u>23,604,651</u>	<u>83,356</u>	<u>-</u>	<u>23,688,007</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	168,302	15,693	-	183,995
Building Improvements	2,250,710	71,263	-	2,321,973
Machinery and Equipment	1,675,175	65,532	-	1,740,707
Waterworks System	3,613,714	164,069	-	3,777,783
Sewerage System	4,853,586	359,854	-	5,213,440
Garage	39,819	-	-	39,819
	<u>12,601,306</u>	<u>676,411</u>	<u>-</u>	<u>13,277,717</u>
Net Depreciable Capital Assets	<u>11,003,345</u>	<u>(593,055)</u>	<u>-</u>	<u>10,410,290</u>
Net Capital Assets	<u>12,760,811</u>	<u>314,486</u>	<u>83,356</u>	<u>12,991,941</u>

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

Utilities	\$ 619,150
Refuse Collection	<u>57,261</u>
	<u>676,411</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Component Unit – Public Library**

Component Unit – Public Library capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 608,893	-	-	608,893
Depreciable Capital Assets				
Buildings and Improvements	4,325,887	5,880	-	4,331,767
Furniture and Equipment	585,908	9,091	-	594,999
Books and Other Library Materials	2,637,566	253,230	410,017	2,480,779
Audio Visual Materials	543,748	62,774	64,371	542,151
	<u>8,093,109</u>	<u>330,975</u>	<u>474,388</u>	<u>7,949,696</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,420,893	93,301	-	2,514,194
Furniture and Equipment	463,902	28,237	-	492,139
Books and Other Library Materials	1,716,222	264,210	410,017	1,570,415
Audio Visual Materials	382,056	65,123	64,371	382,808
	<u>4,983,073</u>	<u>450,871</u>	<u>474,388</u>	<u>4,959,556</u>
Net Depreciable Capital Assets	<u>3,110,036</u>	<u>(119,896)</u>	<u>-</u>	<u>2,990,140</u>
Net Capital Assets	<u>3,718,929</u>	<u>(119,896)</u>	<u>-</u>	<u>3,599,033</u>

**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund Transfers**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued**

**Interfund Transfers – Continued**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Internal Service	\$ 5,000
General	911 Emergency Telephone	42,000
General	Transit Oriented Area Development	421,452
Debt Service	General	624,515
Local Road	Motor Fuel Tax	600,000
Transit Oriented Area Development	911 Emergency Telephone	<u>20,000</u>
		<u><u>1,712,967</u></u>

**Interfund Balances**

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

Receivable Fund	Payable Fund	Amount
General	TIF #2 Kirchoff/Owl	\$ 1,023,741
Police Pension	General	7,181
Firefighters' Pension	General	<u>8,525</u>
		<u><u>1,039,447</u></u>

Interfund balances are advances in anticipation of receipts.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**IEPA Loans Payable**

The City has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. Final repayment schedule for the IEPA Loan Payable of 2013 is not available at the time of the issuance of this report. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA (L17-4070) Loan Payable of 2012 - Due in semi-annual installments of \$40,440 including interest at 2.295% through September 15, 2033.	Utilities	\$ 1,244,848	20,895	25,915	1,239,828
IEPA (L17-4141) Loan Payable of 2013 - Due in semi-annual installments of \$36,147 including interest at 1.930% through May 1, 2034.	Utilities	1,189,198	182,251	24,873	1,346,576
		<u>2,434,046</u>	<u>203,146</u>	<u>50,788</u>	<u>2,586,404</u>

**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 governmental and business-type activities. 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 2004 (\$8,070,000), due in annual installments of \$225,000 to \$785,000 plus interest at 3.25% to 4.40% through January 1, 2015.	Debt Service (Sales Tax)	\$ 390,000	-	390,000	-

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**LONG-TERM DEBT – Continued**

**General Obligation Bonds – Continued**

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2005 (\$7,425,000), due in annual installments of \$590,000 to \$800,000 plus interest at 3.75% to 4.00% through December 1, 2017.	Debt Service (Property Tax)	\$ 3,030,000	-	715,000	2,315,000
General Obligation Bonds of 2007A (\$2,835,000), due in annual installments of \$225,000 to \$330,000 plus interest at 3.512% through December 1, 2017.	Utilities	533,712	-	126,900	406,812
	Refuse Collection	133,090	-	31,800	101,290
	Local Roads	593,198	-	141,300	451,898
General Obligation Refunding Bonds of 2012 (\$9,690,000), due in annual installments of \$80,000 to \$1,215,000 plus interest at 2.00% to 3.00% through December 1, 2023.	Debt Service (Property Tax)	2,140,000	-	445,000	1,695,000
	Debt Service (Sales Tax)	5,550,000	-	75,000	5,475,000
	Utilities	1,230,000	-	180,000	1,050,000
General Obligation Refunding Bonds of 2013 (\$2,055,000), due in annual installments of \$400,000 to \$425,000 plus interest at 2.00% through January 1, 2018.	TIF #2 Kirchoff/Owl	1,645,000	-	400,000	1,245,000
		<u>15,245,000</u>	<u>-</u>	<u>2,505,000</u>	<u>12,740,000</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – 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
<b>Governmental Activities</b>					
Compensated Absences	\$ 4,574,169	352,728	705,456	4,221,441	793,340
Net Pension Obligation	4,366,826	-	236,392	4,130,434	-
Net Other Post-Employment Benefit Obligation	1,775,539	298,971	-	2,074,510	-
Capital Leases	191,233	-	191,233	-	-
General Obligation Bonds	13,348,198	-	2,166,300	11,181,898	2,230,979
	<u>24,255,965</u>	<u>651,699</u>	<u>3,299,381</u>	<u>21,608,283</u>	<u>3,024,319</u>
<b>Business-Type Activities</b>					
Compensated Absences	625,541	4,076	8,152	621,465	25,929
IEPA Loans Payable	2,434,046	203,146	50,788	2,586,404	52,726
General Obligation Bonds	1,896,802	-	338,700	1,558,102	339,021
	<u>4,956,389</u>	<u>207,222</u>	<u>397,640</u>	<u>4,765,971</u>	<u>417,676</u>
<b>Component Unit - Public Library</b>					
Compensated Absences	83,496	13,854	27,708	69,642	69,642
Net Pension Obligation	57,412	1,166	-	58,578	-
Net Other Post-Employment Benefit Obligation	86,131	12,720	-	98,851	-
	<u>227,039</u>	<u>27,740</u>	<u>27,708</u>	<u>227,071</u>	<u>69,642</u>

For the governmental activities, payments on the compensated absences, the net pension obligation and the net other post-employment benefits obligation are made by the General Fund and Health Insurance Fund. Payments on general obligation bonds are being liquidated by the Debt Service, the TIF #2 Kirchoff/Owl, and Local Roads Funds. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$30,264 of internal service funds' compensated absences are included in the above amounts.

Additionally, for business-type activities, compensated absences are generally liquidated by the Utilities and Refuse Collection Funds and general obligation bonds are being liquidated by the Utilities and Refuse Collection Funds.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 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 Bonds		IEPA Loans Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,230,979	313,952	52,726	28,153	339,021	43,001
2016	2,275,688	252,225	53,943	26,936	359,312	33,740
2017	2,360,231	189,033	55,189	25,691	369,769	23,995
2018	1,020,000	118,574	56,462	24,418	195,000	12,988
2019	595,000	93,075	57,766	23,114	165,000	8,113
2020	675,000	76,713	59,099	21,781	130,000	3,575
2021	635,000	58,150	60,463	20,417	-	-
2022	675,000	40,688	61,859	19,021	-	-
2023	715,000	21,450	63,286	17,593	-	-
2024	-	-	64,747	16,133	-	-
2025	-	-	66,242	14,638	-	-
2026	-	-	67,771	13,109	-	-
2027	-	-	69,335	11,545	-	-
2028	-	-	70,935	9,945	-	-
2029	-	-	72,573	8,308	-	-
2030	-	-	74,248	6,632	-	-
2031	-	-	75,961	4,918	-	-
2032	-	-	77,715	3,165	-	-
2033	-	-	79,508	1,371	-	-
<b>Total</b>	<b>11,181,898</b>	<b>1,163,860</b>	<b>1,239,828</b>	<b>296,888</b>	<b>1,558,102</b>	<b>125,412</b>

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### 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 the 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.

#### NET POSITION/FUND BALANCE

##### Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 128,258,311
Less Capital Related Debt:	
General Obligation Bonds of 2005	(2,315,000)
General Obligation Bonds of 2007A	(451,898)
General Obligation Refunding Bonds of 2012	(7,170,000)
General Obligation Refunding Bonds of 2013	(1,245,000)
Unamortized Loss on Refunding	269,831
Net Investment in Capital Assets	<u>117,346,244</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	12,991,941
Less Capital Related Debt:	
IEPA Loan Payable of 2012	(1,239,828)
IEPA Loan Payable of 2013	(1,346,576)
General Obligation Bonds of 2007A	(508,102)
General Obligation Refunding Bonds of 2012	<u>(1,050,000)</u>
Net Investment in Capital Assets	<u>8,847,435</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**NET POSITION/FUND BALANCE – Continued**

**Fund Balance Classifications**

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Motor Fuel Tax	Debt Service	Nonmajor	Totals
Fund Balances					
Nonspendable					
Prepays	\$ 44,792	-	-	2,677	47,469
Restricted					
Public Safety	-	-	-	524,543	524,543
Highways and Streets	-	642,126	-	-	642,126
Debt Service	-	-	67,553	-	67,553
	-	642,126	67,553	524,543	1,234,222
Committed					
Compensated Absences	421,452	-	-	-	421,452
Assigned					
Capital Projects	-	-	-	488,579	488,579
Unassigned	7,565,662	-	-	(1,020,387)	6,545,275
Total Fund Balances	8,031,906	642,126	67,553	(4,588)	8,736,997

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 General Fund, a major fund. Board approval through passing a resolution is required to establish, modify or rescind a fund balance commitment. The City's Board has committed the funds through formal Board action of a resolution for future compensated absence expenditures within the City.

## CITY OF ROLLING MEADOWS, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION/FUND BALANCE – Continued

#### Fund Balance Classifications - Continued

**Assigned Fund Balance.** The City reports assigned fund balance in the Local Road nonmajor fund. The City's Board/management has assigned these for future local road improvements, such as road maintenance and improvements within the City, based on approved management expenditures as determined through the annual budget process.

**Minimum Fund Balance Policy.** The City's policy manual states that the General Fund should maintain a minimum fund balance equal to 15% to 25% of budgeted operating expenditures.

#### 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. These risks, along with medical claims for employees and retirees, are provided for through the City's participation in the Intergovernmental Risk Management Agency (IRMA) and the Intergovernmental Personnel Benefit Cooperative (IPBC). The City accounts for these activities in the Liability Insurance – Internal Service Fund and the Health Insurance – Internal Service Fund. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage for any of the past three years.

#### Intergovernmental Risk Management Agency (IRMA)

The City participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The City's payments to IRMA are displayed on the financial statements as expenses in the Liability Insurance Fund. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The City does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

## **CITY OF ROLLING MEADOWS, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

##### **Intergovernmental Personnel Benefit Cooperative (IPBC)**

Risks for medical and death benefits for employees and retirees are provided for through the City's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums.

##### **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.

##### **Northwest Suburban Municipal Joint Action Water Agency (JAWA)**

The City's water purchase contract with the Northwest Suburban Municipal Joint Action Water Agency (JAWA) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

##### **Solid Waste Agency of Northern Cook County (SWANCC)**

The City's contract with the Solid Waste Agency of Northern Cook County (SWANCC) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**COMMITMENTS**

**Northwest Suburban Municipal Joint Action Water Agency (JAWA)**

The City has committed to purchase water from the Northwest Suburban Municipal Joint Action Water Agency. This agreement expires in 2022, with minimum amounts of gallons required for purchase every five years. The City is obligated to pay, at the minimum, the following amounts through fiscal year 2016 as listed below:

Fiscal Year	Amount
2015	\$ 3,743,172
2016	4,344,557
2017	4,515,168
2018	4,692,479
2019	<u>4,876,753</u>
	<u><u>22,172,129</u></u>

These amounts have been computed using the minimum amount, or 785 million gallons per year, to be purchased per the agreement between the City and JAWA, multiplied by an average cost per gallon of \$4.32 charged by JAWA in the fiscal year ended 2014, with an estimated increase in the per gallon cost each of the following years.

**Solid Waste Agency of Northern Cook County (SWANCC)**

The City has committed to make payments to the Solid Waste Agency of Northern Cook County (SWANCC). The City expects to pay the following minimum amounts:

Fiscal Year	Amount
2015	<u><u>\$ 492,179</u></u>

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 4 – OTHER INFORMATION – Continued

#### JOINT VENTURES

##### Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The City is a member of the Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

The seven members of JAWA and their percentage shares as of December 31, 2014 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	16.95 %
Village of Hanover Park	8.71
Village of Hoffman Estates	16.94
Village of Mount Prospect	12.02
City of Rolling Meadows	7.31
Village of Schaumburg	27.95
Village of Streamwood	<u>10.12</u>
	<u>100.00 %</u>

These percentage shares are based upon formulae contained in the water supply agreement and are subject to change in future years based upon consumption by the municipalities.

The members form a contiguous geographic service area which is located 15 to 30 miles northwest of downtown Chicago. Under the Agency Agreement, additional members may join JAWA upon the approval of each member.

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each Director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts bylaws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**JOINT VENTURES – Continued**

**Northwest Suburban Municipal Joint Action Water Agency (JAWA) – Continued**

Summary of financial positions as of April 30, 2014:

Current Assets	\$ 16,970,567	Current Liabilities	\$ 16,475,723
Noncurrent Assets		Long-Term Liabilities	56,450,584
Capital Assets	44,928,089	Total Liabilities	<u>72,926,307</u>
Other Assets	21,307,021	Net Position	<u>13,395,312</u>
Deferred Outflows	<u>3,115,942</u>		
Total Assets and Deferred Outflows	<u>86,321,619</u>		

Summary of revenues, expenses and changes in net position for the year ended April 30, 2014:

Operating Revenues	\$ 45,052,727
Operating Expenses	<u>37,462,620</u>
Operating Income	7,590,107
Nonoperating Revenue (Expenses)	<u>(3,333,595)</u>
Change in Net Position	4,256,512
Net Position - Beginning as Restated	<u>9,138,800</u>
Net Position - Ending	<u>13,395,312</u>

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of: (a) all receipts derived from Water Supply Agreements or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges, and all rates, rents and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

## **CITY OF ROLLING MEADOWS, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **JOINT VENTURES – Continued**

##### **Northwest Suburban Municipal Joint Action Water Agency (JAWA) – Continued**

JAWA has entered into Water Supply Agreements with the seven-member municipalities for a term of 40 years, extending to December 31, 2022. The Agreements are irrevocable and may not be terminated or amended except as provided in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago under which the City has agreed to sell quantities of lake water sufficient to supply the projected water needs of JAWA through the year 2020.

The obligation of the City to make all payments as required by this agreement is unconditional and irrevocable, without regard to performance or nonperformance by JAWA of its obligations under this Agreement.

The payments required to be made by the City under this Agreement shall be required to be made solely from revenues to be derived by the City from the operation of the Water System. Members are not prohibited by the Agreement, however, from using other available funds to make payments under the Agreement. This Agreement shall not constitute an indebtedness of the City within the meaning of any statutory or constitutional limitation.

The obligation of the City to make payments required by this Agreement from revenues of the Water System shall be payable from the operation and maintenance account of the Water Fund.

In accordance with the joint venture agreement, the City remitted \$3,515,442 to JAWA for the year ended December 31, 2014. All payments were paid from the Utilities Fund. The City’s share of net position of JAWA was \$451,230 at December 31, 2014.

##### **Solid Waste Agency of Northern Cook County (SWANCC)**

The City is a member of the Solid Waste Agency of Northern Cook County (SWANCC), which consists of twenty-three municipalities. SWANCC is a municipal joint action agency, established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is reported as a nonequity proprietary joint venture.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**JOINT VENTURES – Continued**

**Solid Waste Agency of Northern Cook County (SWANCC) – Continued**

The twenty-three members of SWANCC and their percentage shares as of April 30, 2014 are as follows:

	<u>Percent Share</u>
Village of Arlington Heights	9.89 %
Village of Barrington	1.47
Village of Buffalo Grove	6.57
Village of Elk Grove Village	5.06
City of Evanston	6.60
Village of Glencoe	1.32
Village of Glenview	4.50
Village of Hoffman Estates	5.52
Village of Inverness	1.14
Village of Kenilworth	0.94
Village of Lincolnwood	2.03
Village of Morton Grove	3.24
Village of Mount Prospect	8.20
Village of Niles	3.38
Village of Palatine	9.86
City of Park Ridge	5.32
City of Prospect Heights	2.95
City of Rolling Meadows	3.72
Village of Skokie	7.17
Village of South Barrington	0.83
Village of Wheeling	3.87
Village of Wilmette	3.66
Village of Winnetka	2.76
	<u>100.00 %</u>

These percentage shares are subject to change in future years based on the population of the municipalities. The members form a contiguous geographic service area, which is located northwest of downtown Chicago.

SWANCC is governed by a Board of Directors, which consists of one appointed Mayor or President from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**JOINT VENTURES – Continued**

**Solid Waste Agency of Northern Cook County (SWANCC) – Continued**

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

Summary of financial positions as of April 30, 2014:

Current Assets	\$ 4,975,698	Current Liabilities	\$ 4,001,473
Noncurrent Assets		Long-Term Liabilities	<u>1,214,781</u>
Capital Assets	9,802,029	Total Liabilities	<u>5,216,254</u>
Deferred Outflows	<u>7,850</u>	Net Position	<u><u>9,569,323</u></u>
Total Assets and Deferred Outflows	<u>14,785,577</u>		

Summary of revenues, expenses and changes in net position for the year ended April 30, 2014:

Operating Revenues	\$ 1,962,233
Operating Expenses	<u>1,673,346</u>
Change in Net Position	288,887
Net Position - Beginning as Restated	<u>9,280,436</u>
Net Position - Ending	<u><u>9,569,323</u></u>

Complete financial statements for SWANCC can be obtained from the Agency's administrative office at 1616 East Golf Road, Des Plaines, Illinois 60016.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC, with a claim for payment solely from and secured by a pledge of the revenues of the system, and amounts in various funds and accounts established by SWANCC resolutions. SWANCC has no power to levy taxes.

Revenues of the system consist of: (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees, service charges, and all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system.

## **CITY OF ROLLING MEADOWS, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **JOINT VENTURES – Continued**

##### **Solid Waste Agency of Northern Cook County (SWANCC) – Continued**

SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable, and may not be terminated or amended, except as provided in the Contract. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the City to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

The payments required to be made by the City under this Contract are required to be made solely from revenues to be derived by the City from the operation of the Refuse Collection System. The City is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract shall not constitute an indebtedness of the City within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the City remitted \$567,030 to SWANCC for the year ended December 31, 2014, which is recorded in the City’s Refuse Collection Fund.

##### **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 also a single-employer pension plan. Publicly available financial reports that include financial statements and required supplementary information (RSI) for the Police and Firefighters’ Pension Plans may be obtained by writing to the City at 3600 Kirchoff Road, Rolling Meadows, Illinois 60008. 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](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Plan Descriptions

##### Illinois Municipal Retirement System (IMRF)

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. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited 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 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited 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 up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and the annual required contribution rate for calendar year 2014 was 17.42 percent.

##### Police Pension Plan

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions – Continued**

**Police Pension Plan – Continued**

*Plan Membership.* At December 31, 2014, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Employees	
Vested	36
Nonvested	<u>12</u>
Total	<u>92</u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions – Continued**

**Police Pension Plan – Continued**

*Contributions.* 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2014, the City's contribution was 50.2% of covered payroll, which represents funding at 100% of the past service cost by the year 2033.

**Firefighters' Pension Plan**

*Plan Administration.* The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

*Plan Membership.* At December 31, 2014, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	46
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Employees	
Vested	16
Nonvested	<u>27</u>
Total	<u><u>90</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions – Continued**

**Firefighters' Pension Plan – Continued**

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter 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 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of  $\frac{1}{2}$  of the change in the Consumer Price Index for the preceding calendar year.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Plan Descriptions – Continued

##### Firefighters' Pension Plan – Continued

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2014, the City's contribution was 43.5% of covered payroll, which represents funding at 100% of the past service cost by the year 2033.

##### Summary of Significant Accounting Policies and Plan Asset Matters

*Basis of Accounting.* The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

*Significant Investments.* At December 31, 2014, the Police Pension Fund has over 5% of net plan position available for retirement (other than U.S. Government guaranteed obligations) invested in the Fifth Third Monty Market Fund of \$1,446,209. The Firefighters' Pension Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in SPDR S&P 500 ETF TR of \$2,488,062. Information for IMRF is not available.

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2014, using the following actuarial methods and assumptions:

	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/2014	12/31/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market	Market
Actuarial Assumptions		
Interest Rate	7.00%	7.00%
Salary Increases	5.50%	5.50%
Cost of Living Adjustments	2.0% - 3.0%	2.0% - 3.0%
Inflation	3.00%	3.00%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liabilities calculated using the discount rate as well as what the net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<b>Police Pension</b>			
Net Pension Liability	\$ 41,666,016	32,994,218	25,762,683
<b>Firefighters' Pension</b>			
Net Pension Liability	\$ 41,346,215	33,966,801	27,788,721

**Net Pension Liability**

The components of the net pension liability of the City's Plans as of December 31, 2014, calculated in accordance with GASB Statement No. 67, were as follows:

	Police Pension	Firefighters' Pension	Totals
Total Pension Liability	\$ 67,883,898	60,582,057	128,465,955
Plan Fiduciary Net Position	34,889,680	26,615,256	61,504,936
City's Net Pension Liability	32,994,218	33,966,801	66,961,019
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	51.4%	43.9%	47.9%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Costs**

Employer funding contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
<b>Contribution Rates</b>			
Employer	17.42%	54.16%	65.91%
Employee	4.50%	9.91%	9.455%
<b>Actuarial Valuation Date</b>	12/31/14	12/31/14	12/31/14
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Amortization Method</b>	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
<b>Remaining Amortization Period</b>	29 Years	19 Years	19 Years
<b>Asset Valuation Method</b>	5-Year Smoothed Market	Market	Market
<b>Actuarial Assumptions</b>			
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	0.4 to 10%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	2.00% to 3.00%	2.00% to 3.00%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Net Pension Obligation**

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension	Totals
Annual Required Contributions	\$ 1,268,611	2,478,905	2,662,914	6,410,430
Interest on Net Pension Obligation	19,961	114,743	172,305	307,009
Adjustment to Annual Required Contribution	(10,775)	(94,741)	(142,269)	(247,785)
Annual Pension Cost	1,277,797	2,498,907	2,692,950	6,469,654
Actual Contribution	1,543,949 *	2,483,648	2,678,449	6,706,046
Change in NPO	(266,152)	15,259	14,501	(236,392)
NPO - Beginning	266,152	1,639,179	2,461,495	4,366,826
NPO - Ending	-	1,654,438	2,475,996	4,130,434

\*Includes an additional \$300,000 payment to pay off outstanding net pension obligation balance.

The above calculations for the Police and Firefighters' Pension Funds were based on the City's private actuarial studies. The above calculations for IMRF include the City and Library.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Trend Information**

The trend information for each plan is as follows:

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 1,101,845	\$ 2,156,905	\$ 2,152,135
	2013	1,238,291	2,507,330	2,607,456
	2014	1,277,798	2,498,907	2,692,950
Actual Contributions	2012	1,082,602	2,438,936	2,312,145
	2013	1,209,246	2,427,061	2,614,318
	2014	1,543,949	2,483,648	2,678,449
Percentage of APC Contributed	2012	98.25%	113.08%	107.43%
	2013	97.65%	96.80%	100.26%
	2014	120.83%	99.39%	99.46%
Net Pension Obligation	2012	237,107	1,558,910	2,468,357
	2013	266,152	1,639,179	2,461,495
	2014	-	1,654,438	2,475,996

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Funded Status and Funding Progress**

The funded status for each plan is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC as disclosed in the NPO calculation.

	Illinois Municipal Retirement*	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/14	12/31/14	12/31/14
Percent Funded	64.85%	50.20%	43.48%
Actuarial Accrued Liability for Benefits	\$28,808,399	\$67,913,898	\$60,582,057
Actuarial Value of Assets	\$18,681,747	\$34,091,548	\$26,341,805
(Over) Under Funded Actuarial Accrued Liability (UAAL)	\$10,126,652	\$33,822,350	\$34,240,252
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$ 7,253,349	\$ 4,604,542	\$ 4,053,549
Ratio of UAAL to Covered Payroll	139.61%	734.54%	844.70%

\*Includes Library discretely presented component unit.

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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

The City provides 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 eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2014, retirees contributed \$663,651. Active employees do not contribute to the plan until retirement.

At December 31, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	27
Active Employees	<u>157</u>
	<u>184</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 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 December 31, 2014, was calculated as follows:

	<u>Governmental Activities</u>
Annual Required Contribution	\$ 484,252
Interest on the NPO	71,022
Adjustment to the ARC	<u>(59,185)</u>
Annual OPEB Cost	496,089
Actual Contribution	<u>197,118</u>
Change in the NOPEBO	298,971
NOPEBO - Beginning	<u>1,775,539</u>
NOPEBO - Ending	<u><u>2,074,510</u></u>

**Trend Information**

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

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 551,616	\$ 226,298	41.02%	\$ 1,478,297
2013	578,764	281,522	48.64%	1,775,539
2014	496,089	197,118	39.73%	2,074,510

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2014**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Funded Status and Funding Progress**

The funded status of the plan as of December 31, 2014, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,114,496
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,114,496
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 13,984,805
UAAL as a Percentage of Covered Payroll	36.57%

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.

**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 December 31, 2014 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% discount rate, a 3.00% price inflation assumption, a 4.00% wage inflation assumption as well as a healthcare cost trend rate of 4.50% to 8.50% depending on fiscal year. 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 December 31, 2014, was 30 years.

## 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:

- Schedule of Funding Progress and Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
  
- Schedule of Employer Contributions
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Budgetary Comparison Schedule
  - General Fund
  - Motor Fuel Tax -- 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 ROLLING MEADOWS, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2014**

<b>Funding Progress</b>						(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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	
2009	\$ 20,296,058	\$ 32,067,786	63.29%	\$ 11,771,728	\$ 9,270,036	126.99%
2010	20,661,952	31,298,990	66.01%	10,637,038	7,872,440	135.12%
2011	19,552,396	31,602,092	61.87%	12,049,696	7,603,546	158.47%
2012	19,646,285	31,236,279	62.90%	11,589,994	6,944,208	166.90%
2013	21,714,036	31,213,779	69.57%	9,499,743	7,050,997	134.73%
2014	18,681,747	28,808,399	64.85%	10,126,652	7,253,349	139.61%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 1,085,521	\$ 1,085,521	100.00%
2010	1,013,970	1,117,099	90.77%
2011	1,077,388	1,189,917	90.54%
2012	1,082,602	1,097,185	98.67%
2013	1,209,246	1,233,219	98.06%
2014	1,543,949 *	1,268,611	121.70%

\* Includes an additional \$300,000 payment to pay off outstanding net pension obligation balance.

Data Source: Illinois Municipal Retirement Fund

Note: This schedule includes the information for the City and Library

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 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)
2009	\$ 22,055,478	\$ 48,808,345	45.19%	\$ 26,752,867	\$ 4,660,498	574.03%
2010	24,759,482	51,404,624	48.17%	26,645,142	4,841,699	550.33%
2011	25,707,443	55,300,402	46.49%	29,592,959	4,597,919	643.62%
2012	28,554,626	59,980,045	47.61%	31,425,419	4,546,829	691.15%
2013	31,403,872	61,756,473	50.85%	30,352,601	4,641,016	654.01%
2014	34,091,548	67,913,898	50.20%	33,822,350	4,604,542	734.54%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 1,022,014	\$ 1,468,836	69.58%
2010	2,045,289	1,509,629	135.48%
2011	2,245,217	2,090,287	107.41%
2012	2,438,936	2,126,043	114.72%
2013	2,427,061	2,396,965	101.26%
2014	2,483,648	2,478,905	100.19%

Data Source: Actuarial Valuation Reports

The above calculations for the Annual Required Contribution were performed by the City's private actuary.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 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)
2009	\$ 18,235,794	\$ 46,137,827	39.52%	\$ 27,902,033	\$ 3,535,416	789.21%
2010	20,219,977	48,584,953	41.62%	28,364,976	3,899,331	727.43%
2011	20,697,746	51,335,524	40.32%	30,637,778	4,029,761	760.29%
2012	22,674,564	54,055,257	41.95%	31,380,693	3,975,751	789.30%
2013	24,677,864	55,568,457	44.41%	30,890,593	4,018,560	768.70%
2014	26,341,805	60,582,057	43.48%	34,240,252	4,053,549	844.70%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 1,014,127	\$ 1,720,215	58.95%
2010	2,073,970	1,658,207	125.07%
2011	2,213,935	2,128,673	104.01%
2012	2,312,145	2,122,969	108.91%
2013	2,614,318	2,577,488	101.43%
2014	2,678,449	2,662,914	100.58%

Data Source: Actuarial Valuation Reports

The above calculations for the Annual Required Contribution were performed by the City's private actuary.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Other Post-Employment Benefits Plan**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2014**

<b>Funding Progress</b>						(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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	
2009	\$ -	\$ 5,722,184	0.00%	\$ 5,722,184	\$ 13,843,167	41.34%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	-	6,685,475	0.00%	6,685,475	13,476,213	49.61%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	5,114,496	0.00%	5,114,496	13,984,805	36.57%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 204,918	\$ 498,722	41.09%
2010	193,811	470,711	41.17%
2011	217,733	492,469	44.21%
2012	226,298	543,929	41.60%
2013	281,522	568,908	49.48%
2014	197,118	484,252	40.71%

Data Source: Actuarial Valuation Reports  
The City is required to have an actuarial valuation performed triennially.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
December 31, 2014**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 2,478,905	\$ 2,483,648	\$ 4,743	\$ 4,604,542	53.9%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	Market Value
Inflation	3.0%
Salary Increases	5.5%
Investment Rate of Return	7.0%
Retirement Age	50-70
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
December 31, 2014**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 2,662,914	\$ 2,678,449	\$ 15,535	\$ 4,053,549	66.1%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	Market Value
Inflation	3.0%
Salary Increases	5.5%
Investment Rate of Return	7.0%
Retirement Age	50-70
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2014**

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	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 1,149,125
Interest	4,230,819
Differences Between Expected and Actual Experience	(599,310)
Change of Assumptions	3,979,187
Benefit Payments, Including Refunds of Member Contributions	<u>(2,632,396)</u>
 Net Change in Total Pension Liability	 6,127,425
Total Pension Liability - Beginning	<u>61,756,473</u>
 Total Pension Liability - Ending	 <u><u>67,883,898</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,483,648
Contributions - Members	507,162
Net Investment Income	1,579,499
Benefit Payments, Including Refunds of Member Contributions	(2,632,396)
Administrative Expense	<u>(55,519)</u>
 Net Change in Plan Fiduciary Net Position	 1,882,394
Plan Net Position - Beginning	<u>33,007,286</u>
 Plan Net Position - Ending	 <u><u>34,889,680</u></u>
 Employers Net Pension Liability	 <u><u>\$ 32,994,218</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 51.4%
 Covered-Employee Payroll	 \$ 4,604,542
 Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	 716.6%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2014**

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	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 1,229,937
Interest	3,784,080
Differences Between Expected and Actual Experience	237,138
Change of Assumptions	2,782,790
Benefit Payments, Including Refunds of Member Contributions	<u>(3,020,345)</u>
 Net Change in Total Pension Liability	 5,013,600
Total Pension Liability - Beginning	<u>55,568,457</u>
 Total Pension Liability - Ending	 <u><u>60,582,057</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,678,449
Contributions - Members	391,581
Net Investment Income	1,389,103
Benefit Payments, Including Refunds of Member Contributions	(3,020,345)
Administrative Expense	<u>(41,149)</u>
 Net Change in Plan Fiduciary Net Position	 1,397,639
Plan Net Position - Beginning	<u>25,224,467</u>
 Plan Net Position - Ending	 <u><u>26,622,106</u></u>
 Employers Net Pension Liability	 <u><u>\$ 33,959,951</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 43.9%
 Covered-Employee Payroll	 \$ 4,053,549
 Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	 837.8%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2014**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	5.7%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2014**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.8%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 20,928,130	20,928,130	21,232,222
Intergovernmental	2,767,250	2,767,250	2,981,987
Licenses and Permits	794,000	794,000	1,055,844
Charges for Services	2,540,420	2,540,420	2,615,701
Fines and Forfeitures	863,000	863,000	1,259,447
Interest	5,000	5,000	(39,382)
Miscellaneous	356,438	356,438	405,159
<b>Total Revenues</b>	<b>28,254,238</b>	<b>28,254,238</b>	<b>29,510,978</b>
<b>Expenditures</b>			
General Government	4,063,971	4,363,971	4,062,109
Public Safety	21,028,251	21,028,251	20,939,029
Public Works	2,457,520	2,457,520	2,400,591
Health/Welfare and Culture	15,430	15,430	10,352
Economic Development	15,770	15,770	14,845
<b>Total Expenditures</b>	<b>27,580,942</b>	<b>27,880,942</b>	<b>27,426,926</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>673,296</b>	<b>373,296</b>	<b>2,084,052</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	500	500	600
Transfers In	47,000	468,452	468,452
Transfers Out	(624,515)	(624,515)	(624,515)
	<b>(577,015)</b>	<b>(155,563)</b>	<b>(155,463)</b>
<b>Net Change in Fund Balance</b>	<b>96,281</b>	<b>217,733</b>	<b>1,928,589</b>
<b>Fund Balance - Beginning</b>			<b>6,103,317</b>
<b>Fund Balance - Ending</b>			<b>8,031,906</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental	\$ 575,000	575,000	810,694
Interest	500	500	1,414
<b>Total Revenues</b>	<u>575,500</u>	<u>575,500</u>	<u>812,108</u>
<b>Expenditures</b>			
Highways and Streets			
Contracted Services	208,000	208,000	176,128
Supplies			
Snow and Ice Control	121,500	121,500	162,632
<b>Total Expenditures</b>	<u>329,500</u>	<u>329,500</u>	<u>338,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	246,000	246,000	473,348
<b>Other Financing (Uses)</b>			
Transfers Out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>
<b>Net Change in Fund Balance</b>	<u>(354,000)</u>	<u>(354,000)</u>	<u>(126,652)</u>
Fund Balance - Beginning			<u>768,778</u>
Fund Balance - Ending			<u><u>642,126</u></u>

## **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
- Statement of Changes in Assets and Liabilities – Agency Fund

## **MAJOR GOVERNMENTAL FUNDS**

## **GENERAL FUND**

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

## **MAJOR SPECIAL REVENUE FUND**

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The City uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

## **DEBT SERVICE FUND**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes			
Prior Years' Taxes	\$ 10,000	10,000	(173,168)
Current Levy	5,146,311	5,146,311	5,294,955
Police Pension	2,478,905	2,478,905	2,483,648
Fire Pension	2,662,914	2,662,914	2,678,449
Municipal Sales Tax	3,300,000	3,300,000	3,318,967
Home Rule Sales Tax	2,300,000	2,300,000	2,406,705
Simplified Telecommunications Tax	1,700,000	1,700,000	1,489,622
Electric Utility Tax	1,310,000	1,310,000	1,318,396
Hotel Tax	350,000	350,000	466,914
Food and Beverage Tax	1,200,000	1,200,000	1,219,330
Real Estate Transfer Tax	210,000	210,000	433,172
Cable Franchise Fees	260,000	260,000	295,232
Total Taxes	<u>20,928,130</u>	<u>20,928,130</u>	<u>21,232,222</u>
<b>Intergovernmental</b>			
State Income Tax	2,170,000	2,170,000	2,282,225
Local Use Tax	390,000	390,000	470,811
Replacement Tax	174,000	174,000	194,283
Other Grants	33,250	33,250	34,668
Total Intergovernmental	<u>2,767,250</u>	<u>2,767,250</u>	<u>2,981,987</u>
<b>Licenses and Permits</b>			
Business Licenses	250,000	250,000	255,307
Liquor Licenses	155,000	155,000	149,350
Other Licenses	13,000	13,000	10,100
Building Permits	300,000	300,000	545,307
Rental Unit Permits	69,000	69,000	73,055
Other Permits	7,000	7,000	22,725
Total Licenses and Permits	<u>794,000</u>	<u>794,000</u>	<u>1,055,844</u>
<b>Charges for Services</b>			
Police Special Details	60,000	60,000	85,610
School Liaison Charges	183,200	183,200	183,456
Ambulance Fees	450,000	450,000	419,360

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
<b>Charges for Services - Continued</b>			
Overhead Charges			
Garage	\$ 209,619	209,619	209,619
E911	33,560	33,560	33,560
TIF #2	49,000	49,000	49,000
Refuse	370,801	370,801	370,801
Utilities	644,640	644,640	644,640
Library	40,800	40,800	40,800
Other Inspection Fees	74,800	74,800	81,551
Other Charges for Services	424,000	424,000	497,304
Total Charges for Services	2,540,420	2,540,420	2,615,701
<b>Fines and Forfeitures</b>			
Circuit Court Fines	75,000	75,000	99,462
Traffic and Compliance Fines	175,500	175,500	204,112
DUI Fines	8,500	8,500	14,682
Red Light Enforcement Fines	425,000	425,000	784,291
Adjudication	25,000	25,000	26,970
Other Fines	154,000	154,000	129,930
Total Fines and Forfeitures	863,000	863,000	1,259,447
Interest	5,000	5,000	(39,382)
<b>Miscellaneous</b>			
Rental Income	305,900	305,900	332,120
Other	50,538	50,538	73,039
Total Miscellaneous	356,438	356,438	405,159
<b>Total Revenues</b>	<b>28,254,238</b>	<b>28,254,238</b>	<b>29,510,978</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
General Government			
Administrative			
Mayor			
Salaries and Wages	\$ 9,950	9,950	9,950
Benefits	761	761	761
Contracted Services	3,000	3,000	1,032
Supplies	150	150	-
Total Mayor	13,861	13,861	11,743
City Council			
Salaries and Wages	28,001	28,001	27,334
Benefits	3,536	3,536	3,485
Contracted Services	56,520	56,520	64,300
Supplies	600	600	133
Total City Council	88,657	88,657	95,252
City Manager			
Salaries and Wages	343,834	343,834	319,582
Benefits	149,977	149,977	143,600
Contracted Services	65,674	65,674	43,561
Supplies	10,600	10,600	3,780
Total City Manager	570,085	570,085	510,523
City Clerk			
Salaries and Wages	106,896	106,896	120,155
Benefits	47,177	47,177	50,124
Contracted Services	13,642	13,642	6,945
Supplies	2,500	2,500	178
Total City Clerk	170,215	170,215	177,402
Public Relations			
Contracted Services	41,500	41,500	42,227
Supplies	1,500	1,500	488
Total Public Relations	43,000	43,000	42,715
Video Production			
Salaries and Wages	10,500	10,500	6,493
Benefits	803	803	207
Contracted Services	4,500	4,500	-
Supplies	3,200	3,200	48
Total Video Production	19,003	19,003	6,748

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative - Continued			
Adjudication			
Contracted Services	\$ 49,800	49,800	43,427
Supplies	750	750	519
Total Adjudication	50,550	50,550	43,946
Community Events			
Contracted Services	2,950	2,950	-
Supplies	46,250	46,250	40,115
Total Community Events	49,200	49,200	40,115
Finance			
Salaries and Wages	210,520	210,520	209,259
Benefits	92,070	92,070	94,032
Contracted Services	76,811	76,811	91,356
Supplies	1,000	1,000	1,030
Total Finance	380,401	380,401	395,677
Administrative Services			
Legal Contracted Services	287,000	287,000	236,581
Engineering Contracted Services	26,400	26,400	26,400
IMRF NPO Payment	-	300,000	300,000
Police Special Detail			
Salaries and Wages	100,000	100,000	99,911
Other Contracted Services	549,700	549,700	443,480
Other Supplies	7,550	7,550	6,407
Total Administrative Services	970,650	1,270,650	1,112,779
Information Technology			
Salaries and Wages	184,878	184,878	99,908
Benefits	93,627	93,627	57,432
Contracted Services	76,576	76,576	116,400
Supplies	22,250	22,250	21,760
Total Information Technology	377,331	377,331	295,500
Total Administrative	2,732,953	3,032,953	2,732,400

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Administration			
Salaries and Wages	\$ 285,340	285,340	276,490
Benefits	103,984	103,984	100,293
Contracted Services	131,805	131,805	123,929
Supplies and Materials	2,400	2,400	1,492
Total Administration	523,529	523,529	502,204
Building Inspections			
Salaries and Wages	494,931	494,931	490,665
Benefits	241,423	241,423	232,164
Contracted Services	66,605	66,605	101,455
Supplies and Materials	2,380	2,380	1,894
Total Building Inspections	805,339	805,339	826,178
Zoning Board of Appeals			
Contracted Services	675	675	363
Plan Commission			
Contracted Services	1,025	1,025	964
Tobacco Information/Prevention			
Contracted Services	450	450	-
Total Community Development	1,331,018	1,331,018	1,329,709
Total General Government	4,063,971	4,363,971	4,062,109
Public Safety			
Police Department			
Administration			
Salaries and Wages	389,183	389,183	427,990
Benefits	150,327	150,327	150,135
Employer Pension Contribution	2,478,905	2,478,905	2,483,648
Contracted Services	787,492	698,992	699,469
Supplies and Materials	18,630	107,130	100,007
Total Administration	3,824,537	3,824,537	3,861,249

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Patrol			
Salaries and Wages	\$ 4,455,701	4,455,701	4,520,538
Benefits	1,424,546	1,424,546	1,375,060
Contracted Services	100,564	100,564	76,638
Supplies and Materials	67,265	67,265	62,285
Total Patrol	6,048,076	6,048,076	6,034,521
Investigation			
Salaries and Wages	872,678	872,678	896,464
Benefits	239,637	239,637	221,804
Contracted Services	19,600	19,600	14,599
Supplies and Materials	6,100	6,100	4,783
Total Investigation	1,138,015	1,138,015	1,137,650
Total Police Department	11,010,628	11,010,628	11,033,420
Fire Department			
Administration			
Salaries and Wages	311,512	311,512	307,873
Benefits	92,897	92,897	87,804
Employer Pension Contribution	2,662,914	2,662,914	2,678,449
Contracted Services	975,952	975,952	969,260
Supplies and Materials	9,100	9,100	10,275
Total Administration	4,052,375	4,052,375	4,053,661
Fire Operations			
Salaries and Wages	4,524,566	4,524,566	4,485,229
Benefits	1,077,180	1,077,180	1,060,146
Contracted Services	123,542	123,542	97,100
Supplies and Materials	123,035	123,035	131,991
Total Fire Operations	5,848,323	5,848,323	5,774,466
Special Rescue Teams			
Salaries and Wages	47,100	47,100	45,519
Contracted Services	22,550	22,550	10,708
Supplies and Materials	4,025	4,025	1,816
Total Special Rescue Teams	73,675	73,675	58,043
Total Fire Department	9,974,373	9,974,373	9,886,170

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
<b>Public Safety - Continued</b>			
Board of Police and Fire Commission			
Salaries and Wages	\$ 3,000	3,000	-
Contracted Services	39,950	39,950	18,985
Supplies and Materials	300	300	454
Total Board of Police and Fire Commission	43,250	43,250	19,439
Total Public Safety	21,028,251	21,028,251	20,939,029
<b>Public Works</b>			
Administration			
Salaries and Wages	702,481	702,481	640,224
Benefits	372,115	372,115	332,276
Contracted Services	223,442	223,442	235,806
Supplies and Materials	8,850	8,850	6,431
Total Administration	1,306,888	1,306,888	1,214,737
Forestry Program			
Salaries and Wages	692,424	692,424	713,929
Benefits	390,158	390,158	417,577
Contracted Services	59,200	59,200	47,392
Supplies and Materials	8,850	8,850	6,956
Total Forestry Program	1,150,632	1,150,632	1,185,854
Total Public Works	2,457,520	2,457,520	2,400,591
<b>Health/Welfare and Culture</b>			
Museum			
Contracted Services	4,980	4,980	4,000
ESDA			
Supplies and Materials	1,500	1,500	1,465
Safety Committee			
Supplies and Materials	1,250	1,250	512
Employee Wellness Program			
Contracted Services	6,700	6,700	4,375

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014

	Budget		Actual
	Original	Final	
Health/Welfare and Culture - Continued			
Urban Affairs			
Supplies	\$ 1,000	1,000	-
Total Health/Welfare and Culture	15,430	15,430	10,352
Economic Development			
Community Development			
Contracted Services	15,270	15,270	14,450
Supplies and Materials	500	500	395
Total Economic Development	15,770	15,770	14,845
Total Expenditures	27,580,942	27,880,942	27,426,926

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,328,200	1,328,200	1,354,731
Expenditures			
Debt Service			
Principal Retirement	1,639,040	1,639,040	1,625,000
Interest and Fiscal Charges	313,675	313,675	327,690
Total Expenditures	1,952,715	1,952,715	1,952,690
Excess (Deficiency) of Revenues Over (Under) Expenditures	(624,515)	(624,515)	(597,959)
Other Financing Sources			
Transfers In	624,515	624,515	624,515
Net Change in Fund Balance	-	-	26,556
Fund Balance - Beginning			40,997
Fund Balance - Ending			67,553

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
December 31, 2014**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 544,802	272,294	817,096
Receivables - Net of Allowances			
Property Taxes	555,236	154,433	709,669
Other Taxes	-	33,948	33,948
Accounts	36,045	1,103,948	1,139,993
Prepays	2,677	-	2,677
<b>Total Assets</b>	<b>1,138,760</b>	<b>1,564,623</b>	<b>2,703,383</b>
<b>LIABILITIES</b>			
Accounts Payable	60,040	420,847	480,887
Due to Other Funds	-	1,023,741	1,023,741
<b>Total Liabilities</b>	<b>60,040</b>	<b>1,444,588</b>	<b>1,504,628</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	551,500	149,301	700,801
Grants	-	502,542	502,542
<b>Total Deferred Inflows of Resources</b>	<b>551,500</b>	<b>651,843</b>	<b>1,203,343</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>611,540</b>	<b>2,096,431</b>	<b>2,707,971</b>
<b>FUND BALANCES</b>			
Nonspendable	2,677	-	2,677
Restricted	524,543	-	524,543
Assigned	-	488,579	488,579
Unassigned	-	(1,020,387)	(1,020,387)
<b>Total Fund Balances</b>	<b>527,220</b>	<b>(531,808)</b>	<b>(4,588)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>1,138,760</b>	<b>1,564,623</b>	<b>2,703,383</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2014**

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Taxes	\$ 748,655	984,200	1,732,855
Intergovernmental	-	809,415	809,415
Licenses and Permits	-	494,121	494,121
Fines and Forfeitures	107,513	-	107,513
Interest	311	53	364
Miscellaneous	-	10,237	10,237
Total Revenues	856,479	2,298,026	3,154,505
<b>Expenditures</b>			
Public Safety	749,265	-	749,265
Highways and Streets	-	654,291	654,291
Economic Development	-	50,893	50,893
Capital Outlay	-	1,986,357	1,986,357
Debt Service			
Principal Retirement	-	541,300	541,300
Interest and Fiscal Charges	-	53,675	53,675
Total Expenditures	749,265	3,286,516	4,035,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,214	(988,490)	(881,276)
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	620,000	620,000
Transfers Out	(62,000)	(421,452)	(483,452)
	(62,000)	198,548	136,548
Net Change in Fund Balances	45,214	(789,942)	(744,728)
Fund Balances - Beginning	482,006	258,134	740,140
Fund Balances - Ending	527,220	(531,808)	(4,588)

## **NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used 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.

### **911 Emergency Telephone Fund**

The 911 Emergency Telephone Fund is used to account for the operation of the emergency telephone communication system. Financing is provided by local and state surcharges and property taxes.

### **Foreign Fire Tax Fund**

The Foreign Fire Tax Fund is used to account for the receipt and disbursement of funds collected as foreign fire tax.

### **Asset Seizure Fund**

The Asset Seizure Fund is used to account for the receipts and disbursements incurred as a result of the City's asset seizure program pursuant to Federal and State drug seizure laws.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**December 31, 2014**

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 283,382	50,402	211,018	544,802
Receivables - Net of Allowances				
Property Taxes	555,236	-	-	555,236
Accounts	36,045	-	-	36,045
Prepays	2,677	-	-	2,677
<b>Total Assets</b>	<b>877,340</b>	<b>50,402</b>	<b>211,018</b>	<b>1,138,760</b>
<b>LIABILITIES</b>				
Accounts Payable	54,214	5,826	-	60,040
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	551,500	-	-	551,500
Total Liabilities and Deferred Inflows of Resources	605,714	5,826	-	611,540
<b>FUND BALANCES</b>				
Nonspendable	2,677	-	-	2,677
Restricted	268,949	44,576	211,018	524,543
<b>Total Fund Balances</b>	<b>271,626</b>	<b>44,576</b>	<b>211,018</b>	<b>527,220</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>877,340</b>	<b>50,402</b>	<b>211,018</b>	<b>1,138,760</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2014**

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
<b>Revenues</b>				
Taxes	\$ 706,666	41,989	-	748,655
Fines and Forfeitures	-	-	107,513	107,513
Interest	-	-	311	311
<b>Total Revenues</b>	<u>706,666</u>	<u>41,989</u>	<u>107,824</u>	<u>856,479</u>
<b>Expenditures</b>				
Public Safety	<u>552,429</u>	<u>49,513</u>	<u>147,323</u>	<u>749,265</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	154,237	(7,524)	(39,499)	107,214
<b>Other Financing (Uses)</b>				
Transfers Out	<u>(62,000)</u>	-	-	<u>(62,000)</u>
<b>Net Change in Fund Balances</b>	92,237	(7,524)	(39,499)	45,214
<b>Fund Balances - Beginning</b>	<u>179,389</u>	<u>52,100</u>	<u>250,517</u>	<u>482,006</u>
<b>Fund Balances - Ending</b>	<u><u>271,626</u></u>	<u><u>44,576</u></u>	<u><u>211,018</u></u>	<u><u>527,220</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**911 Emergency Telephone - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 551,500	551,500	562,537
Other Taxes	152,000	152,000	144,129
Total Revenues	703,500	703,500	706,666
Expenditures			
Public Safety			
Contracted Services	640,410	640,410	552,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	63,090	63,090	154,237
Other Financing (Uses)			
Transfers Out	(62,000)	(62,000)	(62,000)
Net Change in Fund Balance	1,090	1,090	92,237
Fund Balance - Beginning			179,389
Fund Balance - Ending			271,626

## **NONMAJOR 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.

### **Local Road Fund**

The Local Road Fund is used to account for street improvements, including resurfacing, curb and gutter, sidewalks and bike paths.

### **Transit Oriented Area Development Fund**

The Transit Oriented Area Development Fund is used to account for savings for the future Metra STAR Line station in the City.

### **TIF #1 Kirchoff/Meadow Fund**

The TIF #1 Kirchoff/Meadow Fund is used to account for the accumulation of monies for the payment of the 1996B General Obligation Bond Series. These bonds were issues to partially refund the 1992B General Obligation Bond Series. Financing is being provided by an annual property tax levy.

### **TIF #2 Kirchoff/Owl Fund**

The TIF #2 Kirchoff/Owl Fund is used to account for the purchase of property and construction of a mixed-use development along Kirchoff Road. The plan includes condominium homes, senior housing, and office/retail space.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**December 31, 2014**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet  
December 31, 2014**

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	<u>Local Road</u>
<b>ASSETS</b>	
Cash and Investments	\$ 272,294
Receivables - Net of Allowances	
Property Taxes	151,079
Other Taxes	33,948
Accounts	<u>1,103,948</u>
Total Assets	<u><u>1,561,269</u></u>
<b>LIABILITES</b>	
Accounts Payable	420,847
Due to Other Funds	-
Total Liabilities	<u>420,847</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	149,301
Grants	<u>502,542</u>
Total Deferred Inflows of Resources	<u>651,843</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,072,690</u>
Fund Balances	
Assigned	488,579
Unassigned	-
Total Fund Balances	<u>488,579</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>1,561,269</u></u>

Transit Oriented Area Development	TIF #1 Kirchoff/ Meadow	TIF #2 Kirchoff/ Owl	Totals
-	-	-	272,294
-	-	3,354	154,433
-	-	-	33,948
-	-	-	1,103,948
-	-	3,354	1,564,623
-	-	-	420,847
-	-	1,023,741	1,023,741
-	-	1,023,741	1,444,588
-	-	-	149,301
-	-	-	502,542
-	-	-	651,843
-	-	1,023,741	2,096,431
-	-	-	488,579
-	-	(1,020,387)	(1,020,387)
-	-	(1,020,387)	(531,808)
-	-	3,354	1,564,623

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2014**

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	<u>Local Road</u>
Revenues	
Taxes	\$ 631,690
Intergovernmental	809,415
Licenses and Permits	494,121
Interest	43
Miscellaneous	10,237
Total Revenues	<u>1,945,506</u>
Expenditures	
Highways and Streets	654,291
Economic Development	-
Capital Outlay	1,986,357
Debt Service	
Principal Retirement	141,300
Interest and Fiscal Charges	20,775
Total Expenditures	<u>2,802,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(857,217)</u>
Other Financing Sources (Uses)	
Transfers In	600,000
Transfers Out	-
	<u>600,000</u>
Net Change in Fund Balances	(257,217)
Fund Balances - Beginning	<u>745,796</u>
Fund Balances - Ending	<u><u>488,579</u></u>

Transit Oriented Area Development	TIF #1 Kirchoff/ Meadow	TIF #2 Kirchoff/ Owl	Totals
-	-	352,510	984,200
-	-	-	809,415
-	-	-	494,121
-	-	10	53
-	-	-	10,237
-	-	352,520	2,298,026
-	-	-	654,291
-	1,378	49,515	50,893
-	-	-	1,986,357
-	-	400,000	541,300
-	-	32,900	53,675
-	1,378	482,415	3,286,516
-	(1,378)	(129,895)	(988,490)
20,000	-	-	620,000
(421,452)	-	-	(421,452)
(401,452)	-	-	198,548
(401,452)	(1,378)	(129,895)	(789,942)
401,452	1,378	(890,492)	258,134
-	-	(1,020,387)	(531,808)

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Local Road - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 679,301	679,301	631,690
Intergovernmental	1,840,800	1,840,800	809,415
Licenses and Permits	487,000	487,000	494,121
Interest	-	-	43
Miscellaneous	-	-	10,237
Total Revenues	<u>3,007,101</u>	<u>3,007,101</u>	<u>1,945,506</u>
Expenditures			
Highways and Streets			
Contracted Services	647,600	647,600	571,822
Supplies			
Operating Supplies	110,000	110,000	66,823
Repairs and Maintenance Supplies	23,600	23,600	15,646
Capital Outlay			
Street Improvements	2,856,500	2,856,500	1,986,357
Debt Service			
Principal Retirement	141,300	141,300	141,300
Interest and Fiscal Charges	20,842	20,842	20,775
Total Expenditures	<u>3,799,842</u>	<u>3,799,842</u>	<u>2,802,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(792,741)	(792,741)	(857,217)
Other Financing Sources			
Transfers In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Net Change in Fund Balance	<u>(192,741)</u>	<u>(192,741)</u>	<u>(257,217)</u>
Fund Balance - Beginning			<u>745,796</u>
Fund Balance - Ending			<u><u>488,579</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Transit Oriented Area Development - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ -	-	-
Expenditures			
Public Works	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers In	20,000	20,000	20,000
Transfers Out	-	(421,452)	(421,452)
	<u>20,000</u>	<u>(401,452)</u>	<u>(401,452)</u>
Net Change in Fund Balance	<u>20,000</u>	<u>(401,452)</u>	<u>(401,452)</u>
Fund Balance - Beginning			<u>401,452</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**TIF #2 Kirchoff/Owl - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 310,000	310,000	352,510
Interest	50	50	10
Total Revenues	<u>310,050</u>	<u>310,050</u>	<u>352,520</u>
Expenditures			
Economic Development			
Contracted Services	51,465	51,465	49,515
Debt Service			
Principal Retirement	400,000	400,000	400,000
Interest and Fiscal Charges	32,900	32,900	32,900
Total Expenditures	<u>484,365</u>	<u>484,365</u>	<u>482,415</u>
Net Change in Fund Balance	<u>(174,315)</u>	<u>(174,315)</u>	(129,895)
Fund Balance - Beginning			<u>(890,492)</u>
Fund Balance - Ending			<u>(1,020,387)</u>

## **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.

### **Utilities Fund**

The Utilities Fund is used to account for all resources collected and used to provide water and sanitary services to the City as well as to account for the resources collected to finance storm water runoff and creek bank improvements. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration of billings and collections, operations, and maintenance of the system.

### **Refuse Collection Fund**

The Refuse Collection Fund is used to account for all the resources collected and used to provide waste collection and disposal services to the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration of billings and collections, operations, and maintenance of the waste collection vehicles.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 9,850,500	9,850,500	9,375,094
Miscellaneous	404,792	404,792	263,439
Total Operating Revenues	<u>10,255,292</u>	<u>10,255,292</u>	<u>9,638,533</u>
Operating Expenses			
Administration	1,542,795	1,542,795	1,191,534
Public Works	644,640	644,640	644,640
Operations	8,780,655	8,780,655	5,990,272
Depreciation	-	-	619,150
Total Operating Expenses	<u>10,968,090</u>	<u>10,968,090</u>	<u>8,445,596</u>
Operating Income (Loss)	<u>(712,798)</u>	<u>(712,798)</u>	<u>1,192,937</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	1,430
Interest Expense	(84,313)	(84,313)	(111,763)
	<u>(84,313)</u>	<u>(84,313)</u>	<u>(110,333)</u>
Change in Net Position	<u>(797,111)</u>	<u>(797,111)</u>	<u>1,082,604</u>
Net Position - Beginning			<u>12,607,988</u>
Net Position - Ending			<u>13,690,592</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
<b>Administration</b>			
Salaries and Wages	\$ 197,334	197,334	199,839
Benefits	112,092	112,092	112,861
Contracted Services	1,233,119	1,233,119	878,639
Supplies	250	250	195
<b>Total Administration</b>	<b>1,542,795</b>	<b>1,542,795</b>	<b>1,191,534</b>
<b>Public Works</b>			
Contracted Services	644,640	644,640	644,640
<b>Operations</b>			
<b>Water</b>			
Salaries and Wages	669,294	669,294	650,643
Benefits	387,492	387,492	339,895
Contracted Services	370,694	370,694	351,109
Supplies	150,865	150,865	63,406
Lake Michigan Water	3,457,317	3,457,317	3,515,442
Machinery & Equipment	1,360,700	1,360,700	4,198
<b>Total Water</b>	<b>6,396,362</b>	<b>6,396,362</b>	<b>4,924,693</b>
<b>Sewer</b>			
Salaries and Wages	532,209	532,209	502,316
Benefits	286,722	286,722	271,329
Contracted Services	117,855	117,855	31,842
Supplies	88,600	88,600	42,000
Machinery & Equipment	735,000	735,000	-
<b>Total Sewer</b>	<b>1,760,386</b>	<b>1,760,386</b>	<b>847,487</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operations - Continued			
Stormwater			
Salaries and Wages	\$ 95,247	95,247	86,790
Benefits	34,480	34,480	30,623
Contracted Services	171,980	171,980	59,464
Supplies	42,200	42,200	20,356
Machinery & Equipment	280,000	280,000	20,859
Total Stormwater	623,907	623,907	218,092
Total Operations	8,780,655	8,780,655	5,990,272
Depreciation	-	-	619,150
Total Operating Expenses	10,968,090	10,968,090	8,445,596

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,219,074	2,219,074	2,265,452
Miscellaneous	22,000	22,000	23,841
Total Operating Revenues	<u>2,241,074</u>	<u>2,241,074</u>	<u>2,289,293</u>
Operating Expenses			
Administration	847,964	847,964	848,962
Operations	1,307,467	1,307,467	1,209,797
Depreciation	-	-	57,261
Total Operating Expenses	<u>2,155,431</u>	<u>2,155,431</u>	<u>2,116,020</u>
Operating Income	85,643	85,643	173,273
Nonoperating (Expenses)			
Interest Expense	<u>(4,690)</u>	<u>(4,690)</u>	<u>(4,676)</u>
Change in Net Position	<u>80,953</u>	<u>80,953</u>	168,597
Net Position - Beginning			<u>1,077,486</u>
Net Position - Ending			<u>1,246,083</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Administration			
Contracted Services	\$ 847,964	847,964	848,962
Operations			
Salaries and Wages	233,813	233,073	232,406
Benefits	121,920	122,660	119,601
Contracted Services	939,134	939,134	846,868
Supplies	12,600	12,600	10,922
Total Operations	1,307,467	1,307,467	1,209,797
Depreciation	-	-	57,261
Total Operating Expenses	2,155,431	2,155,431	2,116,020

## **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 other governmental unit, or to other governmental units, on a cost-reimbursement basis.

### **Municipal Garage Fund**

The Municipal Garage Fund is used to account for the resources collected from other City departments used to provide maintenance to City vehicles and major equipment/machinery.

### **Vehicle Replacement Fund**

The Vehicle Replacement Fund is used to account for the resources collected from other City departments used in replacing City vehicles and major equipment.

### **Buildings and Land Fund**

The Buildings and Land Fund is used to account for the resources collected from other City departments used for the purchase of land or buildings, or the remodeling, renovation, and expansion of current buildings.

### **Liability Insurance Fund**

The Liability Insurance Fund is used to account for the resources collected from other City departments used to manage funding of the property/casualty/workers compensation claims.

### **Health Insurance Fund**

The Health Insurance Fund is used to account for resources collected from other City departments to fund the City's portion of health insurance premiums as well as those of retired employees.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Position**

**December 31, 2014**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Position  
December 31, 2014**

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	<u>Municipal Garage</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 259,243
Receivables - Net of Allowances - Accounts	1,856
Prepays	-
Total Current Assets	<u>261,099</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	-
Depreciable	9,247
Accumulated Depreciation	<u>(9,247)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>261,099</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	26,831
Deposits Payable	-
Accrued Payroll	4,151
Compensated Absences Payable	<u>4,379</u>
Total Current Liabilities	<u>35,361</u>
Noncurrent Liabilities	
Compensated Absences Payable	<u>25,885</u>
Total Liabilities	<u>61,246</u>
<b>NET POSITION</b>	
Investment in Capital Assets	-
Unrestricted	<u>199,853</u>
Total Net Position	<u>199,853</u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,653,189	619,242	867,602	1,788,935	5,188,211
-	3,301	-	-	5,157
-	-	642,150	2,775,480	3,417,630
1,653,189	622,543	1,509,752	4,564,415	8,610,998
909,912	306,941	-	-	1,216,853
18,575,605	3,159,181	-	-	21,744,033
(12,829,685)	(1,752,595)	-	-	(14,591,527)
6,655,832	1,713,527	-	-	8,369,359
8,309,021	2,336,070	1,509,752	4,564,415	16,980,357
24,428	43,733	2,898	243,078	340,968
-	-	-	150,035	150,035
-	-	-	-	4,151
-	-	-	-	4,379
24,428	43,733	2,898	393,113	499,533
-	-	-	-	25,885
24,428	43,733	2,898	393,113	525,418
6,655,832	1,713,527	-	-	8,369,359
1,628,761	578,810	1,506,854	4,171,302	8,085,580
8,284,593	2,292,337	1,506,854	4,171,302	16,454,939

CITY OF ROLLING MEADOWS, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended December 31, 2014

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	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 1,446,538
Miscellaneous	6,250
Total Operating Revenues	<u>1,452,788</u>
Operating Expenses	
Administration	1,228,581
Public Safety	-
Public Works	-
Depreciation and Amortization	-
Total Operating Expenses	<u>1,228,581</u>
Operating Income	<u>224,207</u>
Nonoperating Revenues (Expenses)	
Disposal of Capital Assets	-
Interest Income	-
Interest Expense	-
	<u>-</u>
Income Before Transfers	224,207
Transfers Out	<u>(5,000)</u>
Change in Net Position	219,207
Net Position - Beginning	<u>(19,354)</u>
Net Position - Ending	<u><u>199,853</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,079,855	445,129	817,859	3,647,280	7,436,661
-	-	250,412	1,518,325	1,774,987
1,079,855	445,129	1,068,271	5,165,605	9,211,648
-	-	630,649	4,369,389	6,228,619
92,933	-	-	-	92,933
-	191,361	-	-	191,361
665,262	207,836	-	-	873,098
758,195	399,197	630,649	4,369,389	7,386,011
321,660	45,932	437,622	796,216	1,825,637
11,017	-	-	-	11,017
-	-	35	1,091	1,126
(10,570)	-	-	-	(10,570)
447	-	35	1,091	1,573
322,107	45,932	437,657	797,307	1,827,210
-	-	-	-	(5,000)
322,107	45,932	437,657	797,307	1,822,210
7,962,486	2,246,405	1,069,197	3,373,995	14,632,729
8,284,593	2,292,337	1,506,854	4,171,302	16,454,939

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Cash Flows  
For the Fiscal Year Ended December 31, 2014**

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ 1,452,560
Payments to Suppliers	(1,069,136)
Payments to Employees	(221,363)
	<u>162,061</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	<u>(5,000)</u>
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	-
Purchase of Capital Assets	-
Principal Paid on Debt	-
Interest Paid on Debt	-
	<u>-</u>
Cash Flows from Investing Activities	
Interest Received	<u>-</u>
Net Change in Cash and Cash Equivalents	157,061
Cash and Cash Equivalents - Beginning	<u>102,182</u>
Cash and Cash Equivalents - Ending	<u><u>259,243</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	224,207
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities	
Depreciation and Amortization	-
(Increase) Decrease in Current Assets	(228)
Increase (Decrease) in Current Liabilities	(61,918)
	<u>162,061</u>
Net Cash Provided by Operating Activities	<u><u>162,061</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,095,860	441,828	873,798	4,661,627	8,525,673
(76,681)	(191,824)	(641,433)	(4,334,834)	(6,313,908)
-	-	-	-	(221,363)
1,019,179	250,004	232,365	326,793	1,990,402
-	-	-	-	(5,000)
11,017	-	-	-	11,017
(1,117,867)	(19,600)	-	-	(1,137,467)
(191,233)	-	-	-	(191,233)
(10,570)	-	-	-	(10,570)
(1,308,653)	(19,600)	-	-	(1,328,253)
-	-	35	1,091	1,126
(289,474)	230,404	232,400	327,884	658,275
1,942,663	388,838	635,202	1,461,051	4,529,936
1,653,189	619,242	867,602	1,788,935	5,188,211
321,660	45,932	437,622	796,216	1,825,637
665,262	207,836	-	-	873,098
16,005	(3,301)	(194,473)	(503,978)	(685,975)
16,252	(463)	(10,784)	34,555	(22,358)
1,019,179	250,004	232,365	326,793	1,990,402

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Municipal Garage - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,435,487	1,435,487	1,446,538
Miscellaneous	5,250	5,250	6,250
Total Operating Revenues	<u>1,440,737</u>	<u>1,440,737</u>	<u>1,452,788</u>
Operating Expenses			
Administration			
Motor Pool			
Salaries and Wages	312,869	312,869	219,077
Benefits	172,431	172,431	153,038
Contracted Services	364,249	364,249	352,492
Supplies	570,900	570,900	503,974
Total Operating Expenses	<u>1,420,449</u>	<u>1,420,449</u>	<u>1,228,581</u>
Income Before Transfers	20,288	20,288	224,207
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
Change in Net Position	<u>15,288</u>	<u>15,288</u>	219,207
Net Position - Beginning			<u>(19,354)</u>
Net Position - Ending			<u>199,853</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Vehicle Replacement - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,079,856	1,079,856	1,079,855
Operating Expenses			
Public Safety	1,843,706	1,990,232	92,933
Depreciation and Amortization	-	-	665,262
Total Operating Expenses	1,843,706	1,990,232	758,195
Operating Income (Loss)	(763,850)	(910,376)	321,660
Nonoperating Revenues (Expenses)			
Disposal of Capital Assets	-	-	11,017
Interest Expense	(8,586)	(10,570)	(10,570)
	(8,586)	(10,570)	447
Change in Net Position	(772,436)	(920,946)	322,107
Net Position - Beginning			7,962,486
Net Position - Ending			8,284,593

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Buildings and Land - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 443,500	443,500	445,129
Operating Expenses			
Public Works	437,120	437,120	191,361
Depreciation	-	-	207,836
Total Operating Expenses	437,120	437,120	399,197
Change in Net Position	<u>6,380</u>	<u>6,380</u>	45,932
Net Position - Beginning			<u>2,246,405</u>
Net Position - Ending			<u>2,292,337</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Liability Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 817,859	817,859	817,859
Miscellaneous			
Insurance Rebate	-	-	194,473
Other	15,000	15,000	55,939
Total Operating Revenues	<u>832,859</u>	<u>832,859</u>	<u>1,068,271</u>
Operating Expenses			
Administration			
Liability Insurance	750,000	750,000	597,597
Unemployment	35,000	35,000	-
Reimbursable Repairs	14,520	14,520	33,052
Change to Insurance Reserves	15,000	15,000	-
Total Operating Expenses	<u>814,520</u>	<u>814,520</u>	<u>630,649</u>
Operating Income	18,339	18,339	437,622
Nonoperating Revenues			
Interest Income	<u>100</u>	<u>100</u>	<u>35</u>
Change in Net Position	<u>18,439</u>	<u>18,439</u>	437,657
Net Position - Beginning			<u>1,069,197</u>
Net Position - Ending			<u>1,506,854</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Health Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 4,024,917	4,024,917	3,647,280
Miscellaneous			
Employee Contributions	365,345	365,345	350,696
Retiree Contributions	643,045	643,045	663,651
Other	(100,000)	(100,000)	503,978
Total Operating Revenues	<u>4,933,307</u>	<u>4,933,307</u>	<u>5,165,605</u>
Operating Expenses			
Administration			
Group Health			
PPO White	1,287,291	1,287,291	1,129,989
PPO Blue	210,552	210,552	281,415
HMO	1,496,381	1,496,381	1,365,721
Retirees	646,322	646,322	525,241
PSEBA	24,761	24,761	24,395
PPO Purple	-	-	13,247
Dental Insurance			
PPO	73,283	73,283	72,154
HMO	54,562	54,562	51,520
Retirees	9,327	9,327	12,231
Life Insurance	20,218	20,218	19,516
Medical Waivers	685	685	873
Retiree IMRF	-	-	50,812
Retiree Medicare Reimbursements	-	-	166,848
Retiree Payouts	600,000	600,000	653,352
Other	2,000	2,000	2,075
Total Operating Expenses	<u>4,425,382</u>	<u>4,425,382</u>	<u>4,369,389</u>
Operating Income	507,925	507,925	796,216
Nonoperating Revenues			
Interest Income	<u>1,500</u>	<u>1,500</u>	<u>1,091</u>
Change in Net Position	<u>509,425</u>	<u>509,425</u>	797,307
Net Position - Beginning			<u>3,373,995</u>
Net Position - Ending			<u>4,171,302</u>

## **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.

### **AGENCY FUNDS**

#### **Compliance Deposits Fund**

The Compliance Deposits Fund is used to account for money paid to the City pursuant to zoning and building codes.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Fiduciary Net Position  
December 31, 2014**

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	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 486,398	4,711,305	5,197,703
Investments			
U.S. Government and Agency Obligations	4,524,804	2,421,123	6,945,927
Corporate Bonds	8,886,598	5,004,483	13,891,081
Mutual Funds	16,756,295	1,148,427	17,904,722
Common Stock	2,952,181	13,244,569	16,196,750
Certificate of Deposits	1,185,979	-	1,185,979
Receivables - Net of Allowance			
Accrued Interest	110,545	84,014	194,559
Due from Other Funds	7,181	8,525	15,706
Prepays	2,093	1,260	3,353
Total Assets	34,912,074	26,623,706	61,535,780
<b>LIABILITIES</b>			
Accounts Payable	22,394	1,600	23,994
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	34,889,680	26,622,106	61,511,786

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**CITY OF ROLLING MEADOWS, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended December 31, 2014**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 2,483,648	2,678,449	5,162,097
Contributions - Plan Members	507,162	391,581	898,743
Miscellaneous	-	200	200
Total Contributions	<u>2,990,810</u>	<u>3,070,230</u>	<u>6,061,040</u>
<b>Investment Earnings</b>			
Interest Earned	805,495	1,286,258	2,091,753
Net Change in Fair Value	867,713	194,441	1,062,154
	<u>1,673,208</u>	<u>1,480,699</u>	<u>3,153,907</u>
Less Investment Expenses	(93,709)	(91,796)	(185,505)
Net Investment Income	<u>1,579,499</u>	<u>1,388,903</u>	<u>2,968,402</u>
Total Additions	<u>4,570,309</u>	<u>4,459,133</u>	<u>9,029,442</u>
<b>Deductions</b>			
Administration	55,519	41,149	96,668
Benefits and Refunds	2,632,396	3,020,345	5,652,741
Total Deductions	<u>2,687,915</u>	<u>3,061,494</u>	<u>5,749,409</u>
Change in Net Position	1,882,394	1,397,639	3,280,033
Net Position - Beginning	<u>33,007,286</u>	<u>25,224,467</u>	<u>58,231,753</u>
Net Position - Ending	<u>34,889,680</u>	<u>26,622,106</u>	<u>61,511,786</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Compliance Deposits - Agency Fund**

**Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended December 31, 2014**

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	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
<b>ASSETS</b>				
Cash and Investments	<u>\$ 239,088</u>	<u>152,323</u>	<u>-</u>	<u>391,411</u>
<b>LIABILITIES</b>				
Deposits Payable	<u>239,088</u>	<u>152,323</u>	<u>-</u>	<u>391,411</u>

# **SUPPLEMENTAL SCHEDULES**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements**

**Illinois Environmental Protection Agency (L17-4070) Loan Payable of 2012**

**December 31, 2014**

Date of Issue	December 13, 2012
Date of Maturity	September 15, 2033
Authorized Issue	\$1,265,744
Interest Rates	2.295%
Interest Dates	March 15 and September 15
Principal Maturity Date	September 15
Payable at	Illinois Environmental Protection Agency
Fund Debt Retired by	Utilities
Purpose of Debt	Drinking Water Project

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Mar. 15	Amount	Sept. 15	Amount
2014	\$ 52,726	28,153	80,879	2015	14,227	2015	13,926
2015	53,943	26,936	80,879	2016	13,622	2016	13,314
2016	55,189	25,691	80,880	2017	13,003	2017	12,688
2017	56,462	24,418	80,880	2018	12,370	2018	12,048
2018	57,766	23,114	80,880	2019	11,722	2019	11,392
2019	59,099	21,781	80,880	2020	11,059	2020	10,722
2020	60,463	20,417	80,880	2021	10,381	2021	10,036
2021	61,859	19,021	80,880	2022	9,687	2022	9,334
2022	63,286	17,593	80,879	2023	8,977	2023	8,616
2023	64,747	16,133	80,880	2024	8,251	2024	7,882
2024	66,242	14,638	80,880	2025	7,508	2025	7,130
2025	67,771	13,109	80,880	2026	6,748	2026	6,361
2026	69,335	11,545	80,880	2027	5,970	2027	5,575
2027	70,935	9,945	80,880	2028	5,175	2028	4,770
2028	72,573	8,308	80,881	2029	4,361	2029	3,947
2029	74,248	6,632	80,880	2030	3,528	2030	3,104
2030	75,961	4,918	80,879	2031	2,676	2031	2,242
2031	77,715	3,165	80,880	2032	1,804	2032	1,361
2032	79,508	1,371	80,879	2033	912	2033	459
	<u>1,239,828</u>	<u>296,888</u>	<u>1,536,716</u>		<u>151,981</u>		<u>144,907</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2014**

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Date of Issue	November 1, 2005
Date of Maturity	December 1, 2017
Authorized Issue	\$7,425,000
Denomination of Bonds	\$5,000
Interest Rates	3.75% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired by	Debt Service
Purpose of Debt	Street, Water Supply, and Sanitary Sewer Improvements

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2014	\$ 745,000	92,600	837,600	2015	46,300	2015	46,300
2015	770,000	62,800	832,800	2016	31,400	2016	31,400
2016	800,000	32,000	832,000	2017	16,000	2017	16,000
	<u>2,315,000</u>	<u>187,400</u>	<u>2,502,400</u>		<u>93,700</u>		<u>93,700</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2007A**

**December 31, 2014**

Date of Issue	December 31, 2007
Date of Maturity	December 1, 2017
Authorized Issue	\$2,835,000
Denomination of Bonds	\$5,000
Interest Rate	3.512%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of America Chicago
Fund Debt Retired by	Utilities, Refuse Collection, Local Roads
Purpose of Debt	Fire Station, Water Supply/Distribution System Improvements, Acquisition of Recycling Carts

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2014	\$ 310,000	33,714	343,714	2015	16,857	2015	16,857
2015	320,000	22,828	342,828	2016	11,414	2016	11,414
2016	330,000	11,590	341,590	2017	5,795	2017	5,795
	<u>960,000</u>	<u>68,132</u>	<u>1,028,132</u>		<u>34,066</u>		<u>34,066</u>
	451,898	Governmental Activities					
	<u>508,102</u>	Business-Type Activities					
	<u>960,000</u>						

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Refunding Bonds of 2012**

**December 31, 2014**

Date of Issue	May 8, 2012
Date of Maturity	December 1, 2023
Authorized Issue	\$9,690,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired by	Debt Service and Utilities
Purpose of Debt	Refunded Debt for Access Road from Golf Road to Algonquin Road, Storm Water System Improvements, and Redevelopment Costs - Meadows Town Mall and Meijer Store

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 1,110,000	205,738	1,315,738	2015	102,869	2016	102,869
2015	1,130,000	183,538	1,313,538	2016	91,769	2017	91,769
2016	1,175,000	160,938	1,335,938	2017	80,469	2018	80,469
2017	1,215,000	131,562	1,346,562	2018	65,781	2019	65,781
2018	760,000	101,188	861,188	2019	50,594	2020	50,594
2019	805,000	80,288	885,288	2020	40,144	2021	40,144
2020	635,000	58,150	693,150	2021	29,075	2022	29,075
2021	675,000	40,688	715,688	2022	20,344	2023	20,344
2022	715,000	21,450	736,450	2023	10,725	2024	10,725
	<u>8,220,000</u>	<u>983,540</u>	<u>9,203,540</u>		<u>491,770</u>		<u>491,770</u>
	7,170,000	Governmental Activities					
	<u>1,050,000</u>	Business-Type Activities					
	<u>8,220,000</u>						

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Refunding Bonds of 2013**

**December 31, 2014**

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Date of Issue	March 28, 2013
Date of Maturity	January 1, 2018
Authorized Issue	\$2,055,000
Denomination of Bonds	\$5,000
Interest Rate	2.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired by	TIF #2 Kirchoff/Owl
Purpose of Debt	Refunded Debt for financing redevelopment project costs consisting of the acquisition of land within Kirchoff Road/Owl Drive redevelopment project area

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 405,000	24,900	429,900	2015	12,450	2016	12,450
2015	415,000	16,800	431,800	2016	8,400	2017	8,400
2016	425,000	8,500	433,500	2017	4,250	2018	4,250
	<u>1,245,000</u>	<u>50,200</u>	<u>1,295,200</u>		<u>25,100</u>		<u>25,100</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 ROLLING MEADOWS, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
December 31, 2014 (Unaudited)**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
December 31, 2014 (Unaudited)**

	2005	2006	2007	2008
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 104,921,357	109,358,442	105,646,508	109,272,518
Restricted	13,012,711	5,940,947	3,753,784	1,647,970
Unrestricted	4,126,247	5,356,570	8,983,731	(5,930,130)
<b>Total Governmental   Activities Net Position</b>	<b>122,060,315</b>	<b>120,655,959</b>	<b>118,384,023</b>	<b>104,990,358</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	5,880,429	6,576,137	5,085,394	7,126,881
Unrestricted	1,382,591	1,069,107	1,259,025	713,479
<b>Total Business-Type   Activities Net Position</b>	<b>7,263,020</b>	<b>7,645,244</b>	<b>6,344,419</b>	<b>7,840,360</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	110,801,786	115,934,579	110,731,902	116,399,399
Restricted	13,012,711	5,940,947	3,753,784	1,647,970
Unrestricted	5,508,838	6,425,677	10,242,756	(5,216,651)
<b>Total Primary Government   Net Position</b>	<b>129,323,335</b>	<b>128,301,203</b>	<b>124,728,442</b>	<b>112,830,718</b>

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

2009	2010	2011	2012	2013	2014
108,882,307	108,392,130	111,771,420	113,811,130	114,849,845	117,346,244
2,051,851	1,699,491	2,767,336	1,437,541	1,281,794	1,226,505
(5,645,470)	(4,534,846)	(7,515,610)	(2,230,163)	2,456,900	5,192,234
105,288,688	105,556,775	107,023,146	113,018,508	118,588,539	123,764,983
8,491,159	8,095,948	8,449,043	8,343,385	8,429,963	8,847,435
315,541	2,085,393	2,942,316	4,417,081	5,255,511	6,089,240
8,806,700	10,181,341	11,391,359	12,760,466	13,685,474	14,936,675
117,373,466	116,488,078	120,220,463	122,154,515	123,279,808	126,193,679
2,051,851	1,699,491	2,767,336	1,437,541	1,281,794	1,226,505
(5,329,929)	(2,449,453)	(4,573,294)	2,186,918	7,712,411	11,281,474
114,095,388	115,738,116	118,414,505	125,778,974	132,274,013	138,701,658

CITY OF ROLLING MEADOWS, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
December 31, 2014 (Unaudited)

	2005	2006	2007	2008	2009	2010**	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 6,145,099	3,490,225	4,721,609	5,050,686	5,142,807	3,866,996	4,235,018	2,551,436	1,884,228	1,978,376
Public Safety	15,253,378	16,061,263	19,927,423	20,450,625	18,504,150	17,950,149	19,535,204	19,817,544	21,310,555	21,718,054
Highways and Streets	1,869,904	5,012,517	4,476,613	2,639,761	1,063,134	673,460	1,136,370	1,201,640	1,271,488	993,051
Public Works	1,871,045	1,935,883	2,246,108	4,155,140	3,449,304	5,708,281	3,948,420	3,692,206	3,929,719	4,478,722
Health and Welfare	236,829	67,394	103,638	25,680	30,071	23,721	9,537	9,879	10,481	10,352
Economic Development	50,827	48,841	122,229	251,734	62,322	32,982	42,130	129,036	59,851	65,738
Interest on Long-Term Debt	844,525	1,021,232	922,866	1,050,211	913,918	825,026	752,459	670,105	512,086	412,711
Total Governmental Activities Expenses	26,271,607	27,637,355	32,520,486	33,623,837	29,165,706	29,080,615	29,659,138	28,071,846	28,978,408	29,657,004
<b>Business-Type Activities</b>										
Water	4,307,934	4,393,038	4,768,120	4,772,997	4,859,697	-	-	-	-	-
Sewer	764,523	982,322	1,251,397	1,178,925	1,305,382	-	-	-	-	-
Refuse	1,763,795	2,123,270	2,381,456	2,488,338	2,471,363	2,543,279	2,291,402	2,224,955	1,980,584	2,120,696
Storm Water Management	435,541	390,878	508,623	603,328	476,415	-	-	-	-	-
Street Light Utility	86,316	103,826	91,310	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	6,432,610	6,740,808	7,735,312	8,178,445	8,557,359
Total Business-Type Activities Expenses	7,358,109	7,993,334	9,000,906	9,043,588	9,112,857	8,975,889	9,032,210	9,960,267	10,159,029	10,678,055
Total Primary Government Expenses	33,629,716	35,630,689	41,521,392	42,667,425	38,278,563	38,056,504	38,691,348	38,032,113	39,137,437	40,335,059
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	5,551,277	3,175,688	3,641,078	2,862,046	2,409,957	2,235,239	2,292,373	2,759,018	2,744,240	2,949,559
Public Safety	1,459,145	1,674,630	1,830,923	1,680,285	2,227,513	2,278,235	1,935,468	2,010,026	2,098,685	2,088,946
Highways and Streets	-	-	-	367,344	377,951	379,500	376,565	440,191	502,194	494,121
Public Works	-	-	-	40,000	-	-	-	-	-	-
Operating Grants/Contributions	72,863	179,560	56,871	131,846	87,436	129,711	115,719	89,572	45,133	34,668
Capital Grants/Contributions	787,515	756,145	1,004,163	862,720	868,063	743,796	1,068,261	1,981,230	1,641,349	1,620,109
Total Governmental Activities Program Revenues	7,870,800	5,786,023	6,533,035	5,944,241	5,970,920	5,766,481	5,788,386	7,280,037	7,031,601	7,187,403
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Water	3,824,944	3,765,740	3,917,773	4,580,044	5,428,887	-	-	-	-	-
Sewer	1,115,544	1,200,544	1,277,885	1,576,209	1,663,771	-	-	-	-	-
Refuse	2,020,598	2,230,404	2,281,387	2,525,528	2,481,918	2,441,652	2,550,654	2,489,843	2,182,624	2,289,293
Storm Water Management	414,679	463,534	493,815	520,222	895,935	-	-	-	-	-
Street Light Utility	300	2,405	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	7,971,358	7,690,989	8,926,344	8,900,389	9,638,533
Capital Grants/Contributions	-	-	-	813,878	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	7,376,065	7,662,627	7,970,860	10,015,881	10,470,511	10,413,010	10,241,643	11,416,187	11,083,013	11,927,826
Total Primary Government Program Revenues	15,246,865	13,448,650	14,503,895	15,960,122	16,441,431	16,179,491	16,030,029	18,696,224	18,114,614	19,115,229

	2005	2006	2007	2008	2009	2010**	2011	2012	2013	2014
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (18,400,807)	(21,851,332)	(25,987,451)	(27,679,596)	(23,194,786)	(23,314,134)	(23,870,752)	(20,791,809)	(21,946,807)	(22,469,601)
Business-Type Activities	17,956	(330,707)	(1,030,046)	972,293	1,357,654	1,437,121	1,209,433	1,455,920	923,984	1,249,771
<b>Total Primary Government Net (Expense) Revenue</b>	<b>(18,382,851)</b>	<b>(22,182,039)</b>	<b>(27,017,497)</b>	<b>(26,707,303)</b>	<b>(21,837,132)</b>	<b>(21,877,013)</b>	<b>(22,661,319)</b>	<b>(19,335,889)</b>	<b>(21,022,823)</b>	<b>(21,219,830)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
<b>Taxes</b>										
Property	7,361,063	7,534,448	9,308,152	8,532,810	9,112,215	10,548,012	11,826,132	12,794,326	13,212,272	13,185,352
Sales and Home Rule	5,724,848	5,642,929	5,878,245	5,612,900	5,115,760	4,726,022	4,930,575	5,127,489	5,287,152	5,725,672
Income	1,851,239	2,015,888	2,196,417	2,326,382	1,999,825	1,923,695	1,915,788	2,136,575	2,323,902	2,282,225
Replacement	238,523	250,109	303,772	207,587	177,371	194,281	181,680	175,462	201,091	194,283
Hotel	248,527	304,677	265,716	451,898	288,634	289,076	333,374	389,212	399,218	466,914
Food and Beverage	1,276,799	1,318,674	1,339,008	1,293,970	1,221,391	1,216,961	1,212,122	1,176,218	1,166,430	1,219,330
Real Estate Transfer	802,639	594,248	386,091	269,663	191,259	174,819	153,688	239,865	638,306	433,172
Other Taxes	288,052	585,297	605,793	1,181,778	918,055	783,518	802,280	840,015	905,187	952,161
Electric Utility	-	-	-	-	1,301,016	1,310,453	1,295,918	1,298,887	1,314,755	1,318,396
Telecommunications Taxes	-	2,065,561	2,047,648	2,038,337	2,075,334	1,846,728	1,936,227	1,845,387	1,705,124	1,489,622
Interest	224,106	573,027	261,614	61,928	4,572	3,736	8,471	12,070	12,125	(36,478)
Miscellaneous	13,708	356,266	612,121	1,174,766	696,661	508,518	740,868	664,470	351,276	415,396
Gain (Loss) on Sale of Capital Assets	-	2,518	(4,137)	-	-	-	-	-	-	-
Transfers	(73,185)	(568,093)	700,644	(490,990)	404,714	56,402	-	87,195	-	-
<b>Total Governmental Activities</b>	<b>17,956,319</b>	<b>20,675,549</b>	<b>23,901,084</b>	<b>22,661,029</b>	<b>23,506,807</b>	<b>23,582,221</b>	<b>25,337,123</b>	<b>26,787,171</b>	<b>27,516,838</b>	<b>27,646,045</b>
<b>Business-Type Activities</b>										
Interest	(19,971)	(42,536)	(25,828)	32,658	13,400	(6,078)	585	382	1,024	1,430
Miscellaneous	-	3,300	88,161	-	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	51,000	-	-	-	-	-	-	-	-
Transfers	73,185	568,093	(399,863)	490,990	(404,714)	(56,402)	-	(87,195)	-	-
<b>Total Business-Type Activities</b>	<b>53,214</b>	<b>579,857</b>	<b>(337,530)</b>	<b>523,648</b>	<b>(391,314)</b>	<b>(62,480)</b>	<b>585</b>	<b>(86,813)</b>	<b>1,024</b>	<b>1,430</b>
<b>Total Primary Government</b>	<b>18,009,533</b>	<b>21,255,406</b>	<b>23,563,554</b>	<b>23,184,677</b>	<b>23,115,493</b>	<b>23,519,741</b>	<b>25,337,708</b>	<b>26,700,358</b>	<b>27,517,862</b>	<b>27,647,475</b>
<b>Changes in Net Position</b>										
Governmental Activities	(444,488)	(1,175,783)	(2,086,367)	(5,018,567)	312,021	268,087	1,466,371	5,995,362	5,570,031	5,176,444
Business-Type Activities	71,170	249,150	(1,367,576)	1,495,941	966,340	1,374,641	1,210,018	1,369,107	925,008	1,251,201
<b>Total Primary Government</b>	<b>(373,318)</b>	<b>(926,633)</b>	<b>(3,453,943)</b>	<b>(3,522,626)</b>	<b>1,278,361</b>	<b>1,642,728</b>	<b>2,676,389</b>	<b>7,364,469</b>	<b>6,495,039</b>	<b>6,427,645</b>

\* Accrual Basis of Accounting

\*\* For the year ended December 31, 2010, the City condensed Water, Sewer, and Stormwater Management into one Fund, the Utilities Fund.

Data Source: Audited Financial Statements

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2014 (Unaudited)**

	2005	2006	2007
General Fund			
Reserved	\$ 2,373,441	2,759,673	23,280
Unreserved	1,483,152	933,072	(558,108)
Nonspendable	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	<u>3,856,593</u>	<u>3,692,745</u>	<u>(534,828)</u>
All Other Governmental Funds			
Reserved	589,942	684,867	406,996
Unreserved, Reported in,			
Special Revenue Funds	1,036,954	1,621,101	1,880,821
Debt Service Funds	-	(11,785)	(94,750)
Capital Projects Funds	10,919,372	3,802,109	1,394,085
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	<u>12,546,268</u>	<u>6,096,292</u>	<u>3,587,152</u>
Total Fund Balances of All Governmental Funds	<u>16,402,861</u>	<u>9,789,037</u>	<u>3,052,324</u>

\* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

Note: In 2007, the City moved the accounting for its insurance activities from the General Fund to two newly created internal service funds. The City also transferred certain capital projects funds to internal service funds.

The City adopted GASB No. 54 for the year ended December 31, 2011.

2008	2009	2010	2011	2012	2013	2014
885,176	31,143	38,662	-	-	-	-
(3,259,880)	(755,684)	(276,386)	-	-	-	-
-	-	-	17,154	42,584	26,407	44,792
-	-	-	-	-	-	421,452
-	-	-	1,835,647	4,203,793	6,076,910	7,565,662
(2,374,704)	(724,541)	(237,724)	1,852,801	4,246,377	6,103,317	8,031,906
3,083	39,266	-	-	-	-	-
1,632,220	1,558,533	1,890,239	-	-	-	-
(202,957)	944,481	733,690	-	-	-	-
759,234	2,143,972	2,000,606	-	-	-	-
-	-	-	43,704	34,615	9,987	2,677
-	-	-	2,767,336	1,437,541	1,283,172	1,234,222
-	-	-	394,257	756,176	1,147,248	488,579
-	-	-	(1,577,366)	(1,194,218)	(890,492)	(1,020,387)
2,191,580	4,686,252	4,624,535	1,627,931	1,034,114	1,549,915	705,091
(183,124)	3,961,711	4,386,811	3,480,732	5,280,491	7,653,232	8,736,997

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2014 (Unaudited)**

	2005	2006	2007
<b>Revenues</b>			
Taxes	\$ 17,289,700	17,832,188	18,308,907
Intergovernmental	3,964,740	3,857,675	4,021,047
Licenses and Permits	1,173,272	1,093,799	1,010,634
Charges for Services	2,049,499	2,700,640	2,996,532
Fines and Forfeitures	484,245	654,288	618,072
Interest	203,689	537,225	190,513
Miscellaneous	759,733	530,800	407,520
<b>Total Revenues</b>	<b>25,924,878</b>	<b>27,206,615</b>	<b>27,553,225</b>
<b>Expenditures</b>			
General Government	3,546,548	4,083,515	4,176,068
Public Safety	14,928,155	16,002,500	17,700,593
Highways and Streets	1,288,266	1,630,778	1,376,631
Public Works	1,602,790	2,105,611	2,817,057
Health and Welfare	35,956	42,000	23,013
Economic Development	136,170	48,841	119,358
Capital Outlay	2,336,720	8,746,520	2,356,659
Debt Service			
Principal Retirement	1,370,000	1,445,000	1,535,000
Interest	808,782	1,074,145	944,177
<b>Total Expenditures</b>	<b>26,053,387</b>	<b>35,178,910</b>	<b>31,048,556</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(128,509)</b>	<b>(7,972,295)</b>	<b>(3,495,331)</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	-	74,968	7,040
Debt Issuance	7,425,000	-	-
Premium/Discount on Debt Issuance	145,912	-	-
Payment to Escrow Agent	-	-	-
Transfers In	3,351,565	2,595,995	2,093,122
Transfers Out	(3,424,222)	(2,228,222)	(4,275,361)
<b>Total Other Financing Sources (Uses)</b>	<b>7,498,255</b>	<b>442,741</b>	<b>(2,175,199)</b>
<b>Net Change in Fund Balances</b>	<b>7,369,746</b>	<b>(7,529,554)</b>	<b>(5,670,530)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.2%</b>	<b>9.0%</b>	<b>8.6%</b>

\* Modified Accrual Basis of Accounting  
Data Source: Audited Financial Statements

2008	2009	2010	2011	2012	2013	2014
19,016,882	19,937,896	20,571,562	22,139,213	23,327,064	24,194,556	24,319,808
3,933,009	3,788,179	3,385,015	3,632,551	4,767,174	4,645,363	4,602,096
1,017,538	1,153,258	1,164,750	1,337,517	1,504,274	1,387,226	1,549,965
2,872,146	2,437,206	2,210,123	2,070,328	2,433,701	2,609,891	2,615,701
1,019,991	1,055,241	1,448,596	1,196,561	1,271,260	1,348,002	1,366,960
26,760	3,244	3,656	7,758	11,033	10,590	(37,604)
1,174,766	696,661	508,518	740,868	664,470	351,276	415,396
29,061,092	29,071,685	29,292,220	31,124,796	33,978,976	34,546,904	34,832,322
4,225,872	3,541,481	3,512,882	3,357,499	4,042,299	3,564,299	4,062,109
19,222,960	17,272,340	18,731,524	19,269,706	20,259,585	21,237,148	21,688,294
1,997,103	586,396	673,460	1,136,370	1,201,640	1,271,488	993,051
2,128,901	2,545,694	2,668,228	2,417,384	2,136,425	2,256,611	2,400,591
25,680	30,071	23,721	9,537	9,879	10,481	10,352
251,734	62,322	32,982	42,130	129,036	59,851	65,738
1,670,995	995,943	1,114,952	2,062,621	1,948,992	1,187,260	1,986,357
1,474,744	1,639,923	3,007,460	2,972,170	1,926,880	2,101,590	2,166,300
892,309	890,602	837,422	765,130	615,941	457,492	381,365
31,890,298	27,564,772	30,602,631	32,032,547	32,270,677	32,146,220	33,754,157
(2,829,206)	1,506,913	(1,310,411)	(907,751)	1,708,299	2,400,684	1,078,165
851	1,258	10,456	1,672	763	539	600
83,897	1,315,000	1,200,000	-	8,265,000	2,055,000	-
-	-	-	-	5,791	-	-
-	-	-	-	(8,267,289)	(2,033,165)	-
2,977,970	3,288,518	2,712,782	1,412,903	961,494	1,698,570	1,712,967
(3,468,960)	(3,182,211)	(1,656,380)	(1,412,903)	(874,299)	(1,748,887)	(1,707,967)
(406,242)	1,422,565	2,266,858	1,672	91,460	(27,943)	5,600
(3,235,448)	2,929,478	956,447	(906,079)	1,799,759	2,372,741	1,083,765
7.71%	9.36%	12.96%	12.54%	8.46%	8.41%	7.97%

## CITY OF ROLLING MEADOWS, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years December 31, 2014 (Unaudited)

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Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property
2004	\$ 362,666,983	\$ 376,208,886	\$ 164,827,057	\$ -
2005	389,984,765	393,743,154	175,310,583	-
2006	404,157,732	383,299,304	177,721,407	-
2007	480,227,000	408,031,980	196,854,692	-
2008	522,464,745	419,355,712	210,864,899	-
2009	572,817,559	391,540,158	181,795,503	-
2010	511,782,750	325,424,028	166,631,402	-
2011	478,777,636	280,540,952	147,475,207	-
2012	441,318,353	259,333,247	135,360,243	-
2013	369,772,380	252,591,816	100,770,099	-

Data Source: Office of the Cook County Clerk

Note: Property is assessed at 33% of actual value.

	Total Taxable Assessed Value	% Increase/ % Decrease	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
\$	903,702,926	-3.15%	\$ 2,711,108,778	33.33%	1.088
	959,038,502	6.12%	2,877,115,506	33.33%	1.036
	965,178,443	0.64%	2,895,535,329	33.33%	1.054
	1,085,113,672	12.43%	3,255,341,016	33.33%	1.025
	1,152,685,356	6.23%	3,458,056,068	33.33%	1.019
	1,146,153,220	-0.57%	3,438,459,660	33.33%	1.158
	1,003,838,180	-12.42%	3,011,514,540	33.33%	1.416
	906,793,995	-9.67%	2,720,381,985	33.33%	1.706
	836,011,843	-7.81%	2,508,035,529	33.33%	1.918
	723,134,295	-13.50%	2,169,402,885	33.33%	2.200

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Elk Grove Township  
December 31, 2014 (Unaudited)**

	2004	2005	2006
City Direct Rates			
General	\$ 0.497	0.468	0.473
Debt Service	0.153	0.144	0.139
Pension Trust			
Police Pension	0.056	0.053	0.055
Firefighters' Pension	0.057	0.054	0.056
Total City Direct Rates	0.763	0.719	0.723
Component Unit - Library Direct Rate	0.325	0.317	0.331
Total City Direct Rate	1.088	1.036	1.054
Overlapping Rates - Elk Grove Township			
Cook County	0.593	0.533	0.500
Forest Preserve District	0.060	0.060	0.057
Suburban Tuberculosis Sanitarium	0.001	0.005	0.005
Metropolitan Sanitary District	0.347	0.315	0.284
Northwest Mosquito Abatement	0.009	0.009	0.009
Consolidated Elections	-	0.014	-
Elk Grove			
Town	0.046	0.044	0.044
Road and Bridge	0.009	0.009	0.009
General Assistance	0.007	0.009	0.009
School Districts			
School District Number 15	2.925	2.840	2.763
High School District Number 214	1.818	1.759	1.823
Community College District Number 512	0.279	0.281	0.288
Rolling Meadows Park District	0.471	0.429	0.449
Total Overlapping Rates - Elk Grove Township	6.565	6.307	6.240
Total Direct and Overlapping Rates	7.653	7.343	7.294

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value.

2007	2008	2009	2010	2011	2012	2013
0.473	0.428	0.445	0.507	0.649	0.703	0.812
0.139	0.124	0.124	0.142	0.157	0.168	0.193
0.055	0.089	0.139	0.209	0.257	0.295	0.353
0.056	0.089	0.141	0.206	0.254	0.318	0.379
0.723	0.730	0.849	1.064	1.317	1.484	1.737
0.302	0.289	0.309	0.352	0.389	0.434	0.463
1.025	1.019	1.158	1.416	1.706	1.918	2.200
0.446	0.415	0.394	0.423	0.462	0.531	0.56
0.053	0.051	0.490	0.051	0.058	0.063	0.069
-	-	-	-	0.025	-	-
0.263	0.252	0.261	0.274	0.320	0.370	0.417
0.008	0.008	0.008	0.009	0.010	0.011	0.013
0.012	-	0.021	-	-	-	0.031
0.040	0.041	0.044	0.049	0.056	0.064	0.077
0.009	0.009	0.010	0.010	0.013	0.014	0.017
0.008	0.009	0.010	0.010	0.012	0.014	0.017
2.435	2.385	2.307	2.512	2.943	3.269	3.849
1.621	1.587	1.636	1.839	2.067	2.324	2.768
0.260	0.256	0.258	0.295	0.334	0.373	0.444
0.418	0.411	0.420	0.486	0.546	0.607	0.709
5.573	5.424	5.859	5.958	6.846	7.640	8.971
6.598	6.443	7.017	7.374	8.552	9.558	11.171

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Palatine Township (High School District 211)  
December 31, 2014 (Unaudited)**

	2004	2005	2006
City Direct Rates			
General	\$ 0.497	0.468	0.473
Debt Service	0.153	0.144	0.139
Pension Trust			
Police Pension	0.056	0.053	0.055
Firefighters' Pension	0.057	0.054	0.056
Total City Direct Rates	0.763	0.719	0.723
Component Unit - Library Direct Rate	0.325	0.317	0.331
Total City Direct Rate	1.088	1.036	1.054
Overlapping Rates - Palatine Township			
Cook County	0.593	0.533	0.500
Forest Preserve District	0.060	0.060	0.057
Suburban Tuberculosis Sanitarium	0.001	0.005	0.005
Water Reclamation District	0.347	0.315	0.284
Northwest Mosquito Abatement	0.009	0.009	0.009
Consolidated Elections	-	0.014	-
Palatine			
Town	0.038	0.037	0.039
Road and Bridge	0.070	0.069	0.072
General Assistance	0.008	0.008	0.009
School Districts			
School District Number 15	2.925	2.840	2.763
High School District Number 211	2.158	2.191	2.261
Community College District Number 512	0.279	0.281	0.288
Rolling Meadows Park District	0.471	0.429	0.449
Total Overlapping Rates - Elk Grove Township	6.959	6.791	6.736
Total Direct and Overlapping Rates	8.047	7.827	7.790

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value.

2007	2008	2009	2010	2011	2012	2013
0.473	0.428	0.445	0.507	0.648	0.703	0.812
0.139	0.124	0.124	0.142	0.157	0.168	0.193
						0.353
0.055	0.089	0.139	0.209	0.257	0.295	0.379
0.056	0.089	0.141	0.206	0.254	0.318	-
0.723	0.730	0.849	1.065	1.317	1.484	1.737
0.302	0.289	0.309	0.352	0.389	0.434	0.463
1.025	1.019	1.158	1.417	1.706	1.918	2.200
0.446	0.415	0.394	0.423	0.462	0.531	0.560
0.053	0.051	0.490	0.051	0.058	0.063	0.069
-	-	-	-	-	-	-
0.263	0.252	0.261	0.274	0.320	0.370	0.417
0.008	0.008	0.008	0.009	0.010	0.011	0.013
0.012	-	0.021	-	-	-	0.031
0.035	0.035	0.034	0.041	0.044	0.049	0.058
0.064	0.063	0.061	0.070	0.079	0.082	0.092
0.008	0.008	0.008	0.009	0.012	0.014	0.017
2.435	2.385	2.307	2.512	2.943	3.269	3.849
1.972	1.928	1.916	2.200	2.482	2.772	3.197
0.260	0.256	0.258	0.295	0.334	0.373	0.444
0.418	0.411	0.420	0.486	0.546	0.607	0.709
5.974	5.812	6.178	6.370	7.290	8.141	9.456
6.999	6.831	7.336	7.787	8.996	10.059	11.656

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Palatine Township (High School District 214)  
December 31, 2014 (Unaudited)**

	2004	2005	2006
City Direct Rates			
General	\$ 0.497	0.468	0.473
Debt Service	0.153	0.144	0.139
Pension Trust			
Police Pension	0.056	0.053	0.055
Firefighters' Pension	0.057	0.054	0.056
Total City Direct Rates	0.763	0.719	0.723
Component Unit - Library Direct Rate	0.325	0.317	0.331
Total City Direct Rate	1.088	1.036	1.054
Overlapping Rates - Palatine Township			
Cook County	0.593	0.533	0.500
Forest Preserve District	0.060	0.060	0.057
Suburban Tuberculosis Sanitarium	0.001	0.005	0.005
Water Reclamation District	0.347	0.315	0.284
Northwest Mosquito Abatement	0.009	0.009	0.009
Consolidated Elections	-	0.014	-
Palatine			
Town	0.038	0.037	0.039
Road and Bridge	0.070	0.069	0.072
General Assistance	0.008	0.008	0.009
School Districts			
School District Number 15	2.925	2.840	2.763
High School District Number 214	1.818	1.759	1.823
Community College District Number 512	0.279	0.281	0.288
Rolling Meadows Park District	0.471	0.429	0.449
Total Overlapping Rates - Elk Grove Township	6.619	6.359	6.298
Total Direct and Overlapping Rates	7.707	7.395	7.352

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value.

2007	2008	2009	2010	2011	2012	2013
0.473	0.428	0.445	0.507	0.648	0.703	0.812
0.139	0.124	0.124	0.142	0.157	0.168	0.193
0.055	0.089	0.139	0.209	0.257	0.295	0.353
0.056	0.089	0.141	0.206	0.254	0.318	0.379
0.723	0.730	0.849	1.065	1.317	1.484	1.737
0.302	0.298	0.309	0.352	0.389	0.434	0.463
1.025	1.028	1.158	1.417	1.706	1.918	2.200
0.446	0.415	0.394	0.423	0.462	0.531	0.560
0.053	0.051	0.490	0.051	0.028	0.063	0.069
-	-	-	-	-	-	-
0.263	0.252	0.261	0.274	0.320	0.370	0.417
0.008	0.008	0.008	0.009	0.010	0.011	0.013
0.012	-	0.021	-	0.025	-	0.031
0.035	0.035	0.034	0.041	0.044	0.049	0.058
0.064	0.063	0.061	0.070	0.079	0.082	0.092
0.008	0.008	0.008	0.009	0.012	0.014	0.017
2.435	2.385	2.307	2.512	2.943	3.269	3.849
1.621	1.587	1.636	1.839	2.067	2.324	2.768
0.260	0.256	0.256	0.295	0.334	0.373	0.444
-	0.411	0.420	0.486	0.546	0.607	0.709
5.205	5.471	5.896	6.009	6.870	7.693	9.027
6.230	6.499	7.054	7.426	8.576	9.611	11.227

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago  
December 31, 2014 (Unaudited)**

Taxpayer	2013 Tax Levy Year			2005 Tax Levy Year		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
1701 Golf Rd/ WSC GSP CT Holding	\$ 10,279,630	1	1.42%			
Northrop Grumman Systems	5,940,025	2	0.82%	9,684,819	2	1.01%
Atrium Corp. Center LLC	6,249,998	3	0.86%			
YPI 1600 Corporate Center	4,756,566	4	0.66%	7,085,467	5	0.74%
Woodfield Crossing	4,332,123	5	0.60%	6,753,818	7	0.70%
Walmart Stores	4,078,347	6	0.56%	6,083,738	8	0.63%
Tower Realty Management Corp	3,413,340	7	0.47%	7,456,714	4	0.78%
Rolling Meadows Delaware	3,278,050	8	0.45%	7,484,310	3	0.78%
Marc Realty	3,091,975	9	0.43%	6,951,595	6	0.72%
Rolling Meadows 450 LLC	3,086,250	10	0.43%			
Prime Group Realty				21,974,438	1	2.29%
3800 Golf Rd LLC				5,799,999	9	0.60%
Lincoln Atrium Management Co.				5,151,376	10	0.54%
<b>Total</b>	<b>48,506,304</b>		<b>6.71%</b>	<b>84,426,274</b>		<b>8.79%</b>

Data Source: Office of the Cook County Clerk - Tax Extension Department

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	\$ 6,893,476	\$ 6,667,518	96.72%	\$ 57,974	\$ 6,725,492	97.56%
2006	2005	6,891,780	6,719,499	97.50%	68,802	6,788,301	98.50%
2007	2006	6,973,121	6,473,354	92.83%	445,674	6,919,028	99.22%
2008	2007	7,848,368	7,639,825	97.34%	(46,927)	7,592,898	96.74%
2009	2008	8,428,123	8,301,100	98.49%	(35,600)	8,265,500	98.07%
2010	2009	9,730,232	9,383,289	96.43%	108,851	9,492,140	97.55%
2011	2010	10,690,980	10,481,601	98.04%	(2,868)	10,478,733	98.01%
2012	2011	11,939,545	11,565,351	96.87%	(76,090)	11,489,261	96.23%
2013	2012	12,393,762	12,006,864	96.88%	(173,168)	11,833,696	95.48%
2014	2013	12,559,428	12,374,321	98.53%	-	12,374,321	98.53%

Data Source: Office of the Cook County Clerk

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Taxable Sales by Category - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Fiscal Year	2005	2006	2007	2008
General Merchandise	\$ 64,188,280	61,123,560	60,275,753	59,529,361
Food	13,779,560	15,127,480	15,001,571	11,690,306
Drinking and Eating Places	47,885,120	49,420,200	48,936,206	48,805,003
Apparel	3,621,500	3,443,500	3,405,336	2,521,712
Furniture and H.H. and Radio	3,699,140	7,149,700	7,218,336	7,372,794
Lumber, Building, Hardware	2,807,960	2,915,620	2,715,061	2,697,156
Automobile and Filling Stations	46,308,020	44,328,920	65,703,526	46,737,476
Drugs and Misc. Retail	16,269,740	16,478,260	16,190,972	13,493,447
Agriculture and All Others	31,777,380	32,129,520	32,404,576	30,093,783
Manufacturers	10,828,300	8,593,220	8,463,314	9,521,908
<b>Total</b>	<b>241,165,000</b>	<b>240,709,980</b>	<b>260,314,651</b>	<b>232,462,946</b>
Local Sales Tax Rate	2.00%	2.00%	2.00%	2.00%
Total Sales Tax Rate	8.75%	8.75%	8.75%	10.00%

Data Source: Illinois Department of Revenue

2009	2010	2011	2012	2013	2014
60,495,368	39,328,192	28,167,711	37,623,908	36,328,755	60,335,714
11,157,166	9,916,455	9,785,079	9,011,588	8,723,269	9,890,112
44,742,470	42,917,114	43,795,249	51,400,943	49,940,617	50,610,022
2,522,896	2,443,133	11,089,518	1,610,968	1,088,969	346,145
6,164,965	5,862,267	6,649,299	8,020,244	8,972,718	9,640,245
1,205,151	1,186,241	794,665	710,119	1,128,473	1,374,305
45,088,883	52,407,264	64,965,950	66,092,838	67,697,225	39,460,442
12,878,726	12,343,741	12,821,333	14,548,096	16,448,533	17,298,321
20,523,263	23,267,418	24,719,294	21,716,579	20,689,436	31,126,523
6,873,845	6,851,196	2,831,417	5,460,129	12,305,693	23,661,044
211,652,733	196,523,021	205,619,515	216,195,412	223,323,688	243,742,873
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10.00%	9.50%	9.25%	9.00%	9.00%	9.00%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

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<b>Fiscal Year</b>	<b>State Sales Tax</b>	<b>Local Sales Tax to City</b>	<b>Home Rule Sales Tax to City</b>	<b>Mass Transit Portion</b>	<b>Cook County Portion</b>	<b>Total Sales Tax Rate</b>
2005	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2006	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2007	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2008	5.25%	1.00%	1.00%	1.00%	1.75%	10.00%
2009	5.25%	1.00%	1.00%	1.00%	1.75%	10.00%
2010	5.25%	1.00%	1.00%	1.00%	1.25%	9.50%
2011	5.25%	1.00%	1.00%	1.00%	1.00%	9.25%
2012	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%
2013	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%
2014	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%

Data Source: Illinois Department of Revenue

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Local Tax Revenues - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Fiscal Year	State Sales Tax	Home Rule Sales Tax (A)	Telecom Tax (B)	Electric Utility Tax (C)	Food & Beverage (D)	Hotel Tax (E)	Real Estate Transfer Tax
2005	\$ 3,245,233	\$ 2,448,482	\$ 2,289,734	\$ N/A	\$ 1,276,799	\$ 248,527	\$ 802,639
2006	3,298,095	2,344,833	2,065,561	N/A	1,318,674	304,677	594,248
2007	3,405,981	2,471,264	2,047,648	N/A	1,339,008	265,716	386,091
2008	3,347,289	2,265,611	2,038,337	N/A	1,293,970	451,898	269,663
2009	3,062,136	2,053,624	2,075,334	1,301,016	1,221,391	288,634	191,259
2010	2,768,676	1,957,345	1,846,728	1,310,453	1,216,961	289,076	174,819
2011	2,871,640	2,058,935	1,936,227	1,295,918	1,212,122	333,374	153,688
2012	2,978,856	2,148,633	1,845,387	1,298,887	1,176,218	389,212	239,865
2013	3,075,929	2,211,223	1,705,124	1,314,755	1,166,430	399,218	638,306
2014	3,318,967	2,406,705	1,489,622	1,318,396	1,219,330	466,914	433,172

Data Source: City of Rolling Meadows CAFR

N/A - Not Available

- Notes: (A) Home Rule Sales Tax rate increased from .5% to 1.0% in 2004.  
 (B) The 1.0% "Infrastructure Maintenance Fee" was changed to a 4.0% Telecom Tax in Sept, 2004. Telecom Tax rates increased from 4.5% to 6% in 2005.  
 (C) Electric Utility Tax was implemented in 2009.  
 (D) Food & Beverage Tax increased from 1% to 1.5% in 2002 and to 2% in 2004.  
 (E) Hotel Tax rate increased from 4% to 5% in 2002 and to 8% in 2008.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Lease	General Obligation Bonds	IEPA Loans			
2005	\$ 25,300,000	\$ -	\$ 2,280,000	\$ -	\$ 27,580,000	7.43%	\$ 879
2006	23,855,000	-	2,165,000	-	26,020,000	6.61%	1,121
2007	24,030,000	537,286	3,550,000	-	28,117,286	6.68%	1,058
2008	22,404,048	556,387	3,310,952	-	26,271,387	6.08%	1,143
2009	20,721,298	471,887	3,053,702	-	24,246,887	5.70%	1,068
2010	18,968,838	390,505	2,786,162	-	22,145,505	6.12%	900
2011	17,131,668	284,713	2,508,332	-	19,924,713	4.74%	922
2012	15,474,788	234,172	2,230,212	1,029,074	18,968,246	4.34%	787
2013	13,348,198	191,232	1,896,802	2,434,046	17,870,278	3.89%	742
2014	11,181,898	-	1,558,102	2,586,404	15,326,404	3.18%	636

Data Source: Audited Financial Statements

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Fiscal Year	General Obligation Bonds	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2005	\$ 27,580,000	2.75%	\$ 1,121
2006	26,020,000	3.05%	1,058
2007	27,580,000	2.71%	1,121
2008	25,715,000	2.86%	1,045
2009	23,775,000	2.06%	966
2010	21,755,000	1.90%	903
2011	19,640,000	1.96%	815
2012	17,705,000	1.95%	735
2013	15,245,000	1.82%	633
2014	12,740,000	1.76%	529

Data Source: Audited Financial Statements

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 Demographic and Economic Statistics for personal income and population data.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
December 31, 2014 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City Direct Debt	\$ 11,181,898	100.00%	\$ 11,181,898
Overlapping Debt			
Cook County	3,698,460,000	0.59%	21,820,914
Forest Preserve District of Cook County	179,655,000	0.59%	1,059,965
Harper Community College District 512	177,761,037	6.45%	11,465,587
Metro Water Reclamation District of Greater Chicago	2,600,808,000	0.60%	15,604,848
Arlington Heights Park District	17,140,000	0.18%	30,852
Palatine Park District	18,835,000	5.97%	1,124,450
Rolling Meadows Park District	2,955,000	89.27%	2,637,929
Schaumburg Park District	18,945,000	0.20%	37,890
Community Consolidated School District No. 15	35,325,212	20.79%	7,344,112
Community Consolidated School District No. 59	5,540,000	1.76%	97,504
Township High School District 211	16,430,000	4.34%	713,062
Township High School District 214	44,695,000	5.96%	2,663,822
Total Overlapping Debt	6,816,549,249		64,600,933
Total Direct and Overlapping Debt	6,827,731,147		75,782,831

Data Source: Cook County Treasurer's Office

(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 ROLLING MEADOWS, ILLINOIS**

**Schedule of Legal Debt Margin  
December 31, 2014 (Unaudited)**

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The City is a home rule municipality.

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

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Fiscal Year	(1) Population	(2) Personal Income (in Thousands)	(3) Per Capita Personal Income	(5) Median Age	(5) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Rate
2005	24,604	\$ 371,160	\$ 26,178	34.4	14.0	5,231	4.70%
2006	24,604	393,382	26,178	34.4	14.0	5,075	3.50%
2007	24,604	421,143	26,178	34.4	14.0	5,142	3.80%
2008	24,604	431,795	26,178	34.4	14.0	4,818	5.10%
2009	24,604	425,178	26,178	34.4	14.0	4,167	10.00%
2010	24,099	361,800	26,178	34.4	14.0	4,392	10.10%
2011	24,099	420,051	30,678	34.2	14.0	5,196	9.90%
2012	24,099	436,998	30,678	37.5	14.0	5,032	8.90%
2013	24,099	459,981	30,919	35.3	14.0	5,703	9.20%
2014	24,099	482,206	28,813	37.0	13.4	5,646	6.40%

**Data Sources:**

- (1) U.S. Census
- (2) Data provided by School District Administrative Offices
- (3) Illinois Department of Employment Security, Economic Information and Analysis
- (4) U.S. Bureau of Economic Analysis
- (5) www.usa.com

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
December 31, 2014 (Unaudited)**

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northrop Defense Systems	2,100	1	9.1%	2,500	1	11.1%
Capital One	625	2	2.7%			
Houghton Mifflin Harcourt	350	3	1.5%			
Komatsu	325	4	1.4%			
Meijer	274	5	1.2%			
A.H. Management Group	268	6	1.2%			
RTC	246	7	1.1%			
Panasonic	235	8	1.0%			
Methode Electronics, Inc.	230	9	1.0%			
Walmart	217	10	0.9%	250	10	1.1%
3 Comm Corp				1,000	2	4.4%
Transamerica Commercial				500	3	2.2%
Kelso Burnett Co.				400	4	1.8%
Middleby Corp.				300	5	1.3%
New Resources				285	6	1.3%
ElectroDynamics Inc.				270	7	1.2%
Carlson Wagonlit Travel				250	8	1.1%
Coleman Floor Co.				250	9	1.1%
	<u>4,870</u>		<u>21.1%</u>	<u>6,005</u>		<u>26.7%</u>

Data Source: Rolling Meadows Chamber of Commerce

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

	2005	2006	2007
<b>Full-Time</b>			
<b>General Government</b>			
Management	5	8	8
Finance	10	9	8
Community Development	9	9	9
<b>Public Safety</b>			
<b>Police</b>			
Officers	54	54	54
Civilians	29	27	27
<b>Fire</b>			
Firefighters and Officers	45	45	46
Civilians	3	2	2
<b>Public Works</b>			
Administration	5	4	5
Engineering/Inspections	1	4	5
Streets and Grounds	15	14	14
Utilities and Garage	20	20	20
<b>Part-Time</b>			
<b>General Government</b>			
Management	-	-	-
Finance	2	2	2
Community Development	2	2	3
<b>Public Safety</b>			
Police	10	13	20
Fire	-	-	-
<b>Public Works</b>			
Streets and Grounds	2	2	2
Utilities	2	3	3

Data Source: City Human Resources and Budget Departments

2008	2009	2010	2011	2012	2013	2014
8	7	7	6	7	7	6
8	6	4	4	4	4	4
9	8	8	8	8	8	7
56	52	51	48	49	49	49
27	13	9	8	8	9	8
49	42	44	44	43	43	44
2	-	-	-	1	1	1
5	4	4	4	4	4	5
3	2	2	1	-	-	-
14	16	16	15	14	15	14
20	16	15	15	15	16	17
-	1	1	2	2	2	1
2	3	3	3	3	3	3
2	1	1	1	1	1	2
25	7	9	12	12	10	13
1	1	1	-	-	-	-
2	1	-	-	-	-	-
1	2	3	4	2	-	-

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

	2005	2006	2007
<b>Public Safety</b>			
<b>Police</b>			
Physical Arrests	798	1,084	1,043
Parking Violations	4,014	4,540	3,418
Traffic Violations	5,837	5,928	5,731
<b>Fire</b>			
Emergency Responses	1,945	1,978	1,976
Fire Calls	1,055	1,227	1,019
Fires Extinguished	N/A	N/A	N/A
<b>Public Works</b>			
Street Resurfacing (Miles)	2.28	8.28	0.77
Snow and Ice Control (Tons of Salt)	1,150	1,636	2,500
<b>Water</b>			
Number of Water Main Repairs	78	42	41
Water Average Daily Consumption (Thousands of Gallons)	2,557	2,563	2,487
<b>Refuse Collection</b>			
Refuse Collected (Tons per Day)	25	29	25
Recyclables Collected (Tons per Day)	9	9	9

Data Source: Various City Departments

N/A - Not Available

Prior to 2010, fire calls included false alarms, unfunded reports, investigations, and actual fires extinguished.

2008	2009	2010	2011	2012	2013	2014
921	510	456	921	812	861	871
4,795	3,066	3,469	6,165	6,198	6,494	4,983
5,364	5,906	5,947	4,665	3,591	3,688	3,069
2,282	2,204	3,599	3,487	3,507	3,589	3,535
1,148	1,093	1,097	1,196	1,070	1,181	1,280
N/A	N/A	42	41	53	54	54
0.95	-	1.60	1.36	0.07	0.75	0.91
3,000	1,476	1,668	678	1,301	2,078	1,420
53	51	58	54	61	69	52
2,616	2,692	2,300	1,871	2,173	2,037	2,006
22	27	19	19	18	10	18
10	10	9	10	9	11	9

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

	2005	2006	2007
<b>Public Safety</b>			
<b>Police</b>			
Stations	1	1	1
Patrol Units	12	12	18
<b>Fire</b>			
Fire Stations	2	2	2
Fire Engines	4	4	5
<b>Public Works</b>			
Streets (Miles)	61.71	61.71	61.71
Streetlights	257	257	257
Traffic Signals	45	45	45
<b>Water</b>			
Water Mains (Miles)	88.03	88.63	89.50
Fire Hydrants	1,314	1,327	1,392
Storage Capacity (Millions of Gallons)	5.50	5.50	5.50
<b>Wastewater</b>			
Sanitary Sewer (Miles)	77.16	77.33	77.67
Lift Stations	3	3	3
Storm Sewers (Miles)	60	60	60

Data Source: Various City Departments

2008	2009	2010	2011	2012	2013	2014
1 15						
2 5	2 5	2 5	2 5	2 4	2 4	2 4
61.71 257 45	61.71 257 49	61.71 260 49	61.71 260 49	61.71 260 49	61.71 260 49	61.71 350 49
88.21 1,395 5.50	88.40 1,395 5.50	89.92 1,353 5.50	90.12 1,356 5.50	90.12 1,356 5.50	90.12 1,356 5.50	90.40 1,364 5.50
77.94 3 60	77.94 3 60	82.00 3 61	82.00 3 61	82.00 3 61	82.00 3 61	82.00 3 61

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Water Sold by Type of Customer - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

Type of Customer	2005	2006	2007
Industrial	54,273	52,830	43,802
Residential/Multi-Family	615,602	586,794	575,905
Commercial	227,754	223,024	204,060
School/Government	35,628	34,704	32,071
<b>Total</b>	<b>933,257</b>	<b>897,352</b>	<b>855,838</b>
Water Rate per 1,000 Gallons of 1st 15,000 Gallons	\$ 3.78	\$ 4.06	\$ 4.34
Water rate per 1,000 gallons in excess of 15,000 gallons	\$ -	\$ -	\$ -
Sewer Rate per 1,000 Gallons of 1st 15,000 gallons	\$ 1.13	\$ 1.34	\$ 1.43
Sewer rate per 1,000 gallons of 1st 15,000 gallons	\$ -	\$ -	\$ -

Notes:

City of Rolling Meadows Current Utility Rates for Water and Sewer services may be found on the City's website at [www.cityrm.org](http://www.cityrm.org)

City of Rolling Meadows established a two-tiered water and sewer billing system in FY 2008.

Data Source: City of Rolling Meadows Water Department Pumpage Report

2008	2009	2010	2011	2012	2013	2014
40,803	34,102	44,149	37,534	40,863	35,689	35,452
547,625	529,064	520,636	495,298	516,757	472,037	460,017
189,405	171,698	166,978	155,393	158,171	144,366	145,063
26,450	26,712	26,343	25,827	27,718	25,511	24,316
804,283	761,576	758,106	714,052	743,509	677,603	664,848

\$ 4.96	\$ 5.83	\$ 5.83	\$ 6.35	\$ 7.40	\$ 8.11	\$ 8.76
\$ 5.79	\$ 6.81	\$ 7.43	\$ 7.43	\$ 8.60	\$ 9.37	\$ 10.12
\$ 1.64	\$ 1.92	\$ 2.10	\$ 2.10	\$ 2.50	\$ 2.63	\$ 2.84
\$ 1.91	\$ 2.25	\$ 2.45	\$ 2.45	\$ 2.95	\$ 3.10	\$ 3.35

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures  
December 31, 2014 (Unaudited)**

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**City of Rolling Meadows, Cook County, Illinois  
2014 Continuing Bond Disclosures Relating to the Following Bonds:**

\$7,425,000 General Obligation Bonds of 2005

\$2,835,000 General Obligation Bonds of 2007A

\$9,690,000 General Obligation Refunding Bonds of 2012

\$2,055,000 General Obligation Refunding Bonds of 2013

**For further information please contact:**

City of Rolling Meadows  
3600 Kirchoff Road  
Rolling Meadows, Illinois 60008

Telephone Number: (847) 394-8500

Fax Number: (847) 394-8710

## **CITY OF ROLLING MEADOWS, ILLINOIS**

### **Continuing Bond Disclosures - Continued December 31, 2014 (Unaudited)**

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#### **Certain Information Regarding the City**

##### **General**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2013. The City has received the award to each of the last 28 years. According to the GFOA, this award represents a significant accomplishment for a government and its management and is the highest form of recognition in the field of governmental reporting.

##### **Budgetary Data**

There is no updated information to report.

##### **Cash Management**

There is no updated information to report.

##### **Property Taxes**

Information regarding property tax levies, collections, and valuations for the City can be found in the statistical section on pages 135 - 136 and 144 of these audited financial statements.

##### **Tax Rates**

Information regarding updated property tax rates for the City can be found in the statistical section on pages 137 - 142 of these audited financial statements.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2014 (Unaudited)**

**Debt Statement**

Issue Date	Bond Issue	Principal Outstanding	Supported by
11/01/2005	General Obligation Bonds of 2005	\$ 2,315,000	Property Taxes
12/31/2007	General Obligation Bonds of 2007A	960,000	Proprietary
05/08/2012	General Obligation Refunding Bonds of 2012	8,220,000	Proprietary
03/28/2013	General Obligation Refunding Bonds of 2013	<u>1,245,000</u>	Incremental Taxes
	Total Gross Direct Bonded Debt	12,740,000	
	Less: Self-Supporting Bonded Debt	<u>2,205,000</u>	
	Total Net Direct Bonded Debt	<u><u>10,535,000</u></u>	

The City's overlapping and underlying bonded debt is updated as of December 31, 2014, and can be found on pages 149 - 151 of the audited financial statements.

The City's debt ratios are updated using the 2013 equalized assessed valuation and the 2013 estimated full value of taxable property.

Estimated Full Value of Taxable Property - 2013	\$ 2,169,402,885
Equalized Assessed Valuation - 2013	723,134,295

	Gross Direct Debt	Gross Direct Debt and Overlapping Debt
Per Capita	\$ 528.65	\$ 3,144.65
Percent of Estimated Full Value	0.587%	3.493%
Percent of Equalized Assessed Value	1.762%	10.480%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2014 (Unaudited)**

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**Debt Maturity Schedule**

The following schedule sets forth the maturity schedule for all general obligation bonded debt of the City:

Fiscal Year	Annual Requirement	Cumulative Retirement	
		Amount	Percent
2015	\$ 2,570,000	\$ 2,570,000	20.17%
2016	2,635,000	5,205,000	40.86%
2017	2,730,000	7,935,000	62.28%
2018	1,215,000	9,150,000	71.82%
2019	760,000	9,910,000	77.79%
2020	805,000	10,715,000	84.11%
2021	635,000	11,350,000	89.09%
2022	675,000	12,025,000	94.39%
2023	715,000	12,740,000	100.00%

**Future Debt**

There is no updated information to report.

**Pension and Retirement Fund Commitments**

Updated annual financial information is contained in the audited financial statements of the City on pages 55 through 66.