

City of  
**ROLLING  
MEADOWS**

Celebrating



**60**  
1955-2015

# COMPREHENSIVE ANNUAL FINANCIAL REPORT 2015



City Hall 1955



City Hall 2015



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

847-394-8500

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**CITY OF ROLLING MEADOWS, ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2015**

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, 2015**

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### **LEGISLATIVE**

Mayor: Tom Rooney

Deputy City Clerk: Ginny Cotugno

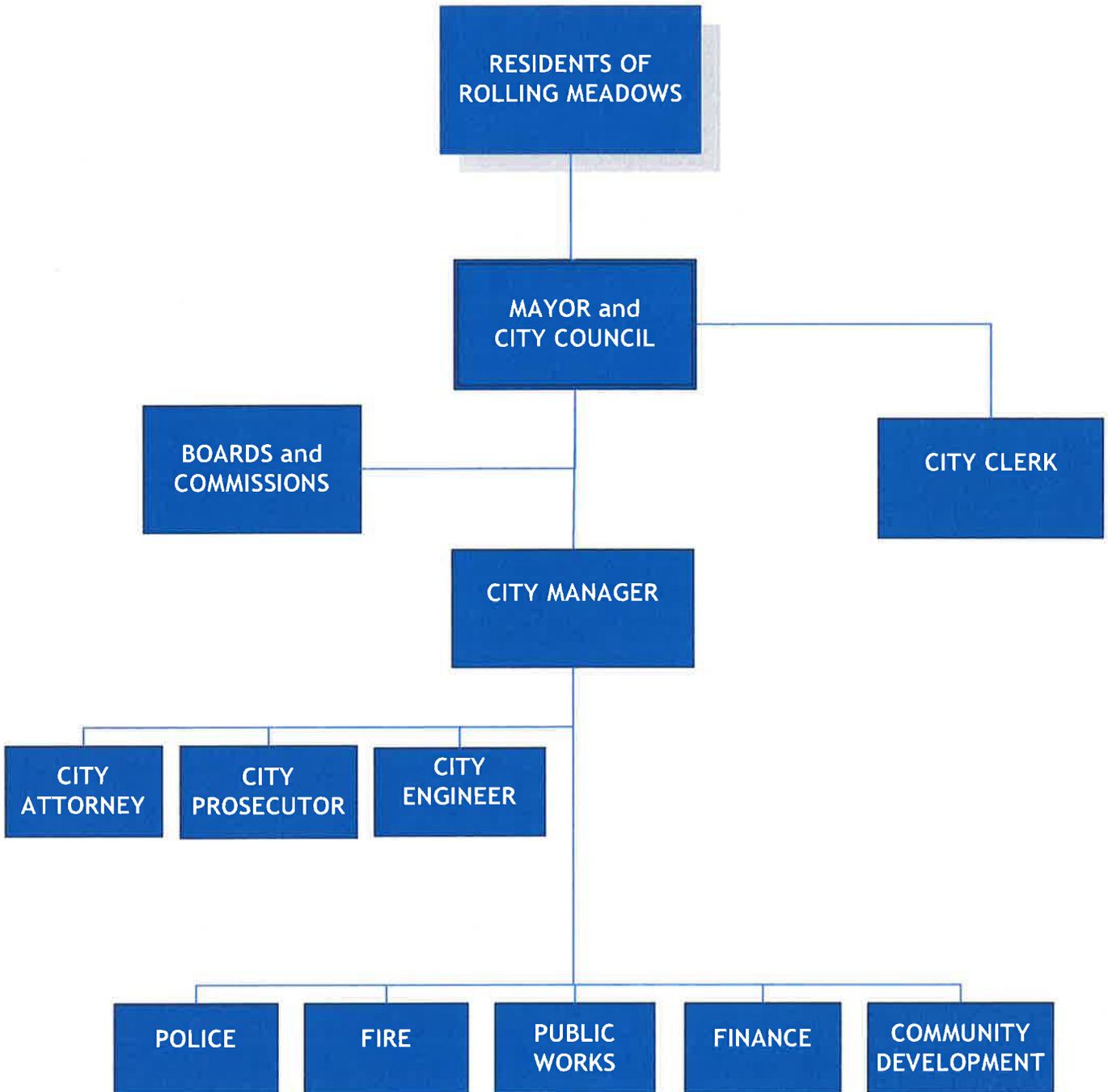
Ward 1:	Mike Cannon, Alderman
Ward 2:	Len Prejna, Alderman
Ward 3:	Laura Majikes, Alderman
Ward 4:	Brad Judd, Alderman
Ward 5:	Rob Banger, Jr., Alderman
Ward 6:	John D’Astice, Alderman
Ward 7:	Tim Veenbaas, Alderman

### **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 29, 2016

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, 2015, 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, 2015, 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 161 full-time, 16 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 Dispatch 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. The City experienced 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.

Economic Development continues to be a priority for the City of Rolling Meadows. Rolling Meadows is known as a business-friendly community and has a reputation as a "Great Place to Do Business". In FY 2015, there were higher-profile successes across the City:

Large commercial insurance broker **Arthur J. Gallagher Insurance** is planning on moving its headquarters from Itasca to Rolling Meadows in 2017. Arthur J. Gallagher Insurance is investing \$85 million to upgrade buildings, roadways and landscaping in the Meadows Corporate Center (2850 Golf Road) relocating 2,000 employees to this new location. The City approved the Golf Road Tax Increment Financing District (Golf Road TIF #4) in FY 2015 which provides a shortened TIF term of 15 years to help finance the redevelopment costs of the area.

The **Continental Towers** property at 1701 Golf Road is in its second phase of a \$12 million capital improvement project by the owners, Glen Star Properties. Continental Towers covers approximately 910,000 square foot of Class A office space and is comprised of three 12-story towers situated on a 34-acre site. The upgrades include enhancements to building entry ways, creating a new entrance, incorporating new landscaping, installing modern LED lighting and constructing a four-story parking garage. Newer businesses to Continental Towers include Panasonic Corporation of North American and Verizon (relocating around 900 employees from Elgin to Rolling Meadows by March of 2016) (both businesses signed long-term leases).

**Atrium Corporate Center** located at 3800 Golf Road (the former 3Com building) recently was named "Business of the Year" by the Rolling Meadows Chamber of Commerce during its "Circle of Success" Awards in May 2015. Capital One Financial Corporation leases 150,000 square feet of the Atrium Corporate Center and relocated nearly 500 employees in 2012. Now, the Atrium Corporate Center is 100% leased and houses 2,200 employees.

Global Engine Manufacturer, China-based Weichai Group, chose Rolling Meadows for its North American headquarters. **Weichai American Corporation** proceeded with an interior demolition and renovation of its 166,772 square-foot property on Golf Road. The company is one of the world's largest diesel engine manufacturers. The company selected Rolling Meadows due to its proximity to a high-tech supply base, their customers and the availability of a high-skilled workforce.

**Alliant Credit Union** and **Bank of America** at 1600 Golf Road are looking to expand each company's Golf Road commercial office sites. After renovations, Bank of America will cover three full floors and Alliant Credit Union will cover its own floor.

Chicago-based Lexington Homes broke ground for a planned 54-unit townhome development at 3245 Kirchoff Road (former AMF Bowling Center). Known as **Lexington Crossing**, the development features a mix of two- and three-bedroom townhomes. The development will boost the downtown area's residential population and enhance the economic development of the area.

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 \$2.5 million (\$1.3 million on the Annual Street

Program and the remainder on various other projects). The City's Ad-Hoc Capital Improvements Committee will be reviewing funding options for future roadway improvements.

Golf Road corridor **road improvements** started in FY 2015. The approximately \$700,000 project, covered by a federal grant from the Regional Transportation Authority (RTA), improves access to Golf Road businesses and addresses the increased use of public transportation in the Golf Road corridor.

The **Emerald Ash Borer (EAB)** that have been found are in the process of being removed in Rolling Meadows. The Public Works Department met its 2015 goal to remove Emerald Ash Borers (EAB) as per the City's multi-year plan. By the end of 2015, approximately 85% of the Ash trees were removed and replaced with new trees through the City's tree replacement program. The City hopes to complete the work in late FY 2016 or early FY 2017.

The City of Rolling Meadows celebrated **the City's 60<sup>th</sup> Anniversary** in 2015. A community-wide birthday party held on February 26, 2015 kicked off a year-long celebration of community events and activities. The City honored residents who called Rolling Meadows home for 60 years or more and resident veterans who served in the U.S. Armed Forces. The City held Farmers & Food Truck Markets, events such as Wine-Down-By the Creek and a Parking Lot Party (each with live music), and in December held a special Holiday Tree Lighting with a spaghetti dinner. In addition, the City displayed commemorative street banners which were customized for residents and businesses who sponsored the banners.

The City of Rolling Meadows is investing approximately \$2.0 million in upgrading the waterworks system. The Public Works Department is installing transmitters on residential water meters (commonly known as Smart Point Water Meters). This is also a multi-year plan. The capital improvements project began in FY 2015 as an effort to upgrade water operations and provide more efficient, responsive customer service. These new devices will allow City employees to electronically access residents' and businesses' water meter data each month – eliminating estimates and enhancing the ability to track potential water leak issues.

The City upgraded the Rolling Meadows Fire Department's station notification system to improve the Department's emergency response times and speed delivery of fire and emergency medical services. The nearly \$50,000 upgrade meets national standards of excellence established by the National Fire Protection Association (NFPA) and the Illinois Fire Chiefs Association (IFCA).

The Rolling Meadows Fire Department was awarded a \$45,000 Federal Emergency Management Agency (FEMA) grant which provides free smoke detectors and carbon monoxide alarms to residents age 65 and older, as part of a public awareness program.

The Rolling Meadows Police Department earned "Rookie of the Year" by the National Organization of Town Watch (NATW) for its outstanding 2014 National Night Out celebration. The Department was recognized for its outstanding, first-year participation and congratulated the City for a job well done. The Rolling Meadows Police Department followed up by adding new fun-filled activities for the 2015 National Night celebration. This year the celebration started with Chicago Blackhawks National Anthem Singer Jim Cornelison singing the national anthem, the "Star-Spangled Banner" to a crowd of nearly 2,000 people. More than fifty local businesses and organizations sponsored or participated in the celebration. The Police Department also received one a "National Award" in 2015.

### **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. In addition, the City launched a new community-wide, broadcast network. With an investment of \$170,000 to the City's audiovisual (AV) capabilities, the City added new high-definition (HD) cameras and advanced computer systems. In FY 2015, along with

the AV upgrades, the City unveiled a redesigned City website which improves the City's ability to provide news and information to residents and businesses. The City also won a "Sunshine Award" for transparency of the new website.

The City works closely with its Chamber of Commerce to encourage networking and business promotion. The City uses its now monthly newsletter (starting with 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 City Council Meetings, 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 2016**

Fiscal Year 2016 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 2016, 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) will be evaluated for a senior living development in FY 2016 (aging in place development).
- As mentioned previously, the next area of redevelopment was the AMF bowling center at 3245 Kirchoff Road (the City's "Downtown" area). Chicago-based Lexington Homes broke ground 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. A total of eleven buildings will be constructed.
- The Former Ray's Auto location at 3001 Kirchoff Road is a property that is currently under construction to be redeveloped into a coffee and ice cream shop called Comet's – a perfect location for foot traffic on weekdays and weekends (or after a baseball game, school or church).
- The Plan Commission and the City Council approved Ben Franklin's move to the end cap at the shopping center on 3266 Kirchoff Road. Ben Franklin will remain in the same shopping center and will be constructing a drive-thru for their patrons.

**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 in 2017. 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. Continental Towers covers approximately 910,000 square foot of Class A office space 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).
- The City of Rolling Meadows has been awarded a \$1.2 million in grant funding to improve pedestrian safety along the Golf Road corporate corridor. When completed there will be sidewalks connecting employees at the Atrium Corporate Center, Meadows Corporate Center, Arthur J. Gallagher Insurance and other commercial properties.
- 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 construction has started.
- Bull Dog Ale House (at the site of the former Chili’s Restaurant on 1480 Golf Road) will be opening a bar and grill in 2016.
- At 1155 Golf Road, AT & T constructed a new, large-scale retail facility which has features similar to an “Apple Store”.
- A new fast food restaurant will be opening at 1219 Golf Road called Pie Five (near the Meijer and by the T-Mobile store)
- A chiropractic office called “The Joint” opened in 2016 at 1317 Golf Road (near Meijer and by Jimmy Johns).
- 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 car wash, memory care/adult day care facilities and a self-storage facility.
- At 3975 Algonquin Road, Luxury Imports Auto, Inc., is proposing a project to allow car sales and services.
- 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.
- At 4001 Algonquin Road, the former Sal’s Liquor has been purchased and Armanetti’s Liquors is opening in June of 2016.
- 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) and Industrial Avenue (Industrial/Hicks/Rohlwing) area:

- The Former Pizza Hut building (2101 Plum Grove Road) is being renovated to open as a Nic's Organic Fast Food and may open at a later date in 2016.
- At 4001 Industrial Avenue, Richards Building Supply (a wholesale distributor of building material: roofing, windows, decking, soffit, doors, and cabinets) is moving to that location. The company will also generate sales tax to the City.
- A medical marijuana dispensary facility by the name of Nature's Care opened in 2016 at 975 Rohlwing Road.

Along with economic redevelopment, the City takes pride in its community, residents and businesses. Below are some of the activities that continue into 2016:

- 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. More residents are signing up each week.
- 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 2016, 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 again.
- The City expanded the Farmers & Food Trucks Program for 2015 and 2016. The popular Farmers & Food Truck events returned for a full season with a new, Friday-night Block Party. The combined car show, public safety vehicle display and Farmers & Food Truck event drew several hundred residents. 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. Additional dates were added for FY 2016 due to the past years of successes.
- The City's Community Garden was successful during its second growing season for 2015 and will continue for 2016. The Community Garden members partner with local schools to promote kids' interest in healthier food choices.
- 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.

- 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 at dusk.
- 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. In 2015, the City hosted a spaghetti dinner and hope to do this again in 2016.
- 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 2015 and will sponsor several in 2016.

### **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. The committee tries to meet monthly on the first Tuesday of the month.

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 2000, the Economic Development Committee has recommended approval for nineteen 6B and three Class C Cook County Incentive Programs which has resulted in multi-million dollar rehabilitation/renovation of the buildings, reoccupation of nearly 500,000 square feet of industrial space in Rolling Meadows and more than 400 new employees.

### **Redevelopment Relating to Tax Increment Financing Districts**

**TIF District No. 1 – Kirchoff and Meadows (created 1988 and terminated in 2012)** 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 and remains active)** – 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 and terminated in 2013)** – 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.

**TIF District No. 4 – Golf Road (created in 2015)** – TIF #4 was created July 28, 2015. The TIF will be functioning and receiving TIF revenues in FY 2016. As mentioned previously, large commercial insurance broker **Arthur J. Gallagher Insurance** is planning on moving its headquarters from Itasca to Rolling Meadows in 2017. Arthur J. Gallagher Insurance is investing \$85 million to upgrade buildings, roadways and landscaping in the Meadows Corporate Center (2850 Golf Road) relocating 2,000 employees to the new location. The City approved the Golf Road Tax Increment Financing District with a shortened TIF term of 15 years to help finance the redevelopment costs of the area.

### **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.

In FY 2014 and FY 2015, 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. In FY 2016, the City will be reviewing the next steps for the fire stations relocation project.

## **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 unanticipated, one-time revenues such as real estate transfers, building permits and red light fines. The City's unemployment rate as of December 2015 was 6.7%.

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 household 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 2015:

- Issued a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- The Ad-Hoc Capital Improvements Committee continues 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 in FY 2014 which the City shall strive maintain a General Fund Unassigned Balance (available) from 15% to 30% of General Fund operating expenditures.
- In FY 2015, the City Council adopted a Fund Balance Policy for the Refuse Fund which the City shall strive to hold an amount known as Current Net Position ranging from 30% to 50% of the Refuse Fund's 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 worth 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, 2015, the Net Position as a Percentage of the Total Pension Liability (known previously as funded status) for the Police Pension Fund is 47.25% and for the Fire Pension Fund is 39.56%. Last year the Police Pension Fund's Net Position as a Percentage of the Total Pension Liability was 51.40% and the Fire Pension Net Position as a Percentage of the Total Pension Liability was 43.94%. The funded status decreased due to updated actuarial standards that are now on par with industry standards (the mortality tables updated from 2010 to 2014 and poor investment returns).

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 Net Position as a Percentage of the Total Pension Liability as of December 31, 2015 is 83.73% compared with the last year's funded status at 64.85%. 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 as shown in the increase in Net Position. The notes to the financial statement provide more information pertaining to employee pensions. Note: the City has fully implemented Governmental Accounting Standards Board's (GASB) Statements No. 67 and 68.

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, 2014. This was the twenty-ninth 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.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award for the FY 2016 Budget.

The Illinois Policy Institute recognized the City of Rolling Meadows with the Sunshine Award which honors taxpayer-funded organizations for their commitment to transparency. With achieving 100% of the rating (one of only nine communities in Illinois), the City of Rolling Meadows provides its residents and businesses access to information on its operations through the City's newly, designed website.

## **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,



Barry Krumstok  
City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Rolling Meadows  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

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 29, 2016

The Honorable City Mayor  
Members of the Board of Trustees  
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, 2015, 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, 2015, 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', basic financial statements. 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 29, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lauterbach + Amen LLP*  
LAUTERBACH & AMEN, LLP

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF ROLLING MEADOWS, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2015**

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, 2015. 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 2015 Comprehensive Annual Financial Report (CAFR):

**Net Position and Performance in Total:** The City's total net position as of December 31, 2015 was \$74,968,321, a decrease of \$63,733,337 or by 46% (from FY 2014's net position of \$138,701,658). This decrease is due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. This GASB Statement revised existing guidance for the financial reports of most pension plans. GASB's intent is to improve the accounting and financial reporting of public employee pensions by state and local governments.

Governmental Accounting Standards Board (GASB) Statement No. 68 requires the full accrual accounting for the City of Rolling Meadows' retirement plans: the Illinois Municipal Retirement Fund (IMRF), the Firefighters' Pension Fund and the Police Pension Fund. For FY 2015, the Net Pension Liability for these retirement plans are as follows: the Illinois Municipal Retirement Fund (IMRF) is \$8,285,304; Firefighters' Pension Fund is \$40,941,755; and the Police Pension Fund is \$39,150,515. The Net Pension Liability across these retirement plans total \$88,377,573.

**Governmental Activity Summary:** Net position for governmental activities ended at \$59,776,498, a decrease of \$63,988,485 from FY 2014. (The decrease is due to the implementation of GASB Statement No. 68.)

**Business-Type Activity Summary:** Net position for business-type activities ended at \$15,191,823, an increase of \$255,184 from FY 2014. (The implementation of GASB Statement No. 68 also effected the Net Position for Business-Type Activities.)

**General Fund Summary:** At December 31, 2015, the Total Fund Balance for the General Fund was \$11,459,051 or 41.0% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$9,671,128 (34.6% of 2015 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 2015, the City Council committed \$521,452 in the General Fund to be used for funding Compensated Absences. There is \$1.0 million shown as Assigned Fund Balance which is assigned from the General Fund's FY 2015 Reserves to be utilized for the FY 2016 Budget. In addition, there is \$221,683 assigned as a Manager's Hold for ongoing labor negotiations.

This fund balance totals to approximately four months of General Fund operating expenditures. The cash position of the General Fund at the end of the current fiscal year was \$7,818,680 – an increase from FY 2014 of \$3,004,689.

## 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	Government-Wide Statements	Fund Financial 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, 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 eight 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, Debt Service Fund and the Local Road Fund, all major funds. Data from the other four 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 13 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 14 through 17 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 18 and 19 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 20 through 77 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 78 through 88 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 89 through 123 of this report.

## Infrastructure Assets

The City depreciates its assets (infrastructure – buildings, roads, sidewalks bridges, watermains, 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 2010 the City's Total Net Position was \$115.7 million and in FY 2015 the City's Total Net Position was \$74.9 million. The City of Rolling Meadows Total Net Position across all Funds changed approximately by \$63.7 million from FY 2006 to FY 2015 or a 46.0% overall percentage change. This change in net position is due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

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, 2015 was \$74,968,321. The following table and graph displays the City's net position for the past six years.

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

Net Position	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Governmental Activities (in thousands)	\$105,557	\$107,023	\$113,018	\$118,588	\$123,765	\$59,737
Business-Type Activities (in thousands)	\$10,181	\$11,391	\$12,760	\$13,685	\$14,936	\$15,191
<b>Total City Net Assets</b>	<b>\$115,738</b>	<b>\$118,414</b>	<b>\$125,778</b>	<b>\$132,273</b>	<b>\$138,701</b>	<b>\$74,928</b>
<b>\$ Change from Previous Year</b>	<b>\$1,643</b>	<b>\$2,676</b>	<b>\$7,364</b>	<b>\$6,495</b>	<b>\$6,428</b>	<b>(\$63,773)</b>
<b>% Change from Previous Year</b>	<b>1.4%</b>	<b>2.3%</b>	<b>6.2%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>-46.0%</b>

**Note:** The change in net position of a 45.9% decrease is due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

While the City's Total Net Position (per the City's Statement of Net Position) has decreased due to GASB's changes, it is important to note that the City's Total Net Position at December 31, 2015 was \$74.9 million.

The next table, Table 3, reflects the condensed Statement of Net Position compared between FY 2014 and FY 2015.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Current and Other Assets	\$ 31.8	\$ 35.7	\$ 7.8	\$ 6.4	\$ 39.6	\$ 42.1
Capital Assets	128.2	129.8	13.0	14.7	141.2	\$ 144.0
<b>Total Assets</b>	<b>160.0</b>	<b>165.5</b>	<b>20.8</b>	<b>21.1</b>	<b>180.8</b>	<b>186.6</b>
Deferred Outflows of Resources	0.01	18.6	-	0.4	0.01	19.0
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>160.0</b>	<b>184.1</b>	<b>20.8</b>	<b>21.5</b>	<b>180.8</b>	<b>205.6</b>
Current Liabilities	5.0	5.1	1.1	1.2	6.1	6.3
Noncurrent Liabilities	18.7	100.0	4.7	5.0	23.4	105.0
<b>Total Liabilities</b>	<b>23.7</b>	<b>105.1</b>	<b>5.8</b>	<b>6.2</b>	<b>29.5</b>	<b>111.2</b>
Deferred Inflows of Resources	12.8	19.2	0.01	0.02	12.8	19.2
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>36.5</b>	<b>124.3</b>	<b>5.8</b>	<b>6.3</b>	<b>42.4</b>	<b>130.6</b>
<b><u>Net Position:</u></b>						
Net Investment In:						
Capital Assets	\$ 117.3	\$ 121.0	\$ 8.8	\$ 10.6	\$ 126.1	\$ 131.6
Restricted	1.3	1.1	-	-	1.3	1.1
Unrestricted (Deficit)	5.2	(62.3)	6.1	4.6	11.3	(57.7)
<b>Total Net Position</b>	<b>\$ 123.8</b>	<b>\$ 59.8</b>	<b>\$ 14.9</b>	<b>\$ 15.2</b>	<b>\$ 138.7</b>	<b>\$ 75.0</b>

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

To understand the GASB pension accounting impact, for comparison purposes, if new GASB changes are removed, the City's Governmental Net Position increases by 9.5% or \$11.6 million. However, for financial reporting purposes, with the new GASB pension standards, the Net Position of Governmental Funds is \$59.8 million or a decrease of 51.7% from FY 2014 (\$123.8 million). (Please see the Reconciliation of Total Governmental Fund Balance to Net Position – Governmental Activities for further detail.)

### Current Year Financial Impacts

The City's \$63.8 decrease from FY 2014 of the combined total net position was the result of the governmental activities net position (all funds except the Utilities and the Refuse Collection Funds) decreasing by \$663.9 million and the business-type activities net position (Utilities and

the Refuse Collection Funds) increasing by \$255,148. Note: even the business-type activities were impacted by the implementation of the new GASB pension accounting standards. The significant change from FY 2014 to FY 2015 is due to the implementation of GASB Statement No. 68.

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, \$131.6 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 \$1.0 million) represents resources that are subject to external restrictions as to how they may be used. These restrictions include \$657,585 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 \$353,313 for the fund balance in the Motor Fuel Tax Fund. The Restricted for Debt Service equals the balance in the Debt Service Fund of \$73,696.

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 reports a negative net position for the government as a whole, as well as for its separate governmental and business-type activities in the amount negative \$57.7 million. 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 2015 activities of the City of Rolling Meadows caused total net position to decrease by \$63.8 million for governmental activities and to increase by \$255,148 for business-type activities. Due to the fact that the City, as a whole, has a diversified base of assets, the City of Rolling Meadows' total net position at the end of the end of fiscal year 2015 is \$74.9 million. 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 4. City of Rolling Meadows**  
**Changes in Net Position**  
**For the Fiscal Years Ended December 31, 2014 and 2015**  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Service	\$ 5.5	\$ 7.3	\$ 11.9	\$ 12.1	\$ 17.4	\$ 19.4
Operating & Capital Grants	1.7	1.7	-	-	1.7	1.7
<b>General Revenues:</b>						
Property Taxes	13.2	13.3	-	-	13.2	13.3
Other Taxes	14.1	14.8	-	-	14.1	14.8
Other Revenues	0.3	0.7	-	-	0.3	0.7
<b>Total Revenues</b>	<b>\$ 34.8</b>	<b>\$ 37.8</b>	<b>\$ 11.9</b>	<b>\$ 12.1</b>	<b>\$ 46.7</b>	<b>\$ 49.9</b>
<b>Expenses</b>						
<b>Governmental Activities:</b>						
General Government	\$ 1.9	\$ 4.7	\$ -	\$ -	\$ 1.9	\$ 4.7
Public Safety	21.7	31.1	-	-	21.7	31.1
Highway & Streets	1.0	1.0	-	-	1.0	1.0
Public Works	4.4	4.2	-	-	4.4	4.2
Health & Welfare	0.01	0.01	-	-	0.01	0.01
Economic Development	0.06	0.07	-	-	0.06	0.07
Interest	0.4	0.3	-	-	0.4	0.3
<b>Business Type Activities:</b>						
Refuse	\$ -	\$ -	\$ 2.1	\$ 2.2	\$ 2.1	\$ 2.2
Utilities	-	-	8.5	9.4	8.5	9.4
<b>Total Expenses</b>	<b>\$ 29.6</b>	<b>\$ 41.4</b>	<b>\$ 10.6</b>	<b>\$ 11.6</b>	<b>\$ 40.3</b>	<b>\$ 53.0</b>
<b>Change in Net Position</b>	<b>\$ 5.2</b>	<b>\$ 5.2</b>	<b>\$ 1.2</b>	<b>\$ 1.2</b>	<b>\$ 6.4</b>	<b>\$ 6.4</b>
<b>Net Position Ending</b>	<b>\$ 123.8</b>	<b>\$ 59.8</b>	<b>\$ 14.9</b>	<b>\$ 15.2</b>	<b>\$ 138.7</b>	<b>\$ 75.0</b>
* Note: Rounding difference will occur in this Table.						
Total Percentage Net Position Change from FY 2014 to FY 2015 is 46%						

For FY 2015 Program Revenues (all governmental revenues combined) compared to FY 2014 – Charges for Services of \$7.3 million increased by \$1.8 million, Operating Grants/Contributions for Public Safety increased by \$131,706 (FEMA Grant for Smoke Detectors and Carbon Monoxide Detectors and Police Grants), Capital Grants/Contributions of \$1.6 million increased decreased by \$35,565. For Capital Grants and Contributions, the Motor Fuel Tax Fund received the annual state allotment for State Motor Fuel Tax of \$589,158. In addition, for Capital Grants and Contributions, the Local Road Fund recorded revenues (some are receivables) for state and federal funds totaling \$437,361 for the Rohlwing Industrial Road Project and a few other road projects.

FY 2015 General Revenues increased by \$1.2 million as compared to FY 2014. Property Taxes increased overall by \$145,377, State Sales and Home Rule Sales Tax decreased overall by \$28,906, Telecommunications Tax increased by \$201,861, Electric Utility Tax decreased by \$27,324, Hotel Tax increased by \$9,680, Food and Beverage Tax increased by \$67,108, Real Estate Transfer Tax increased by \$72,292, Other Taxes increased by \$3,148, Income Taxes increased by \$323,579, Local Use Tax increased by \$65,167, Replacement Taxes decreased by \$14,698, Interest increased by \$53,609 and Miscellaneous Revenues increased by \$298,028.

Governmental Activities Expenses increased by \$11.7 million or a percentage change of 39.4% from FY 2014 to FY 2015. The overall change from FY 2014 to FY 2015 is due Public Safety Governmental Activities (expenses) increasing by \$9.3 million (the increase is due to the implementation of GASB Statement No. 68.), General Government by \$2.7 million (the increase is due to the implementation of GASB Statement No. 68.), Highways and Streets decreased by \$26,221, Public Works (includes capital assets) decreased by \$269,197, Health and Welfare decreased by \$5,555, Economic Development increased by \$7.207 and Interest on Long-Term Debt decreased by \$66,016.

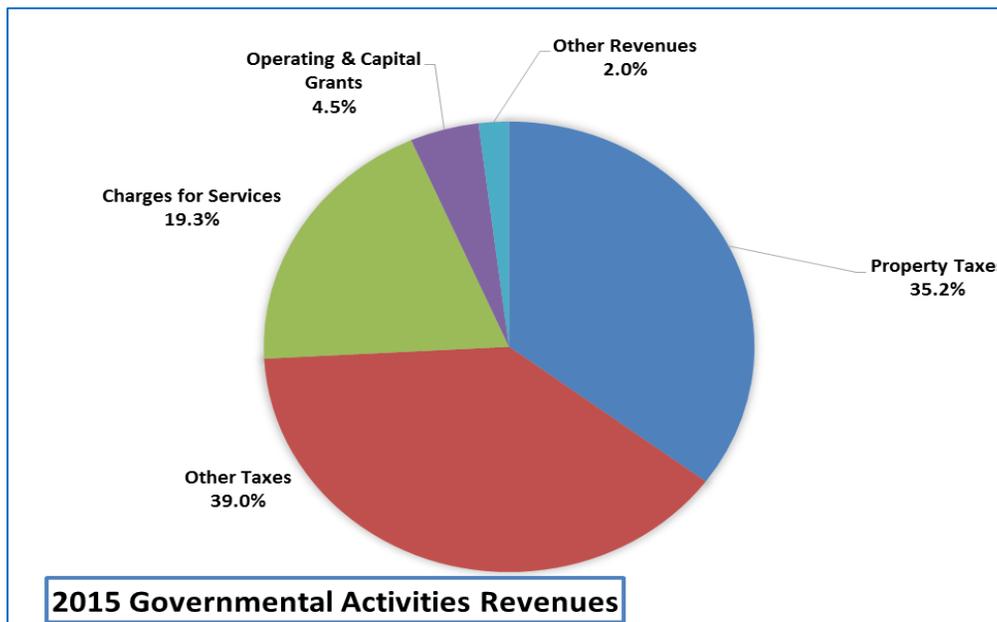
For FY 2015 Business-Type Activities in terms of “Charges for Services,” the FY 2015 Budget increased rates for Water (7.0%), Sewer (5%) and Stormwater (5%) with some additional received for other line items. The overall change in “Charges for Services” total \$885,971 for the Utilities Fund or 10.4% due to the rate increases and additional water used during the year by residents and businesses. For the Refuse Fund, “Charges for Services” decreased by \$78,198 or by 3.4% due the expiration of the multi-family debt service. In FY 2015, there was no rate increase for the Refuse Fund.

### Governmental Activities

#### Revenues:

Total revenues for the City’s Governmental Activities for FY 2015 were \$28,814,966 – an increase of 4.2% from FY 2014 or \$1.2 million (when excluding Operating and Capital Grants and Charges for Services).

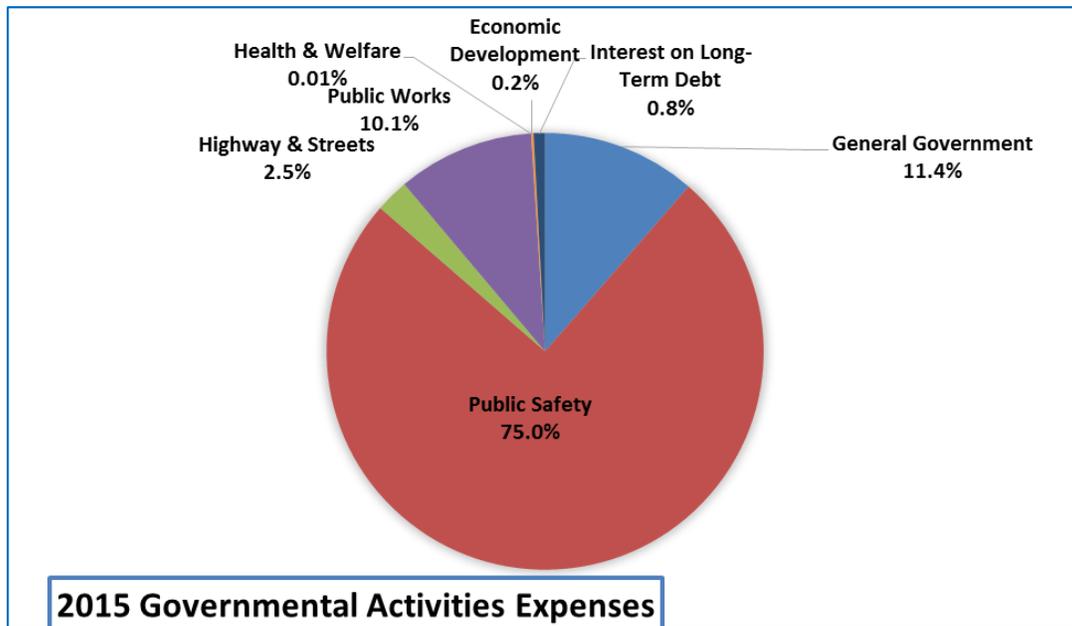
The following chart reflects the percentage breakdown for each of the categories of governmental activities revenue. Taxes such as Sales Tax (State and Home Rule), Telecommunications Taxes, Electric Utility Tax, Hotel Tax, Food & Beverage Tax, Real Estate Tax, Income Tax and Other Taxes account for the largest share at 39.0% of total governmental activity revenue or \$14.8 million. Property Taxes follow at 35.2% or \$13.3 million, Charges for Services at 19.3% or \$7.3 million, Operating and Capital Grants at 4.5% or \$1.7 million and Other Revenues at 2.0% or \$730,555. 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 2015 were \$41,353,158 – an \$11.7 million or 39.4% increase from FY 2014 (due to the new GASB pension statements). There were also some additional 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 74.9% or \$30,989,615 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 \$5,303,008 or 17.1% of the total Public Safety expenses for FY 2015. The employer contribution for the Police Pension Fund was \$2,547,497 and for the Fire Pension Fund was \$2,755,511.

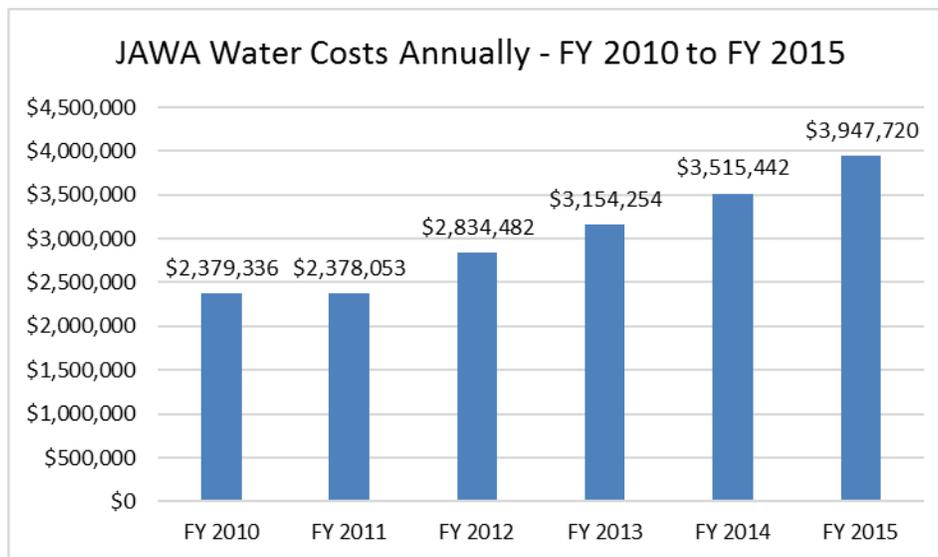
For the other categories in Governmental Expenses, General Government makes up 11.4% or \$4.7 million, Highways and Streets (State Motor Fuel Tax and Local Road – Contractual/Supply Items) is approximately 2.5% or \$1,019,272, Public Works is 10.1% (includes capital items) or \$4,209,525, Economic Development at \$72,945 and Health/Welfare at \$4,797 are each less than approximately 1%, and Interest on Long-Term Debt is approximately 1% or \$346,695.

## Business-Type Activities

Total revenues or charges for services for the City's Business-Type Activities for FY 2015 were \$12,157,959 - \$9.9 million for the Utilities Fund and \$2.2 million for the Refuse Collection Fund (an increase of approximately 1.9% or \$230,133 from FY 2014). 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 expenses for the City's Business-Type Activities for FY 2015 were \$11,632,266 or 8.9% increase or an increase of \$954,211 from FY 2014 (primarily due to capital expenditures).

Of the total operating expenses for business-type activities for Utilities, 81% is related to Water, 14% to Sewer and 5% to Stormwater. For FY 2015, the City paid \$3,947,720 to the Northwest Suburban Municipal Joint Action Water Agency (JAWA) for the City's water supply (12% increase from year-over-year). Since FY 2010, the City has experienced \$1.5 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, 2015 was \$472,077.



Refuse expenses are accounted for separately in the Refuse Collection Fund. Refuse rates were held constant for FY 2015. In FY 2015, the City Council adopted a Fund Balance Policy for the Refuse Fund which the City shall strive to hold an amount known as Current Net Position ranging from 30% to 50% of the Refuse Fund's operating expenditures. For FY 2015, the Net Position is slightly above the range of the Refuse Fund's Fund Balance Policy.

## **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, 2015 the governmental funds reported a combined fund balance of \$11,750,163, an increase from FY 2014 of approximately \$3.0 million. The overall increase is primarily attributed to the General Fund's change in fund balance of approximately \$3.4 million in fund balance from FY 2014 (several unanticipated revenues such as Building Permits). 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 \$642,126 to \$353,313 due to planned use of fund balance reserves and a continued decline in the State Motor Fuel Tax. The 911 Fund increased from \$271,626 to \$367,843 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 \$67,553 to \$79,379 due to some of the past refunding savings for the City's general obligation bonds. The Local Road Fund decreased from \$488,579 to \$313,560 due to the City spending some expenditures on grant projects and waiting for reimbursements from the State of Illinois. TIF #1 (Kirchoff & Owl) decreased from a negative \$1,020,387 to a negative \$1,147,851 due to planned debt service payments (this TIF will become positive at the end of its term).

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 2015, the Foreign Fire Tax Fund paid for \$16,184 and the Police Asset Seizure Fund paid for \$139,352 in expenditures.

### **General Fund Budgetary Highlights**

Over the course of the fiscal year, the City Council approved one budget amendments to the FY 2015 Budget.

The City Council approved Resolution 15-R-56 which amended the FY 2015 Budget to transfer \$315,361 from the General Fund to the Local Road Fund for the purpose of funding the FY 2015 Annual Street Program bringing the total cost of the Annual Street Program to approximately \$1.3 million.

The next chart shows the detail for the FY 2015 Original/Final Budget and the FY 2015 Actual results. The chart also shows the percentage of the Actual results to the Original/Final Budget.

<b>General Fund Budgetary Highlights Detail - FY 2015</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>% of Actual to Original/Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 20,578,130	\$ 20,578,130	\$ 21,664,642	105.3%
Intergovernmental	2,837,250	2,837,250	3,453,073	121.7%
Licenses and Permits	785,000	785,000	2,251,280	286.8%
Charges for Services	2,626,106	2,626,106	2,972,949	113.2%
Fines and Forfeitures	918,000	918,000	1,403,440	152.9%
Interest	5,000	5,000	11,365	227.3%
Miscellaneous	363,588	363,588	410,199	112.8%
<b>Total Revenues</b>	<b>\$ 28,113,074</b>	<b>\$ 28,113,074</b>	<b>\$ 32,166,948</b>	<b>114.4%</b>
<b>Expenditures</b>				
General Government	4,301,245	4,301,245	4,320,711	100.5%
Public Safety	21,211,141	21,211,141	21,251,305	100.2%
Public Works	2,453,899	2,453,899	2,336,042	95.2%
Health/Welfare and Culture	8,840	8,840	4,797	54.3%
Economic Development	15,770	15,770	22,000	139.5%
<b>Total Expenditures</b>	<b>\$ 27,990,895</b>	<b>\$ 27,990,895</b>	<b>\$ 27,934,855</b>	<b>99.8%</b>
Excess of Revenues Over (Under) Expenditures	122,179	122,179	4,232,093	3463.8%
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	500	500	-	0.0%
Transfers In	147,888	147,888	147,888	100.0%
Transfers Out	(637,475)	(952,836)	(952,836)	149.5%
	<b>\$ (489,087)</b>	<b>\$ (804,448)</b>	<b>\$ (804,948)</b>	<b>164.6%</b>
Net Change in Fund Balance	\$ (366,908)	\$ (682,269)	\$ 3,427,145	
<b>Fund Balance - Beginning</b>			<b>\$ 8,031,906</b>	
<b>Fund Balance - Ending</b>			<b>\$ 11,459,051</b>	

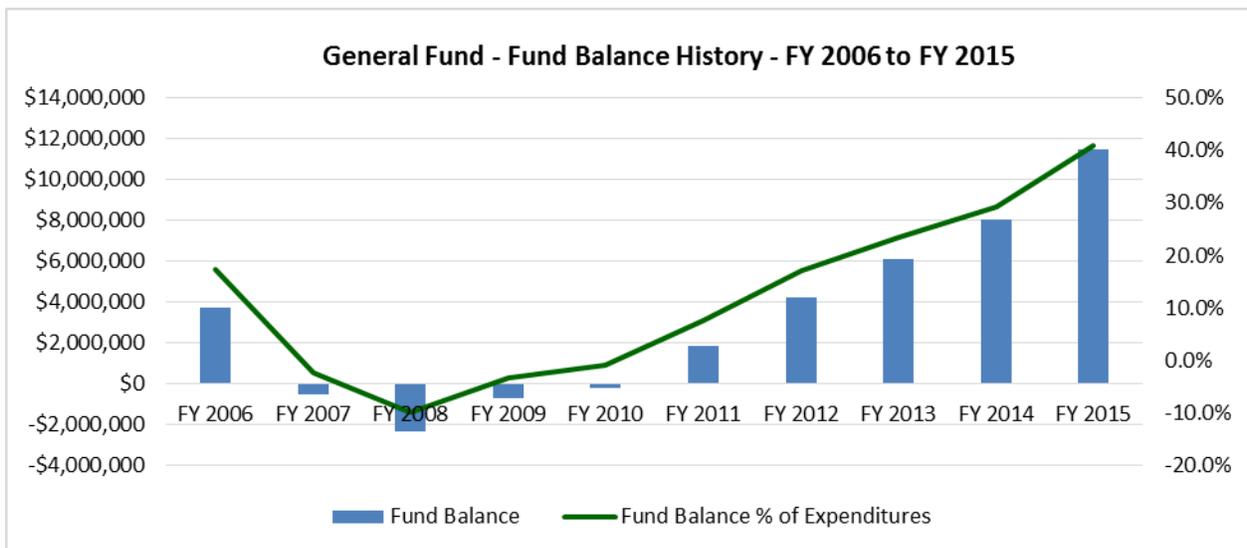
In FY 2015, the City budgeted \$28,113,074 for Revenues and Actual Revenues received were \$32,166,948 or \$4.0 million more than the Final Budget. Revenues came in at 114.4% higher than the FY 2015 Budget. The City budgeted \$27,990,895 and Actual Expenditures came in lower at \$27,934,855 or \$56,040 under budget. Expenditures came in at 99.8% of the FY 2015 Budget.

The Other Financing Uses included a budgeted \$637,475 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 2015 Budget was amended to include a transfer of \$315,361 to the Local Road Fund to add to the Annual Street program. The Health Insurance Fund transferred \$100,000 to the General Fund for the purpose of committing funds for Compensated Absences (the balance is \$521,452 at December 31, 2015). The 911 Fund transferred their final repayment to the General Fund of \$42,888 and the Garage Fund transferred \$5,000 for a prior year transfer.

<b>Other Financing Sources (Uses) - Transfers for FY 2015</b>	
Budgeted Debt Service Transfer for 2012 Bond (2004 Refunded Bonds)	\$ (637,475)
Budget Amendment - Transfer to the Local Road Fund for Annual Street Program	(315,361)
Budgeted Transfer from Health Insurance to Commit Funds for Compensated Absences	100,000
Budgeted Transfer - Repayment from 911 Fund for Prior Year Transfer	42,888
Budgeted Transfer - Repayment from Garage Fund for Prior Year Transfer	5,000
<b>Net Transfers From or To the General Fund</b>	<b>\$ (804,948)</b>

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 (approximately FY 2023) 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, 2015, the Total Fund Balance for the General Fund was \$11,459,051 or 41.0% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$9,671,128 (34.6% of 2015 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 four months of operating reserves). As shown on the next chart, the General Fund has stabilized. In FY 2014, 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 and is slightly above the range of the policy.



### General Fund – Revenues

General Fund revenues ended for the fiscal year with approximately \$4.1 million more than the FY 2015 Budget. Shown in the next chart that follows the next few paragraphs, there are seventeen revenue line items that make up the majority of General Fund revenues (85%). The FY 2015 Actual to the FY 2015 Budget shows a \$3.7 million change or 15.3% 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 more than others and these line items make up 92% of the \$3.7 million change or \$3,691,388.

It is important to note that certain revenue line items in certain fiscal years will receive “unanticipated, one-time” revenues for various projects or fees. For instance, Red Light Fines,

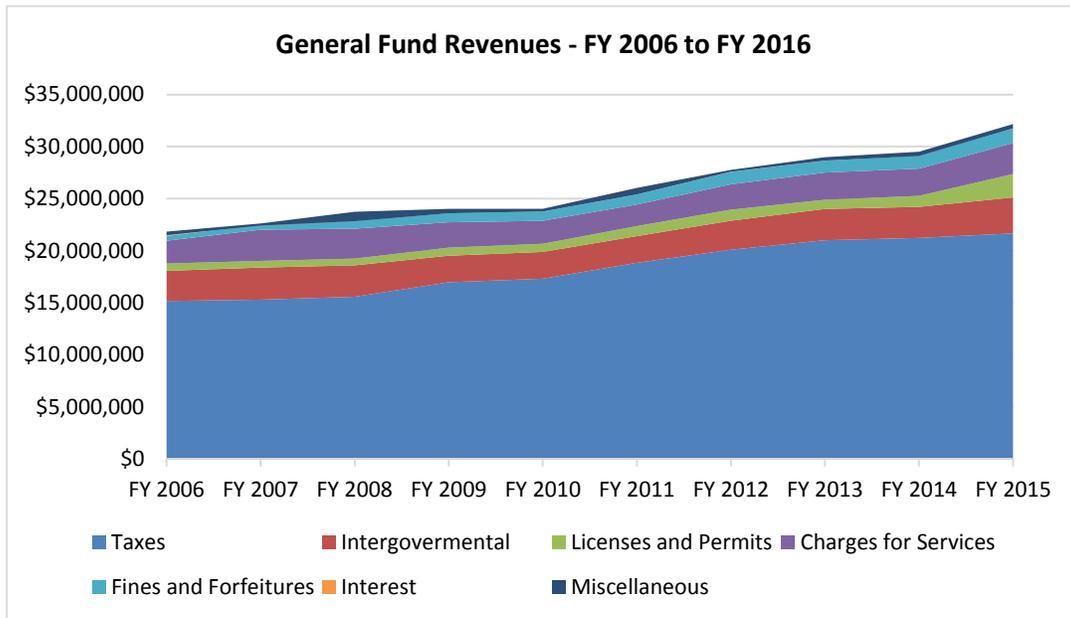
Building Permits, Real Estate Transfer Taxes and Hotel Taxes exceeded the budgeted amount.

The City received more in Red Light Fines which was attributed to higher resolution cameras and all cameras working for this year. 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 “unanticipated one-time” revenues for real estate transfers (which the City experienced over the last few years).

Furthermore, for the Current Property Tax Levy the City received approximately 1% more than budget or \$148,644. By far the most significant changes in order of dollar amounts are attributed to: Building Permits (\$1.7 million); Red Light Enforcement Fines (\$1.0 million); Income Tax (\$2.6 million) and Real Estate Transfer Fees (\$505,464).

<b>Major Revenue Sources - Budget to Actual (85% of General Fund Revenues)</b>				
	<b>FY 2015 Budget</b>	<b>FY 2015 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
Property Taxes - Prior Years' Taxes	\$ 10,000	\$ 11,319	\$ 1,319	13.2%
Property Taxes - Current Levy	\$ 5,046,311	\$ 5,094,952	\$ 48,641	1.0%
Property Taxes - Police Pension	\$ 2,518,614	\$ 2,547,498	\$ 28,884	1.1%
Property Taxes - Fire Pension	\$ 2,723,205	\$ 2,755,511	\$ 32,306	1.2%
Municipal Sales Tax	\$ 3,160,000	\$ 3,354,233	\$ 194,233	6.1%
Home Rule Sales Tax	\$ 2,200,000	\$ 2,342,533	\$ 142,533	6.5%
Telecommunications Tax	\$ 1,540,000	\$ 1,691,483	\$ 151,483	9.8%
Electric Utility Tax	\$ 1,310,000	\$ 1,291,072	\$ (18,928)	-1.4%
Hotel Tax	\$ 400,000	\$ 476,594	\$ 76,594	19.1%
Food and Beverage Tax	\$ 1,200,000	\$ 1,286,438	\$ 86,438	7.2%
Real Estate Transfer Tax	\$ 210,000	\$ 505,464	\$ 295,464	140.7%
Cable Franchise Fees	\$ 260,000	\$ 307,545	\$ 47,545	18.3%
State Income Tax	\$ 2,200,000	\$ 2,605,804	\$ 405,804	18.4%
Local Use Tax	\$ 430,000	\$ 535,978	\$ 105,978	24.6%
Replacement Tax	\$ 174,000	\$ 179,585	\$ 5,585	3.2%
Building Permits	\$ 300,000	\$ 1,749,806	\$ 1,449,806	483.3%
Red Light Enforcement Fines	\$ 450,000	\$ 1,087,703	\$ 637,703	141.7%
	<b>\$ 24,132,130</b>	<b>\$ 27,823,518</b>	<b>\$ 3,691,388</b>	<b>15.3%</b>

The next chart shows trend data for General Fund revenues from FY 2006 to FY 2015. 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 32.4% of the General Fund’s revenues (with the Fire, Police and IMRF pensions comprising more than 60% of the Property Tax Levy for the General Fund). 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 \$194,233 or 6.1% and Home Rule Sales Tax better than budget by \$142,533 or by 6.5%. The City is seeing more retail sales occur at Jewel, Dollar Tree, Meijer, Walmart and other retail establishments.

While the City has experienced declines in Telecommunications Taxes over the last few years, for FY 2015 there was a 9.8% increase from the budgeted amount. The amount came in better than budget by \$151,483.

Electric Utility Tax came in just under budget by 1.4% or by \$18,923. This tax is a stable tax and is expected to increase due to some of the new economic development the City is experiencing.

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 119.1% of budget or by \$76,594.

The City’s Food and Beverage Tax came in on budget at 107.2% or by \$86,438. There are a number of new restaurants and businesses coming in to the City of Rolling Meadows in FY 2016 and the City anticipates some limited growth in this area.

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 \$295,464 or 140.7% of budget. The reason for the additional amount beyond the budgeted amount is there were some larger real estate transfers in FY 2015 similar to FY 2014. These unanticipated, one-time revenues cannot be anticipated by the City of Rolling Meadows. Here are a few of the significant ones for FY 2015:

- \$72,900 from the Sam's Club/Walmart Property at 1460 and 1470 Golf Road,
- \$30,515 from 3000/3300 Kirchoff Road – Rolling Meadows Shopping Center (downtown Rolling Meadows),
- \$48,000 from 1600 Golf Road – 1600 Corporate Center (office complex),
- \$24,295 from 5201 Tollview (office complex), and
- \$11,850 from 2950 Golf Road (Arthur J. Gallagher Insurance – office complex).

Cable Franchise Fees are a stable revenue source for the City and were above budget by 18.3% or by \$47,545.

State Income Tax came in better than budget by 18.4% or \$405,804. This tax revenue continues to be a key indicator of the economy's overall improvement.

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 24.6% or \$105,978 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 3.2% or \$5,585 for FY 2015.

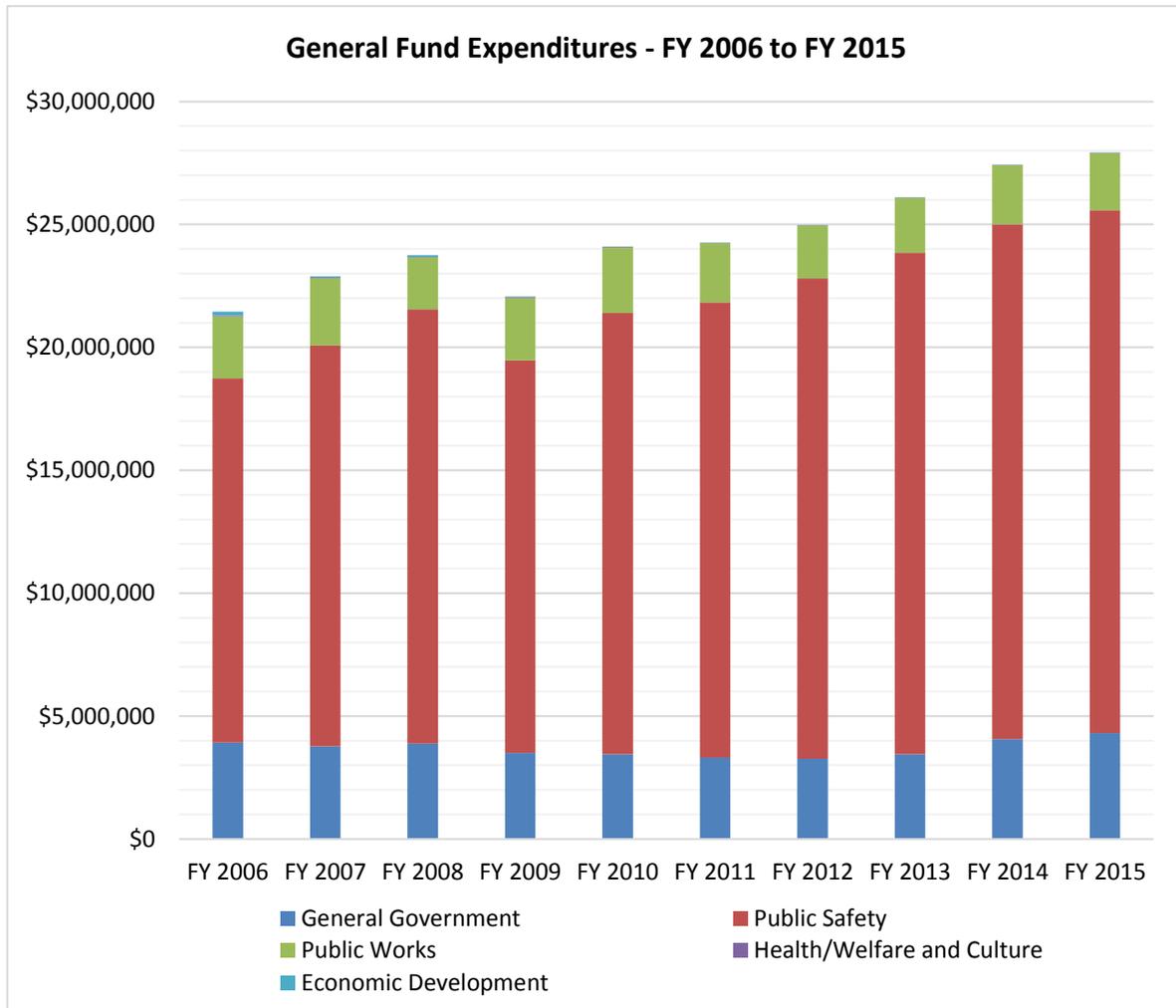
Grant revenues were above budget by \$98,456 due to some police grant revenues coming in.

Building Permits revenues came in at \$1.5 million for FY 2015 which surpassed the budget amount of \$300,000. These are unanticipated, one-time revenues the City cannot anticipate. For FY 2015, the following significant building improvement projects included Arthur J. Gallagher Insurance at 2850 Golf Road (\$500,000); Continental Towers at 1701 Golf Road (\$450,000); Lexington Crossing Townhomes (\$120,000); 1600 Corporate Center at 1600 Golf Road (\$35,000) and Euclid Office Park at 2121 Euclid (\$10,000). 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 \$1.1 million. Red Light Enforcement Fines came in better than budget by \$637,703 or 141.7% of budget. All red light cameras are fully functional and are not turned off due to construction work.

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 2006 to FY 2015 with the most significant increase in the City's pension obligations for Police, Fire and Non-Union (IMRF) Pension Funds. For FY 2015, year-end results show that General Fund expenditures came in under budget by \$56,040 or 0.2% under budget.

General Government came in just over budget by \$19,466 primarily due to changes in health care plans and other benefit items.

Public Safety (Police & Fire) were just over budget by \$40,164 due to planned retirements.

Public Works came in under budget by \$117,857 due to some vacancies not filled until later in the fiscal year.

Health and Welfare came in under budget by \$4,043 and Economic Development came in under budget by \$6,230.

As an additional note, in FY 2015, the City spent \$268,659 on EAB Tree Removals and EAB Replacements. This is a multi-year program which should be completed by late FY 2016 or early FY 2017.

**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 \$4,637,392 — decreased by \$1,451,848 from FY 2014 due to the implementation of the new pension standards.

### 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, 2015 amounts to \$144,020,310 (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 \$1.5 million due to the addition of new capital assets and the depreciation of existing assets. The business-type activities net capital assets increased by \$1.3 million with the addition of new capital assets and the depreciation of existing assets.

Additional information on the City of Rolling Meadows' capital assets may be found on pages 39 through 40 of this report.

### DEBT OUTSTANDING

At the end of the fiscal year 2015, the City of Rolling Meadows had total bonded debt outstanding of \$10,170,000 and 100% comprises debt backed by the full faith and credit of the government. No short term debt was issued during 2015.

#### City of Rolling Meadows Outstanding General Obligation Debt (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2015	2014	2015	2014	2015
General obligation Bonds	\$ 11.2	\$ 9.0	\$ 1.5	\$ 1.2	\$ 12.7	\$ 10.2

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, 2015 for the Waterworks Improvements is \$1,187,101. 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, 2015 is \$1,293,673. The City began making payments on both of the IEPA Loans in FY 2014.

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 44 through 47 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 unanticipated increases in revenues such as Building Permits, Red Light Enforcement Fines, and Real Estate Transfer Taxes have added to General Fund reserves. In addition, the City has experienced some 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. The City continues to monitor the State of Illinois and their fiscal outlook. 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, 2015**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position  
December 31, 2015**

	Governmental Activities	Business- Type Activities	Totals	Component Unit Public Library
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 14,552,391	4,352,569	18,904,960	2,518,678
Receivables - Net of Allowances	17,124,198	1,678,283	18,802,481	3,642,473
Prepays/Inventories	4,067,518	396,474	4,463,992	-
Total Current Assets	35,744,107	6,427,326	42,171,433	6,161,151
Noncurrent Assets				
Capital Assets				
Nondepreciable	106,927,766	1,599,080	108,526,846	608,893
Depreciable	73,296,953	26,639,199	99,936,152	8,128,384
Accumulated Depreciation	(50,458,546)	(13,984,142)	(64,442,688)	(5,139,705)
	129,766,173	14,254,137	144,020,310	3,597,572
Other Assets				
Equity Interest in Joint Venture	-	472,077	472,077	-
Total Noncurrent Assets	129,766,173	14,726,214	144,492,387	3,597,572
Total Assets	165,510,280	21,153,540	186,663,820	9,758,723
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	3,112,282	326,658	3,438,940	992,684
Deferred Items - Police Pension	7,946,758	-	7,946,758	-
Deferred Items - Firefighters' Pension	7,276,435	-	7,276,435	-
Loss on Refunding	236,102	-	236,102	-
Total Deferred Outflows of Resources	18,571,577	326,658	18,898,235	992,684
Total Assets and Deferred Outflows of Resources	184,081,857	21,480,198	205,562,055	10,751,407

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	\$ 1,156,695	626,423	1,783,118	108,923
Accrued Payroll	288,127	33,594	321,721	93,742
Deposits Payable	2,059	-	2,059	-
Interest Payable	5,683	12,107	17,790	-
Other Payables	581,844	-	581,844	-
Current Portion of Long-Term Liabilities				
Compensated Absences Payable	794,874	23,215	818,089	70,774
IEPA Loans Payable	-	112,744	112,744	-
General Obligation Bonds Payable	2,275,688	359,312	2,635,000	-
Total Current Liabilities	5,104,970	1,167,395	6,272,365	273,439
Noncurrent Liabilities				
Deposits Payable	98,953	432,028	530,981	-
Compensated Absences Payable	3,215,506	554,604	3,770,110	-
Net Pension Liability	87,590,569	787,004	88,377,573	2,391,634
Net Other Post-Employment Benefit Payable	2,377,822	-	2,377,822	110,025
IEPA Loans Payable	-	2,368,030	2,368,030	-
General Obligation Bonds Payable	6,675,380	859,620	7,535,000	-
Total Noncurrent Liabilities	99,958,230	5,001,286	104,959,516	2,501,659
Total Liabilities	105,063,200	6,168,681	111,231,881	2,775,098
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	12,811,166	72,792	12,883,958	3,642,473
Deferred Items - IMRF	446,868	46,902	493,770	142,532
Deferred Items - Police Pension	4,376,749	-	4,376,749	-
Deferred Items - Firefighters' Pension	1,607,376	-	1,607,376	-
Total Deferred Inflows of Resources	19,242,159	119,694	19,361,853	3,785,005
Total Liabilities and Deferred Inflows of Resources	124,305,359	6,288,375	130,593,734	6,560,103
<b>NET POSITION</b>				
Net Investment in Capital Assets	121,051,207	10,554,431	131,605,638	3,597,572
Restricted - Public Safety	657,585	-	657,585	-
Restricted - Highways and Streets	353,313	-	353,313	-
Restricted - Debt Service	73,696	-	73,696	-
Restricted - Public Library	-	-	-	265,875
Unrestricted	(62,359,303)	4,637,392	(57,721,911)	327,857
Total Net Position	59,776,498	15,191,823	74,968,321	4,191,304

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, 2015**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,710,309	4,422,436	-	-
Public Safety	30,989,615	2,398,343	131,706	-
Highways and Streets	1,019,272	492,658	-	1,584,544
Public Works	4,209,525	-	-	-
Health and Welfare	4,797	-	-	-
Economic Development	72,945	-	-	-
Interest on Long-Term Debt	346,695	-	-	-
Total Governmental Activities	41,353,158	7,313,437	131,706	1,584,544
Business-Type Activities				
Utilities	9,443,330	9,946,864	-	-
Refuse Collection	2,188,936	2,211,095	-	-
Total Business-Type Activities	11,632,266	12,157,959	-	-
Total Primary Government	52,985,424	19,471,396	131,706	1,584,544
Component Unit - Public Library	4,785,779	35,207	40,934	-

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 as Restated
Net Position - Ending

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

Net (Expenses)/Revenues			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Totals	Public Library
(287,873)	-	(287,873)	-
(28,459,566)	-	(28,459,566)	-
1,057,930	-	1,057,930	-
(4,209,525)	-	(4,209,525)	-
(4,797)	-	(4,797)	-
(72,945)	-	(72,945)	-
(346,695)	-	(346,695)	-
(32,323,471)	-	(32,323,471)	-
-	503,534	503,534	-
-	22,159	22,159	-
-	525,693	525,693	-
(32,323,471)	525,693	(31,797,778)	-
-	-	-	(4,709,638)
13,330,729	-	13,330,729	3,583,940
5,696,766	-	5,696,766	-
1,691,483	-	1,691,483	-
1,291,072	-	1,291,072	-
476,594	-	476,594	-
1,286,438	-	1,286,438	-
505,464	-	505,464	-
484,498	-	484,498	-
2,605,804	-	2,605,804	-
535,978	-	535,978	-
179,585	-	179,585	73,148
17,131	20,876	38,007	1,144
713,424	-	713,424	1,772
28,814,966	20,876	28,835,842	3,660,004
(3,508,505)	546,569	(2,961,936)	(1,049,634)
63,285,003	14,645,254	77,930,257	5,240,938
59,776,498	15,191,823	74,968,321	4,191,304

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2015**

	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 7,818,680
Receivables - Net of Allowances	
Property Taxes	10,556,631
Other Taxes	3,001,653
Accounts	493,856
Due from Other Funds	1,294,092
Prepays	<u>44,788</u>
 Total Assets	 <u><u>23,209,700</u></u>
<b>LIABILITIES</b>	
Accounts Payable	404,551
Accrued Payroll	282,272
Deposits Payable	2,059
Due to Other Funds	55,776
Other Payables	581,844
Total Liabilities	<u>1,326,502</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	10,424,147
Grants	-
Total Deferred Inflows of Resources	<u>10,424,147</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>11,750,649</u>
<b>FUND BALANCES</b>	
Nonspendable	44,788
Restricted	-
Committed	521,452
Assigned	1,221,683
Unassigned	9,671,128
Total Fund Balances	<u>11,459,051</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>23,209,700</u></u>

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

Special Revenue		Capital Projects		
Motor Fuel Tax	Debt Service	Local Road	Nonmajor	Totals
312,623	74,594	-	645,154	8,851,051
-	1,281,885	562,509	556,163	12,957,188
54,389	-	30,245	-	3,086,287
-	-	543,308	27,110	1,064,274
-	-	-	-	1,294,092
-	-	-	35,126	79,914
367,012	1,356,479	1,136,062	1,263,553	27,332,806
13,699	-	120,499	16,685	555,434
-	-	-	-	282,272
-	-	-	-	2,059
-	-	143,584	1,150,508	1,349,868
-	-	-	-	581,844
13,699	-	264,083	1,167,193	2,771,477
-	1,277,100	558,419	551,500	12,811,166
-	-	-	-	-
-	1,277,100	558,419	551,500	12,811,166
13,699	1,277,100	822,502	1,718,693	15,582,643
-	-	-	35,126	79,914
353,313	79,379	-	657,585	1,090,277
-	-	-	-	521,452
-	-	313,560	-	1,535,243
-	-	-	(1,147,851)	8,523,277
353,313	79,379	313,560	(455,140)	11,750,163
367,012	1,356,479	1,136,062	1,263,553	27,332,806

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, 2015**

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**Total Governmental Fund Balances** \$ 11,750,163

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. 129,766,173  
Less: Internal Service Capital Assets (9,084,257)

Deferred outflows (inflows) of resources related to the pensions not  
reported in the funds. 2,665,414  
Deferred Items - IMRF 3,570,009  
Deferred Items - Police Pension 5,669,059  
Deferred Items - Firefighters' Pension

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 18,067,117

Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds. (3,938,140)  
Compensated Absences Payable (87,590,569)  
Net Pension Liability (2,377,822)  
Net Other Post-Employment Benefit Payable (8,951,068)  
General Obligation Bonds Payable 236,102  
Unamortized Loss on Refunding (5,683)  
Accrued Interest Payable

**Net Position of Governmental Activities** 59,776,498

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, 2015**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2015**

	<u>General</u>
Revenues	
Taxes	\$ 21,664,642
Intergovernmental	3,453,073
Licenses and Permits	2,251,280
Charges for Services	2,972,949
Fines and Forfeitures	1,403,440
Interest	11,365
Miscellaneous	410,199
Total Revenues	<u>32,166,948</u>
Expenditures	
Current	
General Government	4,320,711
Public Safety	21,251,305
Highways and Streets	-
Public Works	2,336,042
Health/Welfare and Culture	4,797
Economic Development	22,000
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>27,934,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,232,093</u>
Other Financing Sources (Uses)	
Transfers In	147,888
Transfers Out	(952,836)
	<u>(804,948)</u>
Net Change in Fund Balances	3,427,145
Fund Balances - Beginning	<u>8,031,906</u>
Fund Balances - Ending	<u><u>11,459,051</u></u>

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

Special Revenue		Capital Projects		
Motor Fuel Tax	Debt Service	Local Road	Nonmajor	Totals
-	1,328,474	682,710	1,087,218	24,763,044
589,158	-	995,386	-	5,037,617
-	-	492,658	-	2,743,938
-	-	-	-	2,972,949
-	-	-	193,110	1,596,550
4,667	-	529	404	16,965
-	-	303,225	-	713,424
593,825	1,328,474	2,474,508	1,280,732	37,844,487
-	-	-	-	4,320,711
-	-	-	718,972	21,970,277
282,638	-	736,634	-	1,019,272
-	-	-	-	2,336,042
-	-	-	-	4,797
-	-	-	50,945	72,945
-	-	2,666,447	-	2,666,447
-	1,680,000	145,830	405,000	2,230,830
-	274,123	15,977	24,900	315,000
282,638	1,954,123	3,564,888	1,199,817	34,936,321
311,187	(625,649)	(1,090,380)	80,915	2,908,166
-	637,475	915,361	-	1,700,724
(600,000)	-	-	(42,888)	(1,595,724)
(600,000)	637,475	915,361	(42,888)	105,000
(288,813)	11,826	(175,019)	38,027	3,013,166
642,126	67,553	488,579	(493,167)	8,736,997
353,313	79,379	313,560	(455,140)	11,750,163

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, 2015**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 3,013,166**

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	2,596,450
Depreciation Expense	(1,803,486)

The net effect of deferred outflows (inflows) of resources related to the  
pensions not reported in the funds.

Change in Deferred Items - IMRF	323,310
Change in Deferred Items - Police Pension	1,005,157
Change in Deferred Items - Firefighters' Pension	3,113,606

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.

Deduction to Compensated Absences Payable	253,037
Additions to Net Pension Liability	(15,517,746)
Additions to Net Other Post-Employment Benefit Payable	(303,312)
Retirement of Debt	2,230,830
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.

2,034

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.

1,612,178

**Changes in Net Position of Governmental Activities**

(3,508,505)

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, 2015**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
December 31, 2015**

	Business-Type Activities - Enterprise			Governmental
	Refuse		Totals	Activities
	Utilities	Collection		Internal Service
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 3,323,803	1,028,766	4,352,569	5,701,340
Receivables - Net of Allowances - Accounts	1,375,436	302,847	1,678,283	16,449
Prepays	2,205	34,373	36,578	3,987,604
Inventories	359,896	-	359,896	-
Total Current Assets	5,061,340	1,365,986	6,427,326	9,705,393
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,599,080	-	1,599,080	1,507,069
Depreciable	26,040,586	598,613	26,639,199	22,767,365
Accumulated Depreciation	(13,477,707)	(506,435)	(13,984,142)	(15,190,177)
	14,161,959	92,178	14,254,137	9,084,257
Other Assets				
Equity Interest in Joint Venture	472,077	-	472,077	-
Total Noncurrent Assets	14,634,036	92,178	14,726,214	9,084,257
Total Assets	19,695,376	1,458,164	21,153,540	18,789,650
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	277,005	49,653	326,658	-
Total Assets/ Deferred Outflows of Resources	19,972,381	1,507,817	21,480,198	18,789,650

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

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse	Totals	Activities
		Collection		Internal Service
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 596,604	29,819	626,423	545,485
Accrued Payroll	28,021	5,573	33,594	5,855
Accrued Interest Payable	12,107	-	12,107	-
Compensated Absences Payable	19,531	3,684	23,215	5,109
IEPA Loans Payable	112,744	-	112,744	-
General Obligation Bonds Payable	325,450	33,862	359,312	-
Total Current Liabilities	1,094,457	72,938	1,167,395	556,449
Noncurrent Liabilities				
Deposits Payable	432,028	-	432,028	98,953
Compensated Absences Payable	504,994	49,610	554,604	67,131
Net Pension Liability - IMRF	667,377	119,627	787,004	-
IEPA Loans Payable	2,368,030	-	2,368,030	-
General Obligation Bonds Payable	825,052	34,568	859,620	-
Total Noncurrent Liabilities	4,797,481	203,805	5,001,286	166,084
Total Liabilities	5,891,938	276,743	6,168,681	722,533
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	72,792	-	72,792	-
Deferred Items - IMRF	39,773	7,129	46,902	-
Total Deferred Inflows of Resources	112,565	7,129	119,694	-
Total Liabilities and Deferred Inflows of Resources	6,004,503	283,872	6,288,375	722,533
<b>NET POSITION</b>				
Net Investment in Capital Assets Unrestricted	10,530,683	23,748	10,554,431	9,084,257
	3,437,195	1,200,197	4,637,392	8,982,860
Total Net Position	13,967,878	1,223,945	15,191,823	18,067,117

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, 2015**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse	Totals	Activities
		Collection		Internal Service
Operating Revenues				
Charges for Services	\$ 9,627,019	2,184,621	11,811,640	-
Miscellaneous	319,845	26,474	346,319	2,112,710
Interfund Services	-	-	-	7,488,334
Total Operating Revenues	<u>9,946,864</u>	<u>2,211,095</u>	<u>12,157,959</u>	<u>9,601,044</u>
Operating Expenses				
Administration	1,292,035	927,554	2,219,589	6,259,508
Public Safety	-	-	-	122,928
Public Works	676,872	-	676,872	636,320
Operations	6,713,564	1,220,838	7,934,402	-
Depreciation	669,436	36,989	706,425	899,792
Total Operating Expenses	<u>9,351,907</u>	<u>2,185,381</u>	<u>11,537,288</u>	<u>7,918,548</u>
Operating Income	<u>594,957</u>	<u>25,714</u>	<u>620,671</u>	<u>1,682,496</u>
Nonoperating Revenues (Expenses)				
Disposal of Capital Assets	-	-	-	34,516
Interest Income	20,876	-	20,876	166
Interest Expense	(91,423)	(3,555)	(94,978)	-
	<u>(70,547)</u>	<u>(3,555)</u>	<u>(74,102)</u>	<u>34,682</u>
Income Before Transfers	524,410	22,159	546,569	1,717,178
Transfers Out	-	-	-	(105,000)
Change in Net Position	524,410	22,159	546,569	1,612,178
Net Position - Beginning as Restated	<u>13,443,468</u>	<u>1,201,786</u>	<u>14,645,254</u>	<u>16,454,939</u>
Net Position - Ending	<u>13,967,878</u>	<u>1,223,945</u>	<u>15,191,823</u>	<u>18,067,117</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, 2015**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Activities Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 9,718,919	2,217,957	11,936,876	-
Interfund Services Provided	-	-	-	9,019,778
Payments to Suppliers	(7,130,989)	(1,857,800)	(8,988,789)	(6,514,617)
Payments to Employees	(1,365,852)	(244,829)	(1,610,681)	(307,024)
	<u>1,222,078</u>	<u>115,328</u>	<u>1,337,406</u>	<u>2,198,137</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	-	-	-	(105,000)
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	2,130,863	-	2,130,863	39,456
Capital Debt Proceeds	934	-	934	-
Purchase of Capital Assets	(4,099,484)	-	(4,099,484)	(1,619,630)
Principal Paid on Debt	(412,874)	(32,860)	(445,734)	-
Interest Paid on Debt	(91,423)	(3,555)	(94,978)	-
	<u>(2,471,984)</u>	<u>(36,415)</u>	<u>(2,508,399)</u>	<u>(1,580,174)</u>
Cash Flows from Investing Activities				
Interest Received	20,876	-	20,876	166
Net Change in Cash and Cash Equivalents	(1,229,030)	78,913	(1,150,117)	513,129
Cash and Cash Equivalents - Beginning	<u>4,552,833</u>	<u>949,853</u>	<u>5,502,686</u>	<u>5,188,211</u>
Cash and Cash Equivalents - Ending	<u>3,323,803</u>	<u>1,028,766</u>	<u>4,352,569</u>	<u>5,701,340</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	594,957	25,714	620,671	1,682,496
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	669,436	36,989	706,425	899,792
(Increase) Decrease in Current Assets	(227,945)	6,862	(221,083)	(581,266)
Increase (Decrease) in Current Liabilities	185,630	45,763	231,393	197,115
Net Cash Provided by Operating Activities	<u>1,222,078</u>	<u>115,328</u>	<u>1,337,406</u>	<u>2,198,137</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, 2015**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,403,718	441,806
Investments		
U.S. Government and Agency Obligations	7,992,592	-
Corporate Bonds	11,018,946	-
Mutual Funds	3,186,332	-
Common Stock	31,763,678	-
Insurance Contracts	1,798,012	-
Certificate of Deposits	2,507,810	-
Receivables		
Accrued Interest	170,796	-
Due from Other Funds	55,776	-
Prepays	3,143	-
Total Assets	<u>61,900,803</u>	<u>441,806</u>
<b>LIABILITIES</b>		
Accounts Payable	37,594	-
Deposits Payable	-	441,806
Total Liabilities	<u>37,594</u>	<u>441,806</u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u>61,863,209</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, 2015**

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	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 5,303,008
Contributions - Plan Members	867,261
Miscellaneous	100
Total Contributions	<u>6,170,369</u>
Investment Earnings	
Interest Earned	1,330,883
Net Change in Fair Value	<u>(797,907)</u>
	532,976
Less Investment Expenses	<u>(163,623)</u>
Net Investment Income	<u>369,353</u>
Total Additions	<u>6,539,722</u>
Deductions	
Administration	103,979
Benefits and Refunds	<u>6,084,320</u>
Total Deductions	<u>6,188,299</u>
Change in Fiduciary Net Position	351,423
Net Position Restricted for Pensions	
Beginning	<u>61,511,786</u>
Ending	<u><u>61,863,209</u></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, 2015

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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, 2015

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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, 2015**

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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, 2015

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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, 2015

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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 one major capital projects fund, the Local Road Fund, which is used to account for street improvements, including resurfacing, curb and gutter, sidewalks and bike paths. The City also maintains one nonmajor capital projects fund, 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, 2015

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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, 2015**

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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, 2015

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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, 2015

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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, 2015**

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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

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow or resources (expense)/inflow of resources (revenue) until that future time.

**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.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2015

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

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

##### Compensated Absences – Continued

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### Long-Term Obligations

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

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

##### Net Position

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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, 2015**

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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, 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>
Local Road (61)	\$ 818,179
Buildings and Land (33)	185,390
Health Insurance (45)	147,898

In FY 2015, the overage in expenditures for the Local Road Fund (61) of \$818,179 is due to additional grant reimbursable expenditures for street improvements. The overage in expenditures for the Building & Land Fund (33) of \$185,390 is due to grant reimbursable expenditures for the Park District. For the Health Insurance Fund (45), the overage of expenditures of \$147,898 is due to a few unanticipated retirements in FY 2015.

**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)	\$ 1,147,851

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

### **Notes to the Financial Statements December 31, 2015**

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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, 2015

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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 \$8,904,138 and the bank balances totaled \$9,077,007. Additionally, the City has \$700,691 invested in the Illinois Funds and \$9,300,131 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 one to three 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 AAAF by Standard & Poor's.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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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, 2015, 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 \$26,353 and the bank balances totaled \$26,353.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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	\$ 2,507,810	-	2,507,810	-	-
U.S. Treasuries	2,765,184	286,513	1,448,354	1,030,317	-
U.S. Agencies	2,155,199	1,423	654,184	627,443	872,149
Corporate Bonds	6,299,563	19,309	3,974,706	2,241,918	63,630
	<u>13,727,756</u>	<u>307,245</u>	<u>8,585,054</u>	<u>3,899,678</u>	<u>935,779</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 credit ratings of the Fund’s rated corporate bonds were rated Aaa-Ba1 by Standard & Poor’s and the Fund’s U.S. Agencies were rated AA+ by Standard & Poor’s. All other investment ratings were unavailable.

*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, 2015, 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 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, 2015

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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 year end, the Fund also has \$964,956 invested in mutual funds, \$18,455,167 invested in common stock, and \$1,798,012 invested in insurance contracts. At December 31, 2015, the Fund has over 5% of plan net position invested as follows:

Investment	Amount
Principal Financial Group	\$ 1,798,012
Vanguard Institutional Index Fund	4,200,838
Harbor International Institutional Fund	3,387,178

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Intermediate Bonds	40%	0.3%
Equity	10% - 30%	5.3% - 6.5%
International Equity	3% - 12%	5.7% - 6.2%
Private Core Real Estate	5%	6.2%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. 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, 2015

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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

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 January 2016 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, 2015 are listed in the previous table.

##### Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.68%. 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 \$3,377,365 and the bank balances totaled \$3,378,160.

*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	\$ 1,817,012	-	322,627	1,022,354	472,031
U.S. Agencies	1,255,197	11	1,215,616	6,923	32,647
Corporate Bonds	4,719,383	-	1,839,130	1,638,169	1,242,084
	7,791,592	11	3,377,373	2,667,446	1,746,762

*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 A to BBB by Standard & Poor's.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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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, 2015, 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, 2015, 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 \$13,308,511 invested in common stock, and \$2,221,376 invested in mutual funds. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2015, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Schwab Mutual Fund – SWTSX of \$13,308,511.

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%	1.8-4.1%
Domestic Equities	45%	5.3-6.6%
International Equities	5%	5.9-9.5%
Commodities	5%	3.0%
REITS	5%	5.9%
Cash and Cash Equivalents	3%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 55%. 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, 2015**

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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 January 2016 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, 2015 are listed in the table above.

**Rate of Return**

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.86%. 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 2015 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, 2015**

**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	4,963,120	2,824,905	486,715	7,301,310
	<u>104,589,576</u>	<u>2,824,905</u>	<u>486,715</u>	<u>106,927,766</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	1,367,862	-	-	1,367,862
Buildings	13,160,718	-	-	13,160,718
Infrastructure	47,157,098	548,476	-	47,705,574
Machinery and Equipment	4,604,704	108,673	28,180	4,685,197
Vehicles	5,434,763	1,220,741	277,902	6,377,602
	<u>71,725,145</u>	<u>1,877,890</u>	<u>306,082</u>	<u>73,296,953</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	682,111	46,748	-	728,859
Buildings	8,045,917	491,520	-	8,537,437
Infrastructure	31,749,342	1,683,103	-	33,432,445
Machinery and Equipment	3,240,264	285,905	28,180	3,497,989
Vehicles	4,338,776	196,002	272,962	4,261,816
	<u>48,056,410</u>	<u>2,703,278</u>	<u>301,142</u>	<u>50,458,546</u>
Net Depreciable Capital Assets	<u>23,668,735</u>	<u>(825,388)</u>	<u>4,940</u>	<u>22,838,407</u>
Net Capital Assets	<u>128,258,311</u>	<u>1,999,517</u>	<u>491,655</u>	<u>129,766,173</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	\$ 1,803,486
Internal Service	<u>899,792</u>
	<u>2,703,278</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, 2015**

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

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ 2,581,651	1,148,292	2,130,863	1,599,080
Depreciable Capital Assets				
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	901,404	-	9,093,982
Sewerage System	9,552,572	2,049,788	-	11,602,360
Garage	39,819	-	-	39,819
	<u>23,688,007</u>	<u>2,951,192</u>	<u>-</u>	<u>26,639,199</u>
Less Accumulated Depreciation				
Land Improvements	183,995	15,694	-	199,689
Building Improvements	2,321,973	71,263	-	2,393,236
Machinery and Equipment	1,768,414	45,260	-	1,813,674
Waterworks System	3,750,076	176,358	-	3,926,434
Sewerage System	5,213,440	397,850	-	5,611,290
Garage	39,819	-	-	39,819
	<u>13,277,717</u>	<u>706,425</u>	<u>-</u>	<u>13,984,142</u>
Net Depreciable Capital Assets	<u>10,410,290</u>	<u>2,244,767</u>	<u>-</u>	<u>12,655,057</u>
Net Capital Assets	<u>12,991,941</u>	<u>3,393,059</u>	<u>2,130,863</u>	<u>14,254,137</u>

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

Utilities	\$ 669,436
Refuse Collection	<u>36,989</u>
	<u>706,425</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 608,893	-	-	608,893
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	4,331,767	120,009	-	4,451,776
Furniture and Equipment	594,999	-	-	594,999
Books and Other Library Materials	2,480,779	267,078	214,913	2,532,944
Audio Visual Materials	542,151	62,514	56,000	548,665
	<u>7,949,696</u>	<u>449,601</u>	<u>270,913</u>	<u>8,128,384</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	2,514,194	96,530	-	2,610,724
Furniture and Equipment	492,139	25,874	-	518,013
Books and Other Library Materials	1,570,415	264,608	214,913	1,620,110
Audio Visual Materials	382,808	64,050	56,000	390,858
	<u>4,959,556</u>	<u>451,062</u>	<u>270,913</u>	<u>5,139,705</u>
Net Depreciable Capital Assets	<u>2,990,140</u>	<u>(1,461)</u>	<u>-</u>	<u>2,988,679</u>
Net Capital Assets	<u>3,599,033</u>	<u>(1,461)</u>	<u>-</u>	<u>3,597,572</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, 2015**

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**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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Internal Service	\$ 105,000
General	Nonmajor Governmental	42,888
Debt Service	General	637,475
Local Road	General	315,361
Local Road	Motor Fuel Tax	<u>600,000</u>
		<u><u>1,700,724</u></u>

**Interfund Balances**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 1,150,508
General	Local Road	143,584
Police Pension	General	27,754
Firefighters' Pension	General	<u>28,022</u>
		<u><u>1,349,868</u></u>

Interfund balances are advances in anticipation of receipts.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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. 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	\$ 1,239,828	-	52,727	1,187,101
IEPA (L17-4141) Loan Payable of 2013 - Due in semi-annual installments of \$41,743 including interest at 1.930% through May 1, 2034.	Utilities	1,346,576	934	53,837	1,293,673
		<u>2,586,404</u>	<u>934</u>	<u>106,564</u>	<u>2,480,774</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:

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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)	\$ 2,315,000	-	745,000	1,570,000
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	406,812	-	131,310	275,502
	Refuse Collection	101,290	-	32,860	68,430
	Local Roads	451,898	-	145,830	306,068
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)	1,695,000	-	440,000	1,255,000
	Debt Service (Sales Tax)	5,475,000	-	495,000	4,980,000
	Utilities	1,050,000	-	175,000	875,000
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	1,245,000	-	405,000	840,000
		<u>12,740,000</u>	<u>-</u>	<u>2,570,000</u>	<u>10,170,000</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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 as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 4,221,441	211,060	422,121	4,010,380	794,874
Net Pension Liability	72,072,823	15,517,746	-	87,590,569	-
Net Other Post-Employment Benefit Obligation	2,074,510	303,312	-	2,377,822	-
General Obligation Bonds	11,181,898	-	2,230,830	8,951,068	2,275,688
	<u>89,550,672</u>	<u>16,032,118</u>	<u>2,652,951</u>	<u>102,929,839</u>	<u>3,070,562</u>
<b>Business-Type Activities</b>					
Compensated Absences	621,465	43,648	87,296	577,817	23,215
Net Pension Liability	537,317	249,687	-	787,004	-
IEPA Loans Payable	2,586,404	934	106,564	2,480,774	112,744
General Obligation Bonds	1,558,102	-	339,170	1,218,932	359,312
	<u>4,765,971</u>	<u>44,582</u>	<u>533,030</u>	<u>4,277,523</u>	<u>495,271</u>
<b>Component Unit - Public Library</b>					
Compensated Absences	69,642	1,132	-	70,774	70,774
Net Pension Liability	1,632,651	758,983	-	2,391,634	-
Net Other Post-Employment Benefit Obligation	98,851	11,174	-	110,025	-
	<u>1,801,144</u>	<u>771,289</u>	<u>-</u>	<u>2,572,433</u>	<u>70,774</u>

For the governmental activities, payments on the compensated absences, the net pension liability 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, \$72,240 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. Payments on the IEPA loans payable are being made by the Utilities Fund.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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
2016	\$ 2,275,688	252,225	112,744	51,622	359,312	33,741
2017	2,360,380	189,033	115,131	49,237	369,620	23,995
2018	1,020,000	118,574	117,566	46,801	195,000	12,988
2019	595,000	93,075	120,055	44,311	165,000	8,113
2020	675,000	76,713	122,596	41,770	130,000	3,575
2021	635,000	58,150	125,192	39,176	-	-
2022	675,000	40,688	127,842	36,524	-	-
2023	715,000	21,450	130,549	33,816	-	-
2024	-	-	133,315	31,052	-	-
2025	-	-	136,140	28,227	-	-
2026	-	-	139,025	25,343	-	-
2027	-	-	141,970	22,397	-	-
2028	-	-	144,979	19,388	-	-
2029	-	-	148,053	16,315	-	-
2030	-	-	151,191	13,176	-	-
2031	-	-	154,396	9,969	-	-
2032	-	-	157,671	6,695	-	-
2033	-	-	161,014	3,351	-	-
2034	-	-	41,345	399	-	-
Totals	<u>8,951,068</u>	<u>849,908</u>	<u>2,480,774</u>	<u>519,569</u>	<u>1,218,932</u>	<u>82,412</u>

**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.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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

**NET POSITION/FUND BALANCE**

**Net Position Classifications**

Net investment in capital assets was comprised of the following as of December 31, 2015:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 129,766,173
Less Capital Related Debt:	
General Obligation Bonds of 2005	(1,570,000)
General Obligation Bonds of 2007A	(306,068)
General Obligation Refunding Bonds of 2012	(6,235,000)
General Obligation Refunding Bonds of 2013	(840,000)
Unamortized Loss on Refunding	<u>236,102</u>
Net Investment in Capital Assets	<u><u>121,051,207</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	14,254,137
Less Capital Related Debt:	
IEPA Loan Payable of 2012	(1,187,101)
IEPA Loan Payable of 2013	(1,293,673)
General Obligation Bonds of 2007A	(343,932)
General Obligation Refunding Bonds of 2012	<u>(875,000)</u>
Net Investment in Capital Assets	<u><u>10,554,431</u></u>

**Net Position Restatement**

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Govenmental Activities	\$ 123,764,983	63,285,003	(60,479,980)
Business-Type Activities	14,936,675	14,645,254	(291,421)

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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	Capital Projects Local Road	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 44,788	-	-	-	35,126	79,914
Restricted						
Public Safety						
Police	-	-	-	-	597,891	597,891
Fire	-	-	-	-	59,694	59,694
Highways and Streets	-	353,313	-	-	-	353,313
Debt Service	-	-	79,379	-	-	79,379
	-	353,313	79,379	-	657,585	1,090,277
Committed						
Compensated Absences	521,452	-	-	-	-	521,452
Assigned						
Reserves	1,221,683	-	-	-	-	1,221,683
Capital Projects	-	-	-	313,560	-	313,560
	1,221,683	-	-	313,560	-	1,535,243
Unassigned	9,671,128	-	-	-	(1,147,851)	8,523,277
Total Fund Balances	11,459,051	353,313	79,379	313,560	(455,140)	11,750,163

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.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2015

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

#### NET POSITION/FUND BALANCE – Continued

##### Fund Balance Classifications – Continued

**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.

**Assigned Fund Balance.** The City reports assigned fund balance in the General and Local Road Funds, both major funds. 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 30% of 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.

# **CITY OF ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2015**

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

#### **RISK MANAGEMENT – Continued**

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

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.

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.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

**CONTINGENT LIABILITIES – Continued**

**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.

**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 2020 as listed below:

Fiscal Year	Amount
2016	\$ 4,344,557
2017	4,468,242
2018	4,636,806
2019	4,811,730
2020	<u>4,993,252</u>
	<u><u>23,254,587</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 \$5.60 charged by JAWA in the fiscal year ended 2015, 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
2016	<u>\$ 525,000</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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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, 2015 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	12.44 %
Village of Hanover Park	10.93
Village of Hoffman Estates	16.28
Village of Mount Prospect	12.65
City of Rolling Meadows	6.71
Village of Schaumburg	27.40
Village of Streamwood	<u>13.59</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, 2015**

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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, 2015:

Current Assets	\$ 28,420,044	Current Liabilities	\$ 10,388,102
Noncurrent Assets		Long-Term Liabilities	64,079,704
Capital Assets	56,981,794		
Other Assets	3,068,788	Total Liabilities	<u>74,467,806</u>
Deferred Outflows	<u>197,963</u>	Net Position	<u>14,200,783</u>
Total Assets and Deferred Outflows	<u>88,668,589</u>		

Summary of revenues, expenses and changes in net position for the year ended April 30, 2015:

Operating Revenues	\$ 48,859,961
Operating Expenses	<u>43,045,941</u>
Operating Income	5,814,020
Nonoperating Revenue (Expenses)	<u>(4,527,604)</u>
Change in Net Position	1,286,416
Net Position - Beginning as Restated	<u>12,914,367</u>
Net Position - Ending	<u>14,200,783</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, 2015**

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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 \$3,947,720 to JAWA for the year ended December 31, 2015. All payments were paid from the Utilities Fund. The City’s share of net position of JAWA was \$472,077 at December 31, 2015.

**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, 2015**

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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, 2015 are as follows:

	<u>Percent Share</u>
Village of Arlington Heights	9.84 %
Village of Barrington	1.37
Village of Buffalo Grove	6.58
Village of Elk Grove Village	5.15
City of Evanston	6.34
Village of Glencoe	1.30
Village of Glenview	4.53
Village of Hoffman Estates	5.48
Village of Inverness	1.11
Village of Kenilworth	0.87
Village of Lincolnwood	1.97
Village of Morton Grove	3.28
Village of Mount Prospect	9.04
Village of Niles	3.31
Village of Palatine	10.26
City of Park Ridge	5.19
City of Prospect Heights	2.94
City of Rolling Meadows	3.52
Village of Skokie	7.21
Village of South Barrington	0.72
Village of Wheeling	3.53
Village of Wilmette	3.62
Village of Winnetka	<u>2.84</u>
	<u><u>100.00 %</u></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, 2015**

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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, 2015:

Current Assets	\$ 3,745,840	Current Liabilities	\$ 3,684,511
Noncurrent Assets		Deferred Inflows	<u>171,429</u>
Capital Assets	<u>9,694,317</u>	Total Liabilities and Deferred Inflows	<u>3,855,940</u>
Total Assets	<u>13,440,157</u>	Net Position	<u><u>9,584,217</u></u>

Summary of revenues, expenses and changes in net position for the year ended April 30, 2015:

Operating Revenues	\$ 1,608,649
Operating Expenses	<u>1,593,755</u>
Change in Net Position	14,894
Net Position - Beginning	<u>9,569,323</u>
Net Position - Ending	<u><u>9,584,217</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.

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

### **Notes to the Financial Statements December 31, 2015**

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

##### **JOINT VENTURES – Continued**

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

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.

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 \$520,897 to SWANCC for the year ended December 31, 2015, which is recorded in the City's Refuse Collection Fund.

#### **SUBSEQUENT EVENT**

In late April 2016, local governments received a notice from the Illinois Department of Revenue (IDOR) that a misallocation of Personal Property Replacement Taxes (PPRT) had resulted in an overpayment of an estimated \$168 million to local governments, the City's portion was \$32,361. IDOR has requested the Auditor General review the findings before finalizing a plan to recapture the funds over an extended period of time. The earliest that IDOR may begin to recoup the payments would be January 2017.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

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

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is 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.

#### Illinois Municipal Retirement (IMRF)

##### Plan Descriptions

*Plan Administration.* All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

**Plan Descriptions – Continued**

*Benefits Provided – Continued.* Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Plan Membership.* As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	128
Inactive Plan Members Entitled to but not yet Receiving Benefits	74
Active Plan Members	<u>72</u>
Total	<u><u>274</u></u>

*Contributions.* As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2015 was 15.47% of covered payroll.

*Net Pension Liability.* The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

**Plan Descriptions – Continued**

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.46%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

**Discount Rate**

A Single Discount Rate of 7.46% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.46%.

**Discount Rate Sensitivity**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.46%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.46%)	Current Discount Rate (7.46%)	1% Increase (8.46%)
Net Pension Liability			
City	\$ 14,648,287	8,285,304	3,034,066
Library	4,228,371	2,391,634	875,813
Total	18,876,658	10,676,938	3,909,879

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 64,074,148	56,785,526	7,288,622
Changes for the year:			
Service Cost	754,337	-	754,337
Interest on the Total Pension Liability	4,704,433	-	4,704,433
Difference Between Expected and Actual Experience of the Total Pension Liability	(964,158)	-	(964,158)
Changes of Assumptions	150,883	-	150,883
Contributions - Employer	-	1,131,864	(1,131,864)
Contributions - Employees	-	338,251	(338,251)
Net Investment Income	-	279,814	(279,814)
Benefit Payments, including Refunds of Employee Contributions	(3,115,648)	(3,115,648)	-
Other (Net Transfer)	-	(492,750)	492,750
Net Changes	1,529,847	(1,858,469)	3,388,316
Balances at December 31, 2015	65,603,995	54,927,057	10,676,938
Net Pension Liability			
City	50,908,700	42,623,396	8,285,304
Library	14,695,295	12,303,661	2,391,634
Total	65,603,995	54,927,057	10,676,938

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the City recognized pension expense of \$2,272,164 and the Library recognized pension expense of \$655,882. At December 31, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 85,824	(636,302)	(550,478)
Change in Assumptions	774,332	-	774,332
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,571,468	-	3,571,468
Total Deferred Amounts Related to IMRF	<u>4,431,624</u>	<u>(636,302)</u>	<u>3,795,322</u>
Total Deferred Amounts Related to IMRF			
City	3,438,940	(493,770)	2,945,170
Library	992,684	(142,532)	850,152
Total	<u>4,431,624</u>	<u>(636,302)</u>	<u>3,795,322</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	City Net Deferred Outflows of Resources	Library Net Deferred Outflows of Resources	Total Net Deferred Outflows of Resources
2016	\$ 1,097,723	316,869	1,414,592
2017	520,218	150,166	670,384
2018	722,117	208,446	930,563
2019	605,112	174,671	779,783
2020	-	-	-
Thereafter	-	-	-
Total	<u>2,945,170</u>	<u>850,152</u>	<u>3,795,322</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan**

**Plan Descriptions**

*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 City Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At December 31, 2015, 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
Active Plan Members	<u>49</u>
Total	<u><u>96</u></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.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

**Plan Descriptions – Continued**

*Benefits Provided – Continued.* 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 officer 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 or ½ of the change in the Consumer Price Index for the preceding calendar year.

*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, 2015, the City's contribution was 55.04% of covered payroll.

*Concentrations.* At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Principal Financial Group	\$ 1,798,012
Vanguard Institutional Index Fund	4,200,838
Harbor International Institutional Fund	3,387,178

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	5.50%
Cost of Living Adjustments	2.00% - 3.00%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the December 31, 2015 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, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – 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 liability of the City calculated using the discount rate as well as what the City’s net pension liability 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%)
Net Pension Liability	\$ 49,220,861	39,150,515	30,934,649

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 67,883,898	34,889,680	32,994,218
Changes for the year:			
Service Cost	1,139,586	-	1,139,586
Interest on the Total Pension Liability	4,649,406	-	4,649,406
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,820,391)	-	(1,820,391)
Changes of Assumptions	5,292,677	-	5,292,677
Contributions - Employer	-	2,547,497	(2,547,497)
Contributions - Employees	-	469,521	(469,521)
Net Investment Income	-	142,603	(142,603)
Benefit Payments, including Refunds of Employee Contributions	(2,927,628)	(2,927,628)	-
Other (Net Transfer)	-	(54,640)	54,640
Net Changes	6,333,650	177,353	6,156,297
Balances at December 31, 2015	74,217,548	35,067,033	39,150,515

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the City recognized pension expense of \$5,151,140. At December 31, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(2,117,800)	(2,117,800)
Change in Assumptions	7,946,758	-	7,946,758
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(2,258,949)	(2,258,949)
Total Deferred Amounts Related to Police Pension	<u>7,946,758</u>	<u>(4,376,749)</u>	<u>3,570,009</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2016	\$ 927,187	(838,956)
2017	927,187	(838,956)
2018	927,187	(838,957)
2019	927,187	(709,960)
2020	927,187	(241,970)
Thereafter	<u>3,310,823</u>	<u>(907,950)</u>
Total	<u>7,946,758</u>	<u>(4,376,749)</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Firefighters’ Pension Plan**

**Plan Descriptions – Continued**

*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 City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

*Plan Membership.* At December 31, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	47
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>43</u>
Total	<u>91</u>

*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 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 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 3percent compounded annually thereafter.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Firefighters’ Pension Plan – Continued**

**Plan Descriptions – Continued**

*Benefits Provided – Continued.* 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 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 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 or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*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, 2015, the City’s contribution was 66.57% of covered payroll.

*Significant Investments.* At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Schwab Mutual Fund - SWTSX	\$ 13,308,511

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Firefighters’ Pension Plan – Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	5.50%
Cost of Living Adjustments	2.00% - 3.00%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the December 31, 2015 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, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Firefighters’ Pension Plan – 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 liability of the City calculated using the discount rate as well as what the City’s net pension liability 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%)
Net Pension Liability	\$ 49,737,470	40,941,755	33,654,654

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 60,582,057	26,622,106	33,959,951
Changes for the year:			
Service Cost	1,204,872	-	1,204,872
Interest on the Total Pension Liability	4,130,260	-	4,130,260
Difference Between Expected and Actual Experience of the Total Pension Liability	(354,477)	-	(354,477)
Changes of Assumptions	5,331,911	-	5,331,911
Contributions - Employer	-	2,755,511	(2,755,511)
Contributions - Employees	-	397,740	(397,740)
Net Investment Income	-	221,351	(221,351)
Benefit Payments, including Refunds of Employee Contributions	(3,156,692)	(3,156,692)	-
Other (Net Transfer)	-	(43,840)	43,840
Net Changes	7,155,874	174,070	6,981,804
Balances at December 31, 2015	67,737,931	26,796,176	40,941,755

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Firefighters’ Pension Plan – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the City recognized pension expense of \$3,868,198. At December 31, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(126,554)	(126,554)
Change in Assumptions	7,276,435	-	7,276,435
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,480,822)	(1,480,822)
Total Deferred Amounts Related to Firefighters' Pension	<u>7,276,435</u>	<u>(1,607,376)</u>	<u>5,669,059</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2016	\$ 624,208	(393,314)
2017	624,208	(393,314)
2018	624,208	(393,316)
2019	624,208	(336,982)
2020	624,208	(9,026)
Thereafter	<u>4,155,395</u>	<u>(81,424)</u>
Total	<u>7,276,435</u>	<u>(1,607,376)</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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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, 2015, retirees contributed \$646,513. Active employees do not contribute to the plan until retirement.

At December 31, 2015, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	68
Active Employees	<u>120</u>
	<u>188</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

**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, 2015, was calculated as follows:

	<u>Governmental Activities</u>
Annual Required Contribution	\$ 507,530
Interest on the NPO	82,980
Adjustment to the ARC	<u>(69,150)</u>
Annual OPEB Cost	521,360
Actual Contribution	<u>218,048</u>
Change in the NOPEBO	303,312
NOPEBO - Beginning	<u>2,074,510</u>
NOPEBO - Ending	<u><u>2,377,822</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:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 578,764	\$ 281,522	48.64%	\$ 1,775,539
2014	496,089	197,118	39.73%	2,074,510
2015	521,360	218,048	41.82%	2,377,822

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2015**

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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 advanced 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, 2015, 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  
Other Post-Employment Benefit Plan
  
- Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
Police Pension Fund  
Firefighters' Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability  
Illinois Municipal Retirement Fund  
Police Pension Fund  
Firefighters' Pension Fund
  
- Schedule of Investment Returns  
Police Pension Fund  
Firefighters' Pension Fund
  
- Budgetary Comparison Schedules  
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**

**Other Post-Employment Benefits Plan**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2015**

<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		
2010	\$ N/A	\$ 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%	49.61%
2012	N/A	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	N/A
2014	-	5,114,496	0.00%	5,114,496	13,984,805	36.57%	36.57%
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2015	218,048	507,530	42.96%

Data Source: Actuarial Valuation Reports

The City is required to have an actuarial valuation performed triennially.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
December 31, 2015**

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
2015	City	\$ 878,326	\$ 878,326	\$ -	\$ 5,677,612	15.47%
	Library	253,538	253,538	-	1,638,898	15.47%
	Total	1,131,864	1,131,864	-	7,316,510	15.47%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

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 Employer Contributions  
December 31, 2015**

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	53.94%
2015	2,507,804	2,547,497	39,693	4,628,740	55.04%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	5.50%
Investment Rate of Return	7.00%
Retirement Age	50-70
Mortality	RP 2014 Mortality Table (BCHA)

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, 2015**

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	66.08%
2015	2,706,989	2,755,511	48,522	4,139,289	66.57%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	5.50%
Investment Rate of Return	7.00%
Retirement Age	50-70
Mortality	RP 2014 Mortality Table (BCHA)

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2015**

	2015		
	City	Library	Total
Total Pension Liability			
Service Cost	\$ 585,366	168,971	754,337
Interest	3,650,640	1,053,793	4,704,433
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(748,187)	(215,971)	(964,158)
Change of Assumptions	117,085	33,798	150,883
Benefit Payments, Including Refunds of Member Contributions	(2,417,743)	(697,905)	(3,115,648)
Net Change in Total Pension Liability	1,187,161	342,686	1,529,847
Total Pension Liability - Beginning	49,721,539	14,352,609	64,074,148
Total Pension Liability - Ending	50,908,700	14,695,295	65,603,995
Plan Fiduciary Net Position			
Contributions - Employer	\$ 878,326	253,538	1,131,864
Contributions - Members	262,483	75,768	338,251
Net Investment Income	217,136	62,678	279,814
Benefit Payments, Including Refunds of Member Contributions	(2,417,743)	(697,905)	(3,115,648)
Administrative Expense	(382,374)	(110,376)	(492,750)
Net Change in Plan Fiduciary Net Position	(1,442,172)	(416,297)	(1,858,469)
Plan Net Position - Beginning	44,065,568	12,719,958	56,785,526
Plan Net Position - Ending	42,623,396	12,303,661	54,927,057
Employer's Net Pension Liability	\$ 8,285,304	2,391,634	10,676,938
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.73%	83.73%	83.73%
Covered-Employee Payroll	\$ 5,677,612	1,638,898	7,316,510
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	145.93%	145.93%	145.93%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2015**

	2014	2015
Total Pension Liability		
Service Cost	\$ 1,149,125	1,139,586
Interest	4,230,819	4,649,406
Differences Between Expected and Actual Experience	(599,310)	(1,820,391)
Change of Assumptions	3,979,187	5,292,677
Benefit Payments, Including Refunds of Member Contributions	(2,632,396)	(2,927,628)
Net Change in Total Pension Liability	6,127,425	6,333,650
Total Pension Liability - Beginning	61,756,473	67,883,898
Total Pension Liability - Ending	67,883,898	74,217,548
Plan Fiduciary Net Position		
Contributions - Employer	\$ 2,483,648	2,547,497
Contributions - Members	507,162	469,521
Net Investment Income	1,579,499	142,603
Benefit Payments, Including Refunds of Member Contributions	(2,632,396)	(2,927,628)
Administrative Expense	(55,519)	(54,640)
Net Change in Plan Fiduciary Net Position	1,882,394	177,353
Plan Net Position - Beginning	33,007,286	34,889,680
Plan Net Position - Ending	34,889,680	35,067,033
Employer's Net Pension Liability	\$ 32,994,218	39,150,515
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.40%	47.25%
Covered-Employee Payroll	\$ 4,604,542	4,628,740
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	716.56%	845.81%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2015**

	2014	2015
Total Pension Liability		
Service Cost	\$ 1,229,937	1,204,872
Interest	3,784,080	4,130,260
Differences Between Expected and Actual Experience	237,138	(354,477)
Change of Assumptions	2,782,790	5,331,911
Benefit Payments, Including Refunds of Member Contributions	(3,020,345)	(3,156,692)
Net Change in Total Pension Liability	5,013,600	7,155,874
Total Pension Liability - Beginning	55,568,457	60,582,057
Total Pension Liability - Ending	60,582,057	67,737,931
Plan Fiduciary Net Position		
Contributions - Employer	\$ 2,678,449	2,755,511
Contributions - Members	391,581	397,740
Net Investment Income	1,389,103	221,351
Benefit Payments, Including Refunds of Member Contributions	(3,020,345)	(3,156,692)
Administrative Expense	(41,149)	(43,840)
Net Change in Plan Fiduciary Net Position	1,397,639	174,070
Plan Net Position - Beginning	25,224,467	26,622,106
Plan Net Position - Ending	26,622,106	26,796,176
Employer's Net Pension Liability	\$ 33,959,951	40,941,755
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.94%	39.56%
Covered-Employee Payroll	\$ 4,053,549	4,139,289
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	837.78%	989.10%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2015**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	5.67%
2015	0.68%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2015**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.75%
2015	0.86%

**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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 20,578,130	20,578,130	21,664,642
Intergovernmental	2,837,250	2,837,250	3,453,073
Licenses and Permits	785,000	785,000	2,251,280
Charges for Services	2,626,106	2,626,106	2,972,949
Fines and Forfeitures	918,000	918,000	1,403,440
Interest	5,000	5,000	11,365
Miscellaneous	363,588	363,588	410,199
Total Revenues	<u>28,113,074</u>	<u>28,113,074</u>	<u>32,166,948</u>
Expenditures			
General Government	4,301,245	4,301,245	4,320,711
Public Safety	21,211,141	21,211,141	21,251,305
Public Works	2,453,899	2,453,899	2,336,042
Health/Welfare and Culture	8,840	8,840	4,797
Economic Development	15,770	15,770	22,000
Total Expenditures	<u>27,990,895</u>	<u>27,990,895</u>	<u>27,934,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>122,179</u>	<u>122,179</u>	<u>4,232,093</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	500	500	-
Transfers In	147,888	147,888	147,888
Transfers Out	(637,475)	(952,836)	(952,836)
	<u>(489,087)</u>	<u>(804,448)</u>	<u>(804,948)</u>
Net Change in Fund Balance	<u>(366,908)</u>	<u>(682,269)</u>	3,427,145
Fund Balance - Beginning			<u>8,031,906</u>
Fund Balance - Ending			<u><u>11,459,051</u></u>

**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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 575,000	575,000	589,158
Interest	500	500	4,667
Total Revenues	<u>575,500</u>	<u>575,500</u>	<u>593,825</u>
Expenditures			
Highways and Streets			
Contracted Services	190,000	190,000	177,820
Supplies			
Snow and Ice Control	186,500	186,500	104,818
Total Expenditures	<u>376,500</u>	<u>376,500</u>	<u>282,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	199,000	199,000	311,187
Other Financing (Uses)			
Transfers Out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>
Net Change in Fund Balance	<u>(401,000)</u>	<u>(401,000)</u>	(288,813)
Fund Balance - Beginning			<u>642,126</u>
Fund Balance - Ending			<u><u>353,313</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
- Schedule 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.

## **MAJOR CAPITAL PROJECTS FUND**

### **Local Road Fund**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes			
Prior Years' Taxes	\$ 10,000	10,000	11,319
Current Levy	5,046,311	5,046,311	5,094,952
Police Pension	2,518,614	2,518,614	2,547,498
Fire Pension	2,723,205	2,723,205	2,755,511
Municipal Sales Tax	3,160,000	3,160,000	3,354,233
Home Rule Sales Tax	2,200,000	2,200,000	2,342,533
Simplified Telecommunications Tax	1,540,000	1,540,000	1,691,483
Electric Utility Tax	1,310,000	1,310,000	1,291,072
Hotel Tax	400,000	400,000	476,594
Food and Beverage Tax	1,200,000	1,200,000	1,286,438
Real Estate Transfer Tax	210,000	210,000	505,464
Cable Franchise Fees	260,000	260,000	307,545
Total Taxes	<u>20,578,130</u>	<u>20,578,130</u>	<u>21,664,642</u>
<b>Intergovernmental</b>			
State Income Tax	2,200,000	2,200,000	2,605,804
Local Use Tax	430,000	430,000	535,978
Replacement Tax	174,000	174,000	179,585
Other Grants	33,250	33,250	131,706
Total Intergovernmental	<u>2,837,250</u>	<u>2,837,250</u>	<u>3,453,073</u>
<b>Licenses and Permits</b>			
Business Licenses	250,000	250,000	239,925
Liquor Licenses	155,000	155,000	172,325
Other Licenses	3,000	3,000	900
Building Permits	300,000	300,000	1,749,806
Rental Unit Permits	70,000	70,000	72,730
Other Permits	7,000	7,000	15,594
Total Licenses and Permits	<u>785,000</u>	<u>785,000</u>	<u>2,251,280</u>
<b>Charges for Services</b>			
Police Special Details	60,000	60,000	79,333
School Liaison Charges	186,523	186,523	185,812
Ambulance Fees	450,000	450,000	500,739

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
<b>Charges for Services - Continued</b>			
<b>Overhead Charges</b>			
Garage	\$ 213,811	213,811	213,811
E911	35,909	35,909	35,909
TIF #2	50,470	50,470	50,470
Refuse	401,105	401,105	401,105
Utilities	676,872	676,872	676,872
Library	41,616	41,616	41,616
Other Inspection Fees	75,800	75,800	167,726
Other Charges for Services	434,000	434,000	619,556
<b>Total Charges for Services</b>	<b>2,626,106</b>	<b>2,626,106</b>	<b>2,972,949</b>
<b>Fines and Forfeitures</b>			
Circuit Court Fines	80,000	80,000	57,417
Traffic and Compliance Fines	200,500	200,500	124,980
DUI Fines	8,500	8,500	12,777
Red Light Enforcement Fines	450,000	450,000	1,087,703
Adjudication	25,000	25,000	31,908
Other Fines	154,000	154,000	88,655
<b>Total Fines and Forfeitures</b>	<b>918,000</b>	<b>918,000</b>	<b>1,403,440</b>
<b>Interest</b>	<b>5,000</b>	<b>5,000</b>	<b>11,365</b>
<b>Miscellaneous</b>			
Rental Income	312,900	312,900	288,900
Other	50,688	50,688	121,299
<b>Total Miscellaneous</b>	<b>363,588</b>	<b>363,588</b>	<b>410,199</b>
<b>Total Revenues</b>	<b>28,113,074</b>	<b>28,113,074</b>	<b>32,166,948</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government			
Administrative			
Mayor			
Salaries and Wages	\$ 9,950	9,950	9,950
Benefits	761	761	761
Contracted Services	2,900	2,900	118
Supplies	150	150	-
Total Mayor	13,761	13,761	10,829
City Council			
Salaries and Wages	28,001	28,001	28,001
Benefits	3,380	3,380	3,380
Contracted Services	59,000	59,000	60,743
Supplies	600	600	175
Total City Council	90,981	90,981	92,299
City Manager			
Salaries and Wages	358,920	358,920	344,976
Benefits	141,023	141,023	150,512
Contracted Services	63,085	63,085	39,181
Supplies	10,600	10,600	1,442
Total City Manager	573,628	573,628	536,111
City Clerk			
Salaries and Wages	109,034	109,034	120,986
Benefits	46,298	46,298	48,004
Contracted Services	13,177	13,177	9,796
Supplies	2,700	2,700	453
Total City Clerk	171,209	171,209	179,239
Public Relations			
Contracted Services	41,100	41,100	38,179
Supplies	1,500	1,500	198
Total Public Relations	42,600	42,600	38,377
Video Production			
Salaries and Wages	10,500	10,500	2,308
Benefits	803	803	129
Contracted Services	4,500	4,500	-
Supplies	3,200	3,200	332
Total Video Production	19,003	19,003	2,769

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative - Continued			
Adjudication			
Contracted Services	\$ 49,800	49,800	49,464
Supplies	750	750	87
Total Adjudication	50,550	50,550	49,551
Community Events			
Contracted Services	2,950	450	429
Supplies	97,250	99,750	91,599
Total Community Events	100,200	100,200	92,028
Finance			
Salaries and Wages	270,733	270,733	255,039
Benefits	115,701	115,701	106,506
Contracted Services	78,811	78,811	105,893
Supplies	1,000	1,000	1,160
Total Finance	466,245	466,245	468,598
Administrative Services			
Legal Contracted Services	287,000	287,000	279,069
Engineering Contracted Services	26,400	26,400	26,400
Police Special Detail			
Salaries and Wages	100,000	100,000	77,909
Other Contracted Services	500,200	500,200	536,717
Other Supplies	7,550	7,550	7,835
Total Administrative Services	921,150	921,150	927,930
Information Technology			
Salaries and Wages	253,550	253,550	212,405
Benefits	115,981	115,981	86,540
Contracted Services	100,661	100,661	92,344
Supplies	22,750	22,750	37,767
Total Information Technology	492,942	492,942	429,056
Total Administrative	2,942,269	2,942,269	2,826,787

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Administration			
Salaries and Wages	\$ 295,393	295,393	290,380
Benefits	100,721	100,721	97,351
Contracted Services	153,999	153,999	157,429
Supplies and Materials	2,300	2,300	1,835
Total Administration	552,413	552,413	546,995
Building Inspections			
Salaries and Wages	503,954	503,954	452,876
Benefits	231,474	231,474	211,888
Contracted Services	66,605	66,605	278,703
Supplies and Materials	2,380	2,380	1,980
Total Building Inspections	804,413	804,413	945,447
Zoning Board of Appeals			
Contracted Services	675	675	295
Plan Commission			
Contracted Services	1,025	1,025	1,187
Tobacco Information/Prevention			
Contracted Services	450	450	-
Total Community Development	1,358,976	1,358,976	1,493,924
Total General Government	4,301,245	4,301,245	4,320,711
Public Safety			
Police Department			
Administration			
Salaries and Wages	432,682	432,682	439,290
Benefits	146,702	146,702	141,621
Employer Pension Contribution	2,518,614	2,518,614	2,547,498
Contracted Services	718,134	718,134	702,953
Supplies and Materials	84,555	84,555	68,597
Total Administration	3,900,687	3,900,687	3,899,959

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Patrol			
Salaries and Wages	\$ 4,545,933	4,545,933	4,647,451
Benefits	1,352,962	1,352,962	1,225,623
Contracted Services	90,364	90,364	74,563
Supplies and Materials	66,780	66,780	69,291
Total Patrol	6,056,039	6,056,039	6,016,928
Investigation			
Salaries and Wages	889,566	889,566	777,572
Benefits	220,773	220,773	197,304
Contracted Services	19,320	19,320	18,978
Supplies and Materials	6,100	6,100	3,539
Total Investigation	1,135,759	1,135,759	997,393
Total Police Department	11,092,485	11,092,485	10,914,280
Fire Department			
Administration			
Salaries and Wages	324,269	324,269	323,552
Benefits	80,620	80,620	65,530
Employer Pension Contribution	2,723,205	2,723,205	2,755,511
Contracted Services	980,346	980,346	978,936
Supplies and Materials	4,800	4,800	4,913
Total Administration	4,113,240	4,113,240	4,128,442
Fire Operations			
Salaries and Wages	4,583,508	4,583,508	4,748,795
Benefits	1,040,635	1,040,635	1,083,925
Contracted Services	138,320	138,320	173,627
Supplies and Materials	131,920	131,920	117,946
Total Fire Operations	5,894,383	5,894,383	6,124,293
Special Rescue Teams			
Salaries and Wages	45,900	45,900	48,172
Contracted Services	19,358	19,358	11,138
Supplies and Materials	4,025	4,025	2,956
Total Special Rescue Teams	69,283	69,283	62,266
Total Fire Department	10,076,906	10,076,906	10,315,001

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Board of Police and Fire Commission			
Salaries and Wages	\$ 3,000	3,000	-
Contracted Services	37,950	37,950	21,746
Supplies and Materials	800	800	278
Total Board of Police and Fire Commission	41,750	41,750	22,024
Total Public Safety	21,211,141	21,211,141	21,251,305
Public Works			
Administration			
Salaries and Wages	676,337	676,337	620,358
Benefits	353,310	353,310	301,104
Contracted Services	257,545	257,545	247,189
Supplies and Materials	8,850	8,850	7,463
Total Administration	1,296,042	1,296,042	1,176,114
Forestry Program			
Salaries and Wages	718,039	718,039	718,353
Benefits	386,133	386,133	362,911
Contracted Services	44,835	44,835	69,942
Supplies and Materials	8,850	8,850	8,722
Total Forestry Program	1,157,857	1,157,857	1,159,928
Total Public Works	2,453,899	2,453,899	2,336,042
Health/Welfare and Culture			
Museum			
Contracted Services	5,090	5,090	3,590
ESDA			
Supplies and Materials	1,500	1,500	65
Safety Committee			
Supplies and Materials	1,250	1,250	961
Employee Wellness Program			
Contracted Services	-	-	181

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Health/Welfare and Culture - Continued			
Urban Affairs			
Supplies	\$ 1,000	1,000	-
Total Health/Welfare and Culture	8,840	8,840	4,797
Economic Development			
Community Development			
Contracted Services	15,270	15,270	22,000
Supplies and Materials	500	500	-
Total Economic Development	15,770	15,770	22,000
Total Expenditures	27,990,895	27,990,895	27,934,855

**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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,315,700	1,315,700	1,328,474
Expenditures			
Debt Service			
Principal Retirement	1,680,000	1,680,000	1,680,000
Interest and Fiscal Charges	274,675	274,675	274,123
Total Expenditures	1,954,675	1,954,675	1,954,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(638,975)	(638,975)	(625,649)
Other Financing Sources			
Transfers In	637,475	637,475	637,475
Net Change in Fund Balance	<u>(1,500)</u>	<u>(1,500)</u>	11,826
Fund Balance - Beginning			<u>67,553</u>
Fund Balance - Ending			<u><u>79,379</u></u>

**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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 669,301	669,301	682,710
Intergovernmental	200,000	200,000	995,386
Licenses and Permits	500,000	500,000	492,658
Interest	-	-	529
Miscellaneous	-	-	303,225
Total Revenues	<u>1,369,301</u>	<u>1,369,301</u>	<u>2,474,508</u>
Expenditures			
Highways and Streets			
Contracted Services	646,220	646,220	629,155
Supplies			
Operating Supplies	110,000	110,000	97,791
Repairs and Maintenance Supplies	23,600	23,600	9,688
Capital Outlay			
Street Improvements	1,805,000	1,805,000	2,666,447
Debt Service			
Principal Retirement	146,010	146,010	145,830
Interest and Fiscal Charges	15,879	15,879	15,977
Total Expenditures	<u>2,746,709</u>	<u>2,746,709</u>	<u>3,564,888</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,377,408)	(1,377,408)	(1,090,380)
Other Financing Sources			
Transfers In	<u>600,000</u>	<u>915,361</u>	<u>915,361</u>
Net Change in Fund Balance	<u>(777,408)</u>	<u>(462,047)</u>	(175,019)
Fund Balance - Beginning			<u>488,579</u>
Fund Balance - Ending			<u><u>313,560</u></u>

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
December 31, 2015**

	Special Revenue	Capital Projects TIF #2 Kirchoff/ Owl	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 645,154	-	645,154
Receivables - Net of Allowances			
Property Taxes	553,506	2,657	556,163
Accounts	27,110	-	27,110
Prepays	35,126	-	35,126
			<hr/>
Total Assets	1,260,896	2,657	1,263,553
<b>LIABILITIES</b>			
Accounts Payable	16,685	-	16,685
Due to Other Funds	-	1,150,508	1,150,508
Total Liabilities	16,685	1,150,508	1,167,193
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	551,500	-	551,500
			<hr/>
Total Liabilities and Deferred Inflows of Resources	568,185	1,150,508	1,718,693
<b>FUND BALANCES</b>			
Nonspendable	35,126	-	35,126
Restricted	657,585	-	657,585
Unassigned	-	(1,147,851)	(1,147,851)
Total Fund Balances	692,711	(1,147,851)	(455,140)
			<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,260,896	2,657	1,263,553

**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, 2015**

	Special Revenue	Capital Projects TIF #2 Kirchoff/ Owl	Totals
Revenues			
Taxes	\$ 733,843	353,375	1,087,218
Fines and Forfeitures	193,110	-	193,110
Interest	398	6	404
Total Revenues	<u>927,351</u>	<u>353,381</u>	<u>1,280,732</u>
Expenditures			
Public Safety	718,972	-	718,972
Economic Development	-	50,945	50,945
Debt Service			
Principal Retirement	-	405,000	405,000
Interest and Fiscal Charges	-	24,900	24,900
Total Expenditures	<u>718,972</u>	<u>480,845</u>	<u>1,199,817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	208,379	(127,464)	80,915
Other Financing Sources (Uses)			
Transfers Out	<u>(42,888)</u>	-	<u>(42,888)</u>
Net Change in Fund Balances	165,491	(127,464)	38,027
Fund Balances - Beginning	<u>527,220</u>	<u>(1,020,387)</u>	<u>(493,167)</u>
Fund Balances - Ending	<u><u>692,711</u></u>	<u><u>(1,147,851)</u></u>	<u><u>(455,140)</u></u>

## **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, 2015**

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 317,503	62,477	265,174	645,154
Receivables - Net of Allowances				
Property Taxes	553,506	-	-	553,506
Accounts	27,110	-	-	27,110
Prepays	35,126	-	-	35,126
	<hr/>			
Total Assets	933,245	62,477	265,174	1,260,896
<b>LIABILITIES</b>				
Accounts Payable	13,902	2,783	-	16,685
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	551,500	-	-	551,500
Total Liabilities and Deferred Inflows of Resources	565,402	2,783	-	568,185
<b>FUND BALANCES</b>				
Nonspendable	35,126	-	-	35,126
Restricted	332,717	59,694	265,174	657,585
Total Fund Balances	367,843	59,694	265,174	692,711
	<hr/>			
Total Liabilities, Deferred Inflows of Resources and Fund Balances	933,245	62,477	265,174	1,260,896

**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, 2015**

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
Revenues				
Taxes	\$ 702,541	31,302	-	733,843
Fines and Forfeitures	-	-	193,110	193,110
Interest	-	-	398	398
Total Revenues	702,541	31,302	193,508	927,351
Expenditures				
Public Safety	563,436	16,184	139,352	718,972
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,105	15,118	54,156	208,379
Other Financing (Uses)				
Transfers Out	(42,888)	-	-	(42,888)
Net Change in Fund Balances	96,217	15,118	54,156	165,491
Fund Balances - Beginning	271,626	44,576	211,018	527,220
Fund Balances - Ending	367,843	59,694	265,174	692,711

**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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 551,500	551,500	556,890
Other Taxes	152,000	152,000	145,651
Total Revenues	<u>703,500</u>	<u>703,500</u>	<u>702,541</u>
Expenditures			
Public Safety			
Contracted Services	702,984	702,984	563,436
Excess (Deficiency) of Revenues Over (Under) Expenditures	516	516	139,105
Other Financing (Uses)			
Transfers Out	<u>(42,888)</u>	<u>(42,888)</u>	<u>(42,888)</u>
Net Change in Fund Balance	<u><u>(42,372)</u></u>	<u><u>(42,372)</u></u>	96,217
Fund Balance - Beginning			<u>271,626</u>
Fund Balance - Ending			<u><u>367,843</u></u>

## **NONMAJOR CAPITAL PROJECTS FUND**

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.

### **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**

**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, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 325,000	325,000	353,375
Interest	50	50	6
Total Revenues	<u>325,050</u>	<u>325,050</u>	<u>353,381</u>
Expenditures			
Economic Development			
Contracted Services	52,935	52,935	50,945
Debt Service			
Principal Retirement	405,000	405,000	405,000
Interest and Fiscal Charges	24,900	24,900	24,900
Total Expenditures	<u>482,835</u>	<u>482,835</u>	<u>480,845</u>
Net Change in Fund Balance	<u>(157,785)</u>	<u>(157,785)</u>	(127,464)
Fund Balance - Beginning			<u>(1,020,387)</u>
Fund Balance - Ending			<u><u>(1,147,851)</u></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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 9,947,500	9,947,500	9,627,019
Miscellaneous	158,792	158,792	319,845
Total Operating Revenues	<u>10,106,292</u>	<u>10,106,292</u>	<u>9,946,864</u>
Operating Expenses			
Administration	1,653,957	1,653,957	1,292,035
Public Works	676,872	676,872	676,872
Operations	10,818,429	10,818,429	6,713,564
Depreciation	-	-	669,436
Total Operating Expenses	<u>13,149,258</u>	<u>13,149,258</u>	<u>9,351,907</u>
Operating Income (Loss)	<u>(3,042,966)</u>	<u>(3,042,966)</u>	<u>594,957</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	20,876
Interest Expense	(89,919)	(89,919)	(91,423)
	<u>(89,919)</u>	<u>(89,919)</u>	<u>(70,547)</u>
Change in Net Position	<u>(3,132,885)</u>	<u>(3,132,885)</u>	524,410
Net Position - Beginning as Restated			<u>13,443,468</u>
Net Position - Ending			<u>13,967,878</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
<b>Administration</b>			
Salaries and Wages	\$ 203,637	203,637	214,026
Benefits	111,889	111,889	111,327
IMRF Pension Expense	-	-	29,538
Contracted Services	1,338,181	1,338,181	936,901
Supplies	250	250	243
<b>Total Administration</b>	<b>1,653,957</b>	<b>1,653,957</b>	<b>1,292,035</b>
<b>Public Works</b>			
Contracted Services	676,872	676,872	676,872
<b>Operations</b>			
<b>Water</b>			
Salaries and Wages	650,032	650,032	599,038
Benefits	338,890	338,890	309,722
IMRF Pension Expense	-	-	126,149
Contracted Services	392,889	392,889	367,567
Supplies	200,065	200,065	137,315
Lake Michigan Water	3,975,915	3,975,915	3,947,720
Machinery & Equipment	2,511,950	2,511,950	30,432
<b>Total Water</b>	<b>8,069,741</b>	<b>8,069,741</b>	<b>5,517,943</b>
<b>Sewer</b>			
Salaries and Wages	504,239	504,239	446,018
Benefits	272,955	272,955	248,162
IMRF Pension Expense	-	-	21,112
Contracted Services	124,380	124,380	69,022
Supplies	81,125	81,125	53,229
Machinery & Equipment	930,000	930,000	85,907
<b>Total Sewer</b>	<b>1,912,699</b>	<b>1,912,699</b>	<b>923,450</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Operations - Continued			
Stormwater			
Salaries and Wages	\$ 99,348	99,348	55,858
Benefits	33,461	33,461	19,505
IMRF Pension Expense	-	-	6,222
Contracted Services	184,705	184,705	128,801
Supplies	38,475	38,475	27,426
Machinery & Equipment	480,000	480,000	34,359
Total Stormwater	835,989	835,989	272,171
Total Operations	10,818,429	10,818,429	6,713,564
Depreciation	-	-	669,436
Total Operating Expenses	13,149,258	13,149,258	9,351,907

**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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,187,874	2,187,874	2,184,621
Miscellaneous	22,000	22,000	26,474
Total Operating Revenues	<u>2,209,874</u>	<u>2,209,874</u>	<u>2,211,095</u>
Operating Expenses			
Administration	925,105	925,105	927,554
Operations	1,341,258	1,341,258	1,220,838
Depreciation	-	-	36,989
Total Operating Expenses	<u>2,266,363</u>	<u>2,266,363</u>	<u>2,185,381</u>
Operating Income (Loss)	(56,489)	(56,489)	25,714
Nonoperating (Expenses)			
Interest Expense	<u>(3,574)</u>	<u>(3,574)</u>	<u>(3,555)</u>
Change in Net Position	<u>(60,063)</u>	<u>(60,063)</u>	22,159
Net Position - Beginning as Restated			<u>1,201,786</u>
Net Position - Ending			<u><u>1,223,945</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2015**

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	Budget		Actual
	Original	Final	
Administration			
Contracted Services	\$ 925,105	925,105	927,554
Operations			
Salaries and Wages	248,594	248,594	252,095
Benefits	121,994	121,994	141,813
IMRF Pension Expense	-	-	32,806
Contracted Services	946,070	946,070	788,753
Supplies	24,600	24,600	5,371
Total Operations	1,341,258	1,341,258	1,220,838
Depreciation	-	-	36,989
Total Operating Expenses	2,266,363	2,266,363	2,185,381

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## **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, 2015**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Position  
December 31, 2015**

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	<u>Municipal Garage</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 526,263
Receivables - Net of Allowances - Accounts	10,431
Prepays	138
Total Current Assets	<u>536,832</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	-
Depreciable	9,247
Accumulated Depreciation	<u>(9,247)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>536,832</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	30,757
Deposits Payable	-
Accrued Payroll	5,855
Compensated Absences Payable	5,109
Total Current Liabilities	<u>41,721</u>
Noncurrent Liabilities	
Compensated Absences Payable	<u>67,131</u>
Total Liabilities	<u>108,852</u>
<b>NET POSITION</b>	
Investment in Capital Assets	-
Unrestricted	<u>427,980</u>
Total Net Position	<u><u>427,980</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,429,417	831,918	1,264,184	1,649,558	5,701,340
-	6,018	-	-	16,449
-	-	851,525	3,135,941	3,987,604
1,429,417	837,936	2,115,709	4,785,499	9,705,393
1,189,140	317,929	-	-	1,507,069
19,598,937	3,159,181	-	-	22,767,365
(13,217,723)	(1,963,207)	-	-	(15,190,177)
7,570,354	1,513,903	-	-	9,084,257
8,999,771	2,351,839	2,115,709	4,785,499	18,789,650
226,770	47,929	12,145	227,884	545,485
-	-	-	98,953	98,953
-	-	-	-	5,855
-	-	-	-	5,109
226,770	47,929	12,145	326,837	655,402
-	-	-	-	67,131
226,770	47,929	12,145	326,837	722,533
7,570,354	1,513,903	-	-	9,084,257
1,202,647	790,007	2,103,564	4,458,662	8,982,860
8,773,001	2,303,910	2,103,564	4,458,662	18,067,117

**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, 2015**

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	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 1,468,121
Miscellaneous	5,903
Total Operating Revenues	<u>1,474,024</u>
Operating Expenses	
Administration	1,240,897
Public Safety	-
Public Works	-
Depreciation and Amortization	-
Total Operating Expenses	<u>1,240,897</u>
Operating Income	<u>233,127</u>
Nonoperating Revenues (Expenses)	
Disposal of Capital Assets	-
Interest Income	-
	<u>-</u>
Income Before Transfers	233,127
Transfers Out	<u>(5,000)</u>
Change in Net Position	228,127
Net Position - Beginning	<u>199,853</u>
Net Position - Ending	<u><u>427,980</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,266,000	445,203	817,859	3,491,151	7,488,334
-	413,302	352,601	1,340,904	2,112,710
1,266,000	858,505	1,170,460	4,832,055	9,601,044
-	-	573,770	4,444,841	6,259,508
122,928	-	-	-	122,928
-	636,320	-	-	636,320
689,180	210,612	-	-	899,792
812,108	846,932	573,770	4,444,841	7,918,548
453,892	11,573	596,690	387,214	1,682,496
34,516	-	-	-	34,516
-	-	20	146	166
34,516	-	20	146	34,682
488,408	11,573	596,710	387,360	1,717,178
-	-	-	(100,000)	(105,000)
488,408	11,573	596,710	287,360	1,612,178
8,284,593	2,292,337	1,506,854	4,171,302	16,454,939
8,773,001	2,303,910	2,103,564	4,458,662	18,067,117

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Cash Flows  
For the Fiscal Year Ended December 31, 2015**

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	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ 1,465,311
Payments to Suppliers	(886,267)
Payments to Employees	(307,024)
	<u>272,020</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	-
	<u>-</u>
Cash Flows from Investing Activities	
Interest Received	<u>-</u>
Net Change in Cash and Cash Equivalents	267,020
Cash and Cash Equivalents - Beginning	<u>259,243</u>
Cash and Cash Equivalents - Ending	<u><u>526,263</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	233,127
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities	
Depreciation and Amortization	-
(Increase) Decrease in Current Assets	(8,713)
Increase (Decrease) in Current Liabilities	47,606
	<u>47,606</u>
Net Cash Provided by Operating Activities	<u><u>272,020</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,266,000	855,788	961,085	4,471,594	9,019,778
79,414	(632,124)	(564,523)	(4,511,117)	(6,514,617)
-	-	-	-	(307,024)
1,345,414	223,664	396,562	(39,523)	2,198,137
-	-	-	(100,000)	(105,000)
39,456	-	-	-	39,456
(1,608,642)	(10,988)	-	-	(1,619,630)
(1,569,186)	(10,988)	-	-	(1,580,174)
-	-	20	146	166
(223,772)	212,676	396,582	(139,377)	513,129
1,653,189	619,242	867,602	1,788,935	5,188,211
1,429,417	831,918	1,264,184	1,649,558	5,701,340
453,892	11,573	596,690	387,214	1,682,496
689,180	210,612	-	-	899,792
-	(2,717)	(209,375)	(360,461)	(581,266)
202,342	4,196	9,247	(66,276)	197,115
1,345,414	223,664	396,562	(39,523)	2,198,137

**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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,455,000	1,455,000	1,468,121
Miscellaneous	5,000	5,000	5,903
Total Operating Revenues	<u>1,460,000</u>	<u>1,460,000</u>	<u>1,474,024</u>
Operating Expenses			
Administration			
Motor Pool			
Salaries and Wages	295,965	295,965	349,000
Benefits	151,385	151,385	151,304
Contracted Services	379,532	379,532	361,104
Supplies	575,350	575,350	379,489
Total Operating Expenses	<u>1,402,232</u>	<u>1,402,232</u>	<u>1,240,897</u>
Income Before Transfers	57,768	57,768	233,127
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
Change in Net Position	<u>52,768</u>	<u>52,768</u>	228,127
Net Position - Beginning			<u>199,853</u>
Net Position - Ending			<u>427,980</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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,266,000	1,266,000	1,266,000
Operating Expenses			
Public Safety	1,551,000	1,551,000	122,928
Depreciation and Amortization	-	-	689,180
Total Operating Expenses	1,551,000	1,551,000	812,108
Operating Income (Loss)	(285,000)	(285,000)	453,892
Nonoperating Revenues			
Disposal of Capital Assets	-	-	34,516
Change in Net Position	<u>(285,000)</u>	<u>(285,000)</u>	488,408
Net Position - Beginning			<u>8,284,593</u>
Net Position - Ending			<u>8,773,001</u>

**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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 443,500	443,500	445,203
Miscellaneous	-	-	413,302
Total Operating Revenues	<u>443,500</u>	<u>443,500</u>	<u>858,505</u>
Operating Expenses			
Public Works	450,930	450,930	636,320
Depreciation	-	-	210,612
Total Operating Expenses	<u>450,930</u>	<u>450,930</u>	<u>846,932</u>
Change in Net Position	<u>(7,430)</u>	<u>(7,430)</u>	11,573
Net Position - Beginning			<u>2,292,337</u>
Net Position - Ending			<u>2,303,910</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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 817,859	817,859	817,859
Miscellaneous			
Insurance Rebate	-	-	209,375
Other	15,000	15,000	143,226
Total Operating Revenues	<u>832,859</u>	<u>832,859</u>	<u>1,170,460</u>
Operating Expenses			
Administration			
Liability Insurance	750,000	750,000	548,337
Unemployment	20,000	20,000	-
Reimbursable Repairs	14,520	14,520	25,433
Change to Insurance Reserves	15,000	15,000	-
Total Operating Expenses	<u>799,520</u>	<u>799,520</u>	<u>573,770</u>
Operating Income	33,339	33,339	596,690
Nonoperating Revenues			
Interest Income	<u>100</u>	<u>100</u>	<u>20</u>
Change in Net Position	<u>33,439</u>	<u>33,439</u>	596,710
Net Position - Beginning			<u>1,506,854</u>
Net Position - Ending			<u>2,103,564</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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 3,866,265	3,866,265	3,491,151
Miscellaneous			
Employee Contributions	361,052	361,052	351,813
Retiree Contributions	676,134	676,134	646,513
Insurance Rebate	-	-	342,578
Other	(5,000)	(5,000)	-
Total Operating Revenues	<u>4,898,451</u>	<u>4,898,451</u>	<u>4,832,055</u>
Operating Expenses			
Administration			
Group Health			
PPO White	1,081,925	1,081,925	1,016,997
PPO Blue	368,694	368,694	358,690
HMO	1,356,579	1,356,579	1,257,467
Retirees	522,355	522,355	472,275
PSEBA	25,452	25,452	24,104
PPO Purple	27,266	27,266	25,911
HMO Orange	-	-	16,551
Dental Insurance			
PPO	76,733	76,733	73,161
HMO	55,590	55,590	56,949
Retirees	13,701	13,701	11,114
Life Insurance	20,586	20,586	19,710
Medical Waivers	1,062	1,062	1,184
Retiree IMRF	-	-	29,601
Retiree Medicare Reimbursements	-	-	176,903
Retiree Payouts	740,000	740,000	880,194
Retiree Taxes	-	-	17,835
Other	7,000	7,000	6,195
Total Operating Expenses	<u>4,296,943</u>	<u>4,296,943</u>	<u>4,444,841</u>
Operating Income	601,508	601,508	387,214
Nonoperating Revenues			
Interest Income	1,500	1,500	146
Income Before Transfers	603,008	603,008	387,360
Transfers Out	(100,000)	(100,000)	(100,000)
Change in Net Position	<u>503,008</u>	<u>503,008</u>	287,360
Net Position - Beginning			<u>4,171,302</u>
Net Position - Ending			<u><u>4,458,662</u></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, 2015**

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	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 26,353	3,377,365	3,403,718
Investments			
U.S. Government and Agency Obligations	4,920,383	3,072,209	7,992,592
Corporate Bonds	6,299,563	4,719,383	11,018,946
Mutual Funds	964,956	2,221,376	3,186,332
Common Stock	18,455,167	13,308,511	31,763,678
Insurance Contracts	1,798,012	-	1,798,012
Certificate of Deposits	2,507,810	-	2,507,810
Receivables - Net of Allowance			
Accrued Interest	101,068	69,728	170,796
Due from Other Funds	27,754	28,022	55,776
Prepays	1,636	1,507	3,143
Total Assets	35,102,702	26,798,101	61,900,803
<b>LIABILITIES</b>			
Accounts Payable	35,669	1,925	37,594
<b>NET POSITION</b>			
Net Position Restricted for Pensions	35,067,033	26,796,176	61,863,209

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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, 2015**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 2,547,497	2,755,511	5,303,008
Contributions - Plan Members	469,521	397,740	867,261
Miscellaneous	-	100	100
Total Contributions	<u>3,017,018</u>	<u>3,153,351</u>	<u>6,170,369</u>
<b>Investment Earnings</b>			
Interest Earned	885,857	445,026	1,330,883
Net Change in Fair Value	(647,979)	(149,928)	(797,907)
	<u>237,878</u>	<u>295,098</u>	<u>532,976</u>
Less Investment Expenses	(95,275)	(68,348)	(163,623)
Net Investment Income	<u>142,603</u>	<u>226,750</u>	<u>369,353</u>
Total Additions	<u>3,159,621</u>	<u>3,380,101</u>	<u>6,539,722</u>
<b>Deductions</b>			
Administration	54,640	49,339	103,979
Benefits and Refunds	2,927,628	3,156,692	6,084,320
Total Deductions	<u>2,982,268</u>	<u>3,206,031</u>	<u>6,188,299</u>
Change in Fiduciary Net Position	177,353	174,070	351,423
<b>Net Position Restricted for Pensions</b>			
Beginning	<u>34,889,680</u>	<u>26,622,106</u>	<u>61,511,786</u>
Ending	<u>35,067,033</u>	<u>26,796,176</u>	<u>61,863,209</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Compliance Deposits - Agency Fund**

**Schedule of Changes in Assets and Liabilities  
For the Fiscal Year Ended December 31, 2015**

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Investments	\$ 391,411	50,395	-	441,806
<b>LIABILITIES</b>				
Deposits Payable	391,411	50,395	-	441,806

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## **SUPPLEMENTAL SCHEDULES**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements**

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

**December 31, 2015**

Date of Issue	December 13, 2012
Date of Maturity	September 15, 2033
Authorized Issue	\$1,265,744
Interest Rate	2.295%
Interest Dates	March 15 and September 15
Principal Maturity Date	Septmeber 15
Payable at	Illinois Environmental Protection Agency
Fund Debt Retired by	Utilites
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
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	79,507	1,371	80,878	2033	912	2033	459
	<u>1,187,101</u>	<u>268,735</u>	<u>1,455,836</u>		<u>137,754</u>		<u>130,981</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements**

**Illinois Environmental Protection Agency (L17-4141) Loan Payable of 2013**

**December 31, 2015**

Date of Issue	October 18, 2013
Date of Maturity	May 1, 2034
Authorized Issue	\$1,365,863
Interest Rate	1.930%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Illinois Environmental Protection Agency
Fund Debt Retired by	Utilities
Purpose of Debt	Wastewater Project

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

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2015	\$ 58,801	24,686	83,487	2016	12,484	2016	12,202
2016	59,942	23,546	83,488	2017	11,917	2017	11,629
2017	61,104	22,383	83,487	2018	11,338	2018	11,045
2018	62,289	21,197	83,486	2019	10,748	2019	10,449
2019	63,497	19,989	83,486	2020	10,147	2020	9,842
2020	64,729	18,759	83,488	2021	9,535	2021	9,224
2021	65,983	17,503	83,486	2022	8,910	2022	8,593
2022	67,263	16,223	83,486	2023	8,273	2023	7,950
2023	68,568	14,919	83,487	2024	7,624	2024	7,295
2024	69,898	13,589	83,487	2025	6,962	2025	6,627
2025	71,254	12,234	83,488	2026	6,288	2026	5,946
2026	72,635	10,852	83,487	2027	5,600	2027	5,252
2027	74,044	9,443	83,487	2028	4,899	2028	4,544
2028	75,480	8,007	83,487	2029	4,185	2029	3,822
2029	76,943	6,544	83,487	2030	3,457	2030	3,087
2030	78,435	5,051	83,486	2031	2,714	2031	2,337
2031	79,956	3,530	83,486	2032	1,957	2032	1,573
2032	81,507	1,980	83,487	2033	1,186	2033	794
2033	41,345	399	41,744	2034	399	2034	-
	<u>1,293,673</u>	<u>250,834</u>	<u>1,544,507</u>		<u>128,623</u>		<u>122,211</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2015**

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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
2015	\$ 770,000	62,800	832,800	2016	31,400	2016	31,400
2016	800,000	32,000	832,000	2017	<u>16,000</u>	2017	<u>16,000</u>
	<u>1,570,000</u>	<u>94,800</u>	<u>1,664,800</u>		<u>47,400</u>		<u>47,400</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2015**

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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
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>650,000</u>	<u>34,418</u>	<u>684,418</u>		<u>17,209</u>		<u>17,209</u>
	306,068	Governmental Activities					
	<u>343,932</u>	Business-Type Activities					
	<u>650,000</u>						

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2015**

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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
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>7,110,000</u>	<u>777,802</u>	<u>7,887,802</u>		<u>388,901</u>		<u>388,901</u>
	6,235,000	Governmental Activities					
	<u>875,000</u>	Business-Type Activities					
	<u>7,110,000</u>						

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2015**

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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
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>840,000</u>	<u>25,300</u>	<u>865,300</u>		<u>12,650</u>		<u>12,650</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, 2015 (Unaudited)**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
December 31, 2015 (Unaudited)**

	2006	2007	2008	2009
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 109,358,442	105,646,508	109,272,518	108,882,307
Restricted	5,940,947	3,753,784	1,647,970	2,051,851
Unrestricted	5,356,570	8,983,731	(5,930,130)	(5,645,470)
<b>Total Governmental   Activities Net Position</b>	<b>120,655,959</b>	<b>118,384,023</b>	<b>104,990,358</b>	<b>105,288,688</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	6,576,137	5,085,394	7,126,881	8,491,159
Unrestricted	1,069,107	1,259,025	713,479	315,541
<b>Total Business-Type   Activities Net Position</b>	<b>7,645,244</b>	<b>6,344,419</b>	<b>7,840,360</b>	<b>8,806,700</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	115,934,579	110,731,902	116,399,399	117,373,466
Restricted	5,940,947	3,753,784	1,647,970	2,051,851
Unrestricted	6,425,677	10,242,756	(5,216,651)	(5,329,929)
<b>Total Primary Government   Net Position</b>	<b>128,301,203</b>	<b>124,728,442</b>	<b>112,830,718</b>	<b>114,095,388</b>

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

2010	2011	2012	2013	2014	2015
108,392,130	111,771,420	113,811,130	114,849,845	117,346,244	121,051,207
1,699,491	2,767,336	1,437,541	1,281,794	1,226,505	1,084,594
(4,534,846)	(7,515,610)	(2,230,163)	2,456,900	5,192,234	(62,359,303)
105,556,775	107,023,146	113,018,508	118,588,539	123,764,983	59,776,498
8,095,948	8,449,043	8,343,385	8,429,963	8,847,435	10,554,431
2,085,393	2,942,316	4,417,081	5,255,511	6,089,240	4,637,392
10,181,341	11,391,359	12,760,466	13,685,474	14,936,675	15,191,823
116,488,078	120,220,463	122,154,515	123,279,808	126,193,679	131,605,638
1,699,491	2,767,336	1,437,541	1,281,794	1,226,505	1,084,594
(2,449,453)	(4,573,294)	2,186,918	7,712,411	11,281,474	(57,721,911)
115,738,116	118,414,505	125,778,974	132,274,013	138,701,658	74,968,321

CITY OF ROLLING MEADOWS, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
December 31, 2015 (Unaudited)

	2006	2007	2008	2009	2010**	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 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	4,710,309
Public Safety	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	30,989,615
Highways and Streets	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	1,019,272
Public Works	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	4,209,525
Health and Welfare	67,394	103,638	25,680	30,071	23,721	9,537	9,879	10,481	10,352	4,797
Economic Development	48,841	122,229	251,734	62,322	32,982	42,130	129,036	59,851	65,738	72,945
Interest on Long-Term Debt	1,021,232	922,866	1,050,211	913,918	825,026	752,459	670,105	512,086	412,711	346,695
Total Governmental Activities Expenses	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	41,353,158
<b>Business-Type Activities</b>										
Water	4,393,038	4,768,120	4,772,997	4,859,697	-	-	-	-	-	-
Sewer	982,322	1,251,397	1,178,925	1,305,382	-	-	-	-	-	-
Refuse	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	2,188,936
Storm Water Management	390,878	508,623	603,328	476,415	-	-	-	-	-	-
Street Light Utility	103,826	91,310	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	6,432,610	6,740,808	7,735,312	8,178,445	8,557,359	9,443,330
Total Business-Type Activities Expenses	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	11,632,266
Total Primary Government Expenses	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	52,985,424
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	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	4,422,436
Public Safety	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	2,398,343
Highways and Streets	-	-	367,344	377,951	379,500	376,565	440,191	502,194	494,121	492,658
Public Works	-	-	40,000	-	-	-	-	-	-	-
Operating Grants/Contributions	179,560	56,871	131,846	87,436	129,711	115,719	89,572	45,133	34,668	131,706
Capital Grants/Contributions	756,145	1,004,163	862,720	868,063	743,796	1,068,261	1,981,230	1,641,349	1,620,109	1,584,544
Total Governmental Activities Program Revenues	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	9,029,687
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Water	3,765,740	3,917,773	4,580,044	5,428,887	-	-	-	-	-	-
Sewer	1,200,544	1,277,885	1,576,209	1,663,771	-	-	-	-	-	-
Refuse	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	2,211,095
Storm Water Management	463,534	493,815	520,222	895,935	-	-	-	-	-	-
Street Light Utility	2,405	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	7,971,358	7,690,989	8,926,344	8,900,389	9,638,533	9,946,864
Capital Grants/Contributions	-	-	813,878	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	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	12,157,959
Total Primary Government Program Revenues	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	21,187,646

	2006	2007	2008	2009	2010**	2011	2012	2013	2014	2015
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (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)	(32,323,471)
Business-Type Activities	(330,707)	(1,030,046)	972,293	1,357,654	1,437,121	1,209,433	1,455,920	923,984	1,249,771	525,693
<b>Total Primary Government Net (Expense) Revenue</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>(31,797,778)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property	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	13,330,729
Sales and Home Rule	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	5,696,766
Income	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	2,605,804
Replacement	250,109	303,772	207,587	177,371	194,281	181,680	175,462	201,091	194,283	179,585
Hotel	304,677	265,716	451,898	288,634	289,076	333,374	389,212	399,218	466,914	476,594
Food and Beverage	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	1,286,438
Real Estate Transfer	594,248	386,091	269,663	191,259	174,819	153,688	239,865	638,306	433,172	505,464
Other Taxes	585,297	605,793	1,181,778	918,055	783,518	802,280	840,015	905,187	952,161	1,020,476
Electric Utility	-	-	-	1,301,016	1,310,453	1,295,918	1,298,887	1,314,755	1,318,396	1,291,072
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	1,691,483
Interest	573,027	261,614	61,928	4,572	3,736	8,471	12,070	12,125	(36,478)	17,131
Miscellaneous	356,266	612,121	1,174,766	696,661	508,518	740,868	664,470	351,276	415,396	713,424
Gain (Loss) on Sale of Capital Assets	2,518	(4,137)	-	-	-	-	-	-	-	-
Transfers	(568,093)	700,644	(490,990)	404,714	56,402	-	87,195	-	-	-
<b>Total Governmental Activities</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>28,814,966</b>
Business-Type Activities										
Interest	(42,536)	(25,828)	32,658	13,400	(6,078)	585	382	1,024	1,430	20,876
Miscellaneous	3,300	88,161	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	51,000	-	-	-	-	-	-	-	-	-
Transfers	568,093	(399,863)	490,990	(404,714)	(56,402)	-	(87,195)	-	-	-
<b>Total Business-Type Activities</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>20,876</b>
<b>Total Primary Government</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>28,835,842</b>
<b>Changes in Net Position</b>										
Governmental Activities	(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	(3,508,505)
Business-Type Activities	249,150	(1,367,576)	1,495,941	966,340	1,374,641	1,210,018	1,369,107	925,008	1,251,201	546,569
<b>Total Primary Government</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>	<b>(2,961,936)</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, 2015 (Unaudited)**

	2006	2007	2008
General Fund			
Reserved	\$ 2,759,673	23,280	885,176
Unreserved	933,072	(558,108)	(3,259,880)
Nonspendable	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	<u>3,692,745</u>	<u>(534,828)</u>	<u>(2,374,704)</u>
All Other Governmental Funds			
Reserved	684,867	406,996	3,083
Unreserved, Reported in,			
Special Revenue Funds	1,621,101	1,880,821	1,632,220
Debt Service Funds	(11,785)	(94,750)	(202,957)
Capital Projects Funds	3,802,109	1,394,085	759,234
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	<u>6,096,292</u>	<u>3,587,152</u>	<u>2,191,580</u>
Total Fund Balances of All Governmental Funds	<u>9,789,037</u>	<u>3,052,324</u>	<u>(183,124)</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.

2009	2010	2011	2012	2013	2014	2015
31,143	38,662	-	-	-	-	-
(755,684)	(276,386)	-	-	-	-	-
-	-	17,154	42,584	26,407	44,792	44,788
-	-	-	-	-	421,452	521,452
-	-	-	-	-	-	1,221,683
-	-	1,835,647	4,203,793	6,076,910	7,565,662	9,671,128
(724,541)	(237,724)	1,852,801	4,246,377	6,103,317	8,031,906	11,459,051
39,266	-	-	-	-	-	-
1,558,533	1,890,239	-	-	-	-	-
944,481	733,690	-	-	-	-	-
2,143,972	2,000,606	-	-	-	-	-
-	-	43,704	34,615	9,987	2,677	35,126
-	-	2,767,336	1,437,541	1,283,172	1,234,222	1,090,277
-	-	394,257	756,176	1,147,248	488,579	313,560
-	-	(1,577,366)	(1,194,218)	(890,492)	(1,020,387)	(1,147,851)
4,686,252	4,624,535	1,627,931	1,034,114	1,549,915	705,091	291,112
3,961,711	4,386,811	3,480,732	5,280,491	7,653,232	8,736,997	11,750,163

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2015 (Unaudited)**

	2006	2007	2008
<b>Revenues</b>			
Taxes	\$ 17,832,188	18,308,907	19,016,882
Intergovernmental	3,857,675	4,021,047	3,933,009
Licenses and Permits	1,093,799	1,010,634	1,017,538
Charges for Services	2,700,640	2,996,532	2,872,146
Fines and Forfeitures	654,288	618,072	1,019,991
Interest	537,225	190,513	26,760
Miscellaneous	530,800	407,520	1,174,766
<b>Total Revenues</b>	<b>27,206,615</b>	<b>27,553,225</b>	<b>29,061,092</b>
<b>Expenditures</b>			
General Government	4,083,515	4,176,068	4,225,872
Public Safety	16,002,500	17,700,593	19,222,960
Highways and Streets	1,630,778	1,376,631	1,997,103
Public Works	2,105,611	2,817,057	2,128,901
Health and Welfare	42,000	23,013	25,680
Economic Development	48,841	119,358	251,734
Capital Outlay	8,746,520	2,356,659	1,670,995
Debt Service			
Principal Retirement	1,445,000	1,535,000	1,474,744
Interest	1,074,145	944,177	892,309
<b>Total Expenditures</b>	<b>35,178,910</b>	<b>31,048,556</b>	<b>31,890,298</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(7,972,295)</b>	<b>(3,495,331)</b>	<b>(2,829,206)</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	74,968	7,040	851
Debt Issuance	-	-	83,897
Premium/Discount on Debt Issuance	-	-	-
Payment to Escrow Agent	-	-	-
Transfers In	2,595,995	2,093,122	2,977,970
Transfers Out	(2,228,222)	(4,275,361)	(3,468,960)
<b>Total Other Financing Sources (Uses)</b>	<b>442,741</b>	<b>(2,175,199)</b>	<b>(406,242)</b>
<b>Net Change in Fund Balances</b>	<b>(7,529,554)</b>	<b>(5,670,530)</b>	<b>(3,235,448)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.0%</b>	<b>8.6%</b>	<b>7.71%</b>

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

2009	2010	2011	2012	2013	2014	2015
19,937,896	20,571,562	22,139,213	23,327,064	24,194,556	24,319,808	24,763,044
3,788,179	3,385,015	3,632,551	4,767,174	4,645,363	4,602,096	5,037,617
1,153,258	1,164,750	1,337,517	1,504,274	1,387,226	1,549,965	2,743,938
2,437,206	2,210,123	2,070,328	2,433,701	2,609,891	2,615,701	2,972,949
1,055,241	1,448,596	1,196,561	1,271,260	1,348,002	1,366,960	1,596,550
3,244	3,656	7,758	11,033	10,590	(37,604)	16,965
696,661	508,518	740,868	664,470	351,276	415,396	713,424
29,071,685	29,292,220	31,124,796	33,978,976	34,546,904	34,832,322	37,844,487
3,541,481	3,512,882	3,357,499	4,042,299	3,564,299	4,062,109	4,320,711
17,272,340	18,731,524	19,269,706	20,259,585	21,237,148	21,688,294	21,970,277
586,396	673,460	1,136,370	1,201,640	1,271,488	993,051	1,019,272
2,545,694	2,668,228	2,417,384	2,136,425	2,256,611	2,400,591	2,336,042
30,071	23,721	9,537	9,879	10,481	10,352	4,797
62,322	32,982	42,130	129,036	59,851	65,738	72,945
995,943	1,114,952	2,062,621	1,948,992	1,187,260	1,986,357	2,666,447
1,639,923	3,007,460	2,972,170	1,926,880	2,101,590	2,166,300	2,230,830
890,602	837,422	765,130	615,941	457,492	381,365	315,000
27,564,772	30,602,631	32,032,547	32,270,677	32,146,220	33,754,157	34,936,321
1,506,913	(1,310,411)	(907,751)	1,708,299	2,400,684	1,078,165	2,908,166
1,258	10,456	1,672	763	539	600	-
1,315,000	1,200,000	-	8,265,000	2,055,000	-	-
-	-	-	5,791	-	-	-
-	-	-	(8,267,289)	(2,033,165)	-	-
3,288,518	2,712,782	1,412,903	961,494	1,698,570	1,712,967	1,700,724
(3,182,211)	(1,656,380)	(1,412,903)	(874,299)	(1,748,887)	(1,707,967)	(1,595,724)
1,422,565	2,266,858	1,672	91,460	(27,943)	5,600	105,000
2,929,478	956,447	(906,079)	1,799,759	2,372,741	1,083,765	3,013,166
9.36%	12.96%	12.54%	8.46%	8.41%	7.97%	7.87%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
December 31, 2015 (Unaudited)**

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Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property
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	-
2014	394,371,663	254,681,126	81,117,603	-

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
\$	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	-20.25%	2,169,402,885	33.33%	2.200
	730,170,392	-12.66%	2,190,511,176	33.33%	2.187

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years**

**Elk Grove Township**

**December 31, 2015 (Unaudited)**

	2005	2006	2007
City Direct Rates			
General	\$ 0.468	0.473	0.473
Debt Service	0.144	0.139	0.139
Pension Trust			
Police Pension	0.053	0.055	0.055
Firefighters' Pension	0.054	0.056	0.056
Total City Direct Rates	0.719	0.723	0.723
Component Unit - Library Direct Rate	0.317	0.331	0.302
Total City Direct Rate	1.036	1.054	1.025
Overlapping Rates - Elk Grove Township			
Cook County	0.533	0.500	0.446
Forest Preserve District	0.060	0.057	0.053
Suburban Tuberculosis Sanitarium	0.005	0.005	-
Metropolitan Sanitary District	0.315	0.284	0.263
Northwest Mosquito Abatement	0.009	0.009	0.008
Consolidated Elections	0.014	-	0.012
Elk Grove			
Town	0.044	0.044	0.040
Road and Bridge	0.009	0.009	0.009
General Assistance	0.009	0.009	0.008
School Districts			
School District Number 15	2.840	2.763	2.435
High School District Number 214	1.759	1.823	1.621
Community College District Number 512	0.281	0.288	0.260
Rolling Meadows Park District	0.429	0.449	0.418
Total Overlapping Rates - Elk Grove Township	6.307	6.240	5.573
Total Direct and Overlapping Rates	7.343	7.294	6.598

Data Source: Office of the County Clerk

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

2008	2009	2010	2011	2012	2013	2014
0.428	0.445	0.507	0.649	0.703	0.812	0.790
0.124	0.124	0.142	0.157	0.168	0.193	0.189
0.089	0.139	0.209	0.257	0.295	0.353	0.355
0.089	0.141	0.206	0.254	0.318	0.379	0.384
0.730	0.849	1.064	1.317	1.484	1.737	1.718
0.289	0.309	0.352	0.389	0.434	0.463	0.469
1.019	1.158	1.416	1.706	1.918	2.200	2.187
0.415	0.394	0.423	0.462	0.531	0.560	0.568
0.051	0.490	0.051	0.058	0.063	0.069	0.069
-	-	-	0.025	-	-	-
0.252	0.261	0.274	0.320	0.370	0.417	0.430
0.008	0.008	0.009	0.010	0.011	0.013	0.013
-	0.021	-	-	-	0.031	-
0.041	0.044	0.049	0.056	0.064	0.077	0.076
0.009	0.010	0.010	0.013	0.014	0.017	0.018
0.009	0.010	0.010	0.012	0.014	0.017	0.017
2.385	2.307	2.512	2.943	3.269	3.849	3.868
1.587	1.636	1.839	2.067	2.324	2.768	2.776
0.256	0.258	0.295	0.334	0.373	0.444	0.451
0.411	0.420	0.486	0.546	0.607	0.709	0.711
5.424	5.859	5.958	6.846	7.640	8.971	8.997
6.443	7.017	7.374	8.552	9.558	11.171	11.184

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Palatine Township (High School District 211)  
December 31, 2015 (Unaudited)**

	2005	2006	2007
City Direct Rates			
General	\$ 0.468	0.473	0.473
Debt Service	0.144	0.139	0.139
Pension Trust			
Police Pension	0.053	0.055	0.055
Firefighters' Pension	0.054	0.056	0.056
Total City Direct Rates	0.719	0.723	0.723
Component Unit - Library Direct Rate	0.317	0.331	0.302
Total City Direct Rate	1.036	1.054	1.025
Overlapping Rates - Palatine Township			
Cook County	0.533	0.500	0.446
Forest Preserve District	0.060	0.057	0.053
Suburban Tuberculosis Sanitarium	0.005	0.005	-
Water Reclamation District	0.315	0.284	0.263
Northwest Mosquito Abatement	0.009	0.009	0.008
Consolidated Elections	0.014	-	0.012
Palatine			
Town	0.037	0.039	0.035
Road and Bridge	0.069	0.072	0.064
General Assistance	0.008	0.009	0.008
School Districts			
School District Number 15	2.840	2.763	2.435
High School District Number 211	2.191	2.261	1.972
Community College District Number 512	0.281	0.288	0.260
Rolling Meadows Park District	0.429	0.449	0.418
Total Overlapping Rates - Palatine Township	6.791	6.736	5.974
Total Direct and Overlapping Rates	7.827	7.790	6.999

Data Source: Office of the County Clerk

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

2008	2009	2010	2011	2012	2013	2014
0.428	0.445	0.507	0.648	0.703	0.812	0.790
0.124	0.124	0.142	0.157	0.168	0.193	0.189
0.089	0.139	0.209	0.257	0.295	0.353	0.355
0.089	0.141	0.206	0.254	0.318	0.379	0.384
0.730	0.849	1.065	1.317	1.484	1.737	1.718
0.289	0.309	0.352	0.389	0.434	0.463	0.469
1.019	1.158	1.417	1.706	1.918	2.200	2.187
0.415	0.394	0.423	0.462	0.531	0.560	0.568
0.051	0.490	0.051	0.058	0.063	0.069	0.069
-	-	-	-	-	-	-
0.252	0.261	0.274	0.320	0.370	0.417	0.430
0.008	0.008	0.009	0.010	0.011	0.013	0.013
-	0.021	-	-	-	0.031	-
0.035	0.034	0.041	0.044	0.049	0.058	0.059
0.063	0.061	0.070	0.079	0.082	0.092	0.090
0.008	0.008	0.009	0.012	0.014	0.017	0.017
2.385	2.307	2.512	2.943	3.269	3.849	3.868
1.928	1.916	2.200	2.482	2.772	3.197	3.213
0.256	0.258	0.295	0.334	0.373	0.444	0.451
0.411	0.420	0.486	0.546	0.607	0.709	0.711
5.812	6.178	6.370	7.290	8.141	9.456	9.489
6.831	7.336	7.787	8.996	10.059	11.656	11.676

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Palatine Township (High School District 214)  
December 31, 2015 (Unaudited)**

	2005	2006	2007
City Direct Rates			
General	\$ 0.468	0.473	0.473
Debt Service	0.144	0.139	0.139
Pension Trust			
Police Pension	0.053	0.055	0.055
Firefighters' Pension	0.054	0.056	0.056
Total City Direct Rates	0.719	0.723	0.723
Component Unit - Library Direct Rate	0.317	0.331	0.302
Total City Direct Rate	1.036	1.054	1.025
Overlapping Rates - Palatine Township			
Cook County	0.533	0.500	0.446
Forest Preserve District	0.060	0.057	0.053
Suburban Tuberculosis Sanitarium	0.005	0.005	-
Water Reclamation District	0.315	0.284	0.263
Northwest Mosquito Abatement	0.009	0.009	0.008
Consolidated Elections	0.014	-	0.012
Palatine			
Town	0.037	0.039	0.035
Road and Bridge	0.069	0.072	0.064
General Assistance	0.008	0.009	0.008
School Districts			
School District Number 15	2.840	2.763	2.435
High School District Number 214	1.759	1.823	1.621
Community College District Number 512	0.281	0.288	0.260
Rolling Meadows Park District	0.429	0.449	-
Total Overlapping Rates - Palatine Township	6.359	6.298	5.205
Total Direct and Overlapping Rates	7.395	7.352	6.230

Data Source: Office of the County Clerk

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

2008	2009	2010	2011	2012	2013	2014
0.428	0.445	0.507	0.648	0.703	0.812	0.790
0.124	0.124	0.142	0.157	0.168	0.193	0.189
0.089	0.139	0.209	0.257	0.295	0.353	0.355
0.089	0.141	0.206	0.254	0.318	0.379	0.384
0.730	0.849	1.065	1.317	1.484	1.737	1.718
0.298	0.309	0.352	0.389	0.434	0.463	0.469
1.028	1.158	1.417	1.706	1.918	2.200	2.187
0.415	0.394	0.423	0.462	0.531	0.560	0.568
0.051	0.490	0.051	0.028	0.063	0.069	0.069
-	-	-	-	-	-	-
0.252	0.261	0.274	0.320	0.370	0.417	0.430
0.008	0.008	0.009	0.010	0.011	0.013	0.013
-	0.021	-	0.025	-	0.031	-
0.035	0.034	0.041	0.044	0.049	0.058	0.059
0.063	0.061	0.070	0.079	0.082	0.092	0.090
0.008	0.008	0.009	0.012	0.014	0.017	0.017
2.385	2.307	2.512	2.943	3.269	3.849	3.868
1.587	1.636	1.839	2.067	2.324	2.768	2.776
0.256	0.256	0.295	0.334	0.373	0.444	0.451
0.411	0.420	0.486	0.546	0.607	0.709	0.711
5.471	5.896	6.009	6.870	7.693	9.027	9.052
6.499	7.054	7.426	8.576	9.611	11.227	11.239

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago  
December 31, 2015 (Unaudited)**

Taxpayer	2014 Tax Levy Year			2006 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
WSC GSP CT Holdings/1701 Golf Rd	\$ 10,434,525	1	1.43%			
Atrium Corp. Center LLC	6,249,998	2	0.86%	\$ 7,558,127	3	0.78%
Northrop Grumman Systems	6,121,671	3	0.84%	9,684,819	2	1.00%
Walmart Stores	4,078,347	4	0.56%	7,449,228	5	0.77%
YPI 1600 Corporate Center	3,831,229	5	0.52%	7,085,467	6	0.73%
Woodfield Crossing	3,515,411	6	0.48%			
Arthur J Gallagher	3,356,246	7	0.46%			
Buck Management	3,141,532	8	0.43%			
Marc Realty	3,091,975	9	0.42%	6,951,595	7	0.72%
Rolling Meadows 450 LLC	3,086,290	10	0.42%			
Prime Group Realty				21,974,438	1	2.28%
Rolling Meadows Delaware				7,484,310	4	0.78%
12 Oaks Management Office				6,234,297	8	0.65%
Tower Realty				5,733,087	9	0.59%
Crossroads 3501/Lincoln Atrium Mgnt				5,151,376	10	0.53%
<b>Total</b>	<b>46,907,224</b>		<b>6.42%</b>	<b>85,306,744</b>		<b>8.83%</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, 2015 (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
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%	(11,319)	12,363,002	98.44%
2015	2014	12,546,303	12,294,644	97.99%	-	12,294,644	97.99%

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, 2015 (Unaudited)**

Fiscal Year	2006	2007	2008	2009
General Merchandise	\$ 61,123,560	60,275,753	59,529,361	60,495,368
Food	15,127,480	15,001,571	11,690,306	11,157,166
Drinking and Eating Places	49,420,200	48,936,206	48,805,003	44,742,470
Apparel	3,443,500	3,405,336	2,521,712	2,522,896
Furniture and H.H. and Radio	7,149,700	7,218,336	7,372,794	6,164,965
Lumber, Building, Hardware	2,915,620	2,715,061	2,697,156	1,205,151
Automobile and Filling Stations	44,328,920	65,703,526	46,737,476	45,088,883
Drugs and Misc. Retail	16,478,260	16,190,972	13,493,447	12,878,726
Agriculture and All Others	32,129,520	32,404,576	30,093,783	20,523,263
Manufacturers	8,593,220	8,463,314	9,521,908	6,873,845
Total	240,709,980	260,314,651	232,462,946	211,652,733
Local Sales Tax Rate	2.00%	2.00%	2.00%	2.00%
Total Sales Tax Rate	8.75%	8.75%	10.00%	10.00%

Data Source: Illinois Department of Revenue

2010	2011	2012	2013	2014	2015
39,328,192	28,167,711	37,623,908	36,328,755	60,335,714	59,296,321
9,916,455	9,785,079	9,011,588	8,723,269	9,890,112	9,118,952
42,917,114	43,795,249	51,400,943	49,940,617	50,610,022	55,103,777
2,443,133	11,089,518	1,610,968	1,088,969	346,145	46,913
5,862,267	6,649,299	8,020,244	8,972,718	9,640,245	8,940,544
1,186,241	794,665	710,119	1,128,473	1,374,305	2,535,015
52,407,264	64,965,950	66,092,838	67,697,225	39,460,442	41,794,477
12,343,741	12,821,333	14,548,096	16,448,533	17,298,321	18,327,253
23,267,418	24,719,294	21,716,579	20,689,436	31,126,523	37,164,473
6,851,196	2,831,417	5,460,129	12,305,693	23,661,044	11,994,220
196,523,021	205,619,515	216,195,412	223,323,688	243,742,873	244,321,945
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
9.50%	9.25%	9.00%	9.00%	9.00%	9.00%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
December 31, 2015 (Unaudited)**

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Fiscal Year	State Sales Tax	Local Sales Tax to City	Home Rule Sales Tax to City	Mass Transit Portion	Cook County Portion	Total Sales Tax Rate
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%
2015	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, 2015 (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
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
2015	3,354,233	2,342,533	1,691,483	1,291,072	1,286,438	476,594	505,464

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, 2015 (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			
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
2015	8,951,068	-	1,218,932	2,480,774	12,650,774	2.61%	525

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, 2015 (Unaudited)**

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Fiscal Year	General Obligation Bonds	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
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
2015	10,170,000	1.39%	422

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, 2015 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City Direct Debt	\$ 8,951,068	100.00%	\$ 8,951,068
Overlapping Debt			
County of Cook	3,578,276,750	0.59%	21,111,833
Cook County Forest Preserve	172,535,000	0.59%	1,017,957
Metropolitan Water Reclamation District	2,591,245,000	0.60%	15,547,470
Arlington Heights Park District	15,190,000	0.18%	
Palatine Park District	17,750,000	5.97%	1,059,675
Rolling Meadows Park District	2,115,000	89.27%	1,888,061
Schaumburg Park District	17,545,000	0.20%	35,090
Community Consolidated School District No. 15	35,900,000	20.79%	7,463,610
Community Consolidated School District No. 59	20,685,000	1.76%	364,056
Township High School District 211	11,380,000	4.34%	493,892
Township High School District 214	42,800,000	5.96%	2,550,880
Harper College Comm College District No. 512	173,061,859	6.45%	11,162,490
Total Overlapping Debt	6,678,483,609		62,695,013
Total Direct and Overlapping Debt	6,687,434,677		71,646,081

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, 2015 (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, 2015 (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
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%
2015	24,099	484,322	29,331	36.6	13.4	5,258	6.70%

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, 2015 (Unaudited)**

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northrop Defense Systems	2,200	1	9.5%	2,600	1	11.5%
Capital One	1,500	2	6.5%			
Verizon Wireless	900	3	3.9%			
Cennate	480	4	2.1%			
Komatsu	325	5	1.4%			
Meijer	300	6	1.3%			
A.H. Management Group	263	7	1.1%			
RTC	252	8	1.1%			
Methode Electronics, Inc.	245	9	1.1%	480	4	2.1%
Walmart	221	10	1.0%			
AT & T Network Systems				900	2	4.0%
Transamerica Commercial				575	3	2.6%
Kelso Burnett Co.				400	5	1.8%
Hewlett-Packard Co.				400	6	1.8%
Power Contracting & Engineering				300	7	1.3%
ElectroDynamics Inc.				270	8	1.2%
Coleman Flooring				250	9	1.1%
Holiday Inn				230	10	1.0%
	<u>6,686</u>		<u>29.0%</u>	<u>6,405</u>		<u>28.4%</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, 2015 (Unaudited)**

	2006	2007	2008
<b>Full-Time</b>			
General Government			
Management	8	8	8
Finance	9	8	8
Community Development	9	9	9
Public Safety			
Police			
Officers	54	54	56
Civilians	27	27	27
Fire			
Firefighters and Officers	45	46	49
Civilians	2	2	2
Public Works			
Administration	4	5	5
Engineering/Inspections	4	5	3
Streets and Grounds	14	14	14
Utilities and Garage	20	20	20
<b>Part-Time</b>			
General Government			
Management	-	-	-
Finance	2	2	2
Community Development	2	3	2
Public Safety			
Police	13	20	25
Fire	-	-	1
Public Works			
Streets and Grounds	2	2	2
Utilities	3	3	1

Data Source: City Human Resources and Budget Departments

2009	2010	2011	2012	2013	2014	2015
7	7	6	7	7	6	8
6	4	4	4	4	4	5
8	8	8	8	8	7	9
52	51	48	49	49	49	49
13	9	8	8	9	8	6
42	44	44	43	43	44	44
-	-	-	1	1	1	1
4	4	4	4	4	5	5
2	2	1	-	-	-	-
16	16	15	14	15	14	14
16	15	15	15	16	17	14
1	1	2	2	2	1	1
3	3	3	3	3	3	3
1	1	1	1	1	2	-
7	9	12	12	10	13	14
1	1	-	-	-	-	-
1	-	-	-	-	-	2
2	3	4	2	-	-	1

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2015 (Unaudited)**

	2006	2007	2008
Public Safety			
Police			
Physical Arrests	1,084	1,043	921
Parking Violations	4,540	3,418	4,795
Traffic Violations	5,928	5,731	5,364
Fire			
Emergency Responses	1,978	1,976	2,282
Fire Calls	1,227	1,019	1,148
Fires Extinguished	N/A	N/A	N/A
Public Works			
Street Resurfacing (Miles)	8.28	0.77	0.95
Snow and Ice Control (Tons of Salt)	1,636	2,500	3,000
Water			
Number of Water Main Repairs	42	41	53
Water Average Daily Consumption (Thousands of Gallons)	2,563	2,487	2,616
Refuse Collection			
Refuse Collected (Tons per Day)	29	25	22
Recyclables Collected (Tons per Day)	9	9	10

Data Source: Various City Departments

N/A - Not Available

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

2009	2010	2011	2012	2013	2014	2015
510	456	921	812	861	871	678
3,066	3,469	6,165	6,198	6,494	4,983	2,281
5,906	5,947	4,665	3,591	3,688	3,069	3,999
2,204	3,599	3,487	3,507	3,589	3,535	3,787
1,093	1,097	1,196	1,070	1,181	1,280	1,096
N/A	42	41	53	54	54	42
-	1.60	1.36	0.07	0.75	0.91	1.00
1,476	1,668	678	1,301	2,078	1,420	1,408
51	58	54	61	69	52	66
2,692	2,300	1,871	2,173	2,037	2,006	1,944
27	19	19	18	10	18	19
10	9	10	9	11	9	9

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2015 (Unaudited)**

	2006	2007	2008
Public Safety			
Police			
Stations	1	1	1
Patrol Units	12	18	15
Fire			
Fire Stations	2	2	2
Fire Engines	4	5	5
Public Works			
Streets (Miles)	61.71	61.71	61.71
Streetlights	257	257	257
Traffic Signals	45	45	45
Water			
Water Mains (Miles)	88.63	89.50	88.21
Fire Hydrants	1,327	1,392	1,395
Storage Capacity (Millions of Gallons)	5.50	5.50	5.50
Wastewater			
Sanitary Sewer (Miles)	77.33	77.67	77.94
Lift Stations	3	3	3
Storm Sewers (Miles)	60	60	60

Data Source: Various City Departments

2009	2010	2011	2012	2013	2014	2015
1	1	1	1	1	1	1
15	15	15	15	15	15	15
2	2	2	2	2	2	2
5	5	5	4	4	4	4
61.71	61.71	61.71	61.71	61.71	61.71	61.71
257	260	260	260	260	350	350
49	49	49	49	49	49	49
88.40	89.92	90.12	90.12	90.12	90.40	91.25
1,395	1,353	1,356	1,356	1,356	1,364	1,373
5.50	5.50	5.50	5.50	5.50	5.50	5.55
77.94	82.00	82.00	82.00	82.00	82.00	93.30
3	3	3	3	3	3	3
60	61	61	61	61	61	61

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Water Sold by Type of Customer - Last Ten Fiscal Years  
December 31, 2015 (Unaudited)**

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Type of Customer	2006	2007	2008
Industrial	52,830	43,802	40,803
Residential/Multi-Family	586,794	575,905	547,625
Commercial	223,024	204,060	189,405
School/Government	34,704	32,071	26,450
Total	897,352	855,838	804,283
Water Rate per 1,000 Gallons of 1st 15,000 Gallons	\$ 4.06	\$ 4.34	\$ 4.96
Water rate per 1,000 gallons in excess of 15,000 gallons	\$ -	\$ -	\$ 5.79
Sewer Rate per 1,000 Gallons of 1st 15,000 gallons	\$ 1.34	\$ 1.43	\$ 1.64
Sewer rate per 1,000 gallons of 1st 15,000 gallons	\$ -	\$ -	\$ 1.91

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

2009	2010	2011	2012	2013	2014	2015
34,102	44,149	37,534	40,863	35,689	35,452	33,139
529,064	520,636	495,298	516,757	472,037	460,017	451,679
171,698	166,978	155,393	158,171	144,366	145,063	138,671
26,712	26,343	25,827	27,718	25,511	24,316	29,674
761,576	758,106	714,052	743,509	677,603	664,848	653,163

\$ 5.83	\$ 5.83	\$ 6.35	\$ 7.40	\$ 8.11	\$ 8.76	\$ 9.42
\$ 6.81	\$ 7.43	\$ 7.43	\$ 8.60	\$ 9.37	\$ 10.12	\$ 10.78
\$ 1.92	\$ 2.10	\$ 2.10	\$ 2.50	\$ 2.63	\$ 2.84	\$ 2.98
\$ 2.25	\$ 2.45	\$ 2.45	\$ 2.95	\$ 3.10	\$ 3.35	\$ 3.52

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures  
December 31, 2015 (Unaudited)**

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**City of Rolling Meadows, Cook County, Illinois  
2015 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, 2015 (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, 2014. The City has received the award to each of the last 29 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 138- 139 and 147 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 140 - 145 of these audited financial statements.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2015 (Unaudited)**

**Debt Statement**

Issue Date	Bond Issue	Principal Outstanding	Supported by
11/01/2005	General Obligation Bonds of 2005	\$ 1,570,000	Property Taxes
12/31/2007	General Obligation Bonds of 2007A	650,000	Proprietary
05/08/2012	General Obligation Refunding Bonds of 2012	7,110,000	Proprietary
03/28/2013	General Obligation Refunding Bonds of 2013	<u>840,000</u>	Incremental Taxes
	Total Gross Direct Bonded Debt	10,170,000	
	Less: Self-Supporting Bonded Debt	<u>1,490,000</u>	
	Total Net Direct Bonded Debt	<u><u>8,680,000</u></u>	

The City's overlapping and underlying bonded debt is updated as of December 31, 2015, and can be found on pages 152 - 154 of the audited financial statements.

The City's debt ratios are updated using the 2014 equalized assessed valuation and the 2014 estimated full value of taxable property.

Estimated Full Value of Taxable Property - 2014	\$ 2,190,511,176	
Equalized Assessed Valuation - 2014	730,170,392	
	<u>Gross Direct Debt</u>	<u>Gross Direct Debt and Overlapping Debt</u>
Per Capita	\$ 422.01	\$ 2,972.99
Percent of Estimated Full Value	0.464%	3.271%
Percent of Equalized Assessed Value	1.393%	9.812%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2015 (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
2016	\$ 2,635,000	\$ 2,635,000	25.91%
2017	2,730,000	5,365,000	52.75%
2018	1,215,000	6,580,000	64.70%
2019	760,000	7,340,000	72.17%
2020	805,000	8,145,000	80.09%
2021	635,000	8,780,000	86.33%
2022	675,000	9,455,000	92.97%
2023	715,000	10,170,000	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 59 through 74.