

City of Rolling Meadows, IL

# 2010 Comprehensive Annual Financial Report

*For the Fiscal Year Ending December 31, 2010*

**City of Rolling Meadows**

**3600 Kirchoff Road  
Rolling Meadows, IL  
60008**

**(847) 394-8500**

**[www.cityrm.org](http://www.cityrm.org)**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

Prepared by 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
- Organization Chart
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting

# CITY OF ROLLING MEADOWS, ILLINOIS

## Principal Officials

December 31, 2010

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### LEGISLATIVE

Mayor: Kenneth Nelson

City Clerk: Lisa Hinman

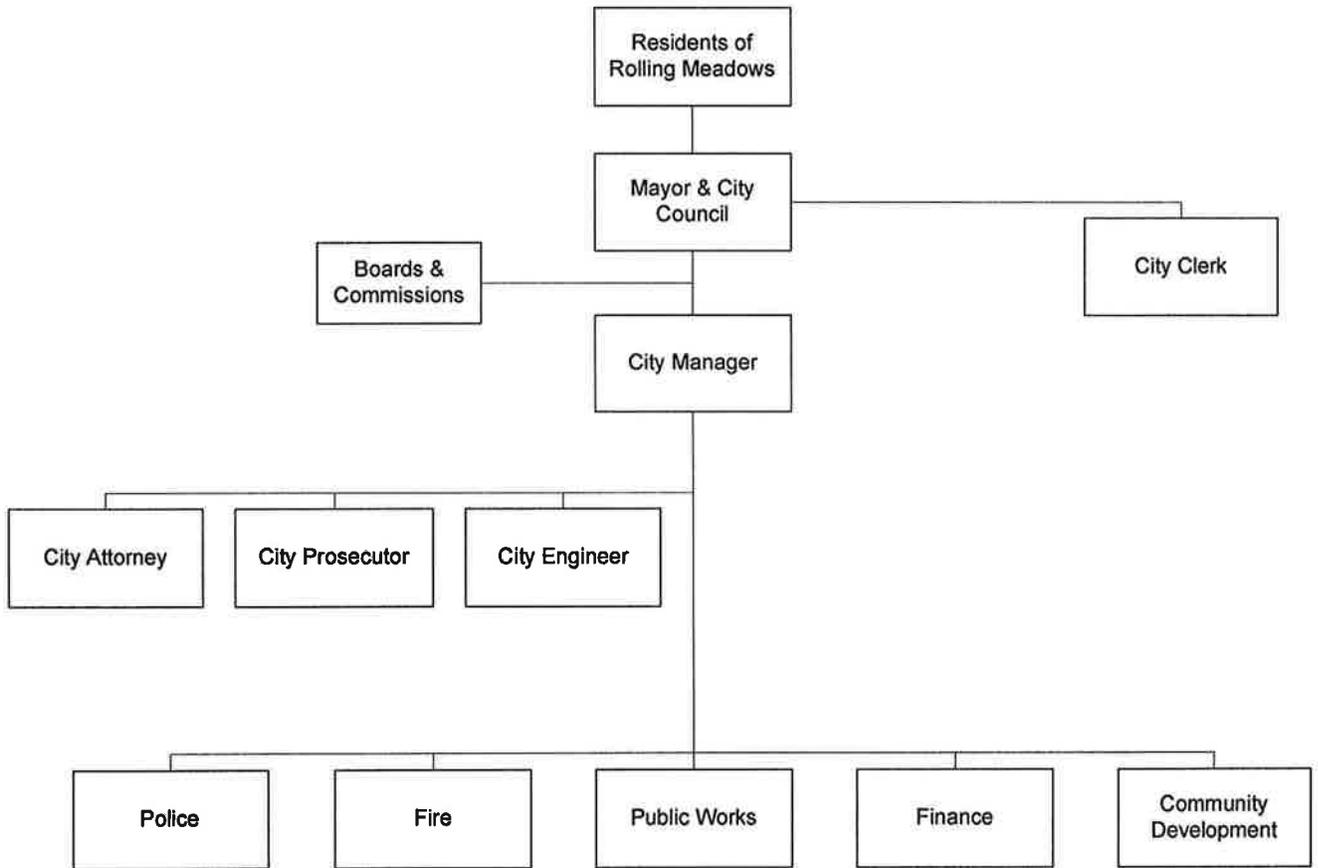
Ward 1:	John Pitzafarro, Alderman
Ward 2:	Barb Lusk, Alderman
Ward 3:	Larry Buske, Alderman
Ward 4:	Brad Judd, Alderman
Ward 5:	Glenn Adams, Alderman
Ward 6:	John D' Astice, Alderman
Ward 7:	James Larsen, Alderman

### ADMINISTRATIVE

Acting City Manager:	Barry Krumstok
Acting Director of Finance:	Barry Krumstok
Director of Public Works:	Fred Vogt
Police Chief:	David Scanlan
Fire Chief:	Ronald Stewart
Community Development Director:	Valerie Dehner

# City of Rolling Meadows

## Organizational Chart





*"PROGRESS THRU PARTICIPATION"*

April 15, 2011

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, 2010, 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, 2010, the licensed certified public accounting firm of Lauterbach & Amen, LLP, has issued an unqualified ("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), Rolling Meadows Police Pension Fund (blended) and Rolling Meadows Firefighters' Pension Fund (blended). 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 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 163 full-time, and 16 part-time persons working in public safety, public works, planning and zoning, community development, 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 Joint Action Water Agency (JAWA), which provides water from Lake Michigan through Chicago. The City also maintains a few deep water wells and reserves. 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.

The Rolling Meadows Library is operated under an appointed board, which is separate from the City Council. Library Board positions are appointed by the the City's Mayor 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.

### **Major Initiatives**

The City staff, following specific directives of the City of Rolling Meadows City Council and the City Manager, has been involved in a variety of initiatives and projects throughout Fiscal Year 2010. These projects reflect the City's commitment to ensure that citizens find the City of Rolling Meadows a "great place to call home." The most significant are discussed below:

- More than \$820,000 was spent on the 2010 City street resurfacing, street reconstruction and sidewalk/curb replacement programs through the Motor Fuel Tax Fund and the Local Road Fund.
- The access roads to many neighborhoods in the area of Route 53, known as East and West Frontage Roads, were patched and repaved in 2010, and funded by \$2.6 million in federal stimulus money. The project replaced approximately 25% of the existing pavement, overlaid new asphalt, paved existing gravel shoulders, and made drainage improvements. The 100% federally-funded project improved roadways of more than 45 years old.

- The City of Rolling Meadows secured more than \$400,000 in grant monies, equipment grants and police seizure monies, to enhance the lives of its citizens and residents. Listed are a few of the projects funded with outside monies:
  - \$70,000 in grant funding from the U.S. Department of Homeland Security to upgrade the City's Emergency Operations Center (EOC) which improves the City's ability to coordinate responses to city, local and regional emergencies.
  - \$43,000 in equipment from the U.S. Department of Homeland Security to aid the police department's investigative efforts to detect and reduce criminal activity in the community.
  - \$68,000 in state and foundation funding to retrofit all non-energy efficient lighting fixtures in City buildings.
  
- Northwest Community Hospital opened a new outpatient rehabilitation clinic in downtown Rolling Meadows.
  
- The City gained a number of new restaurants and businesses, such as Little Ceasars moving their regional office to the City, and Definitive Motorcars Inc., an internet car sales and vehicle detailing company, locating to Rolling Meadows.
  
- The City approved the construction of a new Chase Bank drive-thru facility to an existing outlet in the Rolling Meadows Shopping Center on Kirchoff Road. A new 3,800 square foot Chase Bank, to be built in 2011, will have three drive-thru lanes, one ATM and two bank-related lanes located on the west side of the bank.
  
- The City conducted a market analysis and economic development study for TIF #1 (Kirchoff/Meadow) and TIF #2 (Kirchoff/Owl) in order to ascertain what types of businesses would be best suited for the downtown area. While Downtown Rolling Meadows is the geographic and civic heart of the community, it is no longer the commercial center of Rolling Meadows. The market analysis summary findings point to leasing space to a "junior box" anchor tenant with smaller retailers, restaurants and service businesses likely to follow.

## **Local Economy**

The City of Rolling Meadows, incorporated 55 years ago, is still known for its "progress through participation". Fiscal Year 2010 started out with difficulty and the City of Rolling Meadows has had to make difficult decisions. Just a few days in, the City was notified that Sam's Club was closing in mid-January. The store's closing impacted the City with a loss of approximately \$600,000 in tax revenues, the loss of approximately 140 jobs, as well as, losing a shopping destination. To close this revenue gap, early in the year, the City reduced two full-time employees' positions, removed four part-time positions and took on other difficult expenditure reductions. The City's management and staff pulled together and proceeded during the year on "needs-based only expenditures".

In 2010, the U.S. Census Bureau released data which showed a very slight shift from a population of 24,604 to 24,099. The City sees slight gains in certain revenue streams. However, the City treads cautiously with forecasting future payments due from the State of Illinois, particularly state-collected local government income tax revenue from the Local Government Distributive Fund (LGDF) since the State of Illinois has been very slow in remitting funds. In addition, the State of Illinois is threatening in reducing these vital funds to municipalities. Cuts to these funds could see another gap by \$563,000 each year. While there are some economic indicators suggesting the recovery has begun, other indicators show a slow recovery, such as the long-term slump in the housing market. Unemployment is still high. Nationwide unemployment as of December 2010 is 9.4% - which matches this area's at 9.4%.

## **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**

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 follows:

- Issues a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- Prepares and submits 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.)
- Adheres to a capitalization policy which establishes the capitalization thresholds and estimated useful lives of fixed assets.
- Prepares a five-year capital plan with a financial forecast which outlines management's intentions regarding fixed asset purchases and infrastructure improvements.
- Follows a purchasing policy to ensure that goods and services are obtained in a timely manner at the lowest possible cost.
- Adheres 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 complies 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 Firefighters' and Police Pension Funds are funded through an annual property tax levy, employee contributions and investment earnings. In previous years an independent actuary would advise the City on the amount of the property tax levy necessary to meet the funding requirements of the pension, with an amortization period for the unfunded liability ending in 2033. However, starting in 2010 the City based its pension funds property tax levy amounts on the actuarial required contribution recommendation of the Illinois Department of Insurance. (If one is provided to the City in a timely manner.) This was agreed upon in the fall of 2009, by an ad hoc committee consisting of representatives from the City and the pension funds.

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 full-time employees. The IMRF benefits are coordinated with Social Security benefits. 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 (6.2% of salary capped annually) and Medicare (1.45% of total compensation).

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

The City also provides post-retirement health care benefits for retirees and their dependents. The City finances these benefits on a pay-as-you-go basis. Retirees pay 100% of their 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, 2009. This was the twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **Acknowledgments**

The preparation of this report was made possible by the dedication and hard work of the entire finance department staff. In particular, I would like to acknowledge Assistant Finance Director, Melissa Gallagher, and Senior Accountants Diana Schoeneck and Laura Matz and all other members of this Department and all City Departments who assisted and contributed to the preparation of this report. The three main individuals mentioned, have been doing more with less and continue to provide excellent service and work for the City.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Barry Krumstok". The signature is written in black ink and is positioned above the printed name and title.

Barry Krumstok  
City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rolling Meadows  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# 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 15, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Rolling Meadows, Illinois as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of Rolling Meadows, Illinois' management. 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 (discretely presented component unit), which represents 100% of the assets, net assets and revenues of the discretely presented component unit of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rolling Meadows Public Library is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of Rolling Meadows, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

LAUTERBACH & AMEN, LLP

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Rolling Meadows, Illinois**  
**Management's Discussion and Analysis**  
**December 31, 2010**

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, 2010. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal (beginning on page iv) and the City's financial statements (beginning on page 3).

**Financial Highlights**

The assets of the City of Rolling Meadows exceeded its liabilities at the close of the most recent fiscal year by \$115,738,116 (*net assets*). Of this amount, \$2,449,453 is an unrestricted deficit, while \$116,488,078 is invested in capital assets, net of related debt and \$1,699,491 is restricted for specific purposes (highways and streets).

- The City's total net assets increased by \$1,642,728 (or 1.41%) during the fiscal year ending December 31, 2010. The governmental net assets increased by \$268,087 and the business-type activities net assets increased by \$1,374,641.
- As of the close of the current fiscal year, the City of Rolling Meadows' governmental funds reported combined ending fund balances of \$4,386,811, an increase of \$956,447 from the previous fiscal year.
- At the end of year 2010, the fund balance for the General Fund was a negative \$237,724. This actual number came in better than the FY 2010 Budget which was projected at a negative \$822,966.

**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 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.

**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 Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets 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, 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 water, sewer, stormwater management and refuse.

The government-wide financial statements include the City of Rolling Meadows, and its discretely presented component unit, the City of Rolling Meadows 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 3 through 6 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.

The City of Rolling Meadows maintains twenty individual governmental funds (decreased by four from 2009.) 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, Motor Fuel Tax Fund and the Debt Service Fund, of which these three are considered to be major funds. Data from the other seventeen 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 statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements may be found on pages 7 through 10 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 (decreased by two from 2009).

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 replacement and 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 and 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 11 through 13 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 14 and 15 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 16 through 64 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. Required supplementary information may be found on pages 65 through 70 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 71 through 125 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Rolling Meadows, assets exceeded liabilities by \$115,738,116 at the close of the most recent fiscal year. The table below shows total net assets for the City for the past three years.

**City of Rolling Meadows Net Assets (in thousands)**

Net Assets	12/31/2008	12/31/2009	12/31/2010
Governmental Activities	\$104,990	\$105,289	\$105,557
Business-Type Activities	\$7,870	\$8,806	\$10,181
<b>Total City Net Assets</b>	<b>\$112,830</b>	<b>\$114,095</b>	<b>\$115,738</b>

**City of Rolling Meadows  
Statement of Net Assets  
As of December 31, 2010 and 2009  
(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 18.7	\$ 16.2	\$ 3.5	\$ 1.9	\$ 22.2	\$ 20.1
Capital assets	129.1	131.5	11.1	11.5	140.2	143.0
<b>Total assets</b>	<b>\$ 147.8</b>	<b>\$ 149.7</b>	<b>\$ 14.6</b>	<b>\$ 13.4</b>	<b>\$ 162.4</b>	<b>\$ 163.1</b>
Long-term liabilities	\$ 26.3	\$ 29.3	\$ 3.4	\$ 3.6	\$ 29.7	\$ 32.9
Other liabilities	15.9	15.1	1.0	1.0	16.9	16.0
<b>Total liabilities</b>	<b>\$ 42.2</b>	<b>\$ 44.4</b>	<b>\$ 4.4</b>	<b>\$ 4.6</b>	<b>\$ 46.6</b>	<b>\$ 49.0</b>
Net assets:						
Invested in capital assets, net of debt	\$ 108.4	\$ 108.9	\$ 8.1	\$ 8.5	\$ 116.5	\$ 117.4
Restricted	1.7	2.0	-	-	1.7	2.0
Unrestricted (deficit)	(4.5)	(5.6)	2.1	.3	(2.4)	(5.3)
<b>Total net assets</b>	<b>\$ 105.6</b>	<b>\$ 105.3</b>	<b>\$ 10.2</b>	<b>\$ 8.8</b>	<b>\$ 115.7</b>	<b>\$ 114.1</b>

By far the largest portion of the City of Rolling Meadows' net assets, \$116,488,078 reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to finance those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Rolling Meadows' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City of Rolling Meadows' net assets (approximately \$1.7 million) represents resources that are subject to external restrictions as to how they may be used. These funds represent the Fund Balance in the Motor Fuel Tax Fund (03) and are restricted by state law for use of approved projects by the Illinois Department of Transportation related to city streets.

At the end of the current fiscal year, the City of Rolling Meadows is able to report positive net assets for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. Additional information on the Statement of Net Assets may be found on page 3 and 4 of this report.

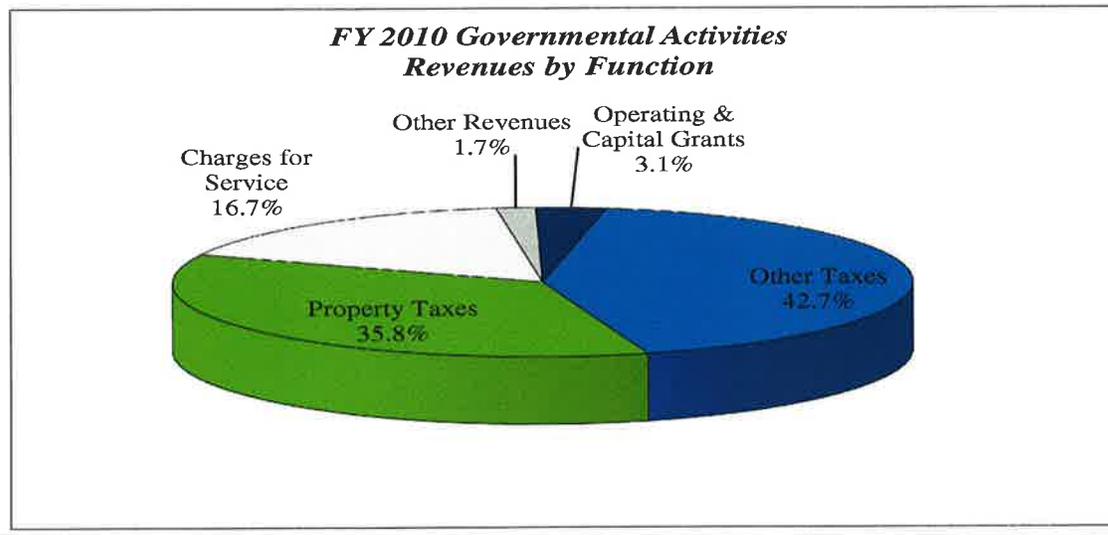
## Change in Net Assets

The fiscal year 2010 activities of the City of Rolling Meadows caused total net assets to increase by \$1,642,728 (both governmental and business-type activities had an increase in net assets of \$268,087 and \$1,374,641, respectively). The net assets as of the end of fiscal year 2010 are \$115,738,116. Key elements are as follows:

City of Rolling Meadows Changes in Net Assets For the Fiscal Year Ended December 31, 2010 and 2009 (in Millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenue</b>						
Program revenues:						
Charges for service	\$ 4.9	\$ 5.0	\$ 10.4	\$ 10.5	\$ 15.3	\$ 15.5
Operating & capital grants	0.9	1.0	0.0	0.0	0.9	1.0
General revenue:						
Property taxes	10.5	9.1	-	-	10.5	9.1
Other taxes	12.5	13.3	-	-	12.5	13.3
Other revenues	0.5	0.7	<.1	-	0.6	0.8
<b>Total revenue</b>	<b>29.3</b>	<b>29.1</b>	<b>10.5</b>	<b>10.5</b>	<b>39.8</b>	<b>39.7</b>
<b>Expenses</b>						
Governmental activities:						
General Government	\$ 3.9	\$ 5.1	\$ -	\$ -	\$ 3.9	\$ 5.1
Public Safety	18.0	18.5	-	-	18.0	18.5
Highway & Streets	0.7	1.1	-	-	0.7	1.1
Public Works	5.7	3.5	-	-	5.7	3.5
Health & Welfare	0.0	0.0	-	-	0.0	0.0
Economic Development	0.0	0.1	-	-	0.0	0.2
Interest	0.8	0.9	-	-	0.8	0.9
Business-type:						
Water	-	-	0.0	4.8	0.0	4.8
Sewer	-	-	0.0	1.3	0.0	1.3
Refuse	-	-	2.5	2.5	2.5	2.5
Stormwater	-	-	0.0	0.5	0.0	0.5
Utilities	-	-	6.4	0.0	6.4	0.0
<b>Total expenses</b>	<b>29.1</b>	<b>29.2</b>	<b>9.0</b>	<b>9.1</b>	<b>38.1</b>	<b>38.4</b>
<b>Revenues over (under) expenses</b>	<b>0.2</b>	<b>(0.1)</b>	<b>1.5</b>	<b>1.4</b>	<b>1.6</b>	<b>1.3</b>
Transfers	0.1	0.4	(0.1)	(0.4)	-	-
<b>Change in net assets</b>	<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ 1.4</b>	<b>\$ 1.0</b>	<b>\$ 1.6</b>	<b>\$ 1.3</b>

## Governmental Activities

### Revenues:



For the fiscal year ended December 31, 2010, revenues from governmental activities totaled \$29.3 million, signifying an increase in overall revenues of \$219,287 over the previous fiscal year.

The primary revenue source for governmental activities consisted of property taxes, which totaled \$10.5 million or 35.8% of the total revenues for governmental activities. Other taxes, coming in at \$12.5 million, consisted primarily of sales tax, home-rule sales tax, state income tax, telecommunications tax, food and beverage tax, electric utility tax, hotel tax, replacement tax, local use tax and real estate transfer tax.

Comparing 2009 revenues streams with 2010, property taxes increased by \$1.4 million due primarily to the requirement to fund fire and police pensions with an increase of \$1.1 million and \$153,000 additional monies levied for the emergency communications fund. In the General Fund, the City levied \$4,435,080 for FY 2010, and received \$4,405,850, which is \$29,230 under budget for what was expected. The slow housing market, decrease in property values and foreclosure issues have had a slight impact on property taxes our municipality received in 2010.

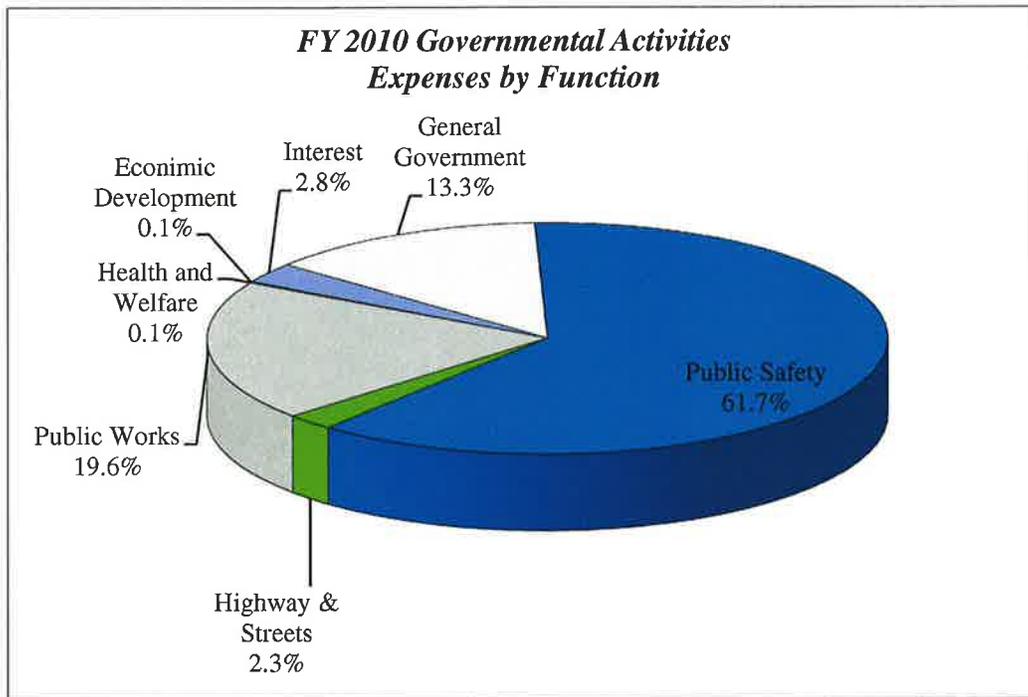
Also, in the General Fund, the City typically will budget for delinquent or unpaid taxes from a prior year that were neither forfeited nor sold at an annual sale. This is a broad estimate based on historical data. The foreclosure and slow down of the real estate market is apparent from the funds that came in for prior year taxes. The City budgeted \$61,500 and the prior year taxes came in at a negative \$35,600. Cook County refunds these monies that come in from overpayments as a result of changes in property assessment levels.

There is a noticeable decline in state sales tax, home rule sales tax and telecommunications tax, in 2010, due to the lack of consumer confidence and spending. Given that consumer spending is weak and the City's loss of Sam's Club (closed mid-January 2010), the City noticed a definite impact on sales taxes. The City received \$389,738 less in sales taxes than in 2009. Telecommunications tax came in lower by \$228,606 than in 2009, most likely due to residents seeking lower prices from telecommunications carriers and dropping land lines for cell phones.

The local government distributive fund monies (municipal share of income tax, local use tax, replacement tax) from the State of Illinois had a significant cash flow effect on the City with receipts lagging by as much as six months and upwards of \$800,000 in arrears. The City recorded twelve months of income tax revenues for 2010 with a \$76,130 decline due to high, local unemployment of 9.4%.

The City's local taxes showed slight declines in 2010 with the food and beverage tax lower by \$4,430 than 2009, and real estate transfer tax lower by \$16,440 than 2009. The City's electric utility tax continues to be a strong cash flow and revenue enhancement with \$1.3 million received in 2010, about \$10,000 more than last year.

**Expenses:**



For the fiscal year ending December 31, 2010, expenses for governmental activities totaled \$29.1 million, which represents a \$85,121 decrease from 2009. Expenses related to public safety – police and fire – accounted for the bulk (61.7%) of the total expenses for governmental activities. To hold the line on expenses and due to local economic issues, the City did not grant a cost-of-living increase for non-union employees, did not fill four part-time positions and made the difficult decision to reduce two full-time positions. In addition, all City Departments continued to hold the line on expenses and certain capital projects were delayed and the lives of capital assets were extended. Management and the City Council continues to concentrate on their efforts to control costs and streamline processes to improve the overall efficiency of the City government.

**Business-Type Activities**

The major revenue components of the “charges for services” classification for business-type activities are fees from the City's water, sewer, refuse and stormwater utilities. Total charges for services for these activities were \$10,413,010 million, which represents a decrease of \$57,501. Business-type activities increased the City of Rolling Meadows' net assets by \$1,374,641. Key elements of this increase were continued capital projects.

**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. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At December 31, 2010 the governmental funds reported a combined fund balance of \$4,386,811, an increase of \$956,447 over the previous fiscal year.

**General Fund Budgetary Highlights**

	<b>Original <u>Budget</u></b>	<b>Final <u>Budget</u></b>	<b><u>Actual</u></b>
Revenues	\$ 24,744,786	\$ 24,747,536	\$ 24,030,986
Expenditures	24,883,356	24,883,356	24,089,501
Excess of Revenues Over Expenditures	(138,570)	(135,820)	(58,515)
Other Financing Sources or (Uses)	450,528	450,528	545,332
Net Change in Fund Balance	\$ 311,958	\$ 314,708	\$ 486,817

The General Fund is the City's primary operating fund and the largest source of funding for day-to-day activities of all the primary City services. Shown in the chart "General Fund Budgetary Highlights," in the chart above, is the original and final budgets, as well as the actual amounts received in 2010. An actual surplus of \$486,814 has increased General Fund, fund balance from a negative \$724,541 at the beginning of the year, to a negative \$237,724 at the culmination of 2010. This reduction in negative fund balance is directly attributable to a conscious effort by management and the City Council to address the negative fund balance position of the General Fund, by containing costs and carefully monitoring revenues. Additional information may be found on page 69 of this report.

**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 assets of the Utilities and Refuse Collection Funds at the end of the year amounted to a total of \$2,085,393 —increased by \$1,769,852 from 2009, due to more assets being invested in capital assets and infrastructure improvements.

## 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, 2010 amounts to \$140,182,435 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, buildings, machinery, equipment, roads, bridges and vehicles. The governmental activities net capital assets decreased by \$2,403,284 or 1.8%. For business-type activities, the capital assets net of depreciation decreased by \$422,751 or 3.7%. These decreases are due primarily to depreciation on existing assets.

### City of Rolling Meadows Capital Assets at Year End Net of Depreciation (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 99.2	\$ 99.2	\$ -	\$ -	\$ 99.2	\$ 99.2
Land improvements	.9	.9	-	-	.9	.9
Construction in progress	1.6	.8	.2	.1	1.8	.9
Building	6.9	7.2	1.6	1.7	8.5	8.9
Machinery and equipment	1.1	1.2	.5	.6	1.6	1.8
Infrastructure	18.2	20.8	8.8	9.1	27.0	29.9
Vehicles	1.2	1.2	-	-	1.2	1.2
<b>Total</b>	<b>\$ 129.1</b>	<b>\$ 131.5</b>	<b>\$ 11.1</b>	<b>\$ 11.5</b>	<b>\$ 140.2</b>	<b>\$ 143.0</b>

Additional information on the City of Rolling Meadows' capital assets may be found on pages 35 through 37 of this report.

**Debt Administration** - At the end of the fiscal year 2010, the City of Rolling Meadows had total bonded debt outstanding of \$21,755,000. Of this amount, 100% comprises debt backed by the full faith and credit of the government.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 19.0	\$ 20.7	\$ 2.8	\$ 3.0	\$ 21.8	\$ 23.7

The City of Rolling Meadows made principal payments on outstanding debt in the current year of \$2,020,000, in accordance with the terms of the various bond issues. No new long-term debt was issued during 2010. In addition to the long-term debt mentioned above, the City issued a Short-Term Tax Anticipation Note with First Trust Bank in the amount of \$1,500,000, which remains outstanding as of December 31, 2010. This note was paid in full on April 15, 2011.

The City of Rolling Meadows current bond rating is an A3 from Moody's. Standard & Poor's bond rating is an A+. Management and the City Council will continue to address fund balances by reviewing fund structure and examining fund consolidation.

The City of Rolling Meadows as a home rule authority is not limited to the amount of general obligation debt it may issue, except that any debt issue may not exceed a forty-year payment period. The total per capita general obligation debt for the community is \$906.12.

Additional information on the City of Rolling Meadows' long-term debt may be found in Note 3 on pages 39 through 44 of this report.

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

The City's economic base is a diverse mix—with 44% of its industry in manufacturing, retail, hotel and food service. The City has benefitted from its active retail and food service corridor along Golf, Algonquin and New Wilke Roads. Along with strong anchors such as Meijer and Walmart, the City sees restaurants and other retailers continue to economically support this area and provide a vast assortment of choices to consumers. The City views the Downtown, (Kirchoff Road area), with cautious optimism, in the months and years to come. The west-end of the City on Plum Grove Road has experienced some growth with new restaurants such as Gus' Diner and Red Apple Restaurant, in recent years.

Continued economic uncertainty was cause to reprioritize all City services to make sure that the core programs addressing the public safety, health and welfare of our stakeholders remain funded and delivered in an exemplary manner. During the FY 2011 Budget process, the City of Rolling Meadows maintained staffing at 2009 levels and expenditures at 2010 levels, where possible; left positions vacant; froze certain salaries; reduced the number of seasonal workers; offered a 1% cost-of-living increase to most non-union, full-time personnel; extended lives of capital assets; and cut capital, supply and contractual budgets. In addition, both the Police and Fire Unions provided concessions to help the City's budget. Both contracts expire in December 2011.

Fiscal Year 2010 was marked with fiscal challenges and the City will continue to face these challenges in the months and years to come. While the City made strides in attempting to close the gap in the General Fund, the fund ended with a deficit of \$237,724. In developing the Budget for 2011, management continued to focus on addressing the negative fund balance in the General Fund as well as for other funds. In the 2012 Budget process, management will continue to focus on striving for building fund balance reserves and fund consolidation as a means for building future economic strength.

### **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 Assets  
December 31, 2010**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Assets  
December 31, 2010**

	Governmental Activities	Business- Type Activities	Total	Component Unit Public Library
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,902,327	1,433,790	3,336,117	1,354,836
Receivables - Net of Allowances	15,265,044	1,516,727	16,781,771	3,817,365
Prepays/Inventories	1,416,029	50,549	1,466,578	11,175
<b>Total Current Assets</b>	<b>18,583,400</b>	<b>3,001,066</b>	<b>21,584,466</b>	<b>5,183,376</b>
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Nondepreciable	100,844,742	209,993	101,054,735	608,893
Depreciable	66,075,404	21,553,615	87,629,019	8,061,987
Accumulated Depreciation	(37,859,821)	(10,641,498)	(48,501,319)	(4,584,142)
	129,060,325	11,122,110	140,182,435	4,086,738
<b>Other Assets</b>				
Investment in Joint Venture	-	447,962	447,962	-
Unamortized Bond Issuance Costs	117,221	12,377	129,598	-
	117,221	460,339	577,560	-
<b>Total Noncurrent Assets</b>	<b>129,177,546</b>	<b>11,582,449</b>	<b>140,759,995</b>	<b>4,086,738</b>
<b>Total Assets</b>	<b>147,760,946</b>	<b>14,583,515</b>	<b>162,344,461</b>	<b>9,270,114</b>

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

	Governmental Activities	Business- Type Activities	Total	Component Unit <u>Public Library</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	1,130,614	324,552	1,455,166	84,101
Accrued Payroll	-	-	-	55,816
Deposits Payable	1,027	-	1,027	-
Interest Payable	29,922	-	29,922	-
Unearned/Deferred Revenue	10,698,874	72,792	10,771,666	-
<b>Current Portion of Long-Term Liabilities</b>				
Compensated Absences Payable	833,389	127,682	961,071	88,601
Notes Payable	1,260,000	240,000	1,500,000	-
Capital Leases Payable	84,521	-	84,521	-
General Obligation Bonds Payable - Net	1,837,092	277,830	2,114,922	-
<b>Total Current Liabilities</b>	<b>15,875,439</b>	<b>1,042,856</b>	<b>16,918,295</b>	<b>228,518</b>
<b>Noncurrent Liabilities</b>				
Deposits Payable	329,226	340,258	669,484	-
Net Pension Obligation Payable	4,306,939	-	4,306,939	-
Compensated Absences Payable	3,333,558	510,728	3,844,286	-
Capital Leases Payable	305,984	-	305,984	-
General Obligation Bonds Payable - Net	17,180,598	2,508,332	19,688,930	-
Net Other Post-Employment Benefit Payable	872,427	-	872,427	49,180
<b>Total Noncurrent Liabilities</b>	<b>26,328,732</b>	<b>3,359,318</b>	<b>29,688,050</b>	<b>49,180</b>
<b>Total Liabilities</b>	<b>42,204,171</b>	<b>4,402,174</b>	<b>46,606,345</b>	<b>277,698</b>
<b>NET ASSETS</b>				
Invested in Capital Assets - Net of Related Debt	108,392,130	8,095,948	116,488,078	4,086,738
Restricted - Highways and Streets	1,699,491	-	1,699,491	-
Unrestricted	(4,534,846)	2,085,393	(2,449,453)	4,905,678
<b>Total Net Assets</b>	<b>105,556,775</b>	<b>10,181,341</b>	<b>115,738,116</b>	<b>8,992,416</b>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Activities  
Year Ended December 31, 2010**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
<b>Governmental Activities</b>				
General Government	\$ 3,866,996	2,235,239	-	-
Public Safety	17,950,149	2,278,235	129,711	-
Highways and Streets	673,460	379,500	-	743,796
Public Works	5,708,281	-	-	-
Health and Welfare	23,721	-	-	-
Economic Development	32,982	-	-	-
Interest on Long-Term Debt	825,026	-	-	-
	<u>29,080,615</u>	<u>4,892,974</u>	<u>129,711</u>	<u>743,796</u>
<b>Business-Type Activities</b>				
Utilities	6,432,610	7,971,358	-	-
Refuse Collection	2,543,279	2,441,652	-	-
	<u>8,975,889</u>	<u>10,413,010</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>38,056,504</u>	<u>15,305,984</u>	<u>129,711</u>	<u>743,796</u>
<b>Component Unit - Public Library</b>	<u>3,545,893</u>	<u>66,515</u>	<u>25,123</u>	<u>-</u>

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  
 Transfers - Internal Activity

Change in Net Assets  
 Net Assets - Beginning  
 Net Assets - Ending

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

Net Expense/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Totals	Public Library
(1,631,757)	-	(1,631,757)	-
(15,542,203)	-	(15,542,203)	-
449,836	-	449,836	-
(5,708,281)	-	(5,708,281)	-
(23,721)	-	(23,721)	-
(32,982)	-	(32,982)	-
(825,026)	-	(825,026)	-
(23,314,134)	-	(23,314,134)	-
-	1,538,748	1,538,748	-
-	(101,627)	(101,627)	-
-	1,437,121	1,437,121	-
(23,314,134)	1,437,121	(21,877,013)	-
-	-	-	(3,454,255)
10,548,012	-	10,548,012	3,460,484
4,726,022	-	4,726,022	-
1,846,728	-	1,846,728	-
1,310,453	-	1,310,453	-
289,076	-	289,076	-
1,216,961	-	1,216,961	-
174,819	-	174,819	-
459,491	-	459,491	-
1,923,695	-	1,923,695	-
324,027	-	324,027	-
194,281	-	194,281	-
3,736	(6,078)	(2,342)	2,264
508,518	-	508,518	1,874
56,402	(56,402)	-	-
23,582,221	(62,480)	23,519,741	3,464,622
268,087	1,374,641	1,642,728	10,367
105,288,688	8,806,700	114,095,388	8,982,049
105,556,775	10,181,341	115,738,116	8,992,416

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2010**

	General	Motor Fuel Tax	Debt Service	Nonmajor Governmental	Totals
<b>ASSETS</b>					
Cash and Investments	\$ -	1,029,591	-	872,736	1,902,327
Receivables - Net of Allowances					
Property Taxes	9,400,546	-	1,524,550	928,923	11,854,019
Other Taxes	2,952,320	52,987	-	22,597	3,027,904
Accounts	236,989	-	-	50,101	287,090
Due from Other Funds	-	668,011	568,693	2,221,968	3,458,672
Prepays	38,662	-	-	-	38,662
<b>Total Assets</b>	<b>12,628,517</b>	<b>1,750,589</b>	<b>2,093,243</b>	<b>4,096,325</b>	<b>20,568,674</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	371,623	51,098	485	72,915	496,121
Deposits Payable	1,027	-	-	-	1,027
Due to Other Funds	3,812,086	-	-	1,173,755	4,985,841
Unearned/Deferred Revenue	8,681,505	-	1,359,068	658,301	10,698,874
<b>Total Liabilities</b>	<b>12,866,241</b>	<b>51,098</b>	<b>1,359,553</b>	<b>1,904,971</b>	<b>16,181,863</b>
Fund Balances					
Reserved - Prepays	38,662	-	-	-	38,662
Unreserved - General Fund	(276,386)	-	-	-	(276,386)
Unreserved - Special Revenue Funds	-	1,699,491	-	190,748	1,890,239
Unreserved - Debt Service Funds	-	-	733,690	-	733,690
Unreserved - Capital Projects Funds	-	-	-	2,000,606	2,000,606
<b>Total Fund Balances</b>	<b>(237,724)</b>	<b>1,699,491</b>	<b>733,690</b>	<b>2,191,354</b>	<b>4,386,811</b>
<b>Total Liabilities and Fund Balances</b>	<b>12,628,517</b>	<b>1,750,589</b>	<b>2,093,243</b>	<b>4,096,325</b>	<b>20,568,674</b>

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



**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2010**

	General	Motor Fuel Tax	Debt Service	Nonmajor Governmental	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 17,314,335	-	1,348,771	1,908,456	20,571,562
Intergovernmental	2,571,714	743,796	-	69,505	3,385,015
Licenses and Permits	785,250	-	-	379,500	1,164,750
Charges for Services	2,210,123	-	-	-	2,210,123
Fines and Forfeitures	885,997	-	-	562,599	1,448,596
Interest	2,494	221	75	866	3,656
Miscellaneous	261,073	-	-	247,445	508,518
<b>Total Revenues</b>	<b>24,030,986</b>	<b>744,017</b>	<b>1,348,846</b>	<b>3,168,371</b>	<b>29,292,220</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	3,445,451	-	-	67,431	3,512,882
Public Safety	17,951,490	-	-	780,034	18,731,524
Highways and Streets	-	276,911	-	396,549	673,460
Public Works	2,668,228	-	-	-	2,668,228
Health/Welfare and Culture	23,721	-	-	-	23,721
Economic Development	611	-	-	32,371	32,982
Capital Outlay	-	819,466	-	295,486	1,114,952
<b>Debt Service</b>					
Principal Retirement	-	-	2,377,531	629,929	3,007,460
Interest and Fiscal Charges	-	-	690,418	147,004	837,422
<b>Total Expenditures</b>	<b>24,089,501</b>	<b>1,096,377</b>	<b>3,067,949</b>	<b>2,348,804</b>	<b>30,602,631</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(58,515)</b>	<b>(352,360)</b>	<b>(1,719,103)</b>	<b>819,567</b>	<b>(1,310,411)</b>
<b>Other Financing Sources (Uses)</b>					
Disposal of Capital Assets	8,670	-	-	1,786	10,456
Debt Issuance	-	-	960,000	240,000	1,200,000
Transfers In	1,085,837	-	548,312	1,078,633	2,712,782
Transfers Out	(549,175)	-	-	(1,107,205)	(1,656,380)
	545,332	-	1,508,312	213,214	2,266,858
<b>Net Change in Fund Balances</b>	<b>486,817</b>	<b>(352,360)</b>	<b>(210,791)</b>	<b>1,032,781</b>	<b>956,447</b>
<b>Fund Balances - Beginning</b>	<b>(724,541)</b>	<b>2,051,851</b>	<b>944,481</b>	<b>1,158,573</b>	<b>3,430,364</b>
<b>Fund Balances - Ending</b>	<b>(237,724)</b>	<b>1,699,491</b>	<b>733,690</b>	<b>2,191,354</b>	<b>4,386,811</b>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Year Ended December 31, 2010**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 956,447**

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	934,216
Depreciation Expense	(2,859,317)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Deductions to Net Pension Obligation Payable	678,246
Deductions to Compensated Absences Payable	1,276,216
Additions to Net Other Post-Employment Benefit Payable	(280,845)
Issuance of Debt	(1,200,000)
Retirement of Debt	3,007,460
Amortization of Premium	24,265
Amortization of Bond Issue Costs	(15,090)

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.

3,224

Internal service funds are used by the Village 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.

(2,256,735)

**Changes in Net Assets of Governmental Activities**

268,087

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
December 31, 2010**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse	Totals	Activities
		Collection		Internal Service
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 1,433,790	-	1,433,790	-
Receivables - Net of Allowances - Accounts	1,126,144	390,583	1,516,727	96,031
Due from Other Funds	35,898	-	35,898	1,345,765
Inventories	46,085	-	46,085	-
Prepays	3,850	614	4,464	1,377,367
Total Current Assets	2,645,767	391,197	3,036,964	2,819,163
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Nondepreciable	209,993	-	209,993	1,055,364
Depreciable	20,955,002	598,613	21,553,615	20,430,593
Accumulated Depreciation	(10,401,094)	(240,404)	(10,641,498)	(11,967,410)
	10,763,901	358,209	11,122,110	9,518,547
<b>Other Assets</b>				
Investment in Joint Venture	447,962	-	447,962	-
Unamortized Bond Issuance Costs	9,902	2,475	12,377	3,563
	457,864	2,475	460,339	3,563
Total Noncurrent Assets	11,221,765	360,684	11,582,449	9,522,110
Total Assets	13,867,532	751,881	14,619,413	12,341,273
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	292,461	32,091	324,552	305,140
Due to Other Funds	-	35,898	35,898	147,949
Unearned/Deferred Revenue	72,792	-	72,792	-
Compensated Absences Payable	105,591	22,091	127,682	71,762
Notes Payable	240,000	-	240,000	60,000
Capital Leases Payable	-	-	-	84,521
General Obligation Bonds Payable	249,210	28,620	277,830	65,000
Total Current Liabilities	960,054	118,700	1,078,754	734,372
<b>Noncurrent Liabilities</b>				
Deposits Payable	340,258	-	340,258	329,226
Compensated Absences Payable	422,363	88,365	510,728	79,916
Capital Leases Payable	-	-	-	305,984
General Obligation Bonds Payable	2,314,822	193,510	2,508,332	135,000
Total Noncurrent Liabilities	3,077,443	281,875	3,359,318	850,126
Total Liabilities	4,037,497	400,575	4,438,072	1,584,498
<b>NET ASSETS</b>				
Invested in Capital Assets - Net of Related Debt	7,959,869	136,079	8,095,948	8,868,042
Unrestricted	1,870,166	215,227	2,085,393	1,888,733
Total Net Assets	9,830,035	351,306	10,181,341	10,756,775

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 Assets - Proprietary Funds  
Year Ended December 31, 2010**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
<b>Operating Revenues</b>				
Charges for Services	\$ 7,845,021	2,344,966	10,189,987	-
Miscellaneous	126,337	96,686	223,023	1,242,994
Interfund Services	-	-	-	5,388,677
<b>Total Operating Revenues</b>	<b>7,971,358</b>	<b>2,441,652</b>	<b>10,413,010</b>	<b>6,631,671</b>
<b>Operating Expenses</b>				
Administration	731,518	1,029,495	1,761,013	6,719,995
Public Safety	-	-	-	19,656
Public Works	571,747	-	571,747	192,459
Operations	4,422,792	1,447,432	5,870,224	-
Depreciation and Amortization	591,265	57,566	648,831	949,569
<b>Total Operating Expenses</b>	<b>6,317,322</b>	<b>2,534,493</b>	<b>8,851,815</b>	<b>7,881,679</b>
<b>Operating Income (Loss)</b>	<b>1,654,036</b>	<b>(92,841)</b>	<b>1,561,195</b>	<b>(1,250,008)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Disposal of Capital Assets	-	-	-	25,411
Interest Income	(6,086)	8	(6,078)	80
Interest Expense	(115,288)	(8,786)	(124,074)	(32,218)
	<b>(121,374)</b>	<b>(8,778)</b>	<b>(130,152)</b>	<b>(6,727)</b>
<b>Income (Loss) Before Transfers</b>	<b>1,532,662</b>	<b>(101,619)</b>	<b>1,431,043</b>	<b>(1,256,735)</b>
<b>Transfers Out</b>	<b>(56,402)</b>	<b>-</b>	<b>(56,402)</b>	<b>(1,000,000)</b>
<b>Change in Net Assets</b>	<b>1,476,260</b>	<b>(101,619)</b>	<b>1,374,641</b>	<b>(2,256,735)</b>
<b>Net Assets - Beginning</b>	<b>8,353,775</b>	<b>452,925</b>	<b>8,806,700</b>	<b>13,013,510</b>
<b>Net Assets - Ending</b>	<b>9,830,035</b>	<b>351,306</b>	<b>10,181,341</b>	<b>10,756,775</b>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
Year Ended December 31, 2010**

	Business-Type Activities - Enterprise			Governmental Activities
	Utilities	Refuse Collection	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 8,033,324	2,477,071	10,510,395	-
Interfund Services Provided	-	-	-	8,757,666
Payments to Suppliers	(4,845,421)	(1,939,148)	(6,784,569)	(6,893,154)
Payments to Employees	(1,351,809)	(501,585)	(1,853,394)	(306,083)
	<u>1,836,094</u>	<u>36,338</u>	<u>1,872,432</u>	<u>1,558,429</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(56,402)	-	(56,402)	(1,000,000)
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	-	-	-	14,400
Purchase of Capital Assets	(224,548)	-	(224,548)	(470,317)
Issuance of Debt	240,000	-	240,000	60,000
Principal Paid on Debt	(239,980)	(27,560)	(267,540)	(130,374)
Interest Paid on Debt	(115,288)	(8,786)	(124,074)	(32,218)
	<u>(339,816)</u>	<u>(36,346)</u>	<u>(376,162)</u>	<u>(558,509)</u>
Cash Flows from Investing Activities				
Interest Received	(6,086)	8	(6,078)	80
Net Change in Cash and Cash Equivalents	1,433,790	-	1,433,790	-
Cash and Cash Equivalents - Beginning	-	-	-	-
Cash and Cash Equivalents - Ending	<u>1,433,790</u>	<u>-</u>	<u>1,433,790</u>	<u>-</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	1,654,036	(92,841)	1,561,195	(1,250,008)
Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	591,265	57,566	648,831	949,569
(Increase) Decrease in Current Assets	61,966	35,419	97,385	2,125,995
Increase (Decrease) in Current Liabilities	(471,173)	36,194	(434,979)	(267,127)
Net Cash Provided by Operating Activities	<u>1,836,094</u>	<u>36,338</u>	<u>1,872,432</u>	<u>1,558,429</u>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Assets - Fiduciary Funds  
December 31, 2010**

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,317,406	271,183
Investments		
U.S. Government and Agency Obligations	21,536,919	-
Mutual Funds	18,531,963	-
Common Stock	2,324,292	-
Insurance Company Contracts	175,401	-
Receivables		
Accrued Interest	121,443	-
Prepays	1,555	-
Total Assets	<u>45,008,979</u>	<u>271,183</u>
<b>LIABILITIES</b>		
Accounts Payable	29,517	-
Deposits Payable	-	271,183
Total Liabilities	<u>29,517</u>	<u>271,183</u>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits	<u>44,979,462</u>	<u>-</u>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended December 31, 2010**

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	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 4,119,259
Contributions - Plan Members	884,142
Miscellaneous	635
Total Contributions	<u>5,004,036</u>
Investment Earnings	
Interest Earned	2,660,709
Net Change in Fair Value	1,422,944
	<u>4,083,653</u>
Less Investment Expenses	<u>(138,560)</u>
Net Investment Income	<u>3,945,093</u>
Total Additions	<u>8,949,129</u>
<b>Deductions</b>	
Administration	92,391
Benefits and Refunds	3,839,195
	<u>3,931,586</u>
Total Deductions	<u>3,931,586</u>
Change in Net Assets	5,017,543
Net Assets - Beginning	<u>40,291,272</u>
Net Assets - Ending	<u><u>45,308,815</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, 2010

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rolling Meadows, 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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant of the City's accounting policies established in GAAP and used by the City are described below.

### REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Rolling Meadows
Blended Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System
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. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the City.

*Blended Component Units* – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Board or the Component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

*Discretely Presented Component Units* – 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, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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

#### REPORTING ENTITY – Continued

##### **Blended Component Units**

##### 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.

##### 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**

##### 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. The Library is presented as a governmental fund type. 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.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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

#### 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.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, 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 assets resulting from the current year's activities.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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

#### BASIS OF PRESENTATION – Continued

##### 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, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific 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, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

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

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

##### Governmental Funds

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

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

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains 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 six nonmajor special revenue funds, the Street Systems Fund, the 911 Emergency Telephone Fund, the Economic Development Fund, the Foreign Fire Tax Fund, the Enhanced DUI Enforcement Fund, and the Asset Seizure Fund.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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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 eleven nonmajor capital projects funds, the Local Road Fund, the 2002 Construction Fund, the Emergency Reserve Infrastructure Fund, the Transit Oriented Area Development Fund, the TIF #1 Kirchoff/Meadows Fund, the TIF #2 Kirchoff/Owl Fund, the TIF #3 Woodfield, the SSA #1 Algonquin Parkway Fund, the Route 53 Fund, the Plum Grove Road Fund and the Fire Station Fund.

#### Proprietary Funds

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

**Enterprise Funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (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, 2010

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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 assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

**Pension Trust Funds** are used to account for assets held in a trustee capacity 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, 2010

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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 Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

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

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, 2010

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. 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, 2010

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

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Cash and Investments

For the purpose of the Statement of Net Assets, 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, 2010**

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

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

**Capital Assets**

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

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

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

**Compensated Absences**

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the City’s personnel rules and union contracts.

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Long-Term Obligations

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

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

##### Unearned/Deferred Revenue

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

##### Fund Equity

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

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

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

**Fund Equity – Continued**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change.

**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.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**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>
Debt Service (47)	\$ 1,160,787
Enhanced DUI Enforcement (40)	337
TIF #1 Kirchoff/Meadows (18)	33,690
TIF #2 Kirchoff/Owl (37)	25,472
Municipal Garage (14)	75
Health Insurance (45)	413,013

Available fund balances and transfers from other funds funded the overexpenditures.

**DEFICIT FUND EQUITY**

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

<u>Fund / Fund Number</u>	<u>Deficit</u>
General (01)	\$ 237,724
911 Emergency Telephone (04)	266,862
Enhanced DUI Enforcement (40)	29,927
TIF #2 Kirchoff/Owl (37)	512,304
TIF #3 Woodfield (50)	33,130
Plum Grove Road (82)	49,964
Municipal Garage (14)	111,245

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

**DEPOSITS AND INVESTMENTS**

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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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.

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 assets. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

#### **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, business-type and agency activities totaled \$2,189,150 and the bank balances totaled \$2,319,696. Additionally, the City has \$366,878 invested in the Illinois Metropolitan Investment Fund and \$1,051,272 invested in the Illinois Funds.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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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

*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 and the Illinois Metropolitan Investment Fund have an average maturity of less than one year.

*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. IMET's 1-3 year government bond fund receives Standard & Poor's AA Af rating for credit quality and Standard & Poor's S1 rating for volatility, or interest rate, risk.

*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 Illinois Metropolitan Investment Fund are not subject to custodial credit risk.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**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**

*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, 2010, 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 does not have any investments 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 \$1,309,038 and the bank balances totaled \$1,310,023.

*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
U. S. Treasury Notes	\$ 1,838,526	-	894,507	944,019	-
U. S. Treasury Bonds	1,116,279	-	-	-	1,116,279
U. S. Treasury Strips	818,030	-	186,492	631,538	-
Governmental National Mortgage	442,261	-	74,677	289,728	77,856
Federal Farm Credit Bank	252,920	-	252,920	-	-
Federal Home Loan Mortgage	3,416,992	13,767	797,134	1,790,078	816,013
Federal Home Loan Bank	300,444	-	-	300,444	-
Federal National Mortgage	3,045,502	122,900	536,987	1,395,719	989,896
Arab Republic of Egypt	356,220	-	356,220	-	-
Money Market Mutual Funds	1,563,897	1,563,897	-	-	-
	<u>13,151,071</u>	<u>1,700,564</u>	<u>3,098,937</u>	<u>5,351,526</u>	<u>3,000,044</u>

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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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

*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.

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

<u>Investment Type</u>	<u>Total Value</u>	<u>AAA Rate</u>	<u>Unrated</u>
Federal Home Loan Mortgage Corp	\$3,416,992	\$ 801,738	\$2,615,254
Federal National Mortgage Association	\$3,045,502	\$ 104,308	\$4,941,194

*Custodial Credit Risk.* For deposits, this is the risk that in the event of a bank failure the Fund’s deposits may not be returned to it. At December, 31, 2010, \$1,059,038 of the bank balance was uninsured and uncollateralized. The Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository, since flow-through FDIC is available for the Fund’s deposits with financial institutions. For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

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

*Concentration Risk.* At December 31, 2010, the Fund has over 5% of plan net assets invested in Fifth Third money market fund \$1,563,897, as well as various agency securities as indicated in the above table. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier, are backed by the issuing organization. Although unlike treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund’s investment policy specifies “the Board of Trustees has consciously diversified the aggregate fund to ensure adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.” The Fund’s investment policy has state diversification is necessary to meet the Fund’s goal of safety of principal and reasonable return. The Pension Board has diversified its equity mutual fund holdings as follows:

Artio International Equity – \$2,314,965  
Vanguard Institutional – \$5,625,084

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**DEPOSITS AND INVESTMENTS – Continued**

**Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$1,008,319 and the bank balances totaled \$1,011,159.

*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. Treasury Notes	\$ 4,476,382	804,053	1,470,611	2,201,718	-
U. S. Treasury Bonds	1,118,380	-	-	-	1,118,380
Governmental National Mortgage	19,259	-	-	516	18,743
Federal Home Loan Mortgage	279,412	-	-	104,138	175,274
Federal Home Loan Bank	149,316	-	-	-	149,316
Federal National Mortgage	3,573,330	-	-	1,577,271	1,996,059
Arab Republic of Egypt	333,666	-	-	-	333,666
Mutual Funds	9,028,017	9,028,017	-	-	-
Insurance Contracts	175,401	-	-	-	175,401
Illinois Metropolitan Investment Fund	49	49	-	-	-
	<u>19,153,212</u>	<u>9,832,119</u>	<u>1,470,611</u>	<u>3,883,643</u>	<u>3,966,839</u>

*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.

## CITY OF ROLLING MEADOWS, ILLINOIS

### Notes to the Financial Statements December 31, 2010

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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**

*Credit Risk.* The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. agencies were all rated triple A by Standard & Poor's and by Moody's Investors Services. IMET's 1-3 year government bond fund receives Standard & Poor's AAf rating for credit quality and Standard & Poor's S1 rating for volatility, or interest rate, risk.

*Custodial Credit Risk.* The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2010, 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, 2010, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

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

*Concentration Risk.* The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2010, the Firefighters' Pension Fund does not have over 5% of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in any single issuer.

##### **PROPERTY TAXES**

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, 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. All uncollected taxes relating to prior years' levies have been written off.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**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	\$ 99,234,834	1,622	-	99,236,456
Construction in Progress	807,509	934,120	133,343	1,608,286
	<u>100,042,343</u>	<u>935,742</u>	<u>133,343</u>	<u>100,844,742</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	1,367,862	-	-	1,367,862
Buildings	12,765,864	163,503	-	12,929,367
Infrastructure	42,794,787	26,009	-	42,820,796
Machinery and Equipment	3,453,944	37,216	-	3,491,160
Vehicles	5,213,628	375,404	122,814	5,466,218
	<u>65,596,085</u>	<u>602,132</u>	<u>122,814</u>	<u>66,075,403</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	448,370	46,749	-	495,119
Buildings	5,578,130	457,744	-	6,035,874
Infrastructure	21,924,522	2,719,298	-	24,643,820
Machinery and Equipment	2,230,607	196,794	-	2,427,401
Vehicles	3,993,190	387,230	122,814	4,257,606
	<u>34,174,819</u>	<u>3,807,815</u>	<u>122,814</u>	<u>37,859,820</u>
Net Depreciable Capital Assets	<u>31,421,266</u>	<u>(3,205,683)</u>	<u>-</u>	<u>28,215,583</u>
Net Capital Assets	<u>131,463,609</u>	<u>(2,269,941)</u>	<u>133,343</u>	<u>129,060,325</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	\$ 2,859,317
Internal Service	<u>948,498</u>
	<u><u>3,807,815</u></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, 2010**

**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	\$ 102,047	107,946	-	209,993
Depreciable Capital Assets				
Land Improvements	14,852	26,254	-	41,106
Building Improvements	3,674,232	-	-	3,674,232
Machinery and Equipment	1,978,564	-	-	1,978,564
Waterworks System	6,829,338	-	-	6,829,338
Sewerage System	8,900,208	90,348	-	8,990,556
Garage	39,819	-	-	39,819
	<u>21,437,013</u>	<u>116,602</u>	<u>-</u>	<u>21,553,615</u>
Less Accumulated Depreciation				
Land Improvements	14,852	875	-	15,727
Building Improvements	1,949,364	80,587	-	2,029,951
Machinery and Equipment	1,385,489	76,555	-	1,462,044
Waterworks System	3,154,051	145,790	-	3,299,841
Sewerage System	3,450,624	343,492	-	3,794,116
Garage	39,819	-	-	39,819
	<u>9,994,199</u>	<u>647,299</u>	<u>-</u>	<u>10,641,498</u>
Net Depreciable Capital Assets	<u>11,442,814</u>	<u>(530,697)</u>	<u>-</u>	<u>10,912,117</u>
Net Capital Assets	<u>11,544,861</u>	<u>(422,751)</u>	<u>-</u>	<u>11,122,110</u>

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

Utilities	\$ 590,039
Refuse Collection	<u>57,260</u>
	<u>647,299</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**CAPITAL ASSETS – Continued**

**Component Unit – Public Library**

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 608,893	-	-	608,893
Depreciable Capital Assets				
Buildings and Improvements	4,289,987	35,900	-	4,325,887
Furniture and Equipment	541,544	51,939	-	593,483
Books and Other Library Materials	2,738,584	273,461	388,166	2,623,879
Audio Visual Materials	513,080	58,927	53,269	518,738
	<u>8,083,195</u>	<u>420,227</u>	<u>441,435</u>	<u>8,061,987</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,044,023	97,457	-	2,141,480
Furniture and Equipment	370,383	29,032	-	399,415
Books and Other Library Materials	1,831,147	253,802	388,166	1,696,783
Audio Visual Materials	327,401	72,332	53,269	346,464
	<u>4,572,954</u>	<u>452,623</u>	<u>441,435</u>	<u>4,584,142</u>
Net Depreciable Capital Assets	<u>3,510,241</u>	<u>(32,396)</u>	<u>-</u>	<u>3,477,845</u>
Net Capital Assets	<u>4,119,134</u>	<u>(32,396)</u>	<u>-</u>	<u>4,086,738</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, 2010**

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

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

**Interfund Transfers – Continued**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 85,837
General	Internal Service	1,000,000
Debt Service	General	548,312
Nonmajor Governmental	General	863
Nonmajor Governmental	Nonmajor Governmental	1,021,368
Nonmajor Governmental	Utilities	56,402
		<u>2,712,782</u>

**Interfund Balances**

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

Receivable Fund	Payable Fund	Amount
Health Insurance	Liability Insurance	\$ 16,000
Vehicle Replacement	Buildings and Land	131,949
Nonmajor Governmental	Nonmajor Governmental	1,173,755
Utilities	Refuse Collection	35,898
Motor Fuel Tax	General	668,011
Debt Service	General	568,693
Nonmajor Governmental	General	1,048,213
Health Insurance	General	553,329
Vehicle Replacement	General	579,682
Municipal Garage	General	64,805
Police Pension	General	162,152
Firefighters' Pension	General	167,201
		<u>5,169,688</u>

Interfund balances are advances in anticipation of receipts.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**SHORT-TERM DEBT**

**Note Payable**

The City enters into loans payable to provide funds for operations. A note payable has been issued for general government activities and is currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Note Payable of 2009 - Due in one installment of \$1,315,000, plus interest at 3.55% due monthly until April 30, 2010.	Debt Service Capital Projects	\$ 1,315,000	-	1,315,000	-
Note Payable of 2010 - Due in one installment of \$1,500,000, plus interest at 1.30% due on April 30, 2011.	Debt Service Capital Projects Utilities	-	1,500,000	-	1,500,000
		1,315,000	1,500,000	1,315,000	1,500,000

**LONG-TERM DEBT**

**General Obligation Bonds**

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2002A (\$4,885,000), due in annual installments of \$310,000 to \$485,000 plus interest at 4.40% to 4.90% through December 1, 2018.	Debt Service (Property Tax)	\$ 3,660,000	-	335,000	3,325,000
General Obligation Bonds of 2002B (\$2,600,000), due in annual installments of \$120,000 to \$205,000 plus interest at 3.65% to 4.75% through December 1, 2020.	Utilities	1,805,000	-	130,000	1,675,000

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**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 2003 (\$4,030,000), due in annual installments of \$315,000 to \$430,000 plus interest at 2.90% to 3.70% through January 1, 2018.	TIF #2 Kirchoff/Owl	\$ 3,065,000	-	340,000	2,725,000
General Obligation Bonds of 2004 (\$8,070,000), due in annual installments of \$225,000 to \$785,000 plus interest at 3.25% to 4.40% through January 1, 2024.	Debt Service (Sales Tax)	6,965,000	-	270,000	6,695,000
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)	5,660,000	-	625,000	5,035,000
General Obligation Bonds of 2007 (\$410,000), due in annual installments of \$35,000 to \$70,000 plus interest at 3.95% to 4.15% through December 1, 2013.	Vehicle Replacement	260,000	-	60,000	200,000
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	999,012	-	109,980	889,032
	Refuse Collection	249,690	-	27,560	222,130
	Local Roads	1,111,298	-	122,460	988,838
		<u>23,775,000</u>	<u>-</u>	<u>2,020,000</u>	<u>21,755,000</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**LONG-TERM DEBT – Continued**

**Capital Leases**

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

<u>Year Ending December 31</u>	<u>Lease Payment</u>
2011	\$ 102,743
2012	83,712
2013	58,094
2014	53,292
2015	53,292
2016	53,293
2017	51,022
	<u>455,448</u>
Interest Portion	<u>(64,943)</u>
Principal Balance	<u><u>390,505</u></u>

The City has entered into five separate lease agreements as lessee for financing the acquisition of a fire truck, a self-contained breathing apparatus, a compact excavator, computer hardware and software, and a maintenance vehicle. Capital assets of \$121,805 have been added to machinery and equipment and \$421,895 to vehicles in the Vehicle Replacement fund, \$9,247 to machinery and equipment in the Garage fund, and \$83,897 to machinery and equipment in the Equipment fund as a result of these five capital leases. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases have been recorded as liabilities of the Municipal Garage, Vehicle Replacement and Equipment Funds.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 4,985,185	-	678,246	4,306,939	-
Compensated Absences	5,426,662	1,259,716	2,519,431	4,166,947	833,389
Note Payable	1,315,000	1,260,000	1,315,000	1,260,000	1,260,000
General Obligation Bonds	20,721,298	-	1,752,460	18,968,838	1,837,092
Plus: Unamortized Premium	73,117	-	24,265	48,852	-
Capital Leases	471,887	-	81,382	390,505	84,448
Net Other Post-Employment Benefit Obligation	591,582	280,845	-	872,427	-
	<u>33,584,731</u>	<u>2,800,561</u>	<u>6,370,784</u>	<u>30,014,508</u>	<u>4,014,929</u>
<b>Business-Type Activities</b>					
Compensated Absences	616,311	44,198	22,099	638,410	127,682
Note Payable	-	240,000	-	240,000	240,000
General Obligation Bonds	3,053,702	-	267,540	2,786,162	277,830
	<u>3,670,013</u>	<u>44,198</u>	<u>289,639</u>	<u>3,424,572</u>	<u>405,512</u>
<b>Component Unit - Public Library</b>					
Compensated Absences	80,763	-	80,763	-	-
Net Other Post-Employment Benefit Obligation	35,817	13,363	-	49,180	-
	<u>116,580</u>	<u>13,363</u>	<u>80,763</u>	<u>49,180</u>	<u>-</u>

Payments on the net pension obligation and net other post-employment benefits obligation are made by the General Fund. For the governmental activities, compensated absences are generally liquidated by the General Fund, Utility Fund, and Refuse Collection Fund and 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, \$151,678 of internal service funds' compensated absences, \$390,505 of capital leases, \$60,000 notes payable, and \$200,000 of general obligation bonds are included in the above amounts. Additionally, for business-type activities, compensated absences are generally liquidated by the Utilities and Refuse Collection Funds and general obligation bonds are being liquidated by the Utilities and Refuse Collection Funds.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**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 Ending December 31	Governmental Activities					
	General Obligation Bonds		Note Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,837,092	765,076	1,260,000	7,275	84,448	18,295
2012	1,926,852	694,303	-	-	69,573	14,139
2013	2,011,561	619,768	-	-	47,522	10,572
2014	2,041,270	541,676	-	-	44,706	8,586
2015	2,130,979	461,778	-	-	46,713	6,579
2016	2,235,688	377,362	-	-	48,811	4,482
2017	2,350,396	287,510	-	-	48,732	2,290
2018	1,025,000	191,858	-	-	-	-
2019	585,000	146,492	-	-	-	-
2020	630,000	122,360	-	-	-	-
2021	680,000	95,900	-	-	-	-
2022	730,000	66,660	-	-	-	-
2023	785,000	34,540	-	-	-	-
<b>Total</b>	<b>18,968,838</b>	<b>4,405,283</b>	<b>1,260,000</b>	<b>7,275</b>	<b>390,505</b>	<b>64,943</b>

Fiscal Year Ending December 31	Business-Type Activities			
	General Obligation Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2011	\$ 277,830	114,140	240,000	1,386
2012	288,202	103,723	-	-
2013	303,439	92,710	-	-
2014	313,730	80,948	-	-
2015	324,021	68,629	-	-
2016	339,312	55,749	-	-
2017	354,628	42,152	-	-
2018	185,000	27,696	-	-
2019	195,000	19,000	-	-
2020	205,000	9,738	-	-
<b>Total</b>	<b>2,786,162</b>	<b>614,485</b>	<b>240,000</b>	<b>1,386</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**LONG-TERM DEBT – Continued**

**Legal Debt Margin**

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

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

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

**NET ASSET CLASSIFICATIONS**

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2010:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 129,060,325
Less Capital Related Debt:		
Note Payable of 2010	(1,260,000)	
General Obligation Bonds of 2002A	(3,325,000)	
General Obligation Bonds of 2003	(2,725,000)	
General Obligation Bonds of 2004	(6,695,000)	
General Obligation Bonds of 2005	(5,035,000)	
General Obligation Bonds of 2007 - Internal Service	(200,000)	
General Obligation Bonds of 2007A	(988,838)	
Capital Leases	(390,505)	
Unamortized Premium on Debt Issuance	(48,852)	<u>(20,668,195)</u>
Investment in Capital Assets - Net of Related Debt		<u>108,392,130</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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

**NET ASSET CLASSIFICATIONS – Continued**

Business-Type Activities

Capital Assets - Net of Accumulated Depreciation \$ 11,122,110

Less Capital Related Debt:

Note Payable of 2010 (240,000)

General Obligation Bonds of 2002B (1,675,000)

General Obligation Bonds of 2007A (1,111,162) (3,026,162)

Investment in Capital Assets - Net of Related Debt 8,095,948

**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.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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### NOTE 4 – OTHER INFORMATION –Continued

#### RISK MANAGEMENT –Continued

##### **Intergovernmental Risk Management Agency (IRMA)**

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

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

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

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

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

# **CITY OF ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2010**

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

#### **CONTINGENT LIABILITIES**

##### **Litigation**

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

##### **Grants**

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

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

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

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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**NOTE 4 – OTHER INFORMATION – Continued**

**COMMITMENTS**

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

The City has committed to purchase water from the Northwest Suburban Municipal Joint Action Water Agency. This agreement expires in 2022, with minimum amounts of gallons required for purchase every five years. The City is obligated to pay, at the minimum, amounts totaling \$12,918,341 through fiscal year 2015 as listed below:

Fiscal Year Ending December 31	Amount
2011	\$ 2,292,474
2012	2,394,250
2013	2,561,848
2014	2,738,429
2015	<u>2,931,340</u>
	<u><u>12,918,341</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 \$2.92 charged by JAWA in the fiscal year ended 2010, 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 Ending December 31	Amount
2011	\$ 620,000
2012	<u>650,000</u>
	<u><u>1,270,000</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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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, 2010 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	16.40 %
Village of Hanover Park	10.70
Village of Hoffman Estates	16.50
Village of Mount Prospect	11.40
City of Rolling Meadows	8.20
Village of Schaumburg	26.70
Village of Streamwood	<u>10.10</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, 2010**

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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, 2010:

Current Assets	\$ 22,613,711	Current Liabilities	\$ 4,097,091
Noncurrent Assets		Long-Term Liabilities	<u>76,040,313</u>
Capital Assets	50,561,968		
Other Assets	<u>11,014,988</u>	Total Liabilities	<u>80,137,404</u>
Total Assets	<u>84,190,667</u>	Net Assets	<u><u>4,053,263</u></u>

Summary of revenues, expenses and changes in net assets for the year ended April 30, 2010:

Operating Revenues	\$ 30,073,987
Operating Expenses	<u>25,926,608</u>
Operating Income	4,147,379
Nonoperating Revenue (Expenses)	<u>(2,841,990)</u>
Change in Net Assets	1,305,389
Net Assets - Beginning	<u>2,747,874</u>
Net Assets - Ending	<u><u>4,053,263</u></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, 2010**

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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 \$2,379,336 to JAWA for the year ended December 31, 2010. All payments were paid from the Utilities Fund. The City’s share of net assets of JAWA was \$0 at December 31, 2010.

##### **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, 2010**

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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, 2010 are as follows:

	<u>Percent Share</u>
Village of Arlington Heights	9.97 %
Village of Barrington	1.54
Village of Buffalo Grove	6.42
Village of Elk Grove Village	4.99
City of Evanston	6.96
Village of Glencoe	1.32
Village of Glenview	4.75
Village of Hoffman Estates	4.36
Village of Inverness	1.09
Village of Kenilworth	0.84
Village of Lincolnwood	1.70
Village of Morton Grove	2.82
Village of Mount Prospect	7.78
Village of Niles	3.14
Village of Palatine	11.04
City of Park Ridge	5.70
City of Prospect Heights	1.78
City of Rolling Meadows	4.03
Village of Skokie	7.46
Village of South Barrington	0.69
Village of Wheeling	4.51
Village of Wilmette	3.97
Village of Winnetka	3.14
	<u>100.00 %</u>

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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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, 2010:

Current Assets	\$ 5,277,771	Current Liabilities	\$ 4,162,145
Noncurrent Assets		Long-Term Liabilities	<u>4,822,573</u>
Capital Assets	11,704,309	Total Liabilities	<u>8,984,718</u>
Other Assets	<u>100,676</u>	Net Assets	<u>8,098,038</u>
Total Assets	<u>17,082,756</u>		

Summary of revenues, expenses and changes in net assets for the year ended April 30, 2010:

Operating Revenues	\$ 802,299
Operating Expenses	<u>269,156</u>
Change in Net Assets	533,143
Net Assets - Beginning	<u>7,564,895</u>
Net Assets - Ending	<u>8,098,038</u>

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

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

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

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

### **Notes to the Financial Statements December 31, 2010**

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

##### **JOINT VENTURES – Continued**

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

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

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

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

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

In accordance with the joint venture agreement, the City remitted \$541,873 to SWANCC for the year ended December 31, 2010, which is recorded in the City’s Refuse Collection Fund.

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

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters’ Pension Plan, which is also a single-employer pension plan. Publicly available financial reports that include financial statements and required supplementary information (RSI) for the Police and Firefighters’ Pension Plans and 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).

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Plan Descriptions, Provisions and Funding Policies**

**Illinois Municipal Retirement System**

As set by statute, the City’s IMRF plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the employer was 12.88 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 14.19 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Police Pension Plan**

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

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	33
Current Employees	
Vested	34
Nonvested	<u>17</u>
	<u>84</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Plan Descriptions, Provisions, and Funding Policies – Continued**

**Police Pension Plan – Continued**

Employees with at least 8 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% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

**Firefighters' Pension Plan**

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

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	38
Current Employees	
Vested	19
Nonvested	<u>22</u>
	<u>79</u>

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement.

# **CITY OF ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2010**

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

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

##### **Plan Descriptions, Provisions, and Funding Policies – Continued**

##### **Firefighters' Pension Plan – Continued**

The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension 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% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

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

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

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

###### **Method Used to Value Investments**

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

###### **Significant Investments**

There are no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits for either the Police or Firefighters' Pension Plans.

###### **Related Party Transactions**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Annual Pension Cost and Net Pension Obligation**

The City’s annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	12.88%	21.93%	28.69%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/10	12/31/09	12/31/09
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	24 Years	24 Years
Asset Valuation Method	5-Year Smoothed Market	3-Year Smoothed Market	3-Year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.4 to 10%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Annual Pension Cost and Net Pension Obligation – Continued**

The pension liability for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension	Total
Annual Required Contributions	\$ 1,117,099	1,509,629	1,658,207	4,284,935
Interest on Net Pension Obligation	-	159,767	197,239	357,006
Adjustment to Annual Required Contribution	-	(59,315)	(127,643)	(186,958)
Annual Pension Cost	1,117,099	1,610,081	1,727,803	4,454,983
Actual Contribution	1,013,970	2,045,289	2,073,970	5,133,229
Increase to the NPO	103,129	(435,208)	(346,167)	(678,246)
NPO - Beginning of Year	-	2,207,294	2,777,891	4,985,185
NPO - End of Year	103,129	1,772,086	2,431,724	4,306,939

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Trend Information**

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2008	\$ 1,130,374	\$ 1,104,879	\$ 1,223,805
	2009	1,085,521	1,468,836	1,720,215
	2010	1,117,099	1,610,081	1,727,803
Actual Contributions	2008	1,130,374	846,468	850,986
	2009	1,085,521	1,022,014	1,014,127
	2010	1,013,970	2,045,289	2,073,970
Percentage of APC Contributed	2008	100.00%	76.61%	69.54%
	2009	100.00%	69.58%	58.95%
	2010	90.77%	127.03%	120.04%
Net Pension Obligation	2008	-	2,018,883	2,444,622
	2009	-	2,207,294	2,777,891
	2010	103,129	1,772,086	2,431,724

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Funded Status and Funding Progress**

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/10	12/31/09	12/31/09
Percent Funded	66.01%	45.19%	39.52%
Actuarial Accrued Liability for Benefits	\$31,298,990	\$48,808,345	\$46,137,287
Actuarial Value of Assets	\$20,661,952	\$22,055,478	\$18,235,794
(Over) Under Funded Actuarial Accrued Liability (UAAL)	\$10,637,038	\$26,752,867	\$27,901,493
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$ 7,872,440	\$ 4,660,498	\$ 3,535,416
Ratio of UAAL to Covered Payroll	135.12%	574.03%	789.20%

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2010

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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, 2010, retirees contributed \$488,794. Active employees do not contribute to the plan until retirement.

At December 31, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	27
Active Employees	<u>161</u>
	<u>188</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

**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, 2010, was calculated as follows:

	<u>Governmental Activities</u>
Annual Required Contribution	\$ 470,711
Interest on the NPO	23,664
Adjustment to the ARC	<u>(19,719)</u>
Annual OPEB Cost	474,656
Actual Contribution	<u>193,811</u>
Increase in the NPO	280,845
NOPEBO - Beginning of Year	<u>591,582</u>
NOPEBO - End of Year	<u><u>872,427</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
2008	\$ 471,423	\$ 173,645	36.83%	\$ 297,778
2009	498,722	204,918	41.09%	591,582
2010	474,656	193,811	40.83%	872,427

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2010**

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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, 2010, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,722,184
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	5,722,184
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	13,843,167
UAAL as a Percentage of Covered Payroll	41.34%

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, 2010 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 8.86% depending on fiscal year. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010, was 28 years.

## REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefits Plan
  
- 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**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2010**

<b>Funding Progress</b>							(6)
Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)	
Dec. 31							
2005	\$ 22,745,285	\$ 27,027,570	84.16%	\$ 4,282,285	\$ 8,256,867	51.86%	
2006	23,961,821	28,492,247	84.10%	4,530,426	8,748,334	51.79%	
2007	25,459,071	30,746,627	82.80%	5,287,556	9,368,892	56.44%	
2008	19,674,004	30,071,268	65.42%	10,397,264	9,906,874	104.95%	
2009	20,296,058	32,067,786	63.29%	11,771,728	9,270,036	126.99%	
2010	20,661,952	31,298,990	66.01%	10,637,038	7,872,440	135.12%	

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 880,462	\$ 880,462	100.00%
2006	1,000,809	1,000,809	100.00%
2007	1,076,486	1,076,486	100.00%
2008	1,130,374	1,130,374	100.00%
2009	1,085,521	1,085,521	100.00%
2010	1,013,970	1,117,099	90.77%

Data Source: Illinois Municipal Retirement Fund

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2010**

**Funding Progress**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ 20,374,596	\$ 25,383,428	80.27%	\$ 5,008,832	\$ 3,764,649	133.05%
2005	19,050,226	31,390,882	60.69%	12,340,656	3,988,850	309.38%
2006	21,094,351	34,048,263	61.95%	12,953,912	4,274,342	303.06%
2007	22,276,012	37,127,790	60.00%	14,851,778	4,477,359	331.71%
2008	19,473,991	39,306,318	49.54%	19,832,327	4,701,227	421.85%
2009	22,055,478	48,808,345	45.19%	26,752,867	4,660,498	574.03%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 627,340	\$ 621,696	100.91%
2006	494,978	718,490	68.89%
2007	488,124	985,476	49.53%
2008	846,468	1,060,907	79.79%
2009	1,022,014	1,468,836	69.58%
2010	2,045,289	1,509,629	135.48%

Data Source: Actuarial Valuation Reports

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2010**

**Funding Progress**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ 18,751,249	\$ 23,701,927	79.11%	\$ 4,950,678	\$ 2,972,887	166.53%
2005	17,571,192	29,890,514	58.79%	12,319,322	3,332,551	369.67%
2006	18,638,346	33,305,824	55.96%	14,667,478	3,316,233	442.29%
2007	19,846,639	36,096,221	54.98%	16,249,582	3,741,436	434.31%
2008	15,802,062	37,791,992	41.81%	21,989,930	3,928,508	559.75%
2009	18,235,794	46,137,827	39.52%	27,902,033	3,535,416	789.21%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 564,725	\$ 560,011	100.84%
2006	500,086	644,000	77.65%
2007	493,662	1,017,801	48.50%
2008	850,986	1,172,057	72.61%
2009	1,014,127	1,720,215	58.95%
2010	2,073,970	1,658,207	125.07%

Data Source: Actuarial Valuation Reports

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Other Post-Employment Benefits Plan**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2010**

**Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Dec. 31						
2005	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	-	5,495,553	0.00%	5,495,553	15,178,035	36.21%
2009	-	5,832,237	0.00%	5,832,237	15,785,156	36.95%
2010	-	5,722,184	0.00%	5,722,184	13,843,167	41.34%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	173,645	471,423	36.83%
2009	204,918	498,722	41.09%
2010	193,811	470,711	41.17%

The City Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

Data Source: Actuarial Valuation Reports

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 18,109,372	18,109,372	17,314,335
Intergovernmental	2,525,251	2,528,001	2,571,714
Licenses and Permits	795,013	795,013	785,250
Charges for Services	2,135,589	2,135,589	2,210,123
Fines and Forfeitures	865,615	865,615	885,997
Interest	(2,250)	(2,250)	2,494
Miscellaneous	316,196	316,196	261,073
<b>Total Revenues</b>	<u>24,744,786</u>	<u>24,747,536</u>	<u>24,030,986</u>
<b>Expenditures</b>			
General Government	3,585,508	3,585,508	3,445,451
Public Safety	18,550,142	18,550,142	17,951,490
Public Works	2,708,526	2,708,526	2,668,228
Health/Welfare and Culture	38,680	38,680	23,721
Economic Development	500	500	611
<b>Total Expenditures</b>	<u>24,883,356</u>	<u>24,883,356</u>	<u>24,089,501</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(138,570)</u>	<u>(135,820)</u>	<u>(58,515)</u>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	-	-	8,670
Transfers In	1,000,000	1,000,000	1,085,837
Transfers Out	(549,472)	(549,472)	(549,175)
	<u>450,528</u>	<u>450,528</u>	<u>545,332</u>
<b>Net Change in Fund Balance</b>	<u>311,958</u>	<u>314,708</u>	<u>486,817</u>
<b>Fund Balance - Beginning</b>			<u>(724,541)</u>
<b>Fund Balance - Ending</b>			<u>(237,724)</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 702,500	702,500	743,796
Interest	2,000	2,000	221
Total Revenues	<u>704,500</u>	<u>704,500</u>	<u>744,017</u>
Expenditures			
Highways and Streets			
Contracted Services	435,000	435,000	154,491
Supplies			
Snow and Ice Control	200,000	200,000	122,420
Capital Outlay	<u>1,435,000</u>	<u>1,435,000</u>	<u>819,466</u>
Total Expenditures	<u>2,070,000</u>	<u>2,070,000</u>	<u>1,096,377</u>
Net Change in Fund Balance	<u>(1,365,500)</u>	<u>(1,365,500)</u>	(352,360)
Fund Balance - Beginning			<u>2,051,851</u>
Fund Balance - Ending			<u><u>1,699,491</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
  - General Fund
  - Debt Service Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Statements – Pension Trust Funds
- Statement of Changes in Assets and Liabilities – Agency Fund

**MAJOR GOVERNMENTAL FUNDS**

## **GENERAL FUND**

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

## **MAJOR SPECIAL REVENUE FUND**

### **Motor Fuel Tax Fund**

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

## **DEBT SERVICE FUND**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes			
Prior Years' Taxes	\$ 61,500	61,500	(35,600)
Current Levy	4,435,080	4,435,080	4,405,850
Police Pension	1,540,998	1,540,998	1,545,289
Fire Pension	1,577,637	1,577,637	1,573,970
Municipal Sales Tax	3,113,682	3,113,682	2,768,677
Home Rule Sales Tax	2,004,522	2,004,522	1,957,345
Simplified Telecommunications Tax	2,151,363	2,151,363	1,846,728
Electric Utility Tax	1,336,000	1,336,000	1,310,453
Hotel Tax	273,394	273,394	289,076
Food and Beverage Tax	1,189,287	1,189,287	1,216,961
Real Estate Transfer Tax	166,409	166,409	174,819
Cable Franchise Fees	259,500	259,500	260,767
Total Taxes	18,109,372	18,109,372	17,314,335
<b>Intergovernmental</b>			
State Income Tax	1,990,871	1,990,871	1,923,695
Local Use Tax	329,260	329,260	324,027
Replacement Tax	165,970	165,970	194,281
Other Grants	39,150	41,900	129,711
Total Intergovernmental	2,525,251	2,528,001	2,571,714
<b>Licenses and Permits</b>			
Business Licenses	265,200	265,200	266,428
Liquor Licenses	152,000	152,000	179,412
Other Licenses	6,850	6,850	10,387
Building Permits	309,513	309,513	252,058
Rental Unit Permits	56,350	56,350	59,610
Other Permits	5,100	5,100	17,355
Total Licenses and Permits	795,013	795,013	785,250
<b>Charges for Services</b>			
Police Special Details	75,000	75,000	96,726
School Liason Charges	164,680	164,680	171,549
Ambulance Fees	543,000	543,000	491,859

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Charges for Services - Continued</b>			
<b>Overhead Charges</b>			
Garage	\$ 71,096	71,096	71,096
TIF #1	33,742	33,742	33,742
TIF #2	30,222	30,222	30,222
Refuse	416,159	416,159	416,159
Utilities	571,747	571,747	571,747
Local Roads	8,153	8,153	8,153
Library	35,060	35,060	35,060
Park District	19,000	19,000	25,211
Other Inspection Fees	97,408	97,408	131,848
Other Charges for Services	70,322	70,322	126,751
<b>Total Charges for Services</b>	<b>2,135,589</b>	<b>2,135,589</b>	<b>2,210,123</b>
<b>Fines and Forfeitures</b>			
Circuit Court Fines	182,500	182,500	138,381
Traffic Fines	132,300	132,300	122,655
Compliance Fines	52,000	52,000	52,371
DUI Fines	22,850	22,850	10,109
Red Light Enforcement Fines	415,000	415,000	481,781
Adjudication	57,800	57,800	35,065
Other Fines	3,165	3,165	45,635
<b>Total Fines and Forfeitures</b>	<b>865,615</b>	<b>865,615</b>	<b>885,997</b>
<b>Interest</b>	<b>(2,250)</b>	<b>(2,250)</b>	<b>2,494</b>
<b>Miscellaneous</b>			
Rental Income	151,696	151,696	185,095
Other	164,500	164,500	75,978
<b>Total Miscellaneous</b>	<b>316,196</b>	<b>316,196</b>	<b>261,073</b>
<b>Total Revenues</b>	<b>24,744,786</b>	<b>24,747,536</b>	<b>24,030,986</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>General Government</b>			
<b>Administrative</b>			
<b>Mayor</b>			
Salaries and Wages	\$ 9,950	9,950	9,950
Benefits	2,043	2,043	2,043
Contracted Services	5,410	5,410	3,518
Supplies	400	400	-
<b>Total Mayor</b>	<b>17,803</b>	<b>17,803</b>	<b>15,511</b>
<b>City Council</b>			
Salaries and Wages	28,000	28,000	28,000
Benefits	4,203	4,203	4,718
Contracted Services	52,089	52,089	53,794
Supplies	2,750	2,750	61,259
<b>Total City Council</b>	<b>87,042</b>	<b>87,042</b>	<b>147,771</b>
<b>City Manager</b>			
Salaries and Wages	229,561	229,561	288,863
Benefits	73,128	73,128	81,451
Contracted Services	24,924	24,924	19,894
Supplies	5,000	5,000	236
<b>Total City Manager</b>	<b>332,613</b>	<b>332,613</b>	<b>390,444</b>
<b>Human Resources</b>			
Salaries and Wages	208,104	208,104	209,980
Benefits	75,812	75,812	79,143
Contracted Services	43,033	43,033	10,164
Supplies	22,900	22,900	2,264
<b>Total Human Resources</b>	<b>349,849</b>	<b>349,849</b>	<b>301,551</b>
<b>City Clerk</b>			
Salaries and Wages	105,766	105,766	105,879
Benefits	38,559	38,559	38,397
Contracted Services	14,434	14,434	12,345
Supplies	2,500	2,500	280
<b>Total City Clerk</b>	<b>161,259</b>	<b>161,259</b>	<b>156,901</b>
<b>Public Relations</b>			
Contracted Services	43,500	43,500	33,561
Supplies	4,250	4,250	42
<b>Total Public Relations</b>	<b>47,750</b>	<b>47,750</b>	<b>33,603</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>General Government - Continued</b>			
<b>Administrative - Continued</b>			
Video Production			
Salaries and Wages	\$ 12,000	12,000	10,317
Benefits	-	-	247
Contracted Services	6,000	6,000	3,282
Supplies	3,200	3,200	202
Total Video Production	21,200	21,200	14,048
Adjudication			
Contracted Services	49,800	49,800	34,743
Supplies	1,000	1,000	-
Total Adjudication	50,800	50,800	34,743
Community Events			
Contracted Services	5,450	5,450	-
Supplies	45,750	45,750	37,694
Total Community Events	51,200	51,200	37,694
Finance and Administration			
Salaries and Wages	222,016	222,016	124,663
Benefits	79,456	79,456	49,774
Contracted Services	78,088	78,088	73,358
Supplies	1,700	1,700	781
Total Finance and Administration	381,260	381,260	248,576
Administrative Services			
Legal Contracted Services	217,000	217,000	287,862
Engineering Contracted Services	30,000	30,000	26,400
Special Details			
Salaries and Wages	75,000	75,000	136,026
Other Contracted Services	163,879	163,879	101,985
Other Supplies	17,875	17,875	5,501
Total Administrative Services	503,754	503,754	557,774

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative - Continued			
Information Technology			
Salaries and Wages	\$ 178,276	178,276	177,646
Benefits	61,499	61,499	69,327
Contracted Services	80,351	80,351	54,509
Supplies	32,845	32,845	14,615
Total Information Technology	352,971	352,971	316,097
Total Administrative	2,357,501	2,357,501	2,254,713
Community Development			
Administration			
Salaries and Wages	304,699	304,699	306,057
Benefits	98,417	98,417	98,399
Contracted Services	109,317	109,317	74,005
Supplies and Materials	4,200	4,200	2,317
Total Administration	516,633	516,633	480,778
Building Inspections			
Salaries and Wages	447,780	447,780	448,787
Benefits	190,344	190,344	196,619
Contracted Services	68,635	68,635	60,720
Supplies and Materials	2,208	2,208	2,149
Total Building Inspections	708,967	708,967	708,275
Health and Housing Inspections			
Salaries and Wages	-	-	651
Zoning Board of Appeals			
Contracted Services	672	672	381

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Plan Commission			
Benefits	\$ -	-	26
Contracted Services	1,185	1,185	627
Total Plan Commission	1,185	1,185	653
Tobacco Information/Prevention			
Contracted Services	550	550	-
Total Community Development	1,228,007	1,228,007	1,190,738
Total General Government	3,585,508	3,585,508	3,445,451
Public Safety			
Police Department			
Administration			
Salaries and Wages	439,605	439,605	444,014
Benefits	2,192,895	2,192,895	2,182,039
Contracted Services	522,489	522,489	509,941
Supplies and Materials	25,888	25,888	45,736
Total Administration	3,180,877	3,180,877	3,181,730
Patrol			
Salaries and Wages	4,280,578	4,280,578	4,134,790
Benefits	1,124,676	1,124,676	1,134,710
Contracted Services	92,075	92,075	74,601
Supplies and Materials	26,068	26,068	20,350
Total Patrol	5,523,397	5,523,397	5,364,451

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Public Safety - Continued</b>			
<b>Police Department - Continued</b>			
Investigation			
Salaries and Wages	\$ 970,164	970,164	954,052
Benefits	214,493	214,493	236,803
Contracted Services	42,712	42,712	28,858
Supplies and Materials	7,750	7,750	8,089
<b>Total Investigation</b>	<u>1,235,119</u>	<u>1,235,119</u>	<u>1,227,802</u>
Records Processing			
Salaries and Wages	232,789	232,789	195,550
Benefits	125,457	125,457	103,512
Contracted Services	22,951	22,951	12,066
Supplies and Materials	1,108	1,108	1,216
<b>Total Records Processing</b>	<u>382,305</u>	<u>382,305</u>	<u>312,344</u>
<b>Total Police Department</b>	<u>10,321,698</u>	<u>10,321,698</u>	<u>10,086,327</u>
<b>Fire Department</b>			
Administration			
Salaries and Wages	461,567	461,567	353,070
Benefits	2,149,995	2,149,995	2,135,289
Contracted Services	351,601	351,601	348,517
Supplies and Materials	4,400	4,400	2,745
<b>Total Administration</b>	<u>2,967,563</u>	<u>2,967,563</u>	<u>2,839,621</u>
Fire Operations			
Salaries and Wages	4,002,254	4,002,254	3,874,979
Benefits	867,266	867,266	862,207
Contracted Services	127,642	127,642	102,073
Supplies and Materials	48,409	48,409	28,790
<b>Total Fire Operations</b>	<u>5,045,571</u>	<u>5,045,571</u>	<u>4,868,049</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Special Rescue Teams			
Salaries and Wages	\$ 23,290	23,290	44,914
Contracted Services	14,175	14,175	4,537
Supplies and Materials	8,300	8,300	4,905
Total Special Rescue Teams	45,765	45,765	54,356
Prevention Program			
Salaries and Wages	64,722	64,722	58,519
Benefits	10,803	10,803	11,088
Contracted Services	8,150	8,150	4,190
Supplies and Materials	3,400	3,400	2,971
Total Prevention Program	87,075	87,075	76,768
Training Program			
Contracted Services	30,440	30,440	5,479
Supplies and Materials	4,930	4,930	934
Total Training Program	35,370	35,370	6,413
Total Fire Department	8,181,344	8,181,344	7,845,207
Board of Police and Fire Commission			
Salaries and Wages	7,500	7,500	322
Contracted Services	39,600	39,600	19,408
Supplies and Materials	-	-	226
Total Board of Police and Fire Commission	47,100	47,100	19,956
Total Public Safety	18,550,142	18,550,142	17,951,490
Public Works			
Administration			
Salaries and Wages	446,676	446,676	444,843
Benefits	190,115	190,115	199,318
Contracted Services	339,374	339,374	333,078
Supplies and Materials	11,750	11,750	4,675
Total Administration	987,915	987,915	981,914

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Public Works - Continued</b>			
Buildings and Grounds			
Salaries and Wages	\$ 358,698	358,698	356,287
Benefits	194,225	194,225	213,070
Contracted Services	6,425	6,425	3,686
Supplies and Materials	-	-	325
Total Buildings and Grounds	559,348	559,348	573,368
Forestry Program			
Salaries and Wages	91,149	91,149	86,765
Benefits	44,975	44,975	50,829
Contracted Services	64,760	64,760	42,375
Supplies and Materials	2,500	2,500	1,792
Total Forestry Program	203,384	203,384	181,761
Street Operations			
Salaries and Wages	658,435	658,435	619,455
Benefits	288,434	288,434	304,358
Contracted Services	11,010	11,010	7,372
Total Street Operations	957,879	957,879	931,185
Total Public Works	2,708,526	2,708,526	2,668,228
<b>Health/Welfare and Culture</b>			
Museum			
Contracted Services	9,930	9,930	8,466
<b>ESDA</b>			
Contracted Services	-	-	1,500
Supplies and Materials	2,000	2,000	-
	2,000	2,000	1,500
<b>Safety Committee</b>			
Contracted Services	900	900	394
Supplies and Materials	2,550	2,550	153
Total Safety Committee	3,450	3,450	547

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Health/Welfare and Culture - Continued</b>			
<b>Employee Wellness Program</b>			
Contracted Services	\$ 18,750	18,750	10,520
Supplies	750	750	10
<b>Total Employee Wellness Program</b>	<b>19,500</b>	<b>19,500</b>	<b>10,530</b>
<b>Urban Affairs</b>			
Contracted Services	600	600	-
Supplies	3,200	3,200	2,678
<b>Total Urban Affairs</b>	<b>3,800</b>	<b>3,800</b>	<b>2,678</b>
<b>Total Health/Welfare and Culture</b>	<b>38,680</b>	<b>38,680</b>	<b>23,721</b>
<b>Economic Development</b>			
<b>Community Development</b>			
Contracted Services	500	500	500
Supplies and Materials	-	-	111
<b>Total Economic Development</b>	<b>500</b>	<b>500</b>	<b>611</b>
<b>Total Expenditures</b>	<b>24,883,356</b>	<b>24,883,356</b>	<b>24,089,501</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,357,750	1,357,750	1,348,771
Interest	250	250	75
Total Revenues	<u>1,358,000</u>	<u>1,358,000</u>	<u>1,348,846</u>
Expenditures			
Debt Service			
Principal Retirement	1,230,000	1,230,000	2,377,531
Interest and Fiscal Charges	677,162	677,162	690,418
Total Expenditures	<u>1,907,162</u>	<u>1,907,162</u>	<u>3,067,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(549,162)</u>	<u>(549,162)</u>	<u>(1,719,103)</u>
Other Financing Sources			
Debt Issuance	-	-	960,000
Transfers In	548,312	548,312	548,312
	<u>548,312</u>	<u>548,312</u>	<u>1,508,312</u>
Net Change in Fund Balance	<u>(850)</u>	<u>(850)</u>	(210,791)
Fund Balance - Beginning			<u>944,481</u>
Fund Balance - Ending			<u><u>733,690</u></u>

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
December 31, 2010**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 92,457	780,279	872,736
Receivables - Net of Allowances			
Property Taxes	571,036	357,887	928,923
Other Taxes	-	22,597	22,597
Accounts	43,387	6,714	50,101
Due from Other Funds	399,533	1,822,435	2,221,968
Total Assets	1,106,413	2,989,912	4,096,325
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	7,132	65,783	72,915
Due to Other Funds	399,533	774,222	1,173,755
Unearned/Deferred Revenues	509,000	149,301	658,301
Total Liabilities	915,665	989,306	1,904,971
Fund Balances			
Unreserved	190,748	2,000,606	2,191,354
Total Liabilities and Fund Balances	1,106,413	2,989,912	4,096,325

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2010

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Taxes	\$ 705,127	1,203,329	1,908,456
Intergovernmental	69,505	-	69,505
Licenses and Permits	-	379,500	379,500
Fines and Forfeitures	562,599	-	562,599
Interest	474	392	866
Miscellaneous	-	247,445	247,445
<b>Total Revenues</b>	<b>1,337,705</b>	<b>1,830,666</b>	<b>3,168,371</b>
<b>Expenditures</b>			
General Government	-	67,431	67,431
Public Safety	780,034	-	780,034
Highways and Streets	-	396,549	396,549
Economic Development	-	32,371	32,371
Capital Outlay	-	295,486	295,486
Debt Service			
Principal Retirement	-	629,929	629,929
Interest and Fiscal Charges	-	147,004	147,004
<b>Total Expenditures</b>	<b>780,034</b>	<b>1,568,770</b>	<b>2,348,804</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>557,671</b>	<b>261,896</b>	<b>819,567</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	-	240,000	240,000
Disposal of Capital Assets	1,786	-	1,786
Transfers In	171,180	907,453	1,078,633
Transfers Out	(85,837)	(1,021,368)	(1,107,205)
	<b>87,129</b>	<b>126,085</b>	<b>213,214</b>
<b>Net Change in Fund Balances</b>	<b>644,800</b>	<b>387,981</b>	<b>1,032,781</b>
<b>Fund Balances - Beginning</b>	<b>(454,052)</b>	<b>1,612,625</b>	<b>1,158,573</b>
<b>Fund Balances - Ending</b>	<b>190,748</b>	<b>2,000,606</b>	<b>2,191,354</b>

## **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.

### **Street Systems Fund**

The Street Systems Fund is used to account for the resources accumulated and used in street maintenance projects.

### **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.

### **Economic Development Fund**

The Economic Development Fund is used to account for the receipt and disbursement of funds with regard to the City's economic development programs.

### **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.

### **Enhanced DUI Enforcement Fund**

The Enhanced DUI Enforcement Fund is used to account for the receipts and disbursements incurred as a result of the City's DUI enforcement program.

### **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  
Year Ended December 31, 2010**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet  
December 31, 2010**

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	<u>Street Systems</u>	<u>911 Emergency Telephone</u>
<b>ASSETS</b>		
Cash and Investments	\$ -	-
Receivables - Net of Allowances		
Property Taxes	-	571,036
Accounts	-	43,387
Due from Other Funds	-	-
		<hr/>
Total Assets	-	614,423
		<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts Payable	-	2,679
Due to Other Funds	-	369,606
Unearned/Deferred Revenues	-	509,000
Total Liabilities	-	881,285
		<hr/>
Fund Balances		
Unreserved	-	(266,862)
		<hr/>
Total Liabilities and Fund Balances	-	614,423
		<hr/> <hr/>

Economic Development	Foreign Fire Tax	Enhanced DUI Enforcement	Asset Seizure	Totals
-	44,332	-	48,125	92,457
-	-	-	-	571,036
-	-	-	-	43,387
-	-	-	399,533	399,533
-	44,332	-	447,658	1,106,413
-	3,217	-	1,236	7,132
-	-	29,927	-	399,533
-	-	-	-	509,000
-	3,217	29,927	1,236	915,665
-	41,115	(29,927)	446,422	190,748
-	44,332	-	447,658	1,106,413

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2010**

	Street Systems	911 Emergency Telephone
Revenues		
Taxes	\$ -	679,098
Intergovernmental	-	69,505
Fines and Forfeitures	-	-
Interest	-	(39)
Total Revenues	<u>-</u>	<u>748,564</u>
Expenditures		
Public Safety	-	617,899
Economic Development	-	-
Capital Outlay	-	-
Total Expenditures	<u>-</u>	<u>617,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>130,665</u>
Other Financing Sources (Uses)		
Disposal of Capital Assets	-	1,786
Transfers In	70,317	100,000
Transfers Out	-	-
	<u>70,317</u>	<u>101,786</u>
Net Change in Fund Balances	70,317	232,451
Fund Balances - Beginning	<u>(70,317)</u>	<u>(499,313)</u>
Fund Balances - Ending	<u>-</u>	<u>(266,862)</u>

Economic Development	Foreign Fire Tax	Enhanced DUI Enforcement	Asset Seizure	Totals
-	26,029	-	-	705,127
-	-	-	-	69,505
-	-	33,700	528,899	562,599
-	5	(5)	513	474
-	26,034	33,695	529,412	1,337,705
-	47,428	6,402	108,305	780,034
-	-	-	-	-
-	-	-	-	-
-	47,428	6,402	108,305	780,034
-	(21,394)	27,293	421,107	557,671
-	-	-	-	1,786
863	-	-	-	171,180
-	-	-	(85,837)	(85,837)
863	-	-	(85,837)	87,129
863	(21,394)	27,293	335,270	644,800
(863)	62,509	(57,220)	111,152	(454,052)
-	41,115	(29,927)	446,422	190,748

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Street Systems - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ -	-	-
Expenditures			
General Government	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources			
Transfers In	70,318	70,318	70,317
Net Change in Fund Balance	<u>70,318</u>	<u>70,318</u>	70,317
Fund Balance - Beginning			<u>(70,317)</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**911 Emergency Telephone - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 509,000	509,000	506,403
Other Taxes	200,000	200,000	172,695
Intergovernmental	-	-	69,505
Interest	-	-	(39)
Total Revenues	<u>709,000</u>	<u>709,000</u>	<u>748,564</u>
Expenditures			
Public Safety			
Contracted Services	706,117	706,117	615,787
Supplies	-	-	2,112
Total Expenditures	<u>706,117</u>	<u>706,117</u>	<u>617,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,883</u>	<u>2,883</u>	<u>130,665</u>
Other Financing Sources			
Disposal of Capital Assets	-	-	1,786
Transfers In	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>101,786</u>
Net Change in Fund Balance	<u>102,883</u>	<u>102,883</u>	232,451
Fund Balance - Beginning			<u>(499,313)</u>
Fund Balance - Ending			<u>(266,862)</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Economic Development - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Economic Development	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources			
Transfers In	1,160	1,160	863
Net Change in Fund Balance	<u>1,160</u>	<u>1,160</u>	863
Fund Balance - Beginning			<u>(863)</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Enhanced DUI Enforcement - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures	\$ 49,653	49,653	33,700
Interest	-	-	(5)
Total Revenues	<u>49,653</u>	<u>49,653</u>	<u>33,695</u>
Expenditures			
Public Safety			
Salaries and Wages	-	-	337
Contracted Services	6,065	6,065	6,065
Total Expenditures	<u>6,065</u>	<u>6,065</u>	<u>6,402</u>
Net Change in Fund Balance	<u>43,588</u>	<u>43,588</u>	27,293
Fund Balance - Beginning			<u>(57,220)</u>
Fund Balance - Ending			<u>(29,927)</u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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

### **Local Road Fund**

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

### **2002 Construction Fund**

The 2002 Construction Fund is used to account for the financing and construction of infrastructure improvements for economic development purposes in the Golf and Algonquin Roads area.

### **Emergency Reserve Infrastructure Fund**

The Emergency Reserve Infrastructure Fund is used to account for the accumulation of resources to finance emergency repairs of the City's infrastructure.

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

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

### **TIF #1 Kirchoff/Meadows Fund**

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

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

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

## **NONMAJOR CAPITAL PROJECTS FUNDS - Continued**

### **TIF #3 Woodfield**

The Woodfield Area Development Fund is used to account for the revenues and expenditures associated with the development of activities in the Woodfield Garden area.

### **SSA #1 Algonquin Parkway Fund**

The SSA #1 Algonquin Parkway Fund is used to account for revenues and expenditures related to improvements along Algonquin Parkway.

### **Route 53 Fund**

The Route 53 Fund is used to account for funds accumulated to construct a sound barrier along Route 53.

### **Plum Grove Road Fund**

The Plum Grove Road Fund is used to account for the City's share of the State project of widening and improvement of Plum Grove Road south of Euclid and north of Old Plum Grove Road.

### **Fire Station Fund**

The Fire Station Fund is used to account for accumulating funds to build a new fire station on Algonquin Road.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**December 31, 2010**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet  
December 31, 2010**

	Local Road	2002 Construction	Emergency Reserve Infrastructure	Transit Oriented Area Development
<b>ASSETS</b>				
Cash and Investments	\$ 299,683	-	-	394,257
Receivables - Net of Allowances				
Property Taxes	179,060	-	-	-
Other Taxes	22,597	-	-	-
Accounts	6,714	-	-	-
Due from Other Funds	180,950	-	-	-
<b>Total Assets</b>	<b>689,004</b>	<b>-</b>	<b>-</b>	<b>394,257</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	65,783	-	-	-
Due to Other Funds	-	-	-	-
Unearned/Deferred Revenues	149,301	-	-	-
<b>Total Liabilities</b>	<b>215,084</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances				
Unreserved	473,920	-	-	394,257
<b>Total Liabilities and Fund Balances</b>	<b>689,004</b>	<b>-</b>	<b>-</b>	<b>394,257</b>

TIF #1 Kirchoff/ Meadows	TIF #2 Kirchoff/ Owl	TIF #3 Woodfield	SSA #1 Algonquin Parkway	Route 53	Plum Grove Road	Fire Station	Totals
86,339	-	-	-	-	-	-	780,279
3	80,968	97,856	-	-	-	-	357,887
-	-	-	-	-	-	-	22,597
-	-	-	-	-	-	-	6,714
593,272	-	-	-	-	-	1,048,213	1,822,435
679,614	80,968	97,856	-	-	-	1,048,213	2,989,912
-	-	-	-	-	-	-	65,783
-	593,272	130,986	-	-	49,964	-	774,222
-	-	-	-	-	-	-	149,301
-	593,272	130,986	-	-	49,964	-	989,306
679,614	(512,304)	(33,130)	-	-	(49,964)	1,048,213	2,000,606
679,614	80,968	97,856	-	-	-	1,048,213	2,989,912

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2010**

	Local Road	2002 Construction	Emergency Reserve Infrastructure	Transit Oriented Area Development
<b>Revenues</b>				
Taxes	\$ 597,562	-	-	-
Licenses and Permits	379,500	-	-	-
Interest	88	-	-	31
Miscellaneous	13,445	-	-	-
Total Revenues	990,595	-	-	31
<b>Expenditures</b>				
General Government	-	-	-	-
Highways and Streets	396,549	-	-	-
Economic Development	-	-	-	-
Capital Outlay	275,486	-	-	-
Debt Service				
Principal Retirement	261,792	-	-	-
Interest and Fiscal Charges	40,422	-	-	-
Total Expenditures	974,249	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,346	-	-	31
<b>Other Financing Sources (Uses)</b>				
Debt Issuance	210,000	-	-	-
Transfers In	107,592	411,152	-	80,154
Transfers Out	-	-	(897,616)	(100,000)
	317,592	411,152	(897,616)	(19,846)
Net Change in Fund Balances	333,938	411,152	(897,616)	(19,815)
Fund Balances - Beginning	139,982	(411,152)	897,616	414,072
Fund Balances - Ending	473,920	-	-	394,257

TIF #1 Kirchoff/ Meadows	TIF #2 Kirchoff/ Owl	TIF #3 Woodfield	SSA #1 Algonquin Parkway	Route 53	Plum Grove Road	Fire Station	Totals
87,508	415,304	102,955	-	-	-	-	1,203,329
-	-	-	-	-	-	-	379,500
135	56	-	-	-	-	82	392
-	-	-	-	-	234,000	-	247,445
87,643	415,360	102,955	-	-	234,000	82	1,830,666
67,431	-	-	-	-	-	-	67,431
-	-	-	-	-	-	-	396,549
-	32,371	-	-	-	-	-	32,371
-	-	-	-	-	-	20,000	295,486
-	368,137	-	-	-	-	-	629,929
-	106,582	-	-	-	-	-	147,004
67,431	507,090	-	-	-	-	20,000	1,568,770
20,212	(91,730)	102,955	-	-	234,000	(19,918)	261,896
-	30,000	-	-	-	-	-	240,000
-	-	-	158,247	-	150,308	-	907,453
-	-	-	-	(23,752)	-	-	(1,021,368)
-	30,000	-	158,247	(23,752)	150,308	-	126,085
20,212	(61,730)	102,955	158,247	(23,752)	384,308	(19,918)	387,981
659,402	(450,574)	(136,085)	(158,247)	23,752	(434,272)	1,068,131	1,612,625
679,614	(512,304)	(33,130)	-	-	(49,964)	1,048,213	2,000,606

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Local Road - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 557,801	557,801	597,562
Intergovernmental	2,811,126	2,811,126	-
Licenses and Permits	365,000	365,000	379,500
Interest	500	500	88
Miscellaneous	15,000	15,000	13,445
<b>Total Revenues</b>	<b>3,749,427</b>	<b>3,749,427</b>	<b>990,595</b>
<b>Expenditures</b>			
Highways and Streets			
Contracted Services	309,348	309,348	295,738
Supplies			
Operating Supplies	114,600	114,600	83,690
Repairs and Maintenance Supplies	20,000	20,000	17,121
Capital Outlay			
Street Improvements	2,669,000	2,669,000	275,486
Debt Service			
Principal Retirement	122,460	122,460	261,792
Interest and Fiscal Charges	39,038	39,038	40,422
<b>Total Expenditures</b>	<b>3,274,446</b>	<b>3,274,446</b>	<b>974,249</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>474,981</b>	<b>474,981</b>	<b>16,346</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	-	-	210,000
Transfers In	107,592	107,592	107,592
	<b>107,592</b>	<b>107,592</b>	<b>317,592</b>
<b>Net Change in Fund Balance</b>	<b>582,573</b>	<b>582,573</b>	<b>333,938</b>
<b>Fund Balance - Beginning</b>			<b>139,982</b>
<b>Fund Balance - Ending</b>			<b>473,920</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**2002 Construction - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources			
Transfers In	411,152	411,152	411,152
Net Change in Fund Balance	<u>411,152</u>	<u>411,152</u>	411,152
Fund Balance - Beginning			<u>(411,152)</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Emergency Reserve Infrastructure - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfers Out	(897,530)	(897,530)	(897,616)
Net Change in Fund Balance	<u>(897,530)</u>	<u>(897,530)</u>	(897,616)
Fund Balance - Beginning			<u>897,616</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 500	500	31
Expenditures			
Public Works	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	500	31
Other Financing Sources (Uses)			
Transfers In	80,402	80,402	80,154
Transfers Out	(100,000)	(100,000)	(100,000)
	(19,598)	(19,598)	(19,846)
Net Change in Fund Balance	(19,098)	(19,098)	(19,815)
Fund Balance - Beginning			414,072
Fund Balance - Ending			394,257

**CITY OF ROLLING MEADOWS, ILLINOIS**

**TIF #1 Kirchoff/Meadows - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 130,000	130,000	87,508
Interest	1,750	1,750	135
Total Revenues	<u>131,750</u>	<u>131,750</u>	<u>87,643</u>
Expenditures			
General Government			
Contracted Services	<u>33,741</u>	<u>33,741</u>	<u>67,431</u>
Net Change in Fund Balance	<u>98,009</u>	<u>98,009</u>	20,212
Fund Balance - Beginning			<u>659,402</u>
Fund Balance - Ending			<u>679,614</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 390,000	390,000	415,304
Interest	(200)	(200)	56
Total Revenues	<u>389,800</u>	<u>389,800</u>	<u>415,360</u>
Expenditures			
Economic Development			
Contracted Services	35,222	35,222	32,371
Debt Service			
Principal Retirement	340,000	340,000	368,137
Interest and Fiscal Charges	106,396	106,396	106,582
Total Expenditures	<u>481,618</u>	<u>481,618</u>	<u>507,090</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,818)	(91,818)	(91,730)
Other Financing Sources			
Debt Issuance	-	-	30,000
Net Change in Fund Balance	<u>(91,818)</u>	<u>(91,818)</u>	(61,730)
Fund Balance - Beginning			<u>(450,574)</u>
Fund Balance - Ending			<u><u>(512,304)</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**TIF #3 Woodfield - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 25,000	25,000	102,955
Expenditures			
Economic Development	-	-	-
Net Change in Fund Balance	<u>25,000</u>	<u>25,000</u>	102,955
Fund Balance - Beginning			<u>(136,085)</u>
Fund Balance - Ending			<u><u>(33,130)</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Special Service Area #1 Algonquin Parkway - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ -	-	-
Expenditures			
Public Works	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	
Other Financing Sources			
Transfers In	166,235	166,235	158,247
Net Change in Fund Balance	<u>166,235</u>	<u>166,235</u>	158,247
Fund Balance - Beginning			<u>(158,247)</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Route 53 - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfers Out	(24,000)	(24,000)	(23,752)
Net Change in Fund Balance	<u>(24,000)</u>	<u>(24,000)</u>	(23,752)
Fund Balance - Beginning			<u>23,752</u>
Fund Balance - Ending			<u>-</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Plum Grove Road - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ -	-	234,000
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	234,000
Other Financing Sources			
Transfers In	142,233	142,233	150,308
Net Change in Fund Balance	<u>142,233</u>	<u>142,233</u>	384,308
Fund Balance - Beginning			<u>(434,272)</u>
Fund Balance - Ending			<u>(49,964)</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Fire Station - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2010**

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	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 1,257,000	1,257,000	-
Interest	1,100	1,100	82
	<u>1,258,100</u>	<u>1,258,100</u>	82
Expenditures			
Capital Outlay	<u>2,326,146</u>	<u>2,326,146</u>	20,000
Net Change in Fund Balance	<u>(1,068,046)</u>	<u>(1,068,046)</u>	(19,918)
Fund Balance - Beginning			<u>1,068,131</u>
Fund Balance - Ending			<u>1,048,213</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 Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 7,594,500	7,594,500	7,845,021
Miscellaneous	3,393,433	3,393,433	126,337
Total Operating Revenues	<u>10,987,933</u>	<u>10,987,933</u>	<u>7,971,358</u>
Operating Expenses			
Administration	740,669	740,669	731,518
Public Works	571,747	571,747	571,747
Operations	8,925,008	8,853,987	4,422,792
Depreciation and Amortization	-	-	591,265
Total Operating Expenses	<u>10,237,424</u>	<u>10,166,403</u>	<u>6,317,322</u>
Operating Income	<u>750,509</u>	<u>821,530</u>	<u>1,654,036</u>
Nonoperating Revenues (Expenses)			
Interest Income	500	500	(6,086)
Interest Expense	(190,314)	(190,314)	(115,288)
	<u>(189,814)</u>	<u>(189,814)</u>	<u>(121,374)</u>
Income Before Transfers	560,695	631,716	1,532,662
Transfers Out	<u>(56,402)</u>	<u>(56,402)</u>	<u>(56,402)</u>
Change in Net Assets	<u>504,293</u>	<u>575,314</u>	1,476,260
Net Assets - Beginning			<u>8,353,775</u>
Net Assets - Ending			<u><u>9,830,035</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
<b>Administration</b>			
Salaries and Wages	\$ 280,393	280,393	261,157
Benefits	116,536	116,536	114,893
Contracted Services	342,240	342,240	355,331
Supplies	1,500	1,500	137
<b>Total Administration</b>	<b>740,669</b>	<b>740,669</b>	<b>731,518</b>
<b>Public Works</b>			
Contracted Services	571,747	571,747	571,747
<b>Operations</b>			
<b>Water</b>			
Salaries and Wages	711,605	711,605	682,941
Benefits	325,564	325,564	323,741
Contracted Services	299,228	299,228	222,606
Supplies	2,897,090	2,897,090	2,503,804
Machinery & Equipment	1,665,750	1,665,750	(101,441)
<b>Total Water</b>	<b>5,899,237</b>	<b>5,899,237</b>	<b>3,631,651</b>
<b>Sewer</b>			
Salaries and Wages	328,775	274,879	327,661
Benefits	169,204	152,079	174,380
Contracted Services	104,472	104,472	45,273
Supplies	65,600	65,600	38,404
Machinery & Equipment	1,770,000	1,770,000	(1,233)
<b>Total Sewer</b>	<b>2,438,051</b>	<b>2,367,030</b>	<b>584,485</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2010**

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	Budget		Actual
	Original	Final	
Operations - Continued			
Stormwater			
Salaries and Wages	\$ 92,211	92,211	84,448
Benefits	23,309	23,309	23,960
Contracted Services	68,200	68,200	39,518
Supplies	31,500	31,500	12,696
Machinery & Equipment	372,500	372,500	46,034
Total Stormwater	587,720	587,720	206,656
Total Operations	8,925,008	8,853,987	4,422,792
Depreciation and Amortization	-	-	591,265
Total Operating Expenses	10,237,424	10,166,403	6,317,322

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**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,507,831	2,507,831	2,344,966
Miscellaneous	99,000	99,000	96,686
Total Operating Revenues	<u>2,606,831</u>	<u>2,606,831</u>	<u>2,441,652</u>
Operating Expenses			
Administration	1,021,818	1,021,818	1,029,495
Operations	1,673,608	1,673,608	1,447,432
Depreciation and Amortization	-	-	57,566
Total Operating Expenses	<u>2,695,426</u>	<u>2,695,426</u>	<u>2,534,493</u>
Operating Income (Loss)	<u>(88,595)</u>	<u>(88,595)</u>	<u>(92,841)</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	8
Interest Expense	(8,786)	(8,786)	(8,786)
	<u>(8,786)</u>	<u>(8,786)</u>	<u>(8,778)</u>
Change in Net Assets	<u>(97,381)</u>	<u>(97,381)</u>	(101,619)
Net Assets - Beginning			<u>452,925</u>
Net Assets - Ending			<u>351,306</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration			
Salaries and Wages	\$ 110,014	110,014	118,367
Benefits	48,199	48,199	48,713
Contracted Services	863,355	863,355	862,198
Supplies	250	250	217
Total Administration	1,021,818	1,021,818	1,029,495
Operations			
Salaries and Wages	377,240	377,240	400,920
Benefits	173,269	173,269	179,784
Contracted Services	1,118,849	1,118,849	864,924
Supplies	4,250	4,250	1,804
Total Operations	1,673,608	1,673,608	1,447,432
Depreciation and Amortization	-	-	57,566
Total Operating Expenses	2,695,426	2,695,426	2,534,493

## **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**

**Combining Statement of Net Assets  
Internal Service Funds**

**December 31, 2010**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Combining Statement of Net Assets  
Internal Service Funds**

**December 31, 2010**

		<u>Municipal Garage</u>
<b>ASSETS</b>		
Current Assets		
Cash and Investments		\$ -
Receivables - Net of Allowances - Accounts		1,224
Due from Other Funds		64,805
Prepays		-
Total Current Assets		<u>66,029</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable		-
Depreciable		9,247
Accumulated Depreciation		<u>(4,623)</u>
		<u>4,624</u>
Other Assets		
Unamortized Bond Issuance Costs		-
Total Noncurrent Assets		<u>4,624</u>
Total Assets		<u>70,653</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable		26,367
Deposits Payable		-
Due to Other Funds		-
Compensated Absences Payable		71,762
Notes Payable		-
Capital Leases Payable		1,849
General Obligation Bonds Payable		-
Total Current Liabilities		<u>99,978</u>
Noncurrent Liabilities		
Compensated Absences Payable		79,916
Capital Leases Payable		2,004
General Obligation Bonds Payable		-
Total Noncurrent Liabilities		<u>81,920</u>
Total Liabilities		<u>181,898</u>
<b>NET ASSETS</b>		
Invested in Capital Assets - Net of Related Debt		771
Unrestricted		<u>(112,016)</u>
Total Net Assets		<u>(111,245)</u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
-	-	-	-	-
48,151	46,656	-	-	96,031
711,631	-	-	569,329	1,345,765
-	-	32,774	1,344,593	1,377,367
759,782	46,656	32,774	1,913,922	2,819,163
768,023	287,341	-	-	1,055,364
17,493,516	2,927,830	-	-	20,430,593
(11,021,177)	(941,610)	-	-	(11,967,410)
7,240,362	2,273,561	-	-	9,518,547
3,563	-	-	-	3,563
7,243,925	2,273,561	-	-	9,522,110
8,003,707	2,320,217	32,774	1,913,922	12,341,273
25,172	15,447	10,723	227,431	305,140
-	-	-	329,226	329,226
-	131,949	16,000	-	147,949
-	-	-	-	71,762
60,000	-	-	-	60,000
82,672	-	-	-	84,521
65,000	-	-	-	65,000
232,844	147,396	26,723	556,657	1,063,598
-	-	-	-	79,916
303,980	-	-	-	305,984
135,000	-	-	-	135,000
438,980	-	-	-	520,900
671,824	147,396	26,723	556,657	1,584,498
6,593,710	2,273,561	-	-	8,868,042
738,173	(100,740)	6,051	1,357,265	1,888,733
7,331,883	2,172,821	6,051	1,357,265	10,756,775

CITY OF ROLLING MEADOWS, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Internal Service Funds

Year Ended December 31, 2010

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	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 988,747
Miscellaneous	6,429
Total Operating Revenues	<u>995,176</u>
Operating Expenses	
Administration	1,064,220
Public Safety	-
Public Works	-
Depreciation and Amortization	1,849
Total Operating Expenses	<u>1,066,069</u>
Operating Income (Loss)	<u>(70,893)</u>
Nonoperating Revenues (Expenses)	
Disposal of Capital Assets	-
Interest Income	9
Interest Expense	-
	<u>9</u>
Income (Loss) Before Transfers	(70,884)
Transfers Out	<u>-</u>
Change in Net Assets	(70,884)
Net Assets - Beginning	<u>(40,361)</u>
Net Assets - Ending	<u><u>(111,245)</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
-	423,108	619,995	3,356,827	5,388,677
62,888	143,525	218,533	811,619	1,242,994
62,888	566,633	838,528	4,168,446	6,631,671
160	-	1,431,422	4,224,193	6,719,995
19,656	-	-	-	19,656
-	192,459	-	-	192,459
752,532	195,188	-	-	949,569
772,348	387,647	1,431,422	4,224,193	7,881,679
(709,460)	178,986	(592,894)	(55,747)	(1,250,008)
25,411	-	-	-	25,411
128	(21)	(16)	(20)	80
(32,218)	-	-	-	(32,218)
(6,679)	(21)	(16)	(20)	(6,727)
(716,139)	178,965	(592,910)	(55,767)	(1,256,735)
(1,000,000)	-	-	-	(1,000,000)
(1,716,139)	178,965	(592,910)	(55,767)	(2,256,735)
9,048,022	1,993,856	598,961	1,413,032	13,013,510
7,331,883	2,172,821	6,051	1,357,265	10,756,775

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Combining Statement of Cash Flows  
Internal Service Funds**

**Year Ended December 31, 2010**

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ 1,042,316
Payments to Suppliers	(734,393)
Payments to Employees	(306,083)
	<u>1,840</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	-
Transfers Out	-
	<u>-</u>
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	-
Purchase of Capital Assets	-
Proceeds on Debt Issued	-
Principal Paid on Debt	(1,849)
Interest Paid on Debt	-
	<u>(1,849)</u>
Cash Flows from Investing Activities	
Interest Received	9
	<u>9</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	-
	<u>-</u>
Cash and Cash Equivalents - Ending	<u>-</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(70,893)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities	
Depreciation and Amortization	1,849
(Increase) Decrease in Current Assets	47,140
Increase (Decrease) in Current Liabilities	23,744
	<u>1,840</u>
Net Cash Provided by Operating Activities	<u>1,840</u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,387,277	520,127	1,409,307	4,398,639	8,757,666
4,129	(354,980)	(1,409,291)	(4,398,619)	(6,893,154)
-	-	-	-	(306,083)
1,391,406	165,147	16	20	1,558,429
-	-	-	-	-
(1,000,000)	-	-	-	(1,000,000)
(1,000,000)	-	-	-	(1,000,000)
14,400	-	-	-	14,400
(305,191)	(165,126)	-	-	(470,317)
60,000	-	-	-	60,000
(128,525)	-	-	-	(130,374)
(32,218)	-	-	-	(32,218)
(391,534)	(165,126)	-	-	(558,509)
128	(21)	(16)	(20)	80
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(709,460)	178,986	(592,894)	(55,747)	(1,250,008)
752,532	195,188	-	-	949,569
1,324,389	(46,506)	570,779	230,193	2,125,995
23,945	(162,521)	22,131	(174,426)	(267,127)
1,391,406	165,147	16	20	1,558,429

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Municipal Garage - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,001,971	1,001,971	988,747
Miscellaneous	1,650	1,650	6,429
Total Operating Revenues	<u>1,003,621</u>	<u>1,003,621</u>	<u>995,176</u>
Operating Expenses			
Administration			
Motor Pool			
Salaries and Wages	306,555	306,555	322,587
Benefits	137,814	137,814	139,217
Contracted Services	200,726	200,726	194,193
Supplies	419,050	419,050	408,223
Depreciation and Amortization	-	-	1,849
Total Operating Expenses	<u>1,064,145</u>	<u>1,064,145</u>	<u>1,066,069</u>
Operating Income (Loss)	(60,524)	(60,524)	(70,893)
Nonoperating Revenues			
Interest Income	<u>50</u>	<u>50</u>	<u>9</u>
Change in Net Assets	<u>(60,474)</u>	<u>(60,474)</u>	(70,884)
Net Assets - Beginning			<u>(40,361)</u>
Net Assets - Ending			<u><u>(111,245)</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Vehicle Replacement - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Miscellaneous	\$ 36,974	36,974	62,888
Operating Expenses			
Administration	1,200	1,200	160
Public Safety	354,546	354,546	19,656
Depreciation and Amortization	-	-	752,532
Total Operating Expenses	355,746	355,746	772,348
Operating Income (Loss)	(318,772)	(318,772)	(709,460)
Nonoperating Revenues (Expenses)			
Disposal of Capital Assets	-	-	25,411
Interest Income	-	-	128
Interest Expense	(63,246)	(63,246)	(32,218)
	(63,246)	(63,246)	(6,679)
Income (Loss) Before Transfers	(382,018)	(382,018)	(716,139)
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)
Change in Net Assets	<u>(1,382,018)</u>	<u>(1,382,018)</u>	(1,716,139)
Net Assets - Beginning			<u>9,048,022</u>
Net Assets - Ending			<u>7,331,883</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Buildings and Land - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 443,927	443,927	423,108
Miscellaneous	113,041	113,041	143,525
Total Operating Revenues	<u>556,968</u>	<u>556,968</u>	<u>566,633</u>
Operating Expenses			
Public Works	461,244	461,244	192,459
Depreciation and Amortization	-	-	195,188
Total Operating Expenses	<u>461,244</u>	<u>461,244</u>	<u>387,647</u>
Operating Income	95,724	95,724	178,986
Nonoperating Revenues			
Interest Income	-	-	(21)
Change in Net Assets	<u>95,724</u>	<u>95,724</u>	178,965
Net Assets - Beginning			<u>1,993,856</u>
Net Assets - Ending			<u><u>2,172,821</u></u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Liability Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 619,996	619,996	619,995
Miscellaneous			
Insurance Rebate	187,500	187,500	218,533
Total Operating Revenues	<u>807,496</u>	<u>807,496</u>	<u>838,528</u>
Operating Expenses			
Administration			
Liability Insurance	825,000	825,000	835,915
Unemployment	66,900	66,900	32,077
Reimbursable Repairs	14,300	14,300	16,142
Change to Insurance Reserves	-	-	547,288
Total Operating Expenses	<u>906,200</u>	<u>906,200</u>	<u>1,431,422</u>
Operating Income (Loss)	(98,704)	(98,704)	(592,894)
Nonoperating Revenues			
Interest Income	-	-	(16)
Change in Net Assets	<u>(98,704)</u>	<u>(98,704)</u>	(592,910)
Net Assets - Beginning			<u>598,961</u>
Net Assets - Ending			<u>6,051</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Health Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 3,436,127	3,436,127	3,356,827
Miscellaneous			
Employee Contributions	460,000	460,000	322,825
Retiree Contributions	355,000	355,000	488,794
Other	720,000	720,000	-
Total Operating Revenues	<u>4,971,127</u>	<u>4,971,127</u>	<u>4,168,446</u>
Operating Expenses			
Administration			
Group Health			
PPO White	1,241,600	1,241,600	1,100,498
PPO Blue	119,400	119,400	113,006
HMO	1,452,500	1,452,500	1,381,801
Retirees	449,300	449,300	487,136
PSEBA	19,300	19,300	20,531
Dental Insurance			
PPO	81,000	81,000	71,303
HMO	56,165	56,165	45,932
Retirees	4,000	4,000	4,674
Life Insurance	31,250	31,250	23,360
Medical Waivers	765	765	702
Retiree Payouts	350,000	350,000	893,433
Other	5,900	5,900	81,817
Total Operating Expenses	<u>3,811,180</u>	<u>3,811,180</u>	<u>4,224,193</u>
Operating Income (Loss)	1,159,947	1,159,947	(55,747)
Nonoperating Revenues			
Interest Income	-	-	(20)
Change in Net Assets	<u>1,159,947</u>	<u>1,159,947</u>	(55,767)
Net Assets - Beginning			<u>1,413,032</u>
Net Assets - Ending			<u>1,357,265</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 Net Plan Assets  
December 31, 2010**

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,309,038	1,008,368	2,317,406
Investments			
U.S. Government and Agency Obligations	11,587,174	9,949,745	21,536,919
Mutual Funds	9,503,946	9,028,017	18,531,963
Common Stock	2,324,292	-	2,324,292
Insurance Company Contracts	-	175,401	175,401
Receivables			
Accrued Interest	53,389	68,054	121,443
Due from Other Funds	162,152	167,201	329,353
Prepays	775	780	1,555
Total Assets	24,940,766	20,397,566	45,338,332
<b>LIABILITIES</b>			
Liabilities			
Accounts Payable	19,132	10,385	29,517
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	24,921,634	20,387,181	45,308,815

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Net Plan Assets  
Year Ended December 31, 2010**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 2,045,289	2,073,970	4,119,259
Contributions - Plan Members	519,226	364,916	884,142
Miscellaneous	-	635	635
<b>Total Contributions</b>	<b>2,564,515</b>	<b>2,439,521</b>	<b>5,004,036</b>
<b>Investment Earnings</b>			
Interest Earned	709,488	1,951,221	2,660,709
Net Change in Fair Value	1,418,919	4,025	1,422,944
	2,128,407	1,955,246	4,083,653
Less Investment Expenses	(77,659)	(60,901)	(138,560)
<b>Net Investment Income</b>	<b>2,050,748</b>	<b>1,894,345</b>	<b>3,945,093</b>
<b>Total Additions</b>	<b>4,615,263</b>	<b>4,333,866</b>	<b>8,949,129</b>
<b>Deductions</b>			
Administration	30,139	62,252	92,391
Benefits and Refunds	1,718,968	2,120,227	3,839,195
<b>Total Deductions</b>	<b>1,749,107</b>	<b>2,182,479</b>	<b>3,931,586</b>
<b>Change in Net Assets</b>	<b>2,866,156</b>	<b>2,151,387</b>	<b>5,017,543</b>
<b>Net Assets - Beginning</b>	<b>22,055,478</b>	<b>18,235,794</b>	<b>40,291,272</b>
<b>Net Assets - Ending</b>	<b>24,921,634</b>	<b>20,387,181</b>	<b>45,308,815</b>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Compliance Deposits - Agency Fund**

**Statement of Changes in Assets and Liabilities  
December 31, 2010**

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	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
<b>ASSETS</b>				
Cash and Investments	<u>\$ 274,623</u>	<u>110,986</u>	<u>114,426</u>	<u>271,183</u>
<b>LIABILITIES</b>				
Accounts Payable	2,440	-	2,440	-
Deposits Payable	<u>272,183</u>	<u>110,986</u>	<u>111,986</u>	<u>271,183</u>
Total Liabilities	<u>274,623</u>	<u>110,986</u>	<u>114,426</u>	<u>271,183</u>

# **SUPPLEMENTAL SCHEDULES**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2002A**

**December 31, 2010**

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Date of Issue	April 15, 2002
Date of Maturity	December 1, 2018
Authorized Issue	\$4,885,000
Denomination of Bonds	\$5,000
Interest Rates	4.40% - 4.90%
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	Access Road from Golf Road to Algonquin Road

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	\$ 355,000	157,668	512,668	2011	78,834	2011	78,834
2011	370,000	141,516	511,516	2012	70,758	2012	70,758
2012	385,000	124,682	509,682	2013	62,341	2013	62,341
2013	405,000	106,876	511,876	2014	53,438	2014	53,438
2014	420,000	87,840	507,840	2015	43,920	2015	43,920
2015	440,000	67,890	507,890	2016	33,945	2016	33,945
2016	465,000	46,550	511,550	2017	23,275	2017	23,275
2017	485,000	23,766	508,766	2018	11,883	2018	11,883
	<u>3,325,000</u>	<u>756,788</u>	<u>4,081,788</u>		<u>378,394</u>		<u>378,394</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2002B**

**December 31, 2010**

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Date of Issue	June 15, 2002
Date of Maturity	December 1, 2020
Authorized Issue	\$2,600,000
Denomination of Bonds	\$5,000
Interest Rates	3.65% - 4.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired By	Utilities
Purpose of Debt	Storm Water System Improvements

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	\$ 135,000	75,118	210,118	2011	37,559	2011	37,559
2011	140,000	69,718	209,718	2012	34,859	2012	34,859
2012	150,000	63,908	213,908	2013	31,954	2013	31,954
2013	155,000	57,534	212,534	2014	28,767	2014	28,767
2014	160,000	50,790	210,790	2015	25,395	2015	25,395
2015	170,000	43,670	213,670	2016	21,835	2016	21,835
2016	180,000	36,020	216,020	2017	18,010	2017	18,010
2017	185,000	27,696	212,696	2018	13,848	2018	13,848
2018	195,000	19,000	214,000	2019	9,500	2019	9,500
2019	205,000	9,738	214,738	2020	4,869	2020	4,869
	<u>1,675,000</u>	<u>453,192</u>	<u>2,128,192</u>		<u>226,596</u>		<u>226,596</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2003**

**December 31, 2010**

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Date of Issue	March 15, 2003
Date of Maturity	January 1, 2018
Authorized Issue	\$4,030,000
Denomination of Bonds	\$5,000
Interest Rates	2.90% - 3.70%
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	Redevelopment Project Costs

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2010	\$ 350,000	94,626	444,626	2011	47,313	2012	47,313
2011	365,000	82,900	447,900	2012	41,450	2013	41,450
2012	375,000	70,672	445,672	2013	35,336	2014	35,336
2013	390,000	58,110	448,110	2014	29,055	2015	29,055
2014	400,000	44,850	444,850	2015	22,425	2016	22,425
2015	415,000	30,850	445,850	2016	15,425	2017	15,425
2016	430,000	15,910	445,910	2017	7,955	2018	7,955
	<u>2,725,000</u>	<u>397,918</u>	<u>3,122,918</u>		<u>198,959</u>		<u>198,959</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2004**

**December 31, 2010**

Date of Issue	September 15, 2004
Date of Maturity	January 1, 2024
Authorized Issue	\$8,070,000
Denomination of Bonds	\$5,000
Interest Rates	3.25% - 4.40%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired By	Debt Service
Purpose of Debt	Redevelopment Costs - Meadows Town Mall and Meijer Store

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2010	\$ 295,000	268,482	563,482	2011	134,241	2012	134,241
2011	325,000	258,452	583,452	2012	129,226	2013	129,226
2012	355,000	247,076	602,076	2013	123,538	2014	123,538
2013	390,000	234,652	624,652	2014	117,326	2015	117,326
2014	420,000	220,612	640,612	2015	110,306	2016	110,306
2015	460,000	205,072	665,072	2016	102,536	2017	102,536
2016	500,000	187,592	687,592	2017	93,796	2018	93,796
2017	540,000	168,092	708,092	2018	84,046	2019	84,046
2018	585,000	146,492	731,492	2019	73,246	2020	73,246
2019	630,000	122,360	752,360	2020	61,180	2021	61,180
2020	680,000	95,900	775,900	2021	47,950	2022	47,950
2021	730,000	66,660	796,660	2022	33,330	2023	33,330
2022	785,000	34,540	819,540	2023	17,270	2024	17,270
	<u>6,695,000</u>	<u>2,255,982</u>	<u>8,950,982</u>		<u>1,127,991</u>		<u>1,127,991</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2010**

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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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	\$ 645,000	201,400	846,400	2011	100,700	2011	100,700
2011	670,000	175,600	845,600	2012	87,800	2012	87,800
2012	690,000	148,800	838,800	2013	74,400	2013	74,400
2013	715,000	121,200	836,200	2014	60,600	2014	60,600
2014	745,000	92,600	837,600	2015	46,300	2015	46,300
2015	770,000	62,800	832,800	2016	31,400	2016	31,400
2016	800,000	32,000	832,000	2017	16,000	2017	16,000
	<u>5,035,000</u>	<u>834,400</u>	<u>5,869,400</u>		<u>417,200</u>		<u>417,200</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2010**

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Date of Issue	May 1, 2007
Date of Maturity	December 1, 2013
Authorized Issue	\$410,000
Denomination of Bonds	\$5,000
Interest Rates	3.95% - 4.15%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Harris Bank N.A. Chicago
Fund Debt Retired By	Vehicle Replacement
Purpose of Debt	Acquisition of Vehicles and Equipment

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	\$ 65,000	8,170	73,170	2011	4,085	2011	4,085
2011	65,000	5,570	70,570	2012	2,785	2012	2,785
2012	70,000	2,904	72,904	2013	1,452	2013	1,452
	<u>200,000</u>	<u>16,644</u>	<u>216,644</u>		<u>8,322</u>		<u>8,322</u>

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2010**

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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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	\$ 270,000	73,752	343,752	2011	36,876	2011	36,876
2011	280,000	64,270	344,270	2012	32,135	2012	32,135
2012	290,000	54,436	344,436	2013	27,218	2013	27,218
2013	300,000	44,250	344,250	2014	22,125	2014	22,125
2014	310,000	33,714	343,714	2015	16,857	2015	16,857
2015	320,000	22,828	342,828	2016	11,414	2016	11,414
2016	330,000	11,590	341,590	2017	5,795	2017	5,795
	<u>2,100,000</u>	<u>304,840</u>	<u>2,404,840</u>		<u>152,420</u>		<u>152,420</u>
	988,838	Governmental Activities					
	<u>1,111,162</u>	Business-Type Activities					
	<u>2,100,000</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 Assets by Component - Last Nine Fiscal Years\***  
**December 31, 2010 (Unaudited)**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Net Assets by Component - Last Nine Fiscal Years\*  
December 31, 2010 (Unaudited)**

	2002	2003	2004
<b>Governmental Activities</b>			
Invested in Capital Assets - Net of Related Debt	\$ 114,467,959	118,105,904	110,976,358
Restricted	9,574,375	9,237,670	7,452,856
Unrestricted	10,293,208	4,810,686	4,075,589
<b>Total Governmental Activities Net Assets</b>	<b>134,335,542</b>	<b>132,154,260</b>	<b>122,504,803</b>
<b>Business-Type Activities</b>			
Invested in Capital Assets - Net of Related Debt	3,800,644	5,310,646	5,760,042
Restricted	-	-	-
Unrestricted	5,369,935	2,983,549	1,431,808
<b>Total Business-Type Activities Net Assets</b>	<b>9,170,579</b>	<b>8,294,195</b>	<b>7,191,850</b>
<b>Primary Government</b>			
Invested in Capital Assets - Net of Related Debt	118,268,603	123,416,550	116,736,400
Restricted	9,574,375	9,237,670	7,452,856
Unrestricted	15,663,143	7,794,235	5,507,397
<b>Total Primary Government Net Assets</b>	<b>143,506,121</b>	<b>140,448,455</b>	<b>129,696,653</b>

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

Note: The City adopted GASB No. 34 for the year ended December 31, 2002.

2005	2006	2007	2008	2009	2010
104,921,357	109,358,442	105,646,508	109,272,518	108,882,307	108,392,130
13,012,711	5,940,947	3,753,784	1,647,970	2,051,851	1,699,491
4,126,247	5,356,570	8,983,731	(5,930,130)	(5,645,470)	(4,534,846)
122,060,315	120,655,959	118,384,023	104,990,358	105,288,688	105,556,775
5,880,429	6,576,137	5,085,394	7,126,881	8,491,159	8,095,948
-	-	-	-	-	-
1,382,591	1,069,107	1,259,025	713,479	315,541	2,085,393
7,263,020	7,645,244	6,344,419	7,840,360	8,806,700	10,181,341
110,801,786	115,934,579	110,731,902	116,399,399	117,373,466	116,488,078
13,012,711	5,940,947	3,753,784	1,647,970	2,051,851	1,699,491
5,508,838	6,425,677	10,242,756	(5,216,651)	(5,329,929)	(2,449,453)
129,323,335	128,301,203	124,728,442	112,830,718	114,095,388	115,738,116

CITY OF ROLLING MEADOWS, ILLINOIS

Changes in Net Assets - Last Nine Fiscal Years\*  
December 31, 2010 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010**
<b>Expenses</b>									
<b>Governmental Activities</b>									
General Government	\$ 6,842,446	5,830,572	7,521,694	6,145,099	3,490,225	4,721,609	5,050,686	5,142,807	3,866,996
Public Safety	12,214,412	13,576,522	14,351,010	15,253,378	16,061,263	19,927,423	20,450,625	18,504,150	17,950,149
Highways and Streets	1,060,477	1,019,805	1,142,852	1,869,904	5,012,517	4,476,613	2,639,761	1,063,134	673,460
Public Works	1,899,263	1,559,325	1,601,180	1,871,045	1,935,883	2,246,108	4,155,140	3,449,304	5,708,281
Health and Welfare	226,215	243,413	251,207	236,829	67,394	103,638	25,680	30,071	23,721
Economic Development	408,374	345,131	8,221,945	50,827	48,841	122,229	251,734	62,322	32,982
Interest on Long-Term Debt	577,846	594,438	615,250	844,525	1,021,232	922,866	1,050,211	913,918	825,026
Total Governmental Activities Expenses	23,229,033	23,169,206	33,705,138	26,271,607	27,637,355	32,520,486	33,623,837	29,165,706	29,080,615
<b>Business-Type Activities</b>									
Water	3,918,608	4,107,305	4,332,690	4,307,934	4,393,038	4,768,120	4,772,997	4,859,697	-
Sewer	1,239,791	1,000,747	823,218	764,523	982,322	1,251,397	1,178,925	1,305,382	-
Refuse	1,797,742	1,756,057	1,853,234	1,763,795	2,123,270	2,381,456	2,488,338	2,471,363	2,543,279
Storm Water Management	88,157	326,571	317,309	435,541	390,878	508,623	603,328	476,415	-
Street Light Utility	-	76,140	84,201	86,316	103,826	91,310	-	-	-
Utilities	-	-	-	-	-	-	-	-	6,432,610
Total Business-Type Activities Expenses	7,044,298	7,266,820	7,410,652	7,358,109	7,993,334	9,000,906	9,043,588	9,112,857	8,975,889
Total Primary Government Expenses	30,273,331	30,436,026	41,115,790	33,629,716	35,630,689	41,521,392	42,667,425	38,278,563	38,056,504
<b>Program Revenues</b>									
<b>Governmental Activities</b>									
<b>Charges for Services</b>									
General Government	3,027,809	4,246,842	4,742,608	5,551,277	3,175,688	3,641,078	2,862,046	2,409,957	2,235,239
Public Safety	895,163	909,788	1,424,161	1,459,145	1,674,630	1,830,923	1,680,285	2,227,513	2,278,235
Highways and Streets	-	-	-	-	-	-	367,344	377,951	379,500
Public Works	-	-	-	-	-	-	40,000	-	-
Operating Grants/Contributions	120,069	2,622,898	103,324	72,863	179,560	56,871	131,846	87,436	129,711
Capital Grants/Contributions	815,879	761,664	716,557	787,515	756,145	1,004,163	862,720	868,063	743,796
Total Governmental Activities Program Revenues	4,858,920	8,541,192	6,986,650	7,870,800	5,786,023	6,533,035	5,944,241	5,970,920	5,766,481
<b>Business-Type Activities</b>									
<b>Charges for Services</b>									
Water	3,311,046	3,388,150	3,417,460	3,824,944	3,765,740	3,917,773	4,580,044	5,428,887	-
Sewer	965,318	1,020,144	1,011,446	1,115,544	1,200,544	1,277,885	1,576,209	1,663,771	-
Refuse	1,704,758	1,631,862	1,896,759	2,020,598	2,230,404	2,281,387	2,525,528	2,481,918	2,441,652
Storm Water Management	260,249	302,642	326,491	414,679	463,534	493,815	520,222	895,935	-
Street Light Utility	-	-	-	300	2,405	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	7,971,358
Operating Grants/Contributions	-	185,922	20,658	-	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-	-	813,878	-	-
Total Business-Type Activities Program Revenues	6,241,371	6,528,720	6,672,814	7,376,065	7,662,627	7,970,860	10,015,881	10,470,511	10,413,010
Total Primary Government Program Revenues	11,100,291	15,069,912	13,659,464	15,246,865	13,448,650	14,503,895	15,960,122	16,441,431	16,179,491

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense) Revenue									
Governmental Activities	\$ (18,370,113)	(14,628,014)	(26,718,488)	(18,400,807)	(21,851,332)	(25,987,451)	(27,679,596)	(23,194,786)	(23,314,134)
Business-Type Activities	(802,927)	(738,100)	(737,838)	17,956	(330,707)	(1,030,046)	972,293	1,357,654	1,437,121
Total Primary Government Net (Expense) Revenue	<u>(19,173,040)</u>	<u>(15,366,114)</u>	<u>(27,456,326)</u>	<u>(18,382,851)</u>	<u>(22,182,039)</u>	<u>(27,017,497)</u>	<u>(26,707,303)</u>	<u>(21,837,132)</u>	<u>(21,877,013)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Taxes									
Property	6,326,670	6,667,625	6,631,757	7,361,063	7,534,448	9,308,152	8,532,810	9,112,215	10,548,012
Sales and Home Rule	4,021,769	3,850,781	5,384,657	5,724,848	5,642,929	5,878,245	5,612,900	5,115,760	4,726,022
Income	1,624,833	1,511,770	1,574,803	1,851,239	2,015,888	2,196,417	2,326,382	1,999,825	1,923,695
Replacement	147,876	159,125	172,583	238,523	250,109	303,772	207,587	177,371	194,281
Hotel	273,810	259,596	263,684	248,527	304,677	265,716	451,898	288,634	289,076
Food and Beverage	1,129,800	899,494	1,250,607	1,276,799	1,318,674	1,339,008	1,293,970	1,221,391	1,216,961
Real Estate Transfer	525,481	661,454	912,866	802,639	594,248	386,091	269,663	191,259	174,819
Other Taxes	264,879	245,743	258,288	288,052	585,297	605,793	1,181,778	918,055	783,518
Electric Utility	-	-	-	-	-	-	-	1,301,016	1,310,453
Telecommunications Taxes	-	-	-	-	2,065,561	2,047,648	2,038,337	2,075,334	1,846,728
Interest	508,892	195,008	129,419	224,106	573,027	261,614	61,928	4,572	3,736
Miscellaneous	227,795	436,235	117,425	13,708	356,266	612,121	1,174,766	696,661	508,518
Gain (Loss) on Sale of Capital Assets	-	-	-	-	2,518	(4,137)	-	-	-
Transfers	228,065	448,816	372,942	(73,185)	(568,093)	700,644	(490,990)	404,714	56,402
Total Governmental Activities	<u>15,279,870</u>	<u>15,335,647</u>	<u>17,069,031</u>	<u>17,956,319</u>	<u>20,675,549</u>	<u>23,901,084</u>	<u>22,661,029</u>	<u>23,506,807</u>	<u>23,582,221</u>
Business-Type Activities									
Interest	102,865	39,422	8,435	(19,971)	(42,536)	(25,828)	32,658	13,400	(6,078)
Miscellaneous	332,093	111,836	-	-	3,300	88,161	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	51,000	-	-	-	-
Transfers	(228,065)	(448,816)	(372,942)	73,185	568,093	(399,863)	490,990	(404,714)	(56,402)
Total Business-Type Activities	<u>206,893</u>	<u>(297,558)</u>	<u>(364,507)</u>	<u>53,214</u>	<u>579,857</u>	<u>(337,530)</u>	<u>523,648</u>	<u>(391,314)</u>	<u>(62,480)</u>
Total Primary Government	<u>15,486,763</u>	<u>15,038,089</u>	<u>16,704,524</u>	<u>18,009,533</u>	<u>21,255,406</u>	<u>23,563,554</u>	<u>23,184,677</u>	<u>23,115,493</u>	<u>23,519,741</u>
Changes in Net Assets									
Governmental Activities	(3,090,243)	707,633	(9,649,457)	(444,488)	(1,175,783)	(2,086,367)	(5,018,567)	312,021	268,087
Business-Type Activities	(596,034)	(1,035,658)	(1,102,345)	71,170	249,150	(1,367,576)	1,495,941	966,340	1,374,641
Total Primary Government	<u>(3,686,277)</u>	<u>(328,025)</u>	<u>(10,751,802)</u>	<u>(373,318)</u>	<u>(926,633)</u>	<u>(3,453,943)</u>	<u>(3,522,626)</u>	<u>1,278,361</u>	<u>1,642,728</u>

\* 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

Note: The City adopted GASB No. 34 for the year ended December 31, 2002.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2010 (Unaudited)**

	2001	2002	2003
General Fund			
Reserved	\$ 1,447,022	1,410,309	1,756,020
Unreserved	4,860,608	2,931,491	1,405,341
Total General Fund	<u>6,307,630</u>	<u>4,341,800</u>	<u>3,161,361</u>
All Other Governmental Funds			
Reserved	502,048	993,523	881,247
Unreserved, Reported in,			
Special Revenue Funds	1,113,062	1,058,323	860,986
Debt Service Funds	-	8,622,159	(70,912)
Capital Projects Funds	5,739,916	-	6,199,786
Total All Other Governmental Funds	<u>7,355,026</u>	<u>10,674,005</u>	<u>7,871,107</u>
Total Fund Balances of All Governmental Funds	<u>13,662,656</u>	<u>15,015,805</u>	<u>11,032,468</u>

\* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

Note: 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.

2004	2005	2006	2007	2008	2009	2010
1,631,733	2,373,441	2,759,673	23,280	885,176	31,143	38,662
1,801,605	1,483,152	933,072	(558,108)	(3,259,880)	(755,684)	(276,386)
3,433,338	3,856,593	3,692,745	(534,828)	(2,374,704)	(724,541)	(237,724)
698,338	589,942	684,867	406,996	3,083	39,266	-
1,145,141	1,036,954	1,621,101	1,880,821	1,632,220	1,558,533	1,890,239
(60,449)	-	(11,785)	(94,750)	(202,957)	944,481	733,690
3,816,748	10,919,372	3,802,109	1,394,085	759,234	2,143,972	2,000,606
5,599,778	12,546,268	6,096,292	3,587,152	2,191,580	4,686,252	4,624,535
9,033,116	16,402,861	9,789,037	3,052,324	(183,124)	3,961,711	4,386,811

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2010 (Unaudited)**

	2001	2002	2003
<b>Revenues</b>			
Taxes	\$ 11,771,213	12,653,281	12,343,971
Intergovernmental	3,634,770	2,846,593	2,955,248
Licenses and Permits	1,005,027	995,859	1,192,524
Charges for Services	1,157,911	1,181,818	1,507,908
Fines and Forfeitures	291,054	366,022	331,176
Interest	786,718	488,383	183,585
Miscellaneous	1,964,575	1,800,276	5,120,271
<b>Total Revenues</b>	<b>20,611,268</b>	<b>20,332,232</b>	<b>23,634,683</b>
<b>Expenditures</b>			
General Government	3,200,498	3,292,943	2,915,476
Public Safety	11,755,114	12,395,620	13,375,679
Highways and Streets	1,133,809	1,168,464	1,127,800
Public Works	1,438,328	1,356,053	1,428,484
Health and Welfare	163,579	228,616	244,736
Economic Development	347,055	408,374	345,131
Capital Outlay	2,834,318	3,933,587	8,734,712
Debt Service			
Bond Defeasance	-	-	3,014,290
Professional Fees	-	-	21,295
Principal Retirement	898,883	855,000	895,000
Interest	415,745	553,491	605,759
<b>Total Expenditures</b>	<b>22,187,329</b>	<b>24,192,148</b>	<b>32,708,362</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,576,061)</b>	<b>(3,859,916)</b>	<b>(9,073,679)</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	152,847	-	-
Debt Issuance	-	4,885,000	4,030,000
Premium/Discount on Debt Issuance	-	-	-
Transfers In	2,011,545	3,543,088	4,068,246
Transfers Out	(2,011,545)	(3,215,023)	(3,609,456)
<b>Total Other Financing Sources (Uses)</b>	<b>152,847</b>	<b>5,213,065</b>	<b>4,488,790</b>
<b>Net Change in Fund Balances</b>	<b>(1,423,214)</b>	<b>1,353,149</b>	<b>(4,584,889)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>6.8%</b>	<b>7.0%</b>	<b>7.2%</b>

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

2004	2005	2006	2007	2008	2009	2010
16,160,343	17,289,700	17,832,188	18,308,907	19,016,882	19,937,896	20,571,562
3,032,939	3,964,740	3,857,675	4,021,047	3,933,009	3,788,179	3,385,015
1,136,599	1,173,272	1,093,799	1,010,634	1,017,538	1,153,258	1,164,750
1,993,875	2,049,499	2,700,640	2,996,532	2,872,146	2,437,206	2,210,123
476,295	484,245	654,288	618,072	1,019,991	1,055,241	1,448,596
117,937	203,689	537,225	190,513	26,760	3,244	3,656
1,457,052	759,733	530,800	407,520	1,174,766	696,661	508,518
24,375,040	25,924,878	27,206,615	27,553,225	29,061,092	29,071,685	29,292,220
3,834,734	3,546,548	4,083,515	4,176,068	4,225,872	3,541,481	3,512,882
14,858,842	14,928,155	16,002,500	17,700,593	19,222,960	17,272,340	18,731,524
1,168,220	1,288,266	1,630,778	1,376,631	1,997,103	586,396	673,460
1,440,080	1,602,790	2,105,611	2,817,057	2,128,901	2,545,694	2,668,228
251,597	35,956	42,000	23,013	25,680	30,071	23,721
8,221,945	136,170	48,841	119,358	251,734	62,322	32,982
3,321,074	2,336,720	8,746,520	2,356,659	1,670,995	995,943	1,114,952
-	-	-	-	-	-	-
137,781	-	-	-	-	-	-
955,000	1,370,000	1,445,000	1,535,000	1,474,744	1,639,923	3,007,460
628,554	808,782	1,074,145	944,177	892,309	890,602	837,422
34,817,827	26,053,387	35,178,910	31,048,556	31,890,298	27,564,772	30,602,631
(10,442,787)	(128,509)	(7,972,295)	(3,495,331)	(2,829,206)	1,506,913	(1,310,411)
-	-	74,968	7,040	851	1,258	10,456
8,070,000	7,425,000	-	-	83,897	1,315,000	1,200,000
-	145,912	-	-	-	-	-
11,562,784	3,351,565	2,595,995	2,093,122	2,977,970	3,288,518	2,712,782
(11,189,349)	(3,424,222)	(2,228,222)	(4,275,361)	(3,468,960)	(3,182,211)	(1,656,380)
8,443,435	7,498,255	442,741	(2,175,199)	(406,242)	1,422,565	2,266,858
(1,999,352)	7,369,746	(7,529,554)	(5,670,530)	(3,235,448)	2,929,478	956,447
5.0%	9.2%	9.0%	8.6%	7.71%	9.36%	12.96%

## CITY OF ROLLING MEADOWS, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years December 31, 2010 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property
2001	291,519,841	327,909,597	151,755,102	-
2002	311,568,710	341,333,865	160,214,607	-
2003	311,038,930	328,652,215	147,797,998	-
2004	362,666,983	376,208,886	164,827,057	-
2005	389,984,765	393,743,154	175,310,583	-
2006	404,157,732	383,299,304	177,721,407	-
2007	480,227,000	408,031,980	196,854,692	-
2008	522,464,745	419,355,712	210,864,899	-
2009	N/A	N/A	N/A	-

Data Source: Office of the Cook County Clerk

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

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value
771,184,540	0.807	2,313,553,620	33.33%
813,117,182	0.775	2,439,351,546	33.33%
787,489,143	0.818	2,362,467,429	33.33%
903,702,926	0.763	2,711,108,778	33.33%
959,038,502	0.719	2,877,115,506	33.33%
965,178,443	0.723	2,895,535,329	33.33%
1,085,113,672	0.723	3,255,341,016	33.33%
1,152,685,356	0.730	3,458,056,068	33.33%
1,146,153,220	0.849	3,438,459,660	33.33%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years  
Elk Grove Township  
December 31, 2010 (Unaudited)**

	2000	2001	2002
City Direct Rates			
General	\$ 0.692	0.585	0.534
Debt Service	0.142	0.121	0.115
Pension Trust			
Police Pension	0.058	0.049	0.061
Firefighters' Pension	0.063	0.052	0.065
Total City Direct Rates	0.955	0.807	0.775
Component Unit - Library Direct Rate	0.389	0.340	0.327
Total City Direct Rate	1.344	1.147	1.102
Overlapping Rates - Elk Grove Township			
Cook County	0.824	0.746	0.690
Forest Preserve District	0.069	0.067	0.061
Suburban Tuberculosis Sanitarium	0.008	0.007	0.006
Metropolitan Sanitary District	0.415	0.401	0.371
Northwest Mosquito Abatement	0.011	0.010	0.009
Consolidated Elections	-	0.032	-
Elk Grove			
Town	0.061	0.053	0.050
Road and Bridge	0.011	0.009	0.009
General Assistance	0.013	0.011	0.011
School Districts			
School District Number 15	3.749	3.289	3.185
High School District Number 214	2.257	1.989	1.888
Community College District Number 512	0.347	0.308	0.295
Rolling Meadows Park District	0.527	0.464	0.448
Total Overlapping Rates - Elk Grove Township	8.292	7.386	7.023
Total Direct and Overlapping Rates	9.636	8.533	8.125

Data Source: Office of the County Clerk

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

2003	2004	2005	2006	2007	2008	2009
0.569	0.497	0.468	0.473	0.473	0.428	0.445
0.119	0.153	0.144	0.139	0.139	0.124	0.124
0.065	0.056	0.053	0.055	0.055	0.089	0.139
0.065	0.057	0.054	0.056	0.056	0.089	0.141
0.818	0.763	0.719	0.723	0.723	0.730	0.849
0.355	0.325	0.317	0.331	0.302	0.289	0.309
1.173	1.088	1.036	1.054	1.025	1.019	1.158
0.630	0.593	0.533	0.500	0.446	0.415	0.394
0.059	0.060	0.060	0.057	0.053	0.051	0.490
0.004	0.001	0.005	0.005	-	-	-
0.361	0.347	0.315	0.284	0.263	0.252	0.261
0.010	0.009	0.009	0.009	0.008	0.008	0.008
0.029	-	0.014	-	0.012	-	0.021
0.051	0.046	0.044	0.044	0.040	0.041	0.044
0.010	0.009	0.009	0.009	0.009	0.009	0.010
0.011	0.007	0.009	0.009	0.008	0.009	0.010
3.313	2.925	2.840	2.763	2.435	2.385	2.307
1.982	1.818	1.759	1.823	1.621	1.587	1.636
0.310	0.279	0.281	0.288	0.260	0.256	0.258
0.498	0.471	0.429	0.449	0.418	0.411	0.420
7.268	6.565	6.307	6.240	5.573	5.424	5.859
8.441	7.653	7.343	7.294	6.598	6.443	7.017

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years  
Palatine Township (High School District 211)  
December 31, 2010 (Unaudited)**

	2000	2001	2002
City Direct Rates			
General	\$ 0.692	0.585	0.534
Debt Service	0.142	0.121	0.115
Pension Trust			
Police Pension	0.058	0.049	0.061
Firefighters' Pension	0.063	0.052	0.065
Total City Direct Rates	0.955	0.807	0.775
Component Unit - Library Direct Rate	0.389	0.340	0.327
Total City Direct Rate	1.344	1.147	1.102
Overlapping Rates - Palatine Township			
Cook County	0.824	0.746	0.690
Forest Preserve District	0.069	0.067	0.061
Suburban Tuberculosis Sanitarium	0.008	0.007	0.006
Water Reclamation District	0.415	0.401	0.371
Northwest Mosquito Abatement	0.011	0.010	0.009
Consolidated Elections	-	0.032	-
Palatine			
Town	0.050	0.042	0.041
Road and Bridge	0.086	0.077	0.074
General Assistance	0.009	0.008	0.008
School Districts			
School District Number 15	3.749	3.289	3.185
High School District Number 211	2.450	2.147	2.067
Community College District Number 512	0.347	0.308	0.295
Rolling Meadows Park District	0.527	0.464	0.448
Total Overlapping Rates - Elk Grove Township	8.545	7.598	7.255
Total Direct and Overlapping Rates	9.889	8.745	8.357

Data Source: Office of the County Clerk

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

2003	2004	2005	2006	2007	2008	2009
0.569	0.497	0.468	0.473	0.473	0.428	0.445
0.119	0.153	0.144	0.139	0.139	0.124	0.124
0.065	0.056	0.053	0.055	0.055	0.089	0.139
0.065	0.057	0.054	0.056	0.056	0.089	0.141
0.818	0.763	0.719	0.723	0.723	0.730	0.849
0.355	0.325	0.317	0.331	0.302	0.289	0.309
1.173	1.088	1.036	1.054	1.025	1.019	1.158
0.630	0.593	0.533	0.500	0.446	0.415	0.394
0.059	0.060	0.060	0.057	0.053	0.051	0.490
0.004	0.001	0.005	0.005	-	-	-
0.361	0.347	0.315	0.284	0.263	0.252	0.261
0.010	0.009	0.009	0.009	0.008	0.008	0.008
0.029	-	0.014	-	0.012	-	0.021
0.042	0.038	0.037	0.039	0.035	0.035	0.034
0.009	0.070	0.069	0.072	0.064	0.063	0.061
0.078	0.008	0.008	0.009	0.008	0.008	0.008
3.313	2.925	2.840	2.763	2.435	2.385	2.307
2.165	2.158	2.191	2.261	1.972	1.928	1.916
0.310	0.279	0.281	0.288	0.260	0.256	0.258
0.498	0.471	0.429	0.449	0.418	0.411	0.420
7.508	6.959	6.791	6.736	5.974	5.812	6.178
8.681	8.047	7.827	7.790	6.999	6.831	7.336

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years  
Palatine Township (High School District 214)  
December 31, 2010 (Unaudited)**

	2000	2001	2002
City Direct Rates			
General	\$ 0.692	0.585	0.534
Debt Service	0.142	0.121	0.115
Pension Trust			
Police Pension	0.058	0.049	0.061
Firefighters' Pension	0.063	0.052	0.065
Total City Direct Rates	0.955	0.807	0.775
Component Unit - Library Direct Rate	0.389	0.340	0.327
Total City Direct Rate	1.344	1.147	1.102
Overlapping Rates - Palatine Township			
Cook County	0.824	0.746	0.690
Forest Preserve District	0.069	0.067	0.061
Suburban Tuberculosis Sanitarium	0.008	0.007	0.006
Water Reclamation District	0.415	0.401	0.371
Northwest Mosquito Abatement	0.011	0.010	0.009
Consolidated Elections	-	0.032	-
Palatine			
Town	0.050	0.042	0.041
Road and Bridge	0.086	0.077	0.074
General Assistance	0.009	0.008	0.008
School Districts			
School District Number 15	3.749	3.289	3.185
High School District Number 214	2.257	1.989	1.888
Community College District Number 512	0.347	0.308	0.295
Rolling Meadows Park District	0.527	0.464	0.448
Total Overlapping Rates - Elk Grove Township	8.352	7.440	7.076
Total Direct and Overlapping Rates	9.696	8.587	8.178

Data Source: Office of the County Clerk

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

2003	2004	2005	2006	2007	2008	2009
0.569	0.497	0.468	0.473	0.473	0.428	0.445
0.119	0.153	0.144	0.139	0.139	0.124	0.124
0.065	0.056	0.053	0.055	0.055	0.089	0.139
0.065	0.057	0.054	0.056	0.056	0.089	0.141
0.818	0.763	0.719	0.723	0.723	0.730	0.849
0.355	0.325	0.317	0.331	0.302	0.298	0.309
1.173	1.088	1.036	1.054	1.025	1.028	1.158
0.630	0.593	0.533	0.500	0.446	0.415	0.394
0.059	0.060	0.060	0.057	0.053	0.051	0.490
0.004	0.001	0.005	0.005	-	-	-
0.361	0.347	0.315	0.284	0.263	0.252	0.261
0.010	0.009	0.009	0.009	0.008	0.008	0.008
0.029	-	0.014	-	0.012	-	0.021
0.042	0.038	0.037	0.039	0.035	0.035	0.034
0.009	0.070	0.069	0.072	0.064	0.063	0.061
0.078	0.008	0.008	0.009	0.008	0.008	0.008
3.313	2.925	2.840	2.763	2.435	2.385	2.307
1.982	1.818	1.759	1.823	1.621	1.587	1.636
0.310	0.279	0.281	0.288	0.260	0.256	0.256
0.498	0.471	0.429	0.449	-	0.411	0.420
7.325	6.619	6.359	6.298	5.205	5.471	5.896
8.498	7.707	7.395	7.352	6.230	6.499	7.054

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Property Tax Payers - Current Year and Nine Years Ago  
December 31, 2010 (Unaudited)**

Taxpayer	2009 Tax Levy			2001 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Prime Group Realty (Formerly American Nat'l Bank)	\$ 18,073,786	1	1.57%	\$ 15,954,596	1	2.45%
Atrium Corporation Center LLC	10,255,039	2	0.89%			
Northrop Corporation	6,878,822	3	0.60%	\$ 9,379,694	2	1.44%
YPI 1600 Corporate Center	5,850,712	4	0.51%			
12 Oaks Realty	5,704,116	5	0.49%			
Walmart Stores	5,617,153	6	0.49%			
Marc Realty	5,319,584	7	0.46%			
Tower Realty Management Corp.	4,519,603	8	0.39%	7,143,997	3	1.10%
Rolling Meadows Delaware	4,107,034	9	0.36%	5,922,658	4	0.91%
5201 Venture	3,271,779	10	0.28%			
3Com Corporation				5,699,990	4	0.87%
Citadel Management Inc.				5,439,513	5	0.83%
CBIZ Property Tax Solutions				5,339,509	6	0.82%
National Search Management Co.				5,300,998	7	0.81%
Lincoln Atrium Management Co.				4,961,942	8	0.76%
Multipoint				4,574,659	9	0.70%
	<u>69,597,628</u>		<u>6.04%</u>	<u>69,717,556</u>		<u>10.69%</u>

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Levy Years  
December 31, 2010 (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
2001	2000	\$ 6,219,563	\$ 5,611,462	90.22%	\$ 24,065	\$ 5,635,527	90.61%
2002	2001	6,218,751	5,619,849	90.37%	150,789	5,770,638	92.79%
2003	2002	6,308,471	6,283,466	99.60%	(152,404)	6,131,062	97.19%
2004	2003	6,438,424	6,413,838	99.62%	(221,234)	6,192,604	96.18%
2005	2004	6,893,476	6,667,518	96.72%	57,974	6,725,492	97.56%
2006	2005	6,891,780	6,719,499	97.50%	68,802	6,788,301	98.50%
2007	2006	6,973,121	6,473,354	92.83%	445,674	6,919,028	99.22%
2008	2007	7,848,368	7,639,825	97.34%	(46,927)	7,592,898	96.74%
2009	2008	8,428,123	8,301,100	98.49%	(35,600)	8,265,500	98.07%
2010	2009	9,730,232	9,420,464	96.82%	-	9,420,464	96.82%

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, 2010 (Unaudited)**

<b>Fiscal Year</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
General Merchandise	\$ 57,771,780	62,664,280	66,675,940	65,459,920
Food	14,290,600	14,634,400	15,330,580	13,072,900
Drinking and Eating Places	38,873,440	42,753,980	43,968,520	45,969,580
Apparel	5,020,120	4,886,400	4,644,480	3,356,000
Furniture and H.H. and Radio	6,108,960	3,460,400	4,261,200	4,136,200
Lumber, Building, Hardware	4,083,840	2,433,620	2,172,540	3,211,060
Automobile and Filling Stations	17,227,780	15,904,820	15,328,260	37,261,380
Drugs and Misc. Retail	45,445,200	23,902,980	13,496,240	13,628,840
Agriculture and All Others	37,297,520	45,995,820	36,870,780	36,813,940
Manufacturers	8,494,440	9,654,680	8,744,460	9,413,220
<b>Total</b>	<b>234,613,680</b>	<b>226,291,380</b>	<b>211,493,000</b>	<b>232,323,040</b>
Local Sales Tax Rate	1.50%	1.50%	1.50%	2.00%
Total Sales Tax Rate	8.25%	8.25%	8.25%	8.75%

Data Source: Illinois Department of Revenue

2005	2006	2007	2008	2009	2010
64,188,280	61,123,560	60,275,753	59,529,361	60,495,368	39,328,192
13,779,560	15,127,480	15,001,571	11,690,306	11,157,166	9,916,455
47,885,120	49,420,200	48,936,206	48,805,003	44,742,470	42,917,114
3,621,500	3,443,500	3,405,336	2,521,712	2,522,896	2,443,133
3,699,140	7,149,700	7,218,336	7,372,794	6,164,965	5,862,267
2,807,960	2,915,620	2,715,061	2,697,156	1,205,151	1,186,241
46,308,020	44,328,920	65,703,526	46,737,476	45,088,883	52,407,264
16,269,740	16,478,260	16,190,972	13,493,447	12,878,726	12,343,741
31,777,380	32,129,520	32,404,576	30,093,783	20,523,263	23,267,418
10,828,300	8,593,220	8,463,314	9,521,908	6,873,845	6,851,196
241,165,000	240,709,980	260,314,651	232,462,946	211,652,733	196,523,021
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
8.75%	8.75%	8.75%	10.00%	10.00%	9.50%

## CITY OF ROLLING MEADOWS, ILLINOIS

### Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years December 31, 2010 (Unaudited)

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
2001	5.00%	1.00%	0.50%	0.75%	1.00%	8.25%
2002	5.00%	1.00%	0.50%	0.75%	1.00%	8.25%
2003	5.00%	1.00%	0.50%	0.75%	1.00%	8.25%
2004	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2005	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2006	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2007	5.00%	1.00%	1.00%	0.75%	1.00%	8.75%
2008	5.25%	1.00%	1.00%	1.00%	1.75%	10.00%
2009	5.25%	1.00%	1.00%	1.00%	1.75%	10.00%
2010	5.25%	1.00%	1.00%	1.00%	1.25%	9.50%

Data Source: Illinois Department of Revenue

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Local Tax Revenues - Last Ten Fiscal Years  
December 31, 2010 (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
2001	\$ 2,917,213	855,548	469,940	N/A	557,997	266,818	606,332
2002	2,921,745	1,152,434	389,169	N/A	1,129,800	273,810	525,481
2003	2,785,074	1,041,430	988,767	N/A	899,494	259,596	661,454
2004	3,073,337	2,140,654	1,632,101	N/A	1,250,607	263,684	912,866
2005	3,245,233	2,448,482	2,289,734	N/A	1,276,799	248,527	802,639
2006	3,298,095	2,344,833	2,065,561	N/A	1,318,674	304,677	594,248
2007	3,405,981	2,471,264	2,047,648	N/A	1,339,008	265,716	386,091
2008	3,347,289	2,265,611	2,038,337	N/A	1,293,970	451,898	269,663
2009	3,062,136	2,053,624	2,075,334	1,301,016	1,221,391	288,634	191,259
2010	2,768,676	1,957,345	1,846,728	1,310,453	1,216,961	289,076	174,819

Data Source: City of Rolling Meadows CAFR

- 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 to 8% in 2008.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years  
December 31, 2010 (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				
2001	\$ 5,160,000	\$ -	\$ -	\$ -	\$ 5,160,000	1.60%	\$ 210
2002	11,790,000	-	2,600,000		14,390,000	4.38%	585
2003	12,125,000	-	2,500,000		14,625,000	4.36%	594
2004	19,245,000	-	2,390,000		21,635,000	6.14%	879
2005	25,300,000	-	2,280,000		27,580,000	7.43%	1,121
2006	23,855,000	-	2,165,000		26,020,000	6.61%	1,058
2007	24,030,000	537,286	3,550,000		28,117,286	6.68%	1,143
2008	22,404,048	556,387	3,310,952		26,271,387	5.96%	1,068
2009	20,721,298	471,887	3,053,702		24,246,887	5.62%	985
2010	18,968,838	390,505	2,786,162		22,145,505	6.12%	922

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.

N/A - Information not Available

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
December 31, 2010 (Unaudited)**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Total Taxable Assessed Value of Property (1)</b>	<b>Per Capita (2)</b>
2001	\$ 5,160,000	1.19%	\$ 210
2002	14,390,000	1.87%	585
2003	14,625,000	1.80%	594
2004	21,635,000	2.75%	879
2005	27,580,000	3.05%	1,121
2006	26,020,000	2.71%	1,058
2007	27,580,000	2.86%	1,121
2008	25,715,000	2.37%	1,045
2009	23,775,000	2.06%	966
2010	21,755,000	1.90%	903

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, 2010 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City Direct Debt	\$ 21,755,000	100.00%	\$ 21,755,000
Overlapping Debt			
Arlington Heights Township High School District 214	31,645,000	6.57%	2,079,077
Cook County	3,184,830,000	0.70%	22,293,810
Forest Preserve District of Cook County	108,665,000	0.70%	760,655
Harper Community College District 512	196,771,931	5.13%	10,094,400
Metro Water Reclamation District of Greater Chicago	1,979,203,000	0.72%	14,250,262
Palatine Township High School District 211	33,615,000	4.38%	1,472,337
Rolling Meadows Park District	4,370,000	98.88%	4,321,056
School District CC 15	58,860,000	23.43%	13,790,898
Total Overlapping Debt	5,597,959,931		69,062,494
Total Direct and Overlapping Debt	5,619,714,931		90,817,494

Data Source: Cook County Assessor'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, 2010 (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, 2010 (Unaudited)**

Fiscal Year	(1) Population	(2) Personal Income (in Thousands)	(3) Per Capita Personal Income	(1) Median Age	(1) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Rate
2001	24,604	\$ 323,493	\$ 26,178	34.4	14.0	5,343	4.40%
2002	24,604	328,703	26,178	34.4	14.0	5,441	5.30%
2003	24,604	335,574	26,178	34.4	14.0	5,220	5.30%
2004	24,604	352,359	26,178	34.4	14.0	5,378	4.80%
2005	24,604	371,160	26,178	34.4	14.0	5,231	4.70%
2006	24,604	393,382	26,178	34.4	14.0	5,075	3.50%
2007	24,604	421,143	26,178	34.4	14.0	5,142	3.80%
2008	24,604	431,795	26,178	34.4	14.0	4,818	5.10%
2009	24,604	425,178	26,178	34.4	14.0	4,167	10.00%
2010	24,099	361,800	26,178	34.4	14.0	4,392	10.10%

**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

N/A - Information not Available

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Employers - Current Year and Nine Years Ago  
December 31, 2010 (Unaudited)**

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northrop Defense Systems	2,300	1	10.0%	2,600	1	11.50%
Harris Bank	405	2	1.8%			
Riverside Publishing Co.	348	3	1.5%			
Komatsu	337	4	1.5%			
Wal-Mart Stores Inc.	220	5	1.0%			
A.H. Management Group	274	6	1.2%			
Meijer	260	7	1.1%			
Panasonic	235	8	1.0%			
Research in Motion	230	9	1.0%			
RTC	203	10	0.9%			
3 Comm Corp				1,000	2	4.40%
Transamerica Commercial				500	3	2.20%
Kelso Burnett Co.				400	4	1.80%
Middleby Corp.				300	5	1.30%
New Resources				285	6	1.30%
ElectroDynamics Inc.				270	7	1.20%
Carlson Wagonlit Travel				250	8	1.10%
Coleman Floor Co.				250	9	1.10%
Method Electric, Inc.				250	10	1.10%
	<u>4,812</u>		<u>20.88%</u>	<u>6,105</u>		<u>27.00%</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, 2010 (Unaudited)**

	<u>Full-Time Equivalent</u>		
	2001	2002	2003
<b>Full-Time</b>			
<b>General Government</b>			
Management	5.30	7	6
Finance	12.80	11	11
Community Development	12.50	9	9
<b>Public Safety</b>			
<b>Police</b>			
Officers	60.50	56	56
Civilians	20.60	24	25
<b>Fire</b>			
Firefighters and Officers	45.20	45	45
Civilians	3.00	3	3
<b>Public Works</b>			
Administration	6.25	5	5
Engineering/Inspections	1.00	1	1
Streets and Grounds	18.20	17	18
Utilities and Garage	21.35	19	20
<b>Part-Time</b>			
<b>General Government</b>			
Management	*	-	-
Finance	*	2	2
Community Development	*	2	2
<b>Public Safety</b>			
Police	*	11	11
Fire	*	1	-
<b>Public Works</b>			
Streets and Grounds	*	2	2
Utilities	*	3	3

Data Source: City Human Resources and Budget Departments

\* Prior to 2002, employee data was tabulated using the "full-time equivalent" method. The number of actual part-time employees is not available.

2004	2005	2006	2007	2008	2009	2010
6	5	8	8	8	7	7
11	10	9	8	8	6	4
9	9	9	9	9	8	8
55	54	54	54	56	52	51
28	29	27	27	27	13	9
45	45	45	46	49	42	44
3	3	2	2	2	-	-
5	5	4	5	5	4	4
1	1	4	5	3	2	2
17	15	14	14	14	16	16
20	20	20	20	20	16	15
-	-	-	-	-	1	1
2	2	2	2	2	3	3
2	2	2	3	2	1	1
11	10	13	20	25	7	9
-	-	-	-	1	1	1
2	2	2	2	2	1	-
2	2	3	3	1	2	3

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2010 (Unaudited)**

	2001	2002	2003
<b>Public Safety</b>			
<b>Police</b>			
Physical Arrests	1,349	1,438	1,051
Parking Violations	N/A	4,863	4,327
Traffic Violations	N/A	6,936	6,268
<b>Fire</b>			
Emergency Responses	1,933	1,890	1,934
Fire Calls	1,266	1,039	1,103
Fires Extinguished	N/A	N/A	N/A
<b>Public Works</b>			
Street Resurfacing (Miles)	2.10	3.28	0.70
Snow and Ice Control (Tons of Salt)	N/A	1,270	1,380
<b>Water</b>			
Number of Water Main Repairs	50	74	83
Water Average Daily Consumption (Thousands of Gallons)	2,774	2,657	2,595
<b>Refuse Collection</b>			
Refuse Collected (Tons per Day)	N/A	N/A	N/A
Recyclables Collected (Tons per Day)	N/A	N/A	N/A

Data Source: Various City Departments

N/A - Information not Available

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

2004	2005	2006	2007	2008	2009	2010
886	798	1,084	1,043	921	510	456
4,293	4,014	4,540	3,418	4,795	3,066	3,469
6,616	5,837	5,928	5,731	5,364	5,906	5,947
1,912	1,945	1,978	1,976	2,282	2,204	3,599
1,036	1,055	1,227	1,019	1,148	1,093	1,097
N/A	N/A	N/A	N/A	N/A	N/A	42
0.41	2.28	8.28	0.77	0.95	-	1.60
1,395	1,150	1,636	2,500	3,000	1,476	1,668
43	78	42	41	53	51	58
2,481	2,557	2,563	2,487	2,616	2,692	2,300
N/A	25	29	25	22	27	19
N/A	9	9	9	10	10	9

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2010 (Unaudited)**

	2001	2002	2003
<b>Public Safety</b>			
<b>Police</b>			
Stations	1	1	1
Patrol Units	12	12	12
<b>Fire</b>			
Fire Stations	2	2	2
Fire Engines	4	4	4
<b>Public Works</b>			
Streets (Miles)	70.50	70.50	70.50
Streetlights	257	257	257
Traffic Signals	45	45	45
<b>Water</b>			
Water Mains (Miles)	85.73	85.73	86.78
Fire Hydrants	1,263	1,265	1,285
Storage Capacity (Millions of Gallons)	5.50	5.50	5.50
<b>Wastewater</b>			
Sanitary Sewer (Miles)	75.68	76.12	76.60
Lift Stations	3	3	3
Storm Sewers (Miles)	60	60	60

Data Source: Various City Departments

2004	2005	2006	2007	2008	2009	2010
1	1	1	1	1	1	1
12	12	12	18	15	15	15
2	2	2	2	2	2	2
4	4	4	5	5	5	5
70.50	70.50	70.50	60.89	60.89	60.89	60.89
257	257	257	257	257	257	260
45	45	45	45	45	49	49
87.38	88.03	88.63	89.50	90.00	90.00	90.00
1,295	1,314	1,327	1,392	1,395	1,395	1,353
5.50	5.50	5.50	5.50	5.50	5.50	5.25
76.88	77.16	77.33	77.67	77.94	77.94	82.00
3	3	3	3	3	3	3
60	60	60	60	60	60	61

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Water Sold by Type of Customer - Last Ten Fiscal Years  
December 31, 2010 (Unaudited)**

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Type of Customer	2001	2002	2003
Industrial	65,428	65,337	54,445
Residential/Multi-Family	660,001	637,538	623,441
Commercial	248,950	233,376	236,591
School/Government	38,225	33,642	32,606
Total	1,012,604	969,893	947,083
Water Rate per 1,000 Gallons	\$ 3.18	\$ 3.31	\$ 3.44
Sewer Rate per 1,000 Gallons	\$ 0.80	\$ 0.99	\$ 1.03

Data Source: City of Rolling Meadows Water Department Pumpage Report

Water Sold by Type of Customer (in Thousands of Gallons)

2004	2005	2006	2007	2008	2009	2010
56,856	54,273	52,830	43,802	40,803	34,102	44,149
581,221	615,602	586,794	575,905	547,625	529,064	520,636
225,158	227,754	223,024	204,060	189,405	171,698	166,978
42,278	35,628	34,704	32,071	26,450	26,712	26,343
905,513	933,257	897,352	855,838	804,283	761,576	758,106

\$ 3.58    \$ 3.78    \$ 4.06    \$ 4.34    \$ 4.96    \$ 5.83    \$ 5.83

\$ 1.07    \$ 1.13    \$ 1.34    \$ 1.43    \$ 1.64    \$ 1.92    \$ 1.92

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures  
December 31, 2010 (Unaudited)**

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**City of Rolling Meadows, Cook County, Illinois  
2010 Continuing Bond Disclosures Relating to the Following Bonds:**

\$4,885,000 General Obligation Bonds of 2002A

\$2,600,000 General Obligation Bonds of 2002B

\$4,030,000 General Obligation Bonds of 2003

\$8,070,000 General Obligation Bonds of 2004

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

\$410,000 General Obligation Bonds of 2007

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

**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, 2010 (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, 2009. The City has received the award to each of the last 24 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 140 - 141 and 149 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 142 - 147 of these audited financial statements.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2010 (Unaudited)**

**Debt Statement**

Issue Date	Bond Issue	Principal Outstanding	Supported by
04/15/2002	General Obligation Bond Series of 2002A	\$ 3,325,000	Property Taxes
06/15/2002	General Obligation Bond Series of 2002B	1,675,000	Proprietary
03/15/2003	General Obligation Bond Series of 2003	2,725,000	Incremental Taxes
09/15/2004	General Obligation Bond Series of 2004	6,695,000	Sales Taxes
10/18/2005	General Obligation Bond Series of 2005	5,035,000	Property Taxes
05/01/2007	General Obligation Bond Series of 2007	200,000	Proprietary
12/31/2007	General Obligation Bond Series of 2007A	<u>2,100,000</u>	Proprietary
	Total Gross Direct Bonded Debt	21,755,000	
	Less: Self-Supporting Bonded Debt	<u>13,395,000</u>	
	Total Net Direct Bonded Debt	<u><u>8,360,000</u></u>	

The City's overlapping and underlying bonded debt is updated as of December 31, 2010, and can be found on pages 154 - 156 of the audited financial statements.

The City's debt ratios are updated using the 2009 equalized assessed valuation and the 2009 estimated full value of taxable property.

Estimated Full Value of Taxable Property - 2009	\$ 3,438,459,660
Equalized Assessed Valuation - 2009	1,146,153,220

	Gross Direct Debt	Gross Direct Debt and Overlapping Debt
Per Capita	\$ 902.73	\$ 3,768.52
Percent of Estimated Full Value	0.633%	2.641%
Percent of Equalized Assessed Value	1.898%	7.924%

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2010 (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:

Calendar Year	Annual Requirement	Cumulative Retirement	
		Amount	Percent
2011	\$ 2,115,000	\$ 2,115,000	9.72%
2012	2,215,000	4,330,000	19.90%
2013	2,315,000	6,645,000	30.54%
2014	2,355,000	9,000,000	41.37%
2015	2,455,000	11,455,000	52.65%
2016	2,575,000	14,030,000	64.49%
2017	2,705,000	16,735,000	76.92%
2018	1,210,000	17,945,000	82.49%
2019	780,000	18,725,000	86.07%
2020	835,000	19,560,000	89.91%
2021	680,000	20,240,000	93.04%
2022	730,000	20,970,000	96.39%
2023	785,000	21,755,000	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 54 through 64.