



**CITY OF ROLLING MEADOWS**  
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847-394-8500  
[www.cityrm.org](http://www.cityrm.org)



**2013 Comprehensive Annual Financial Report**  
**For the Fiscal Year Ending December 31, 2013**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2013**

Prepared by the Finance Department

**CITY OF ROLLING MEADOWS, ILLINOIS**

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## **INTRODUCTORY SECTION**

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**List of Principal Officials  
December 31, 2013**

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**LEGISLATIVE**

Mayor: Tom Rooney

Deputy City Clerk: Ginny Cotugno

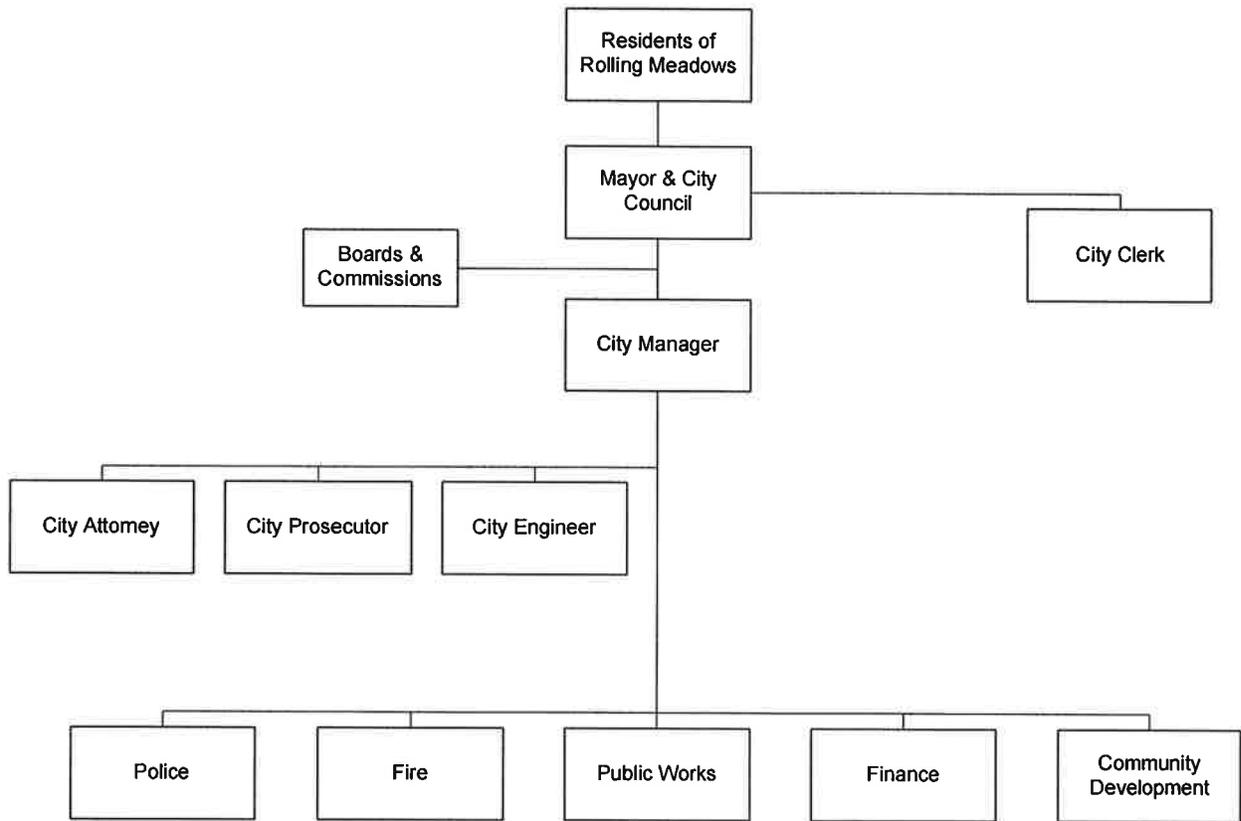
|         |                           |
|---------|---------------------------|
| Ward 1: | Mike Cannon, Alderman     |
| Ward 2: | Len Prejna, Alderman      |
| Ward 3: | Laura Majikes, Alderman   |
| Ward 4: | Brad Judd, Alderman       |
| Ward 5: | Rob Banger, Jr., Alderman |
| Ward 6: | John D’Astice,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

**ADMINISTRATIVE**

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

# City of Rolling Meadows

## Organizational Chart





*"PROGRESS THRU PARTICIPATION"*

April 23, 2014

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, 2013, 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, 2013, 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 component unit). Component units are autonomous entities for which the primary government is financially accountable.

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

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

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

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

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

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

The City provides a full range of municipal services with 159 full-time, 17 part-time and 11 seasonal persons working in public safety, public works, planning and zoning, community development, economic 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 Northwest Suburban 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 (recycling is a contracted service).

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

In December 2013, Standard & Poor's Rating Services raised the City's long-term rating on the City of Rolling Meadows' general obligation bonds to AA+ from A+ based on Standard & Poor's recently released local General Obligation criteria. Standard & Poor's cited the City's very strong budgetary flexibility, liquidity and strong budgetary performance among the reasons behind the increase in the credit rating. The City of Rolling Meadows' current bond rating is an A1 from Moody's Investors Services. The City's Management and the City Council continually review its debt structure for any potential interest savings.

## **MAJOR INITIATIVES**

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

Fiscal Year 2013 saw increased economic activity and development interest in the City of Rolling Meadows, punctuated by continued building permit activity (both residential and commercial) and building improvement valuation. For the past two fiscal years, the City hired an economic development consultant, Mike Mallon of Mallon and Associates [now D & K Real Estate Service Corp. (d/b/a DK Mallon)], to assist the City of Rolling Meadows in driving economic development and retail activities. At Economic Development Committee Meetings, the economic development consultant and City Staff provide recaps and updates of activities and progress to that end.

In FY 2013, the Continental Towers property at 1701 Golf Road sold for \$58.5 million and the City received approximately \$175,000 in real estate transfer taxes. The new owner expects to complete renovations to improve the property in the future. Continental Towers is an approximately 910,000 square foot, Class A office complex and is comprised of three 12-story towers situated on a 34-acre site.

The City continued with the engineering phase of the \$5.3 million federally and state funded **Golf Road Reconstruction Project** with construction to be completed in late spring 2014. With 70,000 cars passing through this area each day, when this project is completed, the retail and business corridor is expected to benefit greatly from the project.

Through the Illinois Environmental Protection Agency's (IEPA) loan program, the City completed construction for **watermain replacements** for more than 50-year old infrastructure. Crews replaced old cast iron watermains on Brookmead and Magnolia Drives; Hawthorn, Sycamore and Thorntree Lanes; and a portion of Plum Grove Drive. The City, by its application in 2009, received \$1.2 million in loan funds at approximately a 2% interest rate over a 20-year period for the loan. The repayment for this loan will begin in 2014.

The City's work for the IEPA Sewerworks improvements (separate loan) began in FY 2013 and the Loan Payable at December 31, 2013 is \$1.2 million.

The City spent more than \$600,000 for its **Annual Street Program** for its streets, sidewalks and curbs replacement program to repair and improve its City's infrastructure. An emphasis on finding new ways to fund the City's Street and Roadways is a priority going forward.

In FY 2013, the City received **federal funds** from police seizure cases totaling \$209,491 which helps offset some salary expenses, contractual and supplies for the police department.

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

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

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

In FY 2014, Arthur J. Gallagher, a large international insurance company, purchased a large property at 2850 and 2550 West Golf Road at the Gould Center. The City received \$75,000 in real estate transfer tax fees on this sale for FY 2014. The company had leased this same location years ago before it constructed an office building in Itasca in 1991. The proposed site is currently being evaluated by the City Council for a possible Tax Increment Financing District (TIF).

## **Other Economic Development Activities**

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

### **Plans for 2014**

Fiscal Year 2014 is expected to result in continued economic development in certain areas of the City which should lead to greater economic activity and growth in City sales tax and food & beverage tax revenues. The Golf Road Construction project will wrap up in 2014. The permanent signals were activated in February 2014 and the final landscaping and restoration work is currently underway.

For 2014, the City continues to work on various economic development activities:

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

- Meadows Marketplace (formerly the Dominick's Property) and its developer, Clark Street Development, began redevelopment in 2012 with the expectation that much of the vacant square footage was to be filled by the end of 2013. The City released details early in 2013 that a grocery store with ties to the Caputo grocery stores, called Uncle Joe's Tuscan Fresh Market was interested in anchoring the property. In April of 2013, the City entered into a sales tax sharing agreement with Uncle Joe's Tuscan Fresh Market. The grocer was expected to open in October 2013, however the business did not move ahead to open as expected. Clark Street Development continues to work marketing the property to a potential junior box retailer and other retailers.
- The next area of redevelopment is the AMF bowling center at 3245 Kirchoff Road (the City's "Downtown" area). The City remains in constant talks with the property owner, Kimco (who owns, manages, leases, develops, and acquires shopping centers across the USA) in hopes to continue implementation of a redevelopment plan created in 2011. Hopefully, more work in 2014 with a development agreement and construction at some point in time. The property is actively being marketed.
- The Former Ray's Auto location at 3001 Kirchoff Road is a property that may be redeveloped into a coffee and ice cream shop – a perfect location for foot traffic on weekdays and weekends (or after a baseball game).

**Second**, the next area is along the Golf and Algonquin Road Corridor. As road construction wraps up, this area is of particular interest to retailers, businesses and restaurants. Interested restaurants, businesses and retailers are looking to redevelop but not build out new construction sites. Currently, the City has been in talks with multiple restaurants to move into some of these properties. Listed below are a few of the restaurants and businesses that have opened their doors to call Rolling Meadows "Home":

- Panera Bread Co. (1321 Golf Road) opened its doors in January 2014 and features one of the few Panera's with a drive-thru window. The restaurant is very busy especially during lunch hours.

- Grande Jake's Authentic Mexican Grill (5500 New Wilke Road) – Grande Jake's opened in late December 2013. The Rolling Meadows Chamber of Commerce sponsored a ribbon cutting ceremony in January 2014. The Plan Commission and the City Council has since approved a front yard setback as well as outdoor seating with alcohol service. The restaurant is busy and doing well in 2014.
- Umi Grill Buffet at 1440 Golf Road opened its doors in late 2013 with a ribbon cutting ceremony held in November 2013.
- Michoacan Ice Cream Shop (2219 Algonquin Road) – a homemade ice cream shop – opened in 2014.
- Opened in 2013, the family-owned and operated Coffee Planet at 1451 Golf Road serves homebrewed coffees and teas and is busy with customers in 2014.
- In the newly purchased Continental Towers along the Golf and Algonquin Corridor, Rational Oven just recently celebrated their grand opening with a ribbon cutting ceremony sponsored by the Rolling Meadows Chamber of Commerce. Rational Oven is a German professional oven company specializing in hot food preparation and selected Rolling Meadows as its U.S. showroom location.
- At the Atrium Center at 3800 Golf Road, Capital One is currently doing a build-out in the tenant space formerly occupied by BMO Harris Bank. The City also gained a major new employer in **Capital One Financial Corporation** which leased 150,000 square feet in Rolling Meadows. Capital One is located along the City's Golf Road commercial corridor and cited the area's "experienced and talented workforce" as a key reason for wanting a local presence. Initially, this deal is expected to bring 500 jobs to Rolling Meadows with more to follow of upwards to 1,000 jobs. In an article in Crain's Chicago Business, they stated that the Capital One lease is the second-largest real estate agreement in the Chicago suburbs this year.
- The McDonald's at 1775 Algonquin Road submitted plans for redevelopment. The proposal calls for tearing down the existing building and rebuilding a prototype with a dual drive-through.
- Weber Grill located at 2900 Golf Road will be leasing the entire building (48,000 square feet) which is currently owned by Jani-King. Weber Grill already has its corporate office in Rolling Meadows.
- Another target area is the vacant Sam's Club property on Golf Road and while there is no activity as of yet, the City remains hopeful that redevelopment or a possible expansion of the adjacent Wal-Mart store could occur in the next few years. Overall, the City is positioned for economic growth and an increasing property, sales and restaurant tax base in 2014 and beyond.

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

- Krakowski Market (2122 Plum Grove Road) opened its doors featuring a Polish deli and grocery.
- The Former Pizza Hut building (2101 Plum Grove Road) is being renovated to open as a Hardee's Restaurant and will open soon in 2014.
- A sushi restaurant is considering opening at the former location of a restaurant called Fusionland at 1939 Plum Grove Road.

Along with economic redevelopment, the City takes pride in its community, residents and businesses. Below are some of the activities that continue into 2014:

- In 2011, the City of Rolling Meadows City Council approved the creation of the Rolling Meadows Community Events Foundation. The registered 501(c)3 non-profit organization has a separate bank account from the City of Rolling Meadows and its sole activity of the Rolling Meadows Community Events Foundation is to obtain donations for public purposes to support and finance annual community events. The funds will help with the maintenance and upkeep of the Rolling Meadows Historical Museum, 4<sup>th</sup> of July event(s), Veterans Memorial Committee & Memorial Day events, holiday tree lighting items/activities, winter holiday decorations, and other community items/events.
- In FY 2013, the City Council approved offering social media to residents. Residents may receive late-breaking news, service updates and other important information through the City's Facebook page and Twitter feed.
- Rolling Meadows Crime Stoppers began its first full year of operation in 2013. The group supports the Police Department law enforcement efforts and raises funds for community outreach programs.
- The City enhanced its Police Department's Social Services Outreach Program by hiring an Outreach Specialist. The program coordinates resources and promotes the education and health of City residents.
- The City of Rolling Meadows has a proud tradition of honoring local veterans. For the Memorial Day weekend, the City sponsors a Veterans Dinner where local veterans reconnect with fellow service members. The following day, the City hosts a Memorial Day Parade and Observance Ceremony for veterans, their families and the community.
- FY 2013 marks the first year of the City's "Farmers and Food Trucks" monthly events from May to October at City Hall. The City offers its own unique take on the traditional farmers' market with farmers, food trucks and local market and craft items offered during each event. The first year drew impressive crowds in the City's downtown area.
- Each year the City sponsors Independence Day Events on July 4<sup>th</sup>. The Independence Day Parade kicks off the day followed by City-sponsored fireworks.
- In FY 2013, the Rolling Meadows' National Night Out celebration welcomed more than 1,000 residents for an evening of family fun. Residents enjoyed crafts, face painting, games, live entertainment including the Jesse White tumblers and fireworks. The free event raised awareness of crime prevention and of the Rolling Meadows Police Department. The night out was sponsored entirely by local businesses.
- Each December to welcome the holiday season, City officials and residents gather to light the City's Holiday Tree held in front of the McDonald's at 3000 Kirchoff Road.
- The City supports the U.S. Marine's Toys for Tots Program by collecting toys for children in need at City Hall and the Library.
- The City also conducted two blood drives during 2013.

### **Local Term City Initiatives**

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

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

## **Economic Development Committee**

The City established an Economic Development Committee (EDC) in 1988 to encourage greater cooperation with the private sector in attracting and retaining business and industry. The committee is comprised of members of commercial and retail sectors, City staff and elected officials.

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

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

After review by the Economic Development Committee, in December 2011, the City Council approved an **Economic Incentive Program** to promote Economic Development in the City of Rolling Meadows and increase sales tax. Based on the certain parameters, the program rebates part of the real estate transfer tax if vacant commercial space is reoccupied. The goal is to provide incentives to current businesses to expand or fill vacancies and attract new business to the City.

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

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

- **TIF District No. 1 – Kirchoff and Meadows (created 1988)** expired on December 31, 2012. Chicago-based Clark Street Development took full control of the former Dominick's property at the southeast corner of Kirchoff Road and Meadow Drive with plans to upgrade the shopping center and to attract new businesses to Rolling Meadow's downtown. The TIF was terminated in 2012.
- **TIF District No. 2 – Riverwalk Condominiums and Retail Space (created 2002)** – In January 2003, the City entered into a redevelopment agreement with Salt Creek Development Corporation. The site now houses three buildings with 124 condominiums and 14,000 square foot of commercial / office space. A fourth building, originally planned, was not built. The City owns the land and uses it as a green space. In 2013, the City refunded the General Obligation Bonds associated with this TIF for a little more than \$60,000 in interest savings for taxpayers. At this point in time, there is no redevelopment activity for the fourth parcel.
- **TIF District No. 3 – Route 53 / Algonquin Road (created 2004)** – Working with a developer at the time, the City implemented Tax Increment Financing District No. 3 for the redevelopment of the southwest corner of Algonquin and Route 53 into a 43-acre mixed use development. Due to the economy, the developer abandoned the proposed project. However, a new developer has purchased the 40-acre existing residential development and is the process of redeveloping and improving the site. The close proximity to Woodfield Mall and the Renaissance Hotel and Convention Center in Schaumburg make this an attractive development parcel. However, lower than expected Equalized Assessed Valuation has not produced additional tax increment dollars. In January and February, 2013, the City held discussions on the future of this TIF including the possibility of dissolving the TIF. After these discussions, the City will be moving forward with a City Ordinance to dissolve this TIF, at this point in time. The City Council terminated TIF #3 by Ordinance 13-33 on August 13, 2013. The City Council approved Resolution 13-R-96 to amend the FY 2013 Budget to use General Fund reserves to eliminate a negative fund balance of \$131,238 in the TIF # 3 Woodfield Fund.

## Collaboration Initiatives

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

## LOCAL ECONOMY

The area economy is still in a slow recovery, yet, there are some upward trends in the areas of sales tax, income tax, real estate taxes and hotel taxes.

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

City of Rolling Meadows' unemployment rate as of December 2013 was 9.2%. When looking at the unemployment rate of 3.8% in 2007, it is noticeable that there are still many City residents struggling to make ends meet. The City has seen some rebound growth in the income tax in the last years – in 2013 income tax receipts grew by 8.8% as compared with 2012 or by \$187,327. Income tax receipts are slowly getting back to pre-recession levels yet there is a sense that this may be the “new economy”.

The Golf Road Corridor is a core area in the City for sales tax. City-wide, in 2013, there was an increase of about 3% over the previous year in sales tax by \$159,663. Restaurants and businesses have opened for business in this area and the City is focused on the continued renewal of this high-profile business corridor.

The City's Economic Development Consultant recently reported that the third quarter of 2013 ended on a strong note with retail sales up 5% for the Chicago area. While the fourth quarter of 2013 shows some fairly lackluster results especially because of the harsh winter. The northwest suburban occupancy rate on retail property is 10.4%, which is down from 10.7% the previous quarter. Retail rental space in the Chicago area is currently \$16.73 per square foot compared with \$16.80 per square foot the last quarter of

2013. In the Northwest Corridor, retail rents are currently trending between \$15.50 and \$22.00 per square foot. The City's Economic Development Consultant also mentioned that quick and casual restaurants as well as discount retailers are showing a lot of growth at this time.

As mentioned previously, in the City's downtown area, it is highly anticipated that redevelopment will occur in this area.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

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

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

## **RELEVANT FINANCIAL POLICIES THIS YEAR**

In order to insure that the City continues to meet its immediate and long term service goals, several financial policies and procedures have been implemented by management. Highlighted are some of the more pertinent policies that the City followed in FY 2013:

- Issued a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- The City formed a Capital Improvements Committee to review capital projects and offer recommendations for long-term capital improvements.
- The City is committed to rebuilding fund balance reserves, eliminating negative fund balances and has made significant progress to that end.
- Posted on the City's website employees' salary and benefit data, as a continued transparency initiative (providing this data since 2011).
- As required by Public Act 97-0609, the City posted employee compensation data for Illinois Municipal Retirement Fund (IMRF) employees who are expected to receive compensation greater than \$75,000. The City took this mandate one step further, to enhance transparency, and published this data for all employees.
- City refinanced General Obligation Bonds worth more than \$2.0 million dollars which will save a little more than \$60,000 over the next five years. The bonds were originally issued to pay for redevelopment costs at the mixed use Riverwalk development on Kirchoff Road (the City's TIF #2 Fund).

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

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

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

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

The City of Rolling Meadows worked with the private actuary to ensure that the actuarial report for the Police and Fire Pension was current and the actuarial valuation matched the fiscal year. This was accomplished for this audit year. Based on the December 31, 2013, the funded status for the Police Pension Fund is 50.85% and for the Fire Pension Fund is 44.41%. (Last year the Police Pension Fund's funded status was 47.61% and the Fire Pension Funded Status was 41.95%).

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

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

The IMRF pension plan's funded status at December 31, 2013 is 69.57% compared with the last year's funded status at 62.90%. During 2014 there will be a discussion regarding the City paying the Net Pension Obligation ending at December 31, 2013 in a lump sum payment to IMRF in 2014.

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

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

## **RISK MANAGEMENT**

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

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rolling Meadows for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the twenty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

The preparation of this report was made possible by the dedication and hard work of the entire Finance Department staff. In particular, I would like to acknowledge Finance Director, Melissa Gallagher, and Senior Accountants Laura Matz and Diana Schoeneck, Utility Billing Accountant Debbie Rybarczyk and the City's two Part-Time Cashiers, Cathy Leschman and Maria Tarpinian, and all City Departments (and Department Heads) who assisted and contributed to the preparation of this report. The Finance Department has been doing more with less and continues 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".

Barry Krumstok  
City Manager



Government Finance Officers Association

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, 2012**

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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

## INDEPENDENT AUDITORS' REPORT

April 23, 2014

The Honorable City 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 of the City of Rolling Meadows, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

### *Other Information*

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

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

*Other Information – Continued*

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



LAUTERBACH & AMEN, LLP

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF ROLLING MEADOWS, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2013**

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, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal (beginning on page iii) and the City's financial statements (beginning on page 4).

**Financial Highlights**

The following are a few highlights to be discussed in greater detail in this Management's Discussion and Analysis and within the 2013 Comprehensive Annual Financial Report (CAFR):

**Net Position and Performance in Total:** The City's total net position as of December 31, 2013 was \$132,274,013, an increase of \$6,495,039 or 5.2% from FY 2012. The City's combined Governmental Funds ending fund balance is \$7,653,232 – an increase of \$2,372,841 from FY 2012 to FY 2013.

**Governmental Activity Summary:** Net position for governmental activities ended at \$118,588,539, an increase of \$5,570,031.

**Business-Type Activity Summary:** Net position for business-type activities ended at \$13,685,474, an increase of \$925,008.

**General Fund Summary:** At December 31, 2013, the total Fund Balance for the General Fund was \$6,103,317 or 23.4% of General Fund expenditures excluding transfers out. This fund balance totals to approximately three months of General Fund operating expenditures. The cash position of the General Fund at the end of the current fiscal year was \$3,135,379 – the most cash on hand for the City in the past nine years.

**Overview of the Financial Statements**

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

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

TABLE 1

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

### Government-Wide Financial Statements

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

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

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

### ***Proprietary Funds***

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

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

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

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

### ***Fiduciary Funds***

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

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 17 through 65 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and the budgetary comparison schedules for the General Fund and the Motor Fuel Tax Fund. Required supplementary information may be found on pages 66 through 71 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 72 through 113 of this report.

## Infrastructure Assets

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

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

### Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Rolling Meadows, the City's net position at December 31, 2013 was \$132,274,013. The following table (Table 2) displays the City's net position for the past five years.

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

| Net Position                 | 12/31/2009 | 12/31/2010 | 12/31/2011 | 12/31/2012 | 12/31/2013 |
|------------------------------|------------|------------|------------|------------|------------|
| Governmental Activities      | \$105,289  | \$105,557  | \$107,023  | \$113,018  | \$118,589  |
| Business-Type Activities     | \$8,806    | \$10,181   | \$11,391   | \$12,760   | \$13,685   |
| City's Net Position - Total  | \$114,095  | \$115,738  | \$118,414  | \$125,778  | \$132,274  |
| \$ Change from Previous Year | \$1,265    | \$1,643    | \$2,676    | \$7,364    | \$6,496    |
| % Change from Previous Year  | 1.1%       | 1.4%       | 2.3%       | 6.2%       | 5.2%       |

Table 3 reflects the condensed Statement of Net Position compared for FY 2012.

**TABLE 3. City of Rolling Meadows  
Statement of Net Position  
As of December 31, 2012 and December 31, 2013  
(in millions)**

|                                    | <u>Governmental Activities</u> |                        | <u>Business-type Activities</u> |                       | <u>Total Primary Government</u> |                        |
|------------------------------------|--------------------------------|------------------------|---------------------------------|-----------------------|---------------------------------|------------------------|
|                                    | <u>2012</u>                    | <u>2013</u>            | <u>2012</u>                     | <u>2013</u>           | <u>2012</u>                     | <u>2013</u>            |
| Current and other assets           | \$ 23.4                        | \$ 29.0                | \$ 6.0                          | \$ 6.9                | \$ 29.4                         | \$ 35.9                |
| Capital assets                     | 129.2                          | 128.1                  | 11.6                            | 12.8                  | 140.8                           | 140.9                  |
| Total assets                       | <u>\$ 152.6</u>                | <u>\$ 157.1</u>        | <u>\$ 17.6</u>                  | <u>\$ 19.7</u>        | <u>\$ 170.2</u>                 | <u>\$ 176.8</u>        |
| Noncurrent liabilities             | \$ 23.2                        | \$ 21.4                | \$ 3.9                          | \$ 4.9                | \$ 27.1                         | \$ 23.3                |
| Other liabilities/deferred inflows | 16.3                           | 17.1                   | 1.6                             | 1.1                   | 17.8                            | 18.2                   |
| Total liabilities                  | <u>\$ 39.5</u>                 | <u>\$ 38.5</u>         | <u>\$ 5.5</u>                   | <u>\$ 6.0</u>         | <u>\$ 44.9</u>                  | <u>\$ 44.9</u>         |
| Net position:                      |                                |                        |                                 |                       |                                 |                        |
| Net Investment in Capital Assets   | \$ 113.8                       | \$ 114.8               | \$ 8.3                          | \$ 8.4                | \$ 122.2                        | \$ 123.2               |
| Restricted                         | 1.4                            | 1.3                    | -                               | -                     | 1.4                             | 1.3                    |
| Unrestricted (deficit)             | (2.2)                          | 2.5                    | 4.4                             | 5.3                   | 2.2                             | 7.8                    |
| <b>Total net position</b>          | <u><b>\$ 113.0</b></u>         | <u><b>\$ 118.6</b></u> | <u><b>\$ 12.7</b></u>           | <u><b>\$ 13.7</b></u> | <u><b>\$ 125.8</b></u>          | <u><b>\$ 132.3</b></u> |

### Current Year Financial Impacts

The City's \$6.5 million increase of combined net position was the result of the governmental activities net position (all funds except the Utilities and the Refuse Funds) increasing by \$5.5 million and the business-type activities net position (Utilities and the Refuse Funds) increasing by \$1.0 million.

The City's net position is classified into three categories according to the order of their relative liquidity. These include assets invested in capital, restricted net position, and unrestricted net position. By far the largest portion of the City of Rolling Meadows' net position shown in the summary Table 3, \$123.2 million reflects its net investment in capital assets (e.g., land, buildings, infrastructure, streets, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the City of Rolling Meadows' net position (approximately \$1.3 million) represents resources that are subject to external restrictions as to how they may be used. These restrictions include \$472,019 for public safety which represents the combined ending fund balances for the 911 Fund of \$179,389, the Foreign Fire Insurance Fund of \$52,100, and the Police Asset Seizure Fund of \$250,517. The Restricted for Highways and Streets equals \$768,778 for the fund balance in the Motor Fuel Tax Fund. The Restricted for Debt Service equals the balance in the Debt Service Fund of \$40,997.

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

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

The fiscal year 2013 activities of the City of Rolling Meadows caused total net position to increase by \$6,495,039 [both governmental and business-type activities had an increase in net assets of \$5,570,031 (or 4.9% increase) and \$925,008 (or 7.2% increase), respectively]. The net position at the end of the end of fiscal year 2013 is \$132,274,013. Key elements are as follows in Table 4. The basic premise of this financial statement is to reflect the relative type of revenue in that the format identifies how each function of the government on the whole draws from general revenues, utility fees, grants, or other fees.

**City of Rolling Meadows**  
**Table 4. Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2012 and December 31, 2013**  
(in Millions)

|                                       | <u>Governmental Activities</u> |               | <u>Business-type Activities</u> |               | <u>Total Primary Government</u> |             |
|---------------------------------------|--------------------------------|---------------|---------------------------------|---------------|---------------------------------|-------------|
|                                       | <u>2012</u>                    | <u>2013</u>   | <u>2012</u>                     | <u>2013</u>   | <u>2012</u>                     | <u>2013</u> |
| <b>Revenue</b>                        |                                |               |                                 |               |                                 |             |
| Program revenues:                     |                                |               |                                 |               |                                 |             |
| Charges for service                   | \$ 5.2                         | \$ 5.3        | \$ 11.4                         | \$ 11.1       | \$ 16.6                         | 16.4        |
| Operating & capital grants            | 2.1                            | 1.6           | -                               | -             | 2.1                             | 1.6         |
| General revenue:                      |                                |               |                                 |               |                                 |             |
| Property taxes                        | 12.8                           | 13.2          | -                               | -             | 12.8                            | 13.2        |
| Other taxes                           | 13.2                           | 14.0          | -                               | -             | 13.2                            | 14.0        |
| Other revenues                        | 0.7                            | 0.4           | -                               | -             | 0.7                             | 0.4         |
| <b>Total revenue</b>                  | <b>34.1</b>                    | <b>34.5</b>   | <b>11.4</b>                     | <b>11.1</b>   | <b>45.5</b>                     | <b>45.6</b> |
| <b>Expenses</b>                       |                                |               |                                 |               |                                 |             |
| Governmental activities:              |                                |               |                                 |               |                                 |             |
| General Government                    | \$ 2.5                         | \$ 1.8        | \$ -                            | \$ -          | \$ 2.5                          | \$ 1.8      |
| Public Safety                         | 19.7                           | 21.3          | -                               | -             | 19.7                            | 21.3        |
| Highway & Streets                     | 1.2                            | 1.3           | -                               | -             | 1.2                             | 1.3         |
| Public Works                          | 3.8                            | 3.9           | -                               | -             | 3.8                             | 3.9         |
| Health & Welfare                      | 0.0                            | 0.0           | -                               | -             | 0.0                             | 0.0         |
| Economic Development                  | 0.1                            | 0.1           | -                               | -             | 0.1                             | 0.1         |
| Interest                              | 0.7                            | 0.5           | -                               | -             | 0.7                             | 0.5         |
| Business-type:                        |                                |               |                                 |               |                                 |             |
| Refuse                                | -                              | -             | 2.5                             | 2.0           | 2.5                             | 2.0         |
| Utilities                             | -                              | -             | 8.9                             | 8.2           | 8.9                             | 8.2         |
| <b>Total expenses</b>                 | <b>28.0</b>                    | <b>28.9</b>   | <b>10.0</b>                     | <b>10.2</b>   | <b>38.0</b>                     | <b>39.1</b> |
| <b>Revenues over (under) expenses</b> | <b>5.9</b>                     | <b>5.6</b>    | <b>1.5</b>                      | <b>0.9</b>    | <b>7.4</b>                      | <b>6.5</b>  |
| Transfers                             | 0.1                            | -             | (0.1)                           | -             | -                               | 0.0         |
| <b>Changes in net position</b>        | <b>\$ 6.0</b>                  | <b>\$ 5.6</b> | <b>\$ 1.4</b>                   | <b>\$ 0.9</b> | <b>\$ 7.4</b>                   | <b>6.5</b>  |

Note: Some rounding differences may occur.

For FY 2013 Program Revenues compared to FY 2012 – Charges for Services increased by \$135,884, Operating Grants/Contributions decreased by \$44,439, Capital Grants and Contributions decreased by \$339,881. For Capital Grants and Contributions, the Motor Fuel Tax Fund received its annual Motor Fuel Taxes and High Growth allotment (four of five allotments – FY 2014 completes the final payment) from Illinois Department of Transportation totaling \$696,494 and the Local Road Fund either received or recorded a receivable for Capital Grants totaling \$944,855.

FY 2013 General Revenues increased by \$729,667 compared to FY 2012. The majority of the increase from FY 2012 to FY 2013 is due to property taxes increasing by \$417,946 or 3.3% (mainly pensions), State and Home Rule Sales Tax increased by \$159,663 or 3.1%, Income Tax increased by \$187,327 or 8.8%, and one-time revenue from Real Estate Transfer Fees of \$638,306 an increase of more than 100% or 398,441 over FY 2012.

Governmental Activities Expenses increase by \$906,562 or a percentage increase of 3.2% from FY 2012 to FY 2013. The overall change from FY 2012 to FY 2013 is due to some savings in contractual, supply and health care line items in General Government, Public Safety increases due to employee contracts and pension benefits, and retirement of long-term debt.

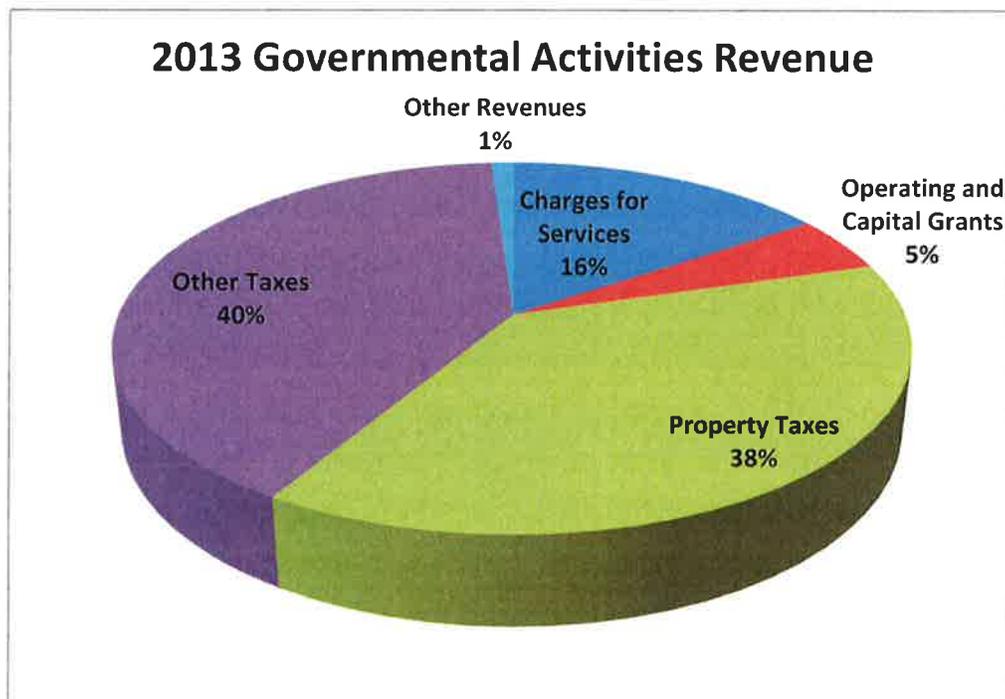
For FY 2013 Business-Type Activities in terms of “Charges for Services,” the FY 2013 Budget increased rates for Water, Sewer and Stormwater however due to a cooler, wet summer the total Charges for Services remained about the same between FY 2012 and FY 2013 at \$8.9 million for year-over-year look back. For the Refuse Fund, Charges for Service decreased by \$307,219 due to a lower monthly rate for monthly refuse pickup charged in FY 2013 as compared with the previous fiscal year and Rental Income for the Transfer Station was transferred to the General Fund for the FY 2013 Adopted Budget.

### **Governmental Activities**

#### **Revenues:**

Total revenues for the City’s Governmental Activities for FY 2013 were \$27,516,838 – an increase of 2.7% from FY 2012 (when excluding Operating and Capital Grants and Charges for Services).

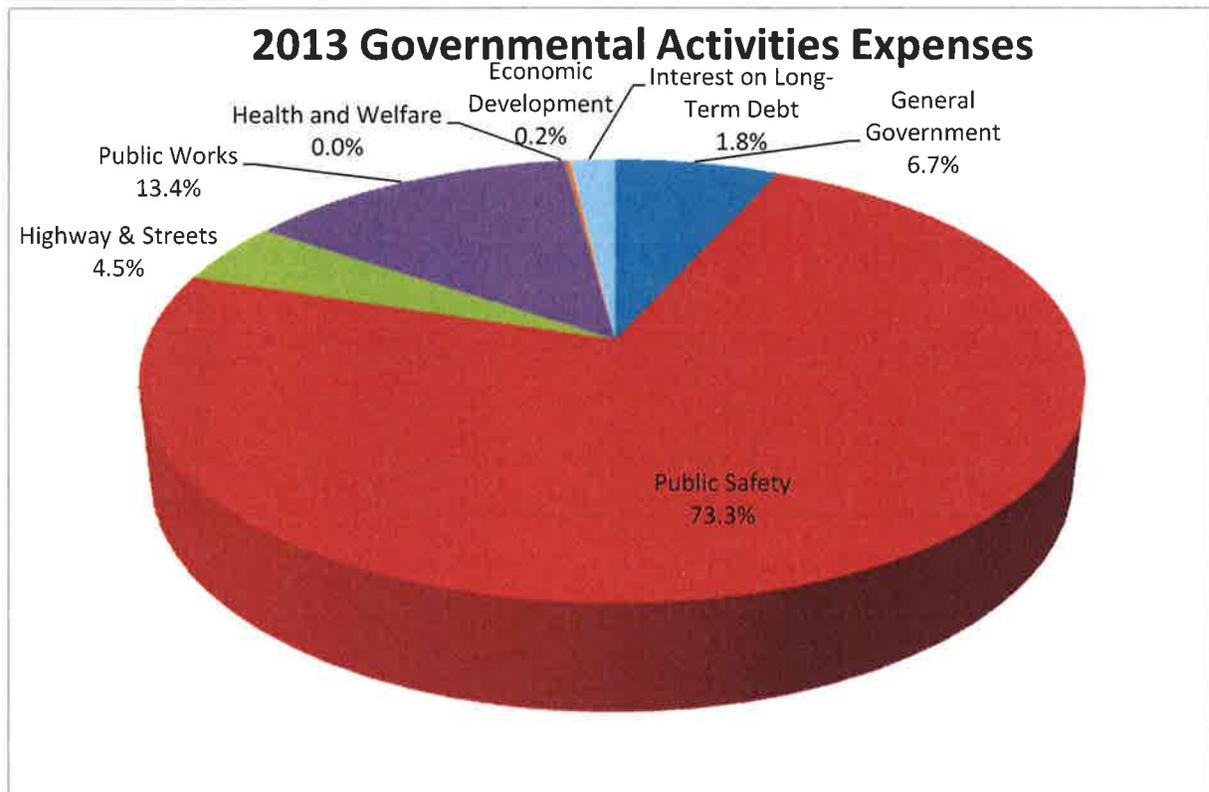
The following chart reflects the percentage breakdown for each of the categories of governmental activities revenue. Taxes such as Sales Tax (State and Home Rule), Telecommunications Taxes, Electric Utility Tax, Hotel Tax, Food & Beverage Tax, Real Estate Tax, Income Tax and Other Taxes account for the largest share at 40% of total governmental activity revenue or \$13.9 million. Property Taxes follow at 38% or \$13.2 million, Charges for Services at 16% or \$5,345,119, Operating and Capital Grants at 5% or \$45,133 and Other Revenues at 1%. The City has a balanced and diversified revenue stream to mitigate economic uncertainty as seen in recent years.



**Expenses:**

Total expenses for the City’s Governmental Activities for FY 2013 were \$28,978,408 – a \$906,562 or 3.2% increase from FY 2012. The overall change from FY 2012 to FY 2013 is due to some savings in contractual, supply and health care line items in General Government, Public Safety increases due to employee contracts and pension benefits, and retirement of long-term debt.

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



Typical to a municipality such as the size of the City of Rolling Meadows, public safety – police and fire operations – comprise a large share of the governmental activities. For the City of Rolling Meadows, the share public safety is 74% or \$21,310,555 of the City’s governmental activities expenses. Public Safety includes police and fire public safety operations in the General Fund, 911 Fund expenditures, Foreign Fire Insurance expenditures and Asset Seizure expenditures (non-capital). It is important to highlight that the fire and police pension expenses are budgeted and expended from the public safety budget. The employer contribution for Police and Fire Pensions comprised \$5,048,124 or 24% of the total Public Safety expenses for FY 2013 (the same percentage as FY 2012). The employer contribution for the Police Pension Fund was \$2,433,806 and for the Fire Pension Fund was \$2,614,318.

For the other categories in Governmental Expenses, General Government makes up 6.5% or \$1,884,228, Highways and Streets is 4.4% or \$1,271,488, Public Works is 13.6% or \$3,929,719, Economic Development is less than 1% or \$59,851 and Interest on Long-Term Debt is less than 1% or \$512,086.

## **Business-Type Activities**

Total revenues or charges for services for the City's Business-Type Activities for FY 2013 were \$11,083,013. The major revenue components of the "charges for services" classification for business-type activities are fees from the City's Utilities Fund (water, sewer, refuse and stormwater) and Refuse Fund. These fees are the primary source of revenue deemed sufficient to support ongoing operations, maintenance and capital infrastructure improvements. Total charges for services for these activities were \$11,083,013, which represents a decrease of \$333,174 or about a 3% decrease from FY 2012. Total expenses for the City's Business-Type Activities for FY 2013 were \$10,159,029.

Of the total operating expenses for business-type activities for Utilities, 80% is related to Water, 16% to Sewer and 4% to Stormwater. For FY 2013, the City paid \$3,154,254 to the Northwest Suburban Municipal Joint Action Water Agency (JAWA) for the City's water supply. To compare, the City paid \$2,834,482 in FY 2012, \$2,378,053 in FY 2011 and \$2,379,336 in FY 2010. It is important to note on the Statement of Net Position, the City holds an Investment in Joint Venture with JAWA. The City's share of the net position of JAWA at December 31, 2013 was \$449,869.

Refuse expenses are accounted for separately in the Refuse Fund.

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

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

***Governmental Funds*** - The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing resources available at the end of the year in comparison with the City's upcoming financing requirements. At December 31, 2013 the governmental funds reported a combined fund balance of \$7,653,232, an increase from FY 2012 of \$2,372,741. The overall increase from FY 2012 is primarily attributed to the General Fund's increase of \$1.8 million in fund balance from FY 2012. The General Fund's revenues and expenditures are discussed at length in the following paragraphs.

### **General Fund Budgetary Highlights**

Over the course of the fiscal year, the City Council approved two budget amendments to the FY 2013 Budget. These amendments permitted utilizing General Fund reserves to eliminate negative fund balance positions for the 911 Fund, Garage Fund, Debt Service Fund and TIF #3 Woodfield District/Fund.

The City Council approved Resolution 13-R-62 which amended the FY 2013 Budget to utilize General Fund Reserves to eliminate certain negative fund balance in three Funds: 911 Fund (\$84,888), Garage Fund (\$50,317) and the Debt Service Fund (\$166,603).

The City Council terminated TIF #3 Woodfield District/Fund by Ordinance 13-33 on August 13, 2013. The City Council approved Resolution 13-R-96 to amend the FY 2013 Budget to use General Fund reserves to eliminate a negative fund balance of \$131,238 in the TIF # 3 Woodfield Fund.

Below is a the General Fund Detail showing the FY 2013 Original/Final Budget and the FY 2013 Actual results. The chart also shows the percentage of the Actual results to the Original/Final Budget.

| <b>General Fund Budgetary Highlights Detail - FY 2013</b> |                        |                     |                   |                                       |
|---|------------------------|---------------------|-------------------|---------------------------------------|
|   | <b>Original Budget</b> | <b>Final Budget</b> | <b>Actual</b>     | <b>% of Actual to Original Budget</b> |
| <b>Revenues</b>   |                        |                     |                   |                                       |
| Taxes   | 20,170,764             | 20,170,764          | 21,010,089        | 104.2%                                |
| Intergovernmental   | 2,627,750              | 2,627,750           | 3,004,014         | 114.3%                                |
| Licenses and Permits                                      | 855,000                | 855,000             | 885,032           | 103.5%                                |
| Charges for Services                                      | 2,474,613              | 2,474,613           | 2,609,891         | 105.5%                                |
| Fines and Forfeitures                                     | 982,500                | 982,500             | 1,138,510         | 115.9%                                |
| Interest  | 5,000                  | 5,000               | 9,732             | 194.6%                                |
| Miscellaneous   | 364,429                | 364,429             | 328,337           | 90.1%                                 |
| <b>Total Revenues</b>                                     | <b>27,480,056</b>      | <b>27,480,056</b>   | <b>28,985,605</b> | <b>105.5%</b>                         |
| <b>Expenditures</b>                                       |                        |                     |                   |                                       |
| General Government  | 3,798,162              | 3,798,162           | 3,457,687         | 91.0%                                 |
| Public Safety   | 20,587,373             | 20,587,373          | 20,385,478        | 99.0%                                 |
| Public Works  | 2,432,310              | 2,432,310           | 2,236,611         | 92.0%                                 |
| Health/Welfare and Culture                                | 16,330                 | 16,330              | 10,481            | 64.2%                                 |
| Economic Development                                      | 10,770                 | 10,770              | 10,060            | 93.4%                                 |
| <b>Total Expenditures</b>                                 | <b>26,844,945</b>      | <b>26,844,945</b>   | <b>26,100,317</b> | <b>97.2%</b>                          |
| Excess of Revenues Over<br>(Under) Expenditures           | 635,111                | 635,111             | 2,885,288         | 454.3%                                |
| <b>Other Financing Sources (Uses)</b>                     |                        |                     |                   |                                       |
| Disposal of Captial Assets                                | 500                    | 500                 | 539               | 107.8%                                |
| Transfer Out  | (596,840)              | (1,028,887)         | (1,028,887)       | 100.0%                                |
|   | (596,340)              | (1,028,387)         | (1,028,348)       | 100.0%                                |
| Net Change in Fund Balance                                | 38,771                 | (393,276)           | 1,856,940         |                                       |
| <b>Fund Balance - Beginning</b>                           |                        |                     | <b>4,246,377</b>  |                                       |
| <b>Fund Balance - Ending</b>                              |                        |                     | <b>6,103,317</b>  |                                       |
| <b>Fund Balance As % of Expenditures</b>                  |                        |                     | <b>23.4%</b>      |                                       |

In FY 2013, the City budgeted \$27,480,056 for Revenues and Actual Revenues received were \$28,985,605 or \$1,505,549 more than the Final Budget. Revenues came in at 105.5% or 5.5% higher than the Budget. The City budgeted \$26,844,945 and Actual Expenditures came in lower at \$26,100,317 or \$744,628 under budget. Expenditures came in at 97.2% or 2.8% under Budget.

The General Fund's net change in fund balance was equal to \$1,856,940 with an **ending fund balance of \$6,103,317 or 23.4% of Fund Balance as a % of Expenditures** (approximately three months of operating reserves).

The Other Financing Uses included the sale of minor assets of \$569 and a budgeted \$596,840 transfer from the General Fund to the Debt Service Fund to pay for the 2012 (2004 Refunded) General Obligation Bond principal and interest payment. In addition, the budget amendments permitted transfers from the General Fund to the following funds: 911 Fund, Garage Fund, Debt Service Fund and TIF #3 Woodfield Fund. The Chart below details the Transfers from the General Fund for FY 2013.

| <b>Other Financing Uses - Transfers for FY 2013</b>         |    |                  |
|---|----|------------------|
| Debt Service Transfer for 2012 (2004 Refunded) Bonds        | \$ | 596,840          |
| Budget Amendment by Resolution 13-R-62 to 911 Fund          |    | 84,888           |
| Budget Amendment by Resolution 13-R-62 to Garage Fund       |    | 50,317           |
| Budget Amendment by Resolution 13-R-62 to Debt Service Fund |    | 166,603          |
| Budget Amendment by Resolution 13-R-96 to TIF #3 Fund       |    | 130,239          |
| <b>Total Transfers from General Fund</b>                    | \$ | <b>1,028,887</b> |

Following is the General Fund's activities and additional information that may be found on page 70 of this report. Over the last several years, the City of Rolling Meadows has taken proactive steps to begin to rebuild fund balance reserves, and eliminate negative funds. FY 2013 Year End particularly shows these results with an ending fund balance of \$6.1 million or 23.4% of Fund Balance as a % of Expenditures (approximately three months of operating reserves).

General Fund revenues ended the fiscal year with approximately \$1.5 million more than the FY 2013 Budget. Revenues came in better than budget with the most increase from Taxes and Intergovernmental Revenues or \$1.2 million. These revenues comprise 82.8% of the General Fund's revenues.

| <b>Majority of Revenues in General Fund 82.8%</b> | <b>Final Budget</b> | <b>Actual</b>     | <b>\$ Change - Actual to Budget</b> | <b>% Change - Actual to Budget</b> |
|---|---------------------|-------------------|-------------------------------------|------------------------------------|
| <b>Taxes</b>                                      |                     |                   |                                     |                                    |
| Property Taxes                                    |                     |                   |                                     |                                    |
| Prior Years' Taxes                                | \$ 10,000           | (76,090)          | (86,090)                            | -860.9%                            |
| Current Levy                                      | 5,146,311           | 5,248,774         | 102,463                             | 2.0%                               |
| Police Pension                                    | 2,396,965           | 2,433,806         | 36,841                              | 1.5%                               |
| Fire Pension                                      | 2,577,488           | 2,614,318         | 36,830                              | 1.4%                               |
| Municipal Sales Tax                               | 2,900,000           | 3,075,929         | 175,929                             | 6.1%                               |
| Home Rule Sales Tax                               | 2,080,000           | 2,211,223         | 131,223                             | 6.3%                               |
| Simplified Telecommunications Tax                 | 1,800,000           | 1,705,124         | (94,876)                            | -5.3%                              |
| Electric Utility Tax                              | 1,300,000           | 1,314,755         | 14,755                              | 1.1%                               |
| Hotel Tax   | 300,000             | 399,218           | 99,128                              | 33.0%                              |
| Food and Beverage Tax                             | 1,200,000           | 1,166,430         | (33,570)                            | -2.8%                              |
| Real Estate Transfer Tax                          | 200,000             | 638,306           | 438,306                             | 219.2%                             |
| Cable Franchise Fees                              | 260,000             | 278,296           | 18,296                              | 7.0%                               |
| <b>Total Taxes</b>                                | <b>20,170,764</b>   | <b>21,010,089</b> | <b>839,325</b>                      | <b>4.2%</b>                        |
| <b>Intergovernmental</b>                          |                     |                   |                                     |                                    |
| State Income Tax                                  | 2,050,000           | 2,323,902         | 273,902                             | 13.4%                              |
| Local Use Tax                                     | 350,000             | 433,888           | 83,888                              | 24.0%                              |
| Replacement Tax                                   | 174,000             | 201,091           | 27,091                              | 15.6%                              |
| Other Grants                                      | 53,750              | 45,133            | (8,617)                             | -16.0%                             |
| <b>Total Intergovernmental</b>                    | <b>\$ 2,627,750</b> | <b>3,004,014</b>  | <b>376,264</b>                      | <b>14.3%</b>                       |

Property Taxes comprise 35.3% of the General Fund's revenues. The Prior Years' Taxes reflect a negative \$76,090 due to the fact that property tax appeals occurred. Overall, Property Taxes came in above budget due to loss and costs measures provided for by Cook County to ensure the City receives its entire tax levy.

Municipal State Sales Tax came in better than budget by \$175,929 or 6.1% and Home Rule Sales Tax better than budget by \$131,223 or 6.3%. Comparing these revenue streams with last year's revenues, the City noticed a 3% growth from FY 2012 to FY 2013.

Telecommunications Tax continues to be a tax the City keeps a close eye on due to its continual decline. In FY 2013, Telecommunications Tax came in lower than budget by \$94,876 or 5.3%. From FY 2012 to FY 2013, there is a further decline of 7.6%. The City continues to make adjustments in its budget for the loss of this revenue. There is some analysis that says this tax is declining because of the loss of land line phones and other types of bundling options for cell phones.

Electric Utility Tax came in above budget at 1.1% or \$14,755 and continues to be a stable revenue source.

Hotel Tax showed growth over the last few years which is a positive sign for the economy. There are four nationally recognized hotels doing business in the City of Rolling Meadows. The City's Hotel Tax came in above budget at 33.1% or \$99,218.

The City's Food and Beverage Tax came in below budget at 2.8% or \$33,750. There are a number of new restaurants and businesses coming in to the City of Rolling Meadows in FY 2014 and the City anticipates some limited growth in this area.

Real Estate Transfer Tax is a tax on the sale of real estate property and it is a tax that City conservatively estimates each year. The tax came in better than budget by \$438,306 or 219.2%. The reason for the high increase is the fact that the two major commercial real estate properties sold in FY 2013. The Continental Towers property at 1701 Golf Road sold for \$58.5 million and the City received approximately \$175,000 in real estate transfer taxes in FY 2013. The new owner expects to complete renovations to improve the property. The property at 4700 Arbor Drive which is a 700-unit apartment complex sold in FY 2013 and the City received \$171,000 in real estate transfer taxes.

Cable Franchise Fees are a stable revenue source for the City and were above budget by 7.0% or \$18,296.

State Income Tax came in better than budget at 13.4% or \$273,902. This tax revenue continues to be a key indicator of the economy's slow movement. While unemployment still remains quite high for the metropolitan area at about 9%, Income Tax revenues showed an increase of 8.8% from FY 2012 to FY 2013.

The Local Use Tax (the sales tax that the purchaser owes on items that are purchased for use in Illinois) came in better than budget at 24% or \$83,888 which is primarily attributed to the improving economy.

The Personal Property Replacement Tax (PPRT) came in better than budget by 15.6% or \$27,091 for FY 2013. There was a 14.6% increase in revenues from FY 2012 to FY 2013.

Grant revenues were below budget at 16% due to a few police grants not awarded as of yet.

Building Permits came in above budget at 113.2% or \$46,167 more than budget. While not as high of an increase compared with the building activity in FY 2012, the City may see additional increases over the next few years for some expected building projects.

Red Light Enforcement Fines came in better than budget by \$39,864 or 107.6% of budget.

Year-end results for General Fund expenditures came in under budget by \$744,628 or 2.8% under budget. When comparing the Actual expenditures to the City's expenditure projection as presented in the FY 2014 Adopted Budget, the City projected expenditures to come in at \$99,647 under Budget – closer to the actual. General Government is comprised of City Council, City Manager/Human Resources, Deputy City Clerk, Adjudication, Video Production, Public Relations, Community Events, Finance, IT, Community Development and Administrative Overhead. General Government came in under budget by \$340,475 primarily due to savings in the Benefits line for Health Care, Supplies and Contractual Services.

Public Safety (Police & Fire) came in under budget by \$201,895 due to savings in the same line items – Benefits line for Health Care, Supplies and Contractual Services.

Public Works came in under budget by \$195,699 due to some earlier than planned retirements.

Health and Welfare came in under budget by \$5,849 and Economic Development came in under budget by \$710.

As mentioned earlier, the City estimates the year-end expenditures with the next year's budget. This estimate showed the City coming in just below budget at \$99,647 when compared with the FY 2013 Actual Expenditures. The City encourages departments to review and consider options for increased savings in overall service delivery. Similar to last year, the General Fund expenditures came in about 2% lower than budget.

***Proprietary Funds*** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but include long-term outflows and capital assets. Unrestricted net position of the Utilities and Refuse Funds at the end of the year amounted to a total of \$5,255,511 — increased by \$838,430 from FY 2012.

### **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, 2013 amounts to \$140,846,527 (net of accumulated depreciation)(see Statement of Net Position). This investment in capital assets includes land, land improvements, construction in progress, buildings, machinery, equipment, roads, bridges and vehicles. The following table summarizes the changes in Capital Assets. The governmental activities net capital assets decreased by \$1,097,085 due primarily to depreciation of existing assets and that there are several road projects that are currently in the construction in progress category. The business-type activities net capital assets increased by \$1,158,140 with new capital assets added and the depreciation of existing assets.

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

|                          | Governmental Activities |                 | Business-type Activities |                | Total Primary Government |                 |
|--------------------------|-------------------------|-----------------|--------------------------|----------------|--------------------------|-----------------|
|                          | 2012                    | 2013            | 2012                     | 2013           | 2012                     | 2013            |
| Land                     | \$ 99.2                 | \$ 99.6         | \$ -                     | \$ -           | \$ 99.2                  | \$ 99.6         |
| Land improvements        | 0.8                     | 0.7             | 0.1                      | 0.1            | 0.9                      | 0.8             |
| Construction in progress | 4.3                     | 3.8             | 1.3                      | 1.8            | 5.6                      | 5.6             |
| Building                 | 6.1                     | 5.6             | 1.5                      | 1.4            | 7.6                      | 7.0             |
| Machinery and equipment  | 1.3                     | 1.2             | 0.4                      | 0.3            | 1.7                      | 1.5             |
| Infrastructure           | 16.6                    | 16.4            | 8.4                      | 9.2            | 25.0                     | 25.6            |
| Vehicles                 | 0.8                     | 0.8             | -                        | -              | 0.8                      | 0.8             |
| <b>Total</b>             | <b>\$ 129.2</b>         | <b>\$ 128.1</b> | <b>\$ 11.6</b>           | <b>\$ 12.8</b> | <b>\$ 140.8</b>          | <b>\$ 140.9</b> |

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

### DEBT OUTSTANDING

At the end of the fiscal year 2013, the City of Rolling Meadows had total bonded debt outstanding of \$15,245,000 and 100% comprises debt backed by the full faith and credit of the government. No short term debt issued during 2013.

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

|                          | Governmental Activities |         | Business-type Activities |        | Total Primary Government |         |
|--------------------------|-------------------------|---------|--------------------------|--------|--------------------------|---------|
|                          | 2012                    | 2013    | 2012                     | 2013   | 2012                     | 2013    |
| General obligation Bonds | \$ 15.5                 | \$ 13.3 | \$ 2.2                   | \$ 1.9 | \$ 17.7                  | \$ 15.2 |

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

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

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

reasons behind the increase in the credit rating. The City of Rolling Meadows current bond rating is an A1 from Moody's Investors Service. The City's Management and the City Council continually review its debt structure for any potential interest savings.

The City of Rolling Meadows has taken advantage of low-interest loans from the Illinois Environmental Protection Agency (IEPA) for construction and eligible engineering costs associated with watermain improvements and sewerworks improvements. The IEPA Loans will be paid from the City's Utilities Funds and the Loan Payable at December 31, 2013 for the Waterworks Improvements is \$1,244,848. The City's work for the IEPA Sewerworks improvements began in FY 2013 and the Loan Payable at December 31, 2013 is \$1,189,198. The IEPA Waterworks Improvements Loan repayments will begin in FY 2014.

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

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

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

The fiscal year ended positively as the General Fund ended with another surplus. This is the 3<sup>rd</sup> year of surpluses after four years of negative fund balance years in the General Fund (Fiscal Years 2007 to 2010). The General Fund is the City's primary operating fund and pays for most of the City's services – public safety [fire and police services], public works services and city administration services, [except for water, sewer and stormwater services accounted for in the Utilities Funds and Refuse (Garbage and Recycling) services accounted for in the Refuse Fund]. The financial condition for the City and in particular the General Fund has improved significantly over the last several years with a few one-time revenues such as Real Estate Transfer Taxes. The General Fund's financial health continues to improve overall and the City's focus is to improve cash and fund balance reserves going forward.

While the City continues to work on economic development and measures to attract and maintain businesses, the City is committed to evaluating overall expenditures and is committed to delivering services in a cost-efficient manner. Building fund balance reserves continues to be a cornerstone to the City's budget process. The City Council, Management and Staff take a conservative approach to the City's financial management especially in light of the economic uncertainty. Certain projects, vehicles and equipment are closely monitored and evaluated to ensure the full potential of the asset is used before a potential replacement is discussed. Looking ahead to the end of FY 2014, some of the revenue and expenditure assumptions are trending better than the FY 2014 Budget and these early results are encouraging as the City moves ahead this year.

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

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

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position  
December 31, 2013**

|  | Governmental<br>Activities | Business-<br>Type<br>Activities | Totals       | Component<br>Unit<br>Public<br>Library |
|--|----------------------------|---------------------------------|--------------|--|
| <b>ASSETS</b>                                      |                            |                                 |              |  |
| Current Assets                                     |                            |                                 |              |  |
| Cash and Cash Equivalents                          | \$ 9,356,821               | 3,684,553                       | 13,041,374   | 2,334,693                              |
| Receivables - Net of Allowances                    | 16,578,384                 | 2,737,348                       | 19,315,732   | 3,535,623                              |
| Prepays/Inventories                                | 2,755,573                  | 70,970                          | 2,826,543    | -                                      |
| Total Current Assets                               | 28,690,778                 | 6,492,871                       | 35,183,649   | 5,870,316                              |
| Noncurrent Assets                                  |                            |                                 |              |  |
| Capital Assets                                     |                            |                                 |              |  |
| Nondepreciable                                     | 103,415,574                | 1,757,465                       | 105,173,039  | 608,893                                |
| Depreciable  | 70,025,760                 | 23,604,651                      | 93,630,411   | 8,093,109                              |
| Accumulated Depreciation                           | (45,355,618)               | (12,601,305)                    | (57,956,923) | (4,983,073)                            |
|  | 128,085,716                | 12,760,811                      | 140,846,527  | 3,718,929                              |
| Other Assets                                       |                            |                                 |              |  |
| Investment in Joint Venture                        | -                          | 449,869                         | 449,869      | -                                      |
| Total Noncurrent Assets                            | 128,085,716                | 13,210,680                      | 141,296,396  | 3,718,929                              |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                            |                                 |              |  |
| Loss on Refunding                                  | 303,560                    | -                               | 303,560      | -                                      |
| Total Assets and Deferred Outflows<br>of Resources | 157,080,054                | 19,703,551                      | 176,783,605  | 9,589,245                              |

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

|  | Governmental<br>Activities | Business-<br>Type<br>Activities | Totals             | Component<br>Unit<br>Public<br>Library |
|--|----------------------------|---------------------------------|--------------------|--|
| <b>LIABILITIES</b>   |                            |                                 |                    |  |
| <b>Current Liabilities</b>                                     |                            |                                 |                    |  |
| Accounts Payable   | 986,791                    | 563,130                         | 1,549,921          | 160,351                                |
| Accrued Payroll  | 241,845                    | 23,059                          | 264,904            | 75,094                                 |
| Deposits Payable   | (7,573)                    | -                               | (7,573)            | -                                      |
| Interest Payable   | 10,100                     | -                               | 10,100             | -                                      |
| Other Payables   | 578,738                    | -                               | 578,738            | -                                      |
| <b>Current Portion of Long-Term Liabilities</b>                |                            |                                 |                    |  |
| Compensated Absences Payable                                   | 763,775                    | 81,851                          | 845,626            | 74,152                                 |
| Capital Leases Payable   | 44,706                     | -                               | 44,706             | -                                      |
| General Obligation Bonds Payable                               | 2,166,269                  | 338,731                         | 2,505,000          | -                                      |
| <b>Total Current Liabilities</b>                               | <b>4,784,651</b>           | <b>1,006,771</b>                | <b>5,791,422</b>   | <b>309,597</b>                         |
| <b>Noncurrent Liabilities</b>                                  |                            |                                 |                    |  |
| Deposits Payable   | 108,518                    | 402,707                         | 511,225            | -                                      |
| Compensated Absences Payable                                   | 3,810,394                  | 543,690                         | 4,354,084          | -                                      |
| Net Pension Obligation Payable                                 | 4,366,826                  | -                               | 4,366,826          | 57,412                                 |
| Net Other Post-Employment Benefit Payable                      | 1,775,539                  | -                               | 1,775,539          | 86,131                                 |
| IEPA Loans Payable   | -                          | 2,434,046                       | 2,434,046          | -                                      |
| Capital Leases Payable   | 146,527                    | -                               | 146,527            | -                                      |
| General Obligation Bonds Payable                               | 11,181,929                 | 1,558,071                       | 12,740,000         | -                                      |
| <b>Total Noncurrent Liabilities</b>                            | <b>21,389,733</b>          | <b>4,938,514</b>                | <b>26,328,247</b>  | <b>143,543</b>                         |
| <b>Total Liabilities</b>                                       | <b>26,174,384</b>          | <b>5,945,285</b>                | <b>32,119,669</b>  | <b>453,140</b>                         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                           |                            |                                 |                    |  |
| Property Taxes   | 12,317,131                 | 72,792                          | 12,389,923         | 3,535,623                              |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources</b> | <b>38,491,515</b>          | <b>6,018,077</b>                | <b>44,509,592</b>  | <b>3,988,763</b>                       |
| <b>NET POSITION</b>  |                            |                                 |                    |  |
| Net Investment in Capital Assets                               | 114,849,845                | 8,429,963                       | 123,279,808        | 3,718,929                              |
| Restricted - Public Safety                                     | 472,019                    | -                               | 472,019            | -                                      |
| Restricted - Highways and Streets                              | 768,778                    | -                               | 768,778            | -                                      |
| Restricted - Debt Service                                      | 40,997                     | -                               | 40,997             | -                                      |
| Restricted - Public Library                                    | -                          | -                               | -                  | 265,875                                |
| Unrestricted   | 2,456,900                  | 5,255,511                       | 7,712,411          | 1,615,678                              |
| <b>Total Net Position</b>                                      | <b>118,588,539</b>         | <b>13,685,474</b>               | <b>132,274,013</b> | <b>5,600,482</b>                       |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Activities  
For the Fiscal Year Ended December 31, 2013**

|                                       | Expenses          | Program Revenues           |                                       |                                     |
|---------------------------------------|-------------------|----------------------------|---------------------------------------|-------------------------------------|
|                                       |                   | Charges<br>for<br>Services | Operating<br>Grants/<br>Contributions | Capital<br>Grants/<br>Contributions |
| <b>Governmental Activities</b>        |                   |                            |                                       |                                     |
| General Government                    | \$ 1,884,228      | 2,744,240                  | -                                     | -                                   |
| Public Safety                         | 21,310,555        | 2,098,685                  | 45,133                                | -                                   |
| Highways and Streets                  | 1,271,488         | 502,194                    | -                                     | 1,641,349                           |
| Public Works                          | 3,929,719         | -                          | -                                     | -                                   |
| Health and Welfare                    | 10,481            | -                          | -                                     | -                                   |
| Economic Development                  | 59,851            | -                          | -                                     | -                                   |
| Interest on Long-Term Debt            | 512,086           | -                          | -                                     | -                                   |
| <b>Total Governmental Activities</b>  | <b>28,978,408</b> | <b>5,345,119</b>           | <b>45,133</b>                         | <b>1,641,349</b>                    |
| <b>Business-Type Activities</b>       |                   |                            |                                       |                                     |
| Utilities                             | 8,178,445         | 8,900,389                  | -                                     | -                                   |
| Refuse Collection                     | 1,980,584         | 2,182,624                  | -                                     | -                                   |
| <b>Total Business-Type Activities</b> | <b>10,159,029</b> | <b>11,083,013</b>          | <b>-</b>                              | <b>-</b>                            |
| <b>Total Primary Government</b>       | <b>39,137,437</b> | <b>16,428,132</b>          | <b>45,133</b>                         | <b>1,641,349</b>                    |
| Component Unit - Public Library       | 3,660,758         | 40,979                     | 46,082                                | -                                   |

|                                  |
|----------------------------------|
| <b>General Revenues</b>          |
| <b>Taxes</b>                     |
| 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                    |
| <b>Total General Revenues</b>    |

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

| Net Expense/Revenue        |                             |              |                   |
|----------------------------|-----------------------------|--------------|-------------------|
| Governmental<br>Activities | Primary Government          |              | Component<br>Unit |
|                            | Business-Type<br>Activities | Totals       | Public<br>Library |
| 860,012                    | -                           | 860,012      | -                 |
| (19,166,737)               | -                           | (19,166,737) | -                 |
| 872,055                    | -                           | 872,055      | -                 |
| (3,929,719)                | -                           | (3,929,719)  | -                 |
| (10,481)                   | -                           | (10,481)     | -                 |
| (59,851)                   | -                           | (59,851)     | -                 |
| (512,086)                  | -                           | (512,086)    | -                 |
| (21,946,807)               | -                           | (21,946,807) | -                 |
| -                          | 721,944                     | 721,944      | -                 |
| -                          | 202,040                     | 202,040      | -                 |
| -                          | 923,984                     | 923,984      | -                 |
| (21,946,807)               | 923,984                     | (21,022,823) | -                 |
| -                          | -                           | -            | (3,573,697)       |
| 13,212,272                 | -                           | 13,212,272   | 3,535,601         |
| 5,287,152                  | -                           | 5,287,152    | -                 |
| 1,705,124                  | -                           | 1,705,124    | -                 |
| 1,314,755                  | -                           | 1,314,755    | -                 |
| 399,218                    | -                           | 399,218      | -                 |
| 1,166,430                  | -                           | 1,166,430    | -                 |
| 638,306                    | -                           | 638,306      | -                 |
| 471,299                    | -                           | 471,299      | -                 |
| 2,323,902                  | -                           | 2,323,902    | -                 |
| 433,888                    | -                           | 433,888      | -                 |
| 201,091                    | -                           | 201,091      | 66,662            |
| 12,125                     | 1,024                       | 13,149       | 802               |
| 351,276                    | -                           | 351,276      | 1,795             |
| 27,516,838                 | 1,024                       | 27,517,862   | 3,604,860         |
| 5,570,031                  | 925,008                     | 6,495,039    | 31,163            |
| 113,018,508                | 12,760,466                  | 125,778,974  | 5,569,319         |
| 118,588,539                | 13,685,474                  | 132,274,013  | 5,600,482         |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2013**

|   | General           | Special<br>Revenue<br>Motor<br>Fuel<br>Tax | Debt<br>Service  | Nonmajor         | Totals            |
|---|-------------------|--|------------------|------------------|-------------------|
| <b>ASSETS</b>   |                   |  |                  |                  |                   |
| Cash and Investments  | \$ 3,135,379      | 734,652                                    | 32,327           | 924,527          | 4,826,885         |
| Receivables - Net of Allowances   |                   |  |                  |                  |                   |
| Property Taxes  | 10,354,764        | -  | 1,336,870        | 711,236          | 12,402,870        |
| Other Taxes   | 2,674,184         | 60,304                                     | -                | 25,109           | 2,759,597         |
| Accounts  | 480,954           | -  | -                | 917,330          | 1,398,284         |
| Due from Other Funds  | 892,747           | -  | -                | -                | 892,747           |
| Prepays   | 26,407            | -  | -                | 9,987            | 36,394            |
| <b>Total Assets</b>   | <b>17,564,435</b> | <b>794,956</b>                             | <b>1,369,197</b> | <b>2,588,189</b> | <b>22,316,777</b> |
| <b>LIABILITIES</b>  |                   |  |                  |                  |                   |
| Accounts Payable  | 327,068           | 26,178                                     | -                | 254,501          | 607,747           |
| Accrued Payroll   | 238,939           | -  | -                | -                | 238,939           |
| Deposits Payable  | (7,573)           | -  | -                | -                | (7,573)           |
| Due to Other Funds  | 35,816            | -  | -                | 892,747          | 928,563           |
| Other Payables  | 578,738           | -  | -                | -                | 578,738           |
| <b>Total Liabilities</b>  | <b>1,172,988</b>  | <b>26,178</b>                              | <b>-</b>         | <b>1,147,248</b> | <b>2,346,414</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                   |  |                  |                  |                   |
| Property Taxes  | 10,288,130        | -  | 1,328,200        | 700,801          | 12,317,131        |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources</b>                | <b>11,461,118</b> | <b>26,178</b>                              | <b>1,328,200</b> | <b>1,848,049</b> | <b>14,663,545</b> |
| <b>FUND BALANCES</b>  |                   |  |                  |                  |                   |
| Nonspendable  | 26,407            | -  | -                | 9,987            | 36,394            |
| Restricted  | -                 | 768,778                                    | 40,997           | 473,397          | 1,283,172         |
| Assigned  | -                 | -  | -                | 1,147,248        | 1,147,248         |
| Unassigned  | 6,076,910         | -  | -                | (890,492)        | 5,186,418         |
| <b>Total Fund Balances</b>  | <b>6,103,317</b>  | <b>768,778</b>                             | <b>40,997</b>    | <b>740,140</b>   | <b>7,653,232</b>  |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</b> | <b>17,564,435</b> | <b>794,956</b>                             | <b>1,369,197</b> | <b>2,588,189</b> | <b>22,316,777</b> |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2013**

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|   |  |
|---|--|
| <b>Total Governmental Fund Balances</b>   | <b>\$ 7,653,232</b>                                |
| <br>Amounts reported for governmental activities in the Statement of Net Position<br>are different because:   |  |
| Capital assets used in governmental activities are not financial<br>resources and therefore, are not reported in the funds.   | 128,085,716  |
| Less: Internal Service capital assets   | (8,104,990)  |
| <br>Internal Service Funds are used by the City to charge the costs of vehicle and<br>equipment management and employee compensated absences to individual funds.<br>The assets and liabilities of the internal service funds are included in<br>the governmental activities in the Statement of Net Position | <br><br><br><br><br><br><br><br><br><br>14,632,729 |
| <br>Long-term liabilities are not due and payable in the current<br>period and therefore are not reported in the funds.   |  |
| Compensated Absences Payable  | (4,481,045)  |
| Net Pension Obligation Payable  | (4,366,826)  |
| Net Other Post-Employment Benefit Payable   | (1,775,539)  |
| General Obligation Bonds Payable  | (13,348,198)                                       |
| Unamortized Loss on Refunding   | 303,560  |
| Accrued Interest Payable  | (10,100)   |
|   | <hr/>  |
| <b>Net Position of Governmental Activities</b>  | <b><u>118,588,539</u></b>                          |

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

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2013

|  | General            | Special<br>Revenue<br>Motor<br>Fuel<br>Tax | Debt<br>Service  | Nonmajor         | Totals            |
|--|--------------------|--|------------------|------------------|-------------------|
| <b>Revenues</b>  |                    |  |                  |                  |                   |
| Taxes  | \$ 21,010,089      | -  | 1,377,568        | 1,806,899        | 24,194,556        |
| Intergovernmental  | 3,004,014          | 696,494                                    | -                | 944,855          | 4,645,363         |
| Licenses and Permits   | 885,032            | -  | -                | 502,194          | 1,387,226         |
| Charges for Services   | 2,609,891          | -  | -                | -                | 2,609,891         |
| Fines and Forfeitures  | 1,138,510          | -  | -                | 209,492          | 1,348,002         |
| Interest   | 9,732              | 502  | -                | 356              | 10,590            |
| Miscellaneous  | 328,337            | (3,015)                                    | -                | 25,954           | 351,276           |
| <b>Total Revenues</b>  | <b>28,985,605</b>  | <b>693,981</b>                             | <b>1,377,568</b> | <b>3,489,750</b> | <b>34,546,904</b> |
| <b>Expenditures</b>  |                    |  |                  |                  |                   |
| <b>Current</b>   |                    |  |                  |                  |                   |
| General Government   | 3,457,687          | -  | -                | 106,612          | 3,564,299         |
| Public Safety  | 20,385,478         | -  | -                | 851,670          | 21,237,148        |
| Highways and Streets   | -                  | 186,986                                    | -                | 1,084,502        | 1,271,488         |
| Public Works   | 2,236,611          | -  | -                | 20,000           | 2,256,611         |
| Health/Welfare and Culture   | 10,481             | -  | -                | -                | 10,481            |
| Economic Development   | 10,060             | -  | -                | 49,791           | 59,851            |
| Capital Outlay   | -                  | -  | -                | 1,187,260        | 1,187,260         |
| <b>Debt Service</b>  |                    |  |                  |                  |                   |
| Principal Retirement   | -                  | -  | 1,555,000        | 546,590          | 2,101,590         |
| Interest and Fiscal Charges  | -                  | -  | 378,411          | 79,081           | 457,492           |
| <b>Total Expenditures</b>  | <b>26,100,317</b>  | <b>186,986</b>                             | <b>1,933,411</b> | <b>3,925,506</b> | <b>32,146,220</b> |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>2,885,288</b>   | <b>506,995</b>                             | <b>(555,843)</b> | <b>(435,756)</b> | <b>2,400,684</b>  |
| <b>Other Financing Sources (Uses)</b>                                |                    |  |                  |                  |                   |
| Debt Issuance  | -                  | -  | -                | 2,055,000        | 2,055,000         |
| Payments to Escrow Agent   | -                  | -  | -                | (2,033,165)      | (2,033,165)       |
| Disposal of Capital Assets   | 539                | -  | -                | -                | 539               |
| Transfers In   | -                  | -  | 763,443          | 935,127          | 1,698,570         |
| Transfers Out  | (1,028,887)        | (700,000)                                  | -                | (20,000)         | (1,748,887)       |
|  | <b>(1,028,348)</b> | <b>(700,000)</b>                           | <b>763,443</b>   | <b>936,962</b>   | <b>(27,943)</b>   |
| <b>Net Change in Fund Balances</b>                                   | <b>1,856,940</b>   | <b>(193,005)</b>                           | <b>207,600</b>   | <b>501,206</b>   | <b>2,372,741</b>  |
| <b>Fund Balances - Beginning</b>                                     | <b>4,246,377</b>   | <b>961,783</b>                             | <b>(166,603)</b> | <b>238,934</b>   | <b>5,280,491</b>  |
| <b>Fund Balances - Ending</b>  | <b>6,103,317</b>   | <b>768,778</b>                             | <b>40,997</b>    | <b>740,140</b>   | <b>7,653,232</b>  |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**For the Fiscal Year Ended December 31, 2013**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 2,372,741**

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

|                      |             |
|----------------------|-------------|
| Capital Outlays      | 1,700,331   |
| Depreciation Expense | (2,186,179) |

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

|  |             |
|--|-------------|
| Reduction to Compensated Absences Payable              | 127,363     |
| Addition to Net Pension Obligation Payable             | (102,452)   |
| Additions to Net Other Post-Employment Benefit Payable | (297,242)   |
| Retirement of Debt                                     | 4,111,590   |
| Issuance of Debt                                       | (2,055,000) |
| Loss of Refunding                                      | (33,729)    |

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

2,300

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

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

1,930,308

**Changes in Net Position of Governmental Activities**

5,570,031

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
December 31, 2013**

|   | Business-Type Activities - Enterprise |            |              | Governmental |
|---|---------------------------------------|------------|--------------|--------------|
|   | Refuse                                |            |              | Internal     |
|   | Utilities                             | Collection | Totals       | Service      |
| <b>ASSETS</b>                                       |                                       |            |              |              |
| <b>Current Assets</b>                               |                                       |            |              |              |
| Cash and Investments                                | \$ 2,878,878                          | 805,675    | 3,684,553    | 4,529,936    |
| Receivables - Net of Allowances - Accounts          | 2,455,839                             | 281,509    | 2,737,348    | 17,633       |
| Prepays   | -                                     | 38,363     | 38,363       | 2,719,179    |
| Inventories   | 32,607                                | -          | 32,607       | -            |
| Total Current Assets                                | 5,367,324                             | 1,125,547  | 6,492,871    | 7,266,748    |
| <b>Noncurrent Assets</b>                            |                                       |            |              |              |
| <b>Capital Assets</b>                               |                                       |            |              |              |
| Nondepreciable                                      | 1,757,465                             | -          | 1,757,465    | 1,037,627    |
| Depreciable   | 23,006,038                            | 598,613    | 23,604,651   | 20,829,117   |
| Accumulated Depreciation                            | (12,189,120)                          | (412,185)  | (12,601,305) | (13,761,754) |
|   | 12,574,383                            | 186,428    | 12,760,811   | 8,104,990    |
| <b>Other Assets</b>                                 |                                       |            |              |              |
| Investment in Joint Venture                         | 449,869                               | -          | 449,869      | -            |
| Total Noncurrent Assets                             | 13,024,252                            | 186,428    | 13,210,680   | 8,104,990    |
| Total Assets  | 18,391,576                            | 1,311,975  | 19,703,551   | 15,371,738   |
| <b>LIABILITIES</b>                                  |                                       |            |              |              |
| <b>Current Liabilities</b>                          |                                       |            |              |              |
| Accounts Payable                                    | 515,002                               | 48,128     | 563,130      | 343,228      |
| Accrued Payroll                                     | 19,106                                | 3,953      | 23,059       | 2,906        |
| Compensated Absences Payable                        | 79,134                                | 2,717      | 81,851       | 18,625       |
| Capital Leases Payable                              | -                                     | -          | -            | 44,706       |
| General Obligation Bonds Payable                    | 306,985                               | 31,746     | 338,731      | -            |
| Total Current Liabilities                           | 920,227                               | 86,544     | 1,006,771    | 409,465      |
| <b>Noncurrent Liabilities</b>                       |                                       |            |              |              |
| Deposits Payable                                    | 402,707                               | -          | 402,707      | 108,518      |
| Compensated Absences Payable                        | 497,089                               | 46,601     | 543,690      | 74,499       |
| Capital Leases Payable                              | -                                     | -          | -            | 146,527      |
| IEPA Loans Payable                                  | 2,434,046                             | -          | 2,434,046    | -            |
| General Obligation Bonds Payable                    | 1,456,727                             | 101,344    | 1,558,071    | -            |
| Total Noncurrent Liabilities                        | 4,790,569                             | 147,945    | 4,938,514    | 329,544      |
| Total Liabilities                                   | 5,710,796                             | 234,489    | 5,945,285    | 739,009      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                       |            |              |              |
| Property Taxes                                      | 72,792                                | -          | 72,792       | -            |
| Total Liabilities and Deferred Inflows of Resources | 5,783,588                             | 234,489    | 6,018,077    | 739,009      |
| <b>NET POSITION</b>                                 |                                       |            |              |              |
| Net Investment in Capital Assets                    | 8,376,625                             | 53,338     | 8,429,963    | 7,913,757    |
| Unrestricted  | 4,231,363                             | 1,024,148  | 5,255,511    | 6,718,972    |
| Total Net Position                                  | 12,607,988                            | 1,077,486  | 13,685,474   | 14,632,729   |

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

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended December 31, 2013

|                                  | Business-Type Activities - Enterprise |            |            | Governmental |
|----------------------------------|---------------------------------------|------------|------------|--------------|
|                                  | Utilities                             | Refuse     | Totals     | Internal     |
|                                  |                                       | Collection |            | Service      |
| Operating Revenues               |                                       |            |            |              |
| Charges for Services             | \$ 8,697,684                          | 2,135,665  | 10,833,349 | -            |
| Miscellaneous                    | 202,705                               | 46,959     | 249,664    | 2,309,211    |
| Interfund Services               | -                                     | -          | -          | 7,480,631    |
| Total Operating Revenues         | 8,900,389                             | 2,182,624  | 11,083,013 | 9,789,842    |
| Operating Expenses               |                                       |            |            |              |
| Administration                   | 1,139,607                             | 812,779    | 1,952,386  | 5,956,718    |
| Public Safety                    | -                                     | -          | -          | 174,004      |
| Public Works                     | 632,000                               | -          | 632,000    | 857,627      |
| Operations                       | 5,756,876                             | 1,104,781  | 6,861,657  | -            |
| Depreciation                     | 594,596                               | 57,260     | 651,856    | 980,945      |
| Total Operating Expenses         | 8,123,079                             | 1,974,820  | 10,097,899 | 7,969,294    |
| Operating Income                 | 777,310                               | 207,804    | 985,114    | 1,820,548    |
| Nonoperating Revenues (Expenses) |                                       |            |            |              |
| Disposal of Capital Assets       | -                                     | -          | -          | 71,320       |
| Interest Income                  | 1,024                                 | -          | 1,024      | 1,535        |
| Interest Expense                 | (55,366)                              | (5,764)    | (61,130)   | (13,412)     |
|                                  | (54,342)                              | (5,764)    | (60,106)   | 59,443       |
| Income Before Transfers          | 722,968                               | 202,040    | 925,008    | 1,879,991    |
| Transfers In                     | -                                     | -          | -          | 50,317       |
| Change in Net Position           | 722,968                               | 202,040    | 925,008    | 1,930,308    |
| Net Position - Beginning         | 11,885,020                            | 875,446    | 12,760,466 | 12,702,421   |
| Net Position - Ending            | 12,607,988                            | 1,077,486  | 13,685,474 | 14,632,729   |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended December 31, 2013**

|  | <u>Business-Type Activities - Enterprise</u> |                              |                  | <u>Governmental</u>         |
|--|--|------------------------------|------------------|-----------------------------|
|  | <u>Utilities</u>                             | <u>Refuse<br/>Collection</u> | <u>Totals</u>    | <u>Internal<br/>Service</u> |
| <b>Cash Flows from Operating Activities</b>  |  |                              |                  |                             |
| Receipts from Customers and Users  | \$ 8,248,764                                 | 2,194,011                    | 10,442,775       | -                           |
| Interfund Services Provided  | -  | -                            | -                | 9,211,592                   |
| Payments to Suppliers  | (5,894,179)                                  | (1,817,836)                  | (7,712,015)      | (6,754,342)                 |
| Payments to Employees  | (1,468,612)                                  | (182,835)                    | (1,651,447)      | (308,301)                   |
|  | <u>885,973</u>                               | <u>193,340</u>               | <u>1,079,313</u> | <u>2,148,949</u>            |
| <b>Cash Flows from Noncapital Financing Activities</b>   |  |                              |                  |                             |
| Transfers In   | -  | -                            | -                | 50,317                      |
|  | <u>-</u>                                     | <u>-</u>                     | <u>-</u>         | <u>50,317</u>               |
| <b>Cash Flows from Capital and Related<br/>Financing Activities</b>  |  |                              |                  |                             |
| Disposal of Capital Assets   | 1,280,533                                    | -                            | 1,280,533        | 71,320                      |
| Capital Debt Proceeds  | 1,404,972                                    | -                            | 1,404,972        | -                           |
| Purchase of Capital Assets   | (3,090,529)                                  | -                            | (3,090,529)      | (369,708)                   |
| Principal Paid on Debt   | (302,670)                                    | (30,740)                     | (333,410)        | (112,939)                   |
| Interest Paid on Debt  | (55,366)                                     | (5,764)                      | (61,130)         | (13,412)                    |
|  | <u>(763,060)</u>                             | <u>(36,504)</u>              | <u>(799,564)</u> | <u>(424,739)</u>            |
| <b>Cash Flows from Investing Activities</b>  |  |                              |                  |                             |
| Interest Received  | 1,024  | -                            | 1,024            | 1,535                       |
|  | <u>1,024</u>                                 | <u>-</u>                     | <u>1,024</u>     | <u>1,535</u>                |
| <b>Net Change in Cash and Cash Equivalents</b>   | <u>123,937</u>                               | <u>156,836</u>               | <u>280,773</u>   | <u>1,776,062</u>            |
| <b>Cash and Cash Equivalents - Beginning</b>   | <u>2,754,941</u>                             | <u>648,839</u>               | <u>3,403,780</u> | <u>2,753,874</u>            |
| <b>Cash and Cash Equivalents - Ending</b>  | <u>2,878,878</u>                             | <u>805,675</u>               | <u>3,684,553</u> | <u>4,529,936</u>            |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided (Used) by Operating Activities</b>              |  |                              |                  |                             |
| Operating Income   | 777,310                                      | 207,804                      | 985,114          | 1,820,548                   |
| Adjustments to Reconcile Operating Income<br>Income to Net Cash Provided by<br>(Used in) Operating Activities: |  |                              |                  |                             |
| Depreciation   | 594,596                                      | 57,260                       | 651,856          | 980,945                     |
| (Increase) Decrease in Current Assets  | (651,625)                                    | 11,387                       | (640,238)        | (578,250)                   |
| Increase (Decrease) in Current Liabilities   | 165,692                                      | (83,111)                     | 82,581           | (74,294)                    |
| <b>Net Cash Provided by Operating Activities</b>   | <u>885,973</u>                               | <u>193,340</u>               | <u>1,079,313</u> | <u>2,148,949</u>            |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Statement of Fiduciary Net Position  
December 31, 2013**

|  | Pension<br>Trust  | Agency         |
|--|-------------------|----------------|
| <b>ASSETS</b>                          |                   |                |
| Cash and Cash Equivalents              | \$ 7,447,724      | 239,088        |
| Investments                            |                   |                |
| U.S. Government and Agency Obligations | 6,778,643         | -              |
| Corporate Bonds                        | 10,716,038        | -              |
| Mutual Funds                           | 29,518,426        | -              |
| Common Stock                           | 3,377,046         | -              |
| Insurance Company Contracts            | 190,205           | -              |
| Receivables                            |                   |                |
| Accrued Interest                       | 183,073           | -              |
| Due from Other Funds                   | 35,816            | -              |
| Prepays                                | 3,258             | -              |
| Total Assets                           | <u>58,250,229</u> | <u>239,088</u> |
| <b>LIABILITIES</b>                     |                   |                |
| Accounts Payable                       | 18,476            | -              |
| Deposits Payable                       | -                 | 239,088        |
| Total Liabilities                      | <u>18,476</u>     | <u>239,088</u> |
| <b>NET POSITION</b>                    |                   |                |
| Held in Trust for Pension Benefits     | <u>58,231,753</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 Fiduciary Net Position  
For the Fiscal Year Ended December 31, 2013**

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|                                 | <u>Pension<br/>Trust</u> |
|---------------------------------|--------------------------|
| <b>Additions</b>                |                          |
| Contributions - Employer        | \$ 5,048,124             |
| Contributions - Plan Members    | 849,464                  |
| Miscellaneous                   | 6,494                    |
| <b>Total Contributions</b>      | <u>5,904,082</u>         |
| <br>                            |                          |
| <b>Investment Earnings</b>      |                          |
| Interest Earned                 | 3,474,591                |
| Net Change in Fair Value        | 3,248,894                |
|                                 | <u>6,723,485</u>         |
| Less Investment Expenses        | (157,571)                |
| <b>Net Investment Income</b>    | <u>6,565,914</u>         |
| <br>                            |                          |
| <b>Total Additions</b>          | <u>12,469,996</u>        |
| <br>                            |                          |
| <b>Deductions</b>               |                          |
| Administration                  | 68,830                   |
| Benefits and Refunds            | 5,398,602                |
|                                 | <u>5,467,432</u>         |
| <br>                            |                          |
| <b>Total Deductions</b>         | <u>5,467,432</u>         |
| <br>                            |                          |
| <b>Change in Net Position</b>   | 7,002,564                |
| <br>                            |                          |
| <b>Net Position - Beginning</b> | <u>51,229,189</u>        |
| <br>                            |                          |
| <b>Net Position - Ending</b>    | <u>58,231,753</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, 2013**

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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). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

#### **REPORTING ENTITY**

The City's financial reporting entity comprises the following:

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

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City.

#### **Police Pension Employees Retirement System**

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

# **CITY OF ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2013**

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

#### **REPORTING ENTITY – Continued**

##### **Firefighters' Pension Employees Retirement System**

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

##### **Discretely Presented Component Unit**

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

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

The City of Rolling Meadows Public Library operates and maintains the public library within the City. The Public Library's Board is appointed by the Mayor of the City. The Public Library may not issue bonded debt without the City's approval. 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.

### **BASIS OF PRESENTATION**

#### **Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, and general administrative services are classified as governmental activities. The City's water, sewer, refuse collection, and stormwater management services are classified as business-type activities.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

#### BASIS OF PRESENTATION – Continued

##### Government-Wide Statements – Continued

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

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc).

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

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

#### Fund Financial Statements

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

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

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

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

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

#### **Governmental Funds**

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

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

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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 five nonmajor capital projects funds, the Local Road Fund, the Transit Oriented Area Development Fund, the TIF #1 Kirchoff/Meadow Fund, the TIF #2 Kirchoff/Owl Fund and the TIF #3 Woodfield Fund.

#### Proprietary Funds

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

**Enterprise Funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains two major enterprise funds, the Utilities Fund and the Refuse Collection Fund. The Utilities Fund is used to account for all resources collected and used to provide water and sanitary services to the City as well as to account for the resources collected to finance storm water runoff and creek bank improvements. The Refuse Collection Fund is used to account for all the resources collected and used to provide waste collection and disposal services.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Proprietary Funds – Continued

**Internal Service Funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains five internal services funds, the Municipal Garage Fund, the Vehicle Replacement Fund, the Buildings and Land Fund, the Liability Insurance Fund, and the Health Insurance Fund. The Municipal Garage Fund is used to account for the resources collected from other City departments used to provide maintenance to City vehicles and major equipment/machinery. The Vehicle Replacement Fund is used to account for the resources collected from other City departments used in replacing City vehicles and major equipment. The Buildings and Land Fund is used to account for the resources collected from other City departments used for the purchase of land or buildings, or the remodeling, renovation, and expansion of current buildings. The Liability Insurance Fund is used to account for the resources collected from other City departments used to manage funding of the property/casualty/workers compensation claims. The Health Insurance Fund is used to account for resources collected from other City departments to fund the City's portion of health insurance premiums as well as those of retired employees.

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

#### Fiduciary Funds

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

**Pension Trust Funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds – Continued

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

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

#### Measurement Focus

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

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

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

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

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

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

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. 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, 2013

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

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

##### Cash and Investments

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

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

##### Receivables

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

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Prepays/Inventories

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

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

**Capital Assets**

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

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

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

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

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

**Compensated Absences**

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

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

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

##### Long-Term Obligations

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

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

##### Net Position

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

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

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**BUDGETARY INFORMATION**

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

All departments of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the prior years, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations. A final budget must be prepared and adopted prior to December 31.

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

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

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

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

| <u>Fund (Fund Number)</u> | <u>Excess</u> |
|---------------------------|---------------|
| Debt Service (47)         | \$ 466        |
| Building and Land (33)    | 269,133       |

Available fund balances and transfers from other funds funded the over expenditures in the Debt Service Fund.

In FY 2013, the Building and Land Fund was over budget by \$269,133. The Fund accounts for expenditures related to the Federal Community Development Block Grant (CDBG). All CDBG expenditures were for the Rolling Meadows Park District's CDBG. The City does not budget for these expenditures in the City's budget. The City is the pass-through entity to receive the CDBG funds and must also account for all CDBG grant expenditures.

The City worked with the Park District to administer three CDBG grants totaling \$594,943 in expenditures (Park District Bathrooms / ADA Compliance, Park District Kitchen / ADA Compliance and Senior Center Parking Lot / ADA Compliance). All expenditures have been reimbursed by the Federal Government to the City.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**DEFICIT FUND BALANCE/NET POSITION**

The following funds had deficit fund balance/net position as of the date of this report:

| <u>Fund (Fund Number)</u> | <u>Deficit</u> |
|---------------------------|----------------|
| TIF #2 Kirchoff/Owl (37)  | \$ 890,492     |
| Municipal Garage (14)     | 19,354         |

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

**DEPOSITS AND INVESTMENTS**

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

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

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

#### DEPOSITS AND INVESTMENTS – Continued

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

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

#### **City – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$12,041,738 and the bank balances totaled \$12,083,055. Additionally, the City has \$294,034 invested in the Illinois Funds and \$705,602 invested in the IMET Fund.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its interests rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools. The City's investments in the Illinois Funds and the IMET 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 AAAf rating for credit quality and Standard & Poor's S1 rating for volatility, or interest rate risk.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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

#### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Per the City's investment policy, the amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the City and evidenced by a safekeeping agreement. In accordance with its investment policy, all City deposits with financial institutions are fully insured and collateralized.

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

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy states that the City shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual institutions. Furthermore, no financial institution shall hold more than fifty percent (50%) of the City's investment portfolio, exclusive of U.S. Treasury securities held in safekeeping. Commercial paper shall not exceed twenty-five percent (25%) of the City's investment portfolio. At December 31, 2013, all of the City's investments are in compliance with the guidelines outlined above in the City's investment policy. At year-end, the City's investment in the IMET Fund is over 5 percent of the total cash and investment portfolio.

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

*Deposits.* At year-end, the carrying amount of the Pension Fund's deposits totaled \$733,061 and the bank balances totaled \$735,584.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements  
December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

| Investment Type         | Fair Value   | Investment Maturities (in Years) |           |           |              |
|-------------------------|--------------|----------------------------------|-----------|-----------|--------------|
|                         |              | Less Than 1                      | 1 to 5    | 6 to 10   | More Than 10 |
| Certificates of Deposit | \$ 2,426,732 | -                                | 2,184,863 | 241,869   | -            |
| U.S. Treasuries         | 2,008,957    | 534,335                          | 1,238,076 | 236,546   | -            |
| U.S. Agencies           | 1,855,900    | 2,499                            | 20,735    | 613,941   | 1,218,725    |
| Corporate Bonds         | 6,226,673    | 240,176                          | 4,295,075 | 1,589,559 | 101,863      |
|                         | 12,518,262   | 777,010                          | 7,738,749 | 2,681,915 | 1,320,588    |

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

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

| Investment Type                            | Total Value | AAA Rate | Unrated  |
|--|-------------|----------|----------|
| Governmental National Mortgage Association | \$52,945    | \$1,008  | \$51,937 |

*Custodial Credit Risk.* For deposits, this is the risk that in the event of bank failure the Fund’s deposits may not be returned to it. At December 31, 2013, the \$485,584 was uninsured and uncollateralized. The Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository, since flow-through FDIC is available for the Fund’s deposits with financial institutions. For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**DEPOSITS AND INVESTMENTS – Continued**

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

*Concentration Risk.* At December 31, 2013, the Fund has over 5% of plan net assets invested in Fifth Third money market fund \$1,207,188, as well as various agency securities as indicated in the above table. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier, are backed by the issuing organization. Although unlike treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund’s investment policy specifies “the Board of Trustees has consciously diversified the aggregate fund to ensure adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.” The Fund’s investment policy has state diversification is necessary to meet the Fund’s goal of safety of principal and reasonable return. The Pension Board has diversified its equity mutual fund holdings as follows:

Vanguard Institutional - \$11,054,864

Harbor International - \$3,689,106

Blair Williams - \$931,598

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

*Deposits.* At year-end, the carrying amount of the Pension Fund’s deposits totaled \$4,287,931 and the bank balances totaled \$4,291,424.

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

| Investment Type | Fair Value | Investment Maturities (in Years) |           |           |              |
|-----------------|------------|----------------------------------|-----------|-----------|--------------|
|                 |            | Less Than 1                      | 1 to 5    | 6 to 10   | More Than 10 |
| U.S. Treasuries | \$ 268,553 | 268,553                          |           |           |              |
| U.S. Agencies   | 2,645,233  | -                                | 118       | 619,254   | 2,025,861    |
| Corporate Bonds | 4,489,365  | 68,174                           | 2,140,009 | 1,765,211 | 515,971      |
|                 | 7,403,151  | 336,727                          | 2,140,127 | 2,384,465 | 2,541,832    |

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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**

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

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

*Custodial Credit Risk.* The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2013, 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, 2013, 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.* At year end, the Fund also has \$607,612 invested in common stock, \$12,635,670 invested in mutual funds, and \$190,205 invested in insurance contracts. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2013, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Ishares S&P SMCAP Value of \$1,271,702.

#### **PROPERTY TAXES**

Property taxes for 2013 attach as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and September 1 during the following year. The County collects such taxes and remits them periodically. Based upon collection histories, the City has provided an allowance for uncollectible property taxes equivalent to 5% and 3% of the current year's levy for Debt Service Funds and all other funds, respectively.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

|                                      | Beginning<br>Balances | Increases        | Decreases        | Ending<br>Balances |
|--------------------------------------|-----------------------|------------------|------------------|--------------------|
| <b>Nondepreciable Capital Assets</b> |                       |                  |                  |                    |
| Land                                 | \$ 99,236,456         | 390,000          | -                | 99,626,456         |
| Construction in Progress             | 4,290,868             | 1,048,509        | 1,550,259        | 3,789,118          |
|                                      | <u>103,527,324</u>    | <u>1,438,509</u> | <u>1,550,259</u> | <u>103,415,574</u> |
| <b>Depreciable Capital Assets</b>    |                       |                  |                  |                    |
| Land Improvements                    | 1,367,862             | -                | -                | 1,367,862          |
| Buildings                            | 13,077,432            | 83,286           | -                | 13,160,718         |
| Infrastructure                       | 44,552,371            | 1,820,258        | -                | 46,372,629         |
| Machinery and Equipment              | 4,078,948             | 106,806          | -                | 4,185,754          |
| Vehicles                             | 5,237,169             | 171,439          | 469,811          | 4,938,797          |
|                                      | <u>68,313,782</u>     | <u>2,181,789</u> | <u>469,811</u>   | <u>70,025,760</u>  |
| <b>Less Accumulated Depreciation</b> |                       |                  |                  |                    |
| Land Improvements                    | 588,615               | 46,748           | -                | 635,363            |
| Buildings                            | 6,956,300             | 595,294          | -                | 7,551,594          |
| Infrastructure                       | 27,916,307            | 2,083,410        | -                | 29,999,717         |
| Machinery and Equipment              | 2,766,556             | 230,108          | -                | 2,996,664          |
| Vehicles                             | 4,430,527             | 211,564          | 469,811          | 4,172,280          |
|                                      | <u>42,658,305</u>     | <u>3,167,124</u> | <u>469,811</u>   | <u>45,355,618</u>  |
| Net Depreciable Capital Assets       | <u>25,655,477</u>     | <u>(985,335)</u> | <u>-</u>         | <u>24,670,142</u>  |
| Net Capital Assets                   | <u>129,182,801</u>    | <u>453,174</u>   | <u>1,550,259</u> | <u>128,085,716</u> |

Depreciation expense was charged to governmental activities as follows:

|                  |                  |
|------------------|------------------|
| Public Works     | \$ 2,186,179     |
| Internal Service | <u>980,945</u>   |
|                  | <u>3,167,124</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, 2013**

**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<br>Balances | Increases        | Decreases        | Ending<br>Balances |
|--------------------------------|-----------------------|------------------|------------------|--------------------|
| Nondepreciable Capital Assets  |                       |                  |                  |                    |
| Construction in Progress       | \$ 1,262,427          | 1,775,571        | 1,280,533        | 1,757,465          |
| Depreciable Capital Assets     |                       |                  |                  |                    |
| Land Improvements              | 250,242               | -                | -                | 250,242            |
| Building Improvements          | 3,674,232             | -                | -                | 3,674,232          |
| Machinery and Equipment        | 1,978,564             | -                | -                | 1,978,564          |
| Waterworks System              | 6,912,045             | 1,280,533        | -                | 8,192,578          |
| Sewerage System                | 9,434,791             | 34,425           | -                | 9,469,216          |
| Garage                         | 39,819                | -                | -                | 39,819             |
|                                | <u>22,289,693</u>     | <u>1,314,958</u> | <u>-</u>         | <u>23,604,651</u>  |
| Less Accumulated Depreciation  |                       |                  |                  |                    |
| Land Improvements              | 152,610               | 15,692           | -                | 168,302            |
| Building Improvements          | 2,179,447             | 71,263           | -                | 2,250,710          |
| Machinery and Equipment        | 1,609,642             | 65,532           | -                | 1,675,174          |
| Waterworks System              | 3,471,166             | 142,548          | -                | 3,613,714          |
| Sewerage System                | 4,496,765             | 356,821          | -                | 4,853,586          |
| Garage                         | 39,819                | -                | -                | 39,819             |
|                                | <u>11,949,449</u>     | <u>651,856</u>   | <u>-</u>         | <u>12,601,305</u>  |
| Net Depreciable Capital Assets | <u>10,340,244</u>     | <u>663,102</u>   | <u>-</u>         | <u>11,003,346</u>  |
| Net Capital Assets             | <u>11,602,671</u>     | <u>2,438,673</u> | <u>1,280,533</u> | <u>12,760,811</u>  |

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

|                   |                |
|-------------------|----------------|
| Utilities         | \$ 594,596     |
| Refuse Collection | <u>57,260</u>  |
|                   | <u>651,856</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

**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<br>Balances | Increases        | Decreases      | Ending<br>Balances |
|--------------------------------------|-----------------------|------------------|----------------|--------------------|
| <b>Nondepreciable Capital Assets</b> |                       |                  |                |                    |
| Land                                 | \$ 608,893            | -                | -              | 608,893            |
| <b>Depreciable Capital Assets</b>    |                       |                  |                |                    |
| Buildings and Improvements           | 4,325,887             | -                | -              | 4,325,887          |
| Furniture and Equipment              | 592,005               | 7,003            | 13,100         | 585,908            |
| Books and Other Library Materials    | 2,602,608             | 267,627          | 232,669        | 2,637,566          |
| Audio Visual Materials               | 537,278               | 60,613           | 54,143         | 543,748            |
|                                      | <u>8,057,778</u>      | <u>335,243</u>   | <u>299,912</u> | <u>8,093,109</u>   |
| <b>Less Accumulated Depreciation</b> |                       |                  |                |                    |
| Buildings and Improvements           | 2,327,756             | 93,137           | -              | 2,420,893          |
| Furniture and Equipment              | 448,346               | 28,656           | 13,100         | 463,902            |
| Books and Other Library Materials    | 1,687,922             | 260,969          | 232,669        | 1,716,222          |
| Audio Visual Materials               | 368,653               | 67,546           | 54,143         | 382,056            |
|                                      | <u>4,832,677</u>      | <u>450,308</u>   | <u>299,912</u> | <u>4,983,073</u>   |
| Net Depreciable Capital Assets       | <u>3,225,101</u>      | <u>(115,065)</u> | <u>-</u>       | <u>3,110,036</u>   |
| Net Capital Assets                   | <u>3,833,994</u>      | <u>(115,065)</u> | <u>-</u>       | <u>3,718,929</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, 2013**

**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                  |
|-----------------------|-----------------------|-------------------------|
| Debt Service          | General               | \$ 763,443              |
| Nonmajor Governmental | General               | 215,127                 |
| Nonmajor Governmental | Motor Fuel Tax        | 700,000                 |
| Nonmajor Governmental | Nonmajor Governmental | 20,000                  |
| Internal Service      | General               | <u>50,317</u>           |
|                       |                       | <u><u>1,748,887</u></u> |

**Interfund Balances**

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

| Receivable Fund       | Payable Fund          | Amount                |
|-----------------------|-----------------------|-----------------------|
| General               | Nonmajor Governmental | \$ 892,747            |
| Police Pension        | General               | 17,517                |
| Firefighters' Pension | General               | <u>18,299</u>         |
|                       |                       | <u><u>928,563</u></u> |

Interfund balances are advances in anticipation of receipts.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**LONG-TERM DEBT**

**IEPA Loans Payable**

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

| Issue   | Fund Debt<br>Retired by | Beginning<br>Balances | Issuances        | Retirements | Ending<br>Balances |
|---|-------------------------|-----------------------|------------------|-------------|--------------------|
| IEPA (L17-4070) Loan Payable of 2012 - Due in semi-annual installments over 20 years, plus interest at 1.5% to 2.5%.  | Utilities               | \$ 1,029,074          | 215,774          | -           | 1,244,848          |
| IEPA (L17-44141) Loan Payable of 2013 - Due in semi-annual installments over 20 years, plus interest at 1.5% to 2.5%. | Utilities               | -                     | 1,189,198        | -           | 1,189,198          |
|   |                         | <u>1,029,074</u>      | <u>1,404,972</u> | <u>-</u>    | <u>2,434,046</u>   |

**Capital Leases**

The City has entered into three separate lease agreements as lessee for financing the acquisition of a fire truck. Capital assets of \$87,215 have been added to machinery and equipment and \$421,895 to vehicles in the Vehicle Replacement fund, and \$9,247 to machinery and equipment in the Garage fund as a result of these four 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 Vehicle Replacement Fund. The future minimum lease payments and the net present value of these minimum lease payments are as follows:

| Fiscal<br>Year    | Lease<br>Payment |
|-------------------|------------------|
| 2014              | \$ 53,292        |
| 2015              | 53,292           |
| 2016              | 53,293           |
| 2017              | 53,293           |
|                   | <u>213,170</u>   |
| Interest Portion  | <u>(21,937)</u>  |
| Principal Balance | <u>191,233</u>   |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**LONG-TERM DEBT – Continued**

**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<br>Retired by           | Beginning<br>Balances | Issuances | Retirements | Ending<br>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<br>Kirchoff/Owl            | \$ 2,010,000          | -         | 2,010,000 * | -                  |
| 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, 2015.  | Debt<br>Service<br>(Sales Tax)    | 745,000               | -         | 355,000     | 390,000            |
| 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<br>Service<br>(Property Tax) | 3,720,000             | -         | 690,000     | 3,030,000          |
| 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<br>Replacement            | 70,000                | -         | 70,000      | -                  |

\*Refunded

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

**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 2007A (\$2,835,000), due in annual installments of \$225,000 to \$330,000 plus interest at 3.512% through December 1, 2017.                   | Utilities                   | \$ 656,382         | -                | 122,670          | 533,712           |
|   | Refuse Collection           | 163,830            | -                | 30,740           | 133,090           |
|   | Local Roads                 | 729,788            | -                | 136,590          | 593,198           |
| General Obligation Refunding Bonds of 2012 (\$9,690,000), due in annual installments of \$80,000 to \$1,215,000 plus interest at 2.00% to 3.00% through December 1, 2023. | Debt Service (Property Tax) | 2,580,000          | -                | 440,000          | 2,140,000         |
|   | Debt Service (Sales Tax)    | 5,620,000          | -                | 70,000           | 5,550,000         |
|   | Utilities                   | 1,410,000          | -                | 180,000          | 1,230,000         |
| General Obligation Refunding Bonds of 2013 (\$2,055,000), due in annual installments of \$400,000 to \$425,000 plus interest at 2.00% through January 1, 2018.            | TIF #2 Kirchoff/Owl         | -                  | 2,055,000        | 410,000          | 1,645,000         |
|   |                             | <u>18,734,074</u>  | <u>3,459,972</u> | <u>4,515,000</u> | <u>17,679,046</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

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

| Type of Debt                                 | Beginning Balances | Additions        | Deductions       | Ending Balances   | Amounts Due within One Year |
|--|--------------------|------------------|------------------|-------------------|-----------------------------|
| <b>Governmental Activities</b>               |                    |                  |                  |                   |                             |
| Compensated Absences                         | \$ 4,697,196       | 123,027          | 246,054          | 4,574,169         | 763,775                     |
| Net Pension Obligation                       | 4,264,374          | 102,452          | -                | 4,366,826         | -                           |
| Net Other Post-Employment Benefit Obligation | 1,478,297          | 297,242          | -                | 1,775,539         | -                           |
| Capital Leases                               | 234,172            | -                | 42,939           | 191,233           | 44,706                      |
| General Obligation Bonds                     | 15,474,788         | 2,055,000        | 4,181,590        | 13,348,198        | 2,166,269                   |
|  | <u>26,148,827</u>  | <u>2,577,721</u> | <u>4,470,583</u> | <u>24,255,965</u> | <u>2,974,750</u>            |
| <b>Business-Type Activities</b>              |                    |                  |                  |                   |                             |
| Compensated Absences                         | 669,471            | 43,930           | 87,860           | 625,541           | 81,851                      |
| IEPA Loans Payable                           | 1,029,074          | 215,774          | -                | 1,244,848         | -                           |
| General Obligation Bonds                     | 2,230,212          | -                | 333,410          | 1,896,802         | 338,731                     |
|  | <u>3,928,757</u>   | <u>259,704</u>   | <u>421,270</u>   | <u>3,767,191</u>  | <u>420,582</u>              |
| <b>Component Unit - Public Library</b>       |                    |                  |                  |                   |                             |
| Compensated Absences                         | 75,978             | 15,035           | 7,517            | 83,496            | 83,496                      |
| Net Pension Obligation                       | 50,805             | 6,607            | -                | 57,412            | -                           |
| Net Other Post-Employment Benefit Obligation | 75,357             | 10,774           | -                | 86,131            | -                           |
|  | <u>202,140</u>     | <u>32,416</u>    | <u>7,517</u>     | <u>227,039</u>    | <u>83,496</u>               |

For the governmental activities, payments on the compensated absences, the net pension obligation and the net other post-employment benefits obligation are made by the General Fund and Health Insurance Fund. Payments on general obligation bonds are being liquidated by the Debt Service, the TIF #2 Kirchoff/Owl, and Local Roads Funds. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$93,124 of internal service funds' compensated absences and \$191,233 of capital leases 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, 2013**

**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<br>Year | Governmental Activities     |                  |                   |               | Business-Type Activities    |                |
|----------------|-----------------------------|------------------|-------------------|---------------|-----------------------------|----------------|
|                | General Obligation<br>Bonds |                  | Capital<br>Leases |               | General Obligation<br>Bonds |                |
|                | Principal                   | Interest         | Principal         | Interest      | Principal                   | Interest       |
| 2014           | \$ 2,166,269                | 384,053          | 44,706            | 8,586         | 338,731                     | 52,176         |
| 2015           | 2,230,979                   | 313,952          | 46,713            | 6,579         | 339,021                     | 43,001         |
| 2016           | 2,275,688                   | 252,225          | 48,811            | 4,482         | 359,312                     | 33,740         |
| 2017           | 2,360,262                   | 189,033          | 51,003            | 2,290         | 369,738                     | 23,995         |
| 2018           | 1,020,000                   | 118,574          | -                 | -             | 195,000                     | 12,988         |
| 2019           | 595,000                     | 93,075           | -                 | -             | 165,000                     | 8,113          |
| 2020           | 675,000                     | 76,713           | -                 | -             | 130,000                     | 3,575          |
| 2021           | 635,000                     | 58,150           | -                 | -             | -                           | -              |
| 2022           | 675,000                     | 40,688           | -                 | -             | -                           | -              |
| 2023           | 715,000                     | 21,450           | -                 | -             | -                           | -              |
| <b>Total</b>   | <b>13,348,198</b>           | <b>1,547,913</b> | <b>191,233</b>    | <b>21,937</b> | <b>1,896,802</b>            | <b>177,588</b> |

**Defeased Debt**

On March 28, 2013, the City issued \$2,055,000 par value General Obligation Refunding Bonds of 2013 to refund \$2,010,000 of the General Obligation Bonds of 2003. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City reduced its total debt service by \$61,125 and obtained an economic gain of approximately \$57,627.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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

**LONG-TERM DEBT – Continued**

**Legal Debt Margin**

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

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

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

**NET POSITION/FUND BALANCE**

**Net Position Classifications**

Net investment in capital assets was comprised of the following as of December 31, 2013:

|  |                    |
|--|--------------------|
| Governmental Activities                          |                    |
| Capital Assets - Net of Accumulated Depreciation | \$ 128,085,716     |
| Less Capital Related Debt:                       |                    |
| Capital Leases                                   | (191,233)          |
| General Obligation Bonds of 2004                 | (390,000)          |
| General Obligation Bonds of 2005                 | (3,030,000)        |
| General Obligation Bonds of 2007A                | (593,198)          |
| General Obligation Refunding Bonds of 2012       | (7,690,000)        |
| General Obligation Refunding Bonds of 2013       | (1,645,000)        |
| Unamortized Loss on Refunding                    | 303,560            |
| Net Investment in Capital Assets                 | <u>114,849,845</u> |
| Business-Type Activities                         |                    |
| Capital Assets - Net of Accumulated Depreciation | 12,760,811         |
| Less Capital Related Debt:                       |                    |
| IEPA Loan Payable of 2012                        | (2,434,046)        |
| General Obligation Bonds of 2007A                | (666,802)          |
| General Obligation Refunding Bonds of 2012       | (1,230,000)        |
| Net Investment in Capital Assets                 | <u>8,429,963</u>   |

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements  
December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications

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

|                         | General   | Special<br>Revenue<br>Motor<br>Fuel<br>Tax | Debt<br>Service | Nonmajor  | Totals    |
|-------------------------|-----------|--|-----------------|-----------|-----------|
| Fund Balances           |           |  |                 |           |           |
| Nonspendable            |           |  |                 |           |           |
| Prepays                 | \$ 26,407 | -  | -               | 9,987     | 36,394    |
| Restricted              |           |  |                 |           |           |
| Public Safety           | -         | -  | -               | 472,019   | 472,019   |
| Highways and Streets    | -         | 768,778                                    | -               | -         | 768,778   |
| Debt Service            | -         | -  | 40,997          | -         | 40,997    |
| Tax Increment Financing | -         | -  | -               | 1,378     | 1,378     |
|                         | -         | 768,778                                    | 40,997          | 473,397   | 1,283,172 |
| Assigned                |           |  |                 |           |           |
| Capital Projects        | -         | -  | -               | 1,147,248 | 1,147,248 |
| Unassigned              | 6,076,910 | -  | -               | (890,492) | 5,186,418 |
| Total Fund Balances     | 6,103,317 | 768,778                                    | 40,997          | 740,140   | 7,653,232 |

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

**Assigned Fund Balance.** The City reports assigned fund balance in the Local Road nonmajor fund and the Transit Oriented Area Development nonmajor fund. The City’s Board/management has assigned these for future local road improvements and Metra STAR Line station improvements based on approved management expenditures as determined through the annual budget process.

# **CITY OF ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2013**

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

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

##### **Net Position Restatement**

Prior to December 31, 2013, the Library, a discretely presented component unit of the City, recognized the revenue from property taxes in the year the taxes were levied for and did not report property taxes for the current year levy as deferred to the following year. Beginning net position of \$9,087,352 has been decreased to reflect a change in revenue recognition, resulting in restated beginning net position of \$5,569,319.

### **NOTE 4 – OTHER INFORMATION**

#### **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. These risks, along with medical claims for employees and retirees, are provided for through the City's participation in the Intergovernmental Risk Management Agency (IRMA) and the Intergovernmental Personnel Benefit Cooperative (IPBC). The City accounts for these activities in the Liability Insurance – Internal Service Fund and the Health Insurance – Internal Service Fund. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage for any of the past three years.

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

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

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

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

# **CITY OF ROLLING MEADOWS, ILLINOIS**

## **Notes to the Financial Statements December 31, 2013**

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

#### **RISK MANAGEMENT – Continued**

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

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

#### **CONTINGENT LIABILITIES**

##### **Litigation**

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

##### **Grants**

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

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

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

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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**NOTE 4 – OTHER INFORMATION – Continued**

**COMMITMENTS**

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

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

| Fiscal<br>Year | Amount                   |
|----------------|--------------------------|
| 2014           | \$ 3,440,501             |
| 2015           | 3,575,609                |
| 2016           | <u>3,716,023</u>         |
|                | <u><u>10,732,133</u></u> |

These amounts have been computed using the minimum amount, or 785 million gallons per year, to be purchased per the agreement between the City and JAWA, multiplied by an average cost per gallon of \$4.32 charged by JAWA in the fiscal year ended 2013, 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<br>Year | Amount                |
|----------------|-----------------------|
| 2014           | \$ 480,718            |
| 2015           | <u>492,179</u>        |
|                | <u><u>972,897</u></u> |

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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, 2013 are as follows:

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

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

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

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

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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, 2013:

|                                       |                   |                       |                   |
|---------------------------------------|-------------------|-----------------------|-------------------|
| Current Assets                        | \$ 19,852,814     | Current Liabilities   | \$ 16,543,898     |
| Noncurrent Assets                     |                   | Long-Term Liabilities | 64,169,286        |
| Capital Assets                        | 46,062,420        | Total Liabilities     | <u>80,713,184</u> |
| Other Assets                          | 23,936,750        | Net Position          | <u>10,098,971</u> |
| Deferred Outflows                     | <u>960,171</u>    |                       |                   |
| Total Assets and<br>Deferred Outflows | <u>90,812,155</u> |                       |                   |

Summary of revenues, expenses and changes in net position for the year ended April 30, 2013:

|                                 |                    |
|---------------------------------|--------------------|
| Operating Revenues              | \$ 40,977,454      |
| Operating Expenses              | <u>34,918,669</u>  |
| Operating Income                | 6,058,785          |
| Nonoperating Revenue (Expenses) | <u>(2,267,070)</u> |
| Change in Net Position          | 3,791,715          |
| Net Position - Beginning        | <u>6,307,256</u>   |
| Net Position - Ending           | <u>10,098,971</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, 2013**

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

##### **JOINT VENTURES – Continued**

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

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

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

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

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

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

In accordance with the joint venture agreement, the City remitted \$3,154,254 to JAWA for the year ended December 31, 2013. All payments were paid from the Utilities Fund. The City’s share of net position of JAWA was \$449,869 at December 31, 2013.

##### **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, 2013**

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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, 2013 are as follows:

|                              | <u>Percent<br/>Share</u> |
|------------------------------|--------------------------|
| Village of Arlington Heights | 10.01 %                  |
| Village of Barrington        | 1.40                     |
| Village of Buffalo Grove     | 6.62                     |
| Village of Elk Grove Village | 5.07                     |
| City of Evanston             | 6.65                     |
| Village of Glencoe           | 1.25                     |
| Village of Glenview          | 4.50                     |
| Village of Hoffman Estates   | 5.54                     |
| Village of Inverness         | 1.07                     |
| Village of Kenilworth        | 0.86                     |
| Village of Lincolnwood       | 1.97                     |
| Village of Morton Grove      | 3.21                     |
| Village of Mount Prospect    | 8.29                     |
| Village of Niles             | 3.35                     |
| Village of Palatine          | 10.07                    |
| City of Park Ridge           | 5.34                     |
| City of Prospect Heights     | 2.91                     |
| City of Rolling Meadows      | 3.70                     |
| Village of Skokie            | 7.23                     |
| Village of South Barrington  | 0.74                     |
| Village of Wheeling          | 3.86                     |
| Village of Wilmette          | 3.64                     |
| Village of Winnetka          | <u>2.72</u>              |
|                              | <u><u>100.00 %</u></u>   |

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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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, 2013:

|                                       |                   |                       |                  |
|---------------------------------------|-------------------|-----------------------|------------------|
| Current Assets                        | \$ 5,552,099      | Current Liabilities   | \$ 4,128,470     |
| Noncurrent Assets                     |                   | Long-Term Liabilities | <u>2,444,342</u> |
| Capital Assets                        | 10,277,599        | Total Liabilities     | <u>6,572,812</u> |
| Deferred Outflows                     | <u>43,511</u>     | Net Position          | <u>9,300,397</u> |
| Total Assets and<br>Deferred Outflows | <u>15,873,209</u> |                       |                  |

Summary of revenues, expenses and changes in net position for the year ended April 30, 2013:

|                          |                  |
|--------------------------|------------------|
| Operating Revenues       | \$ 2,085,182     |
| Operating Expenses       | <u>1,784,819</u> |
| Change in Net Position   | 300,363          |
| Net Position - Beginning | <u>9,000,034</u> |
| Net Position - Ending    | <u>9,300,397</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, 2013**

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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 \$513,840 to SWANCC for the year ended December 31, 2013, which is recorded in the City’s Refuse Collection Fund.

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

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters’ Pension Plan, which is also a single-employer pension plan. Publicly available financial reports that include financial statements and required supplementary information (RSI) for the Police and Firefighters’ Pension Plans may be obtained by writing to the City at 3600 Kirchoff Road, Rolling Meadows, Illinois 60008. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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 (IMRF)

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution rate for calendar year 2013 was 17.15 percent and the annual required contribution rate for calendar year 2013 was 17.49 percent.

##### 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.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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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**

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

|  |           |
|--|-----------|
| Retirees and Beneficiaries Currently Receiving<br>Benefits and Terminated Employees Entitled<br>to Benefits but not yet Receiving Them | 43        |
| Current Employees  |           |
| Vested   | 37        |
| Nonvested  | <u>13</u> |
|  | <u>93</u> |

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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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**

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<br>Benefits and Terminated Employees Entitled<br>to Benefits but not yet Receiving Them | 45        |
| Current Employees  |           |
| Vested   | 18        |
| Nonvested  | <u>25</u> |
|  | <u>88</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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the monthly salary attached to the rank held at the date of retirement. 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 salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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

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

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

###### Basis of Accounting

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

###### Method Used to Value Investments

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

###### Significant Investments

At December 31, 2013, the Police Pension Fund has over 5% of net plan position available for retirement (other than U.S. Government guaranteed obligations) invested in the Fifth Third Monty Market Fund of \$1,207,188. The Firefighters' Pension Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Ishares S&P SMCAP Value of \$1,271,702. Information for IMRF is not available.

###### Related Party Transactions

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Annual Pension Cost and Net Pension Obligation**

The City’s actuarial assumptions and related information for the current year and related information for each plan are as follows:

|                               | Illinois<br>Municipal<br>Retirement           | Police<br>Pension                               | Firefighters'<br>Pension                        |
|-------------------------------|---|---|---|
| Contribution Rates            |   |   |   |
| Employer                      | 17.15%  | 52.30%  | 65.06%  |
| Employee                      | 4.50%   | 9.91%   | 9.455%  |
| Actuarial Valuation Date      | 12/31/13                                      | 12/31/13  | 12/31/13  |
| Actuarial Cost Method         | Entry Age<br>Normal                           | Entry Age<br>Normal                             | Entry Age<br>Normal                             |
| Amortization Method           | Level % of<br>Projected Payroll<br>Open Basis | Level % of<br>Projected Payroll<br>Closed Basis | Level % of<br>Projected Payroll<br>Closed Basis |
| Remaining Amortization Period | 30 Years                                      | 20 Years  | 20 Years  |
| Asset Valuation Method        | 5-Year<br>Smoothed Market                     | Market  | Market  |
| Actuarial Assumptions         |   |   |   |
| Investment Rate of Return     | 7.50%<br>Compounded<br>Annually               | 7.00%<br>Compounded<br>Annually                 | 7.00%<br>Compounded<br>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%   | 2.00% to 3.00%                                  | 2.00% to 3.00%                                  |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

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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<br>Municipal<br>Retirement | Police<br>Pension | Firefighters'<br>Pension | Totals    |
|--|-------------------------------------|-------------------|--------------------------|-----------|
| Annual Required Contributions              | \$ 1,233,219                        | 2,396,965         | 2,577,488                | 6,207,672 |
| Interest on Net Pension Obligation         | 17,783                              | 115,170           | 172,369                  | 305,322   |
| Adjustment to Annual Required Contribution | (12,711)                            | (4,805)           | (142,401)                | (159,917) |
| Annual Pension Cost                        | 1,238,291                           | 2,507,330         | 2,607,456                | 6,353,077 |
| Actual Contribution                        | 1,209,246                           | 2,427,061         | 2,614,318                | 6,250,625 |
| Change in NPO                              | 29,045                              | 80,269            | (6,862)                  | 102,452   |
| NPO - Beginning                            | 237,107                             | 1,558,910         | 2,468,357                | 4,264,374 |
| NPO - Ending                               | 266,152                             | 1,639,179         | 2,461,495                | 4,366,826 |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Trend Information**

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

|                                  | Fiscal<br>Year | Illinois<br>Municipal<br>Retirement | Police<br>Pension | Firefighters'<br>Pension |
|----------------------------------|----------------|-------------------------------------|-------------------|--------------------------|
| Annual Pension Cost<br>(APC)     | 2011           | \$ 1,192,123                        | \$ 2,314,072      | \$ 2,410,578             |
|                                  | 2012           | 1,101,845                           | 2,156,905         | 2,152,135                |
|                                  | 2013           | 1,238,291                           | 2,507,330         | 2,607,456                |
| Actual Contributions             | 2011           | 1,077,388                           | 2,245,217         | 2,213,935                |
|                                  | 2012           | 1,082,602                           | 2,438,936         | 2,312,145                |
|                                  | 2013           | 1,209,246                           | 2,427,061         | 2,614,318                |
| Percentage of APC<br>Contributed | 2011           | 90.38%                              | 97.02%            | 91.84%                   |
|                                  | 2012           | 98.25%                              | 113.08%           | 107.43%                  |
|                                  | 2013           | 97.65%                              | 96.80%            | 100.26%                  |
| Net Pension Obligation           | 2011           | 217,864                             | 1,840,941         | 2,628,367                |
|                                  | 2012           | 237,107                             | 1,558,910         | 2,468,357                |
|                                  | 2013           | 266,152                             | 1,639,179         | 2,461,495                |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

**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<br>Municipal<br>Retirement* | Police<br>Pension | Firefighters'<br>Pension |
|--|--------------------------------------|-------------------|--------------------------|
| Actuarial Valuation Date   | 12/31/13                             | 12/31/13          | 12/31/13                 |
| Percent Funded   | 69.57%                               | 50.85%            | 44.41%                   |
| Actuarial Accrued Liability<br>for Benefits                                    | \$31,213,779                         | \$61,756,473      | \$55,568,457             |
| Actuarial Value of Assets  | \$21,714,036                         | \$31,403,872      | \$24,677,864             |
| (Over) Under Funded Actuarial<br>Accrued Liability (UAAL)                      | \$ 9,499,743                         | \$30,352,601      | \$30,890,593             |
| Covered Payroll (Annual Payroll<br>of Active Employees Covered<br>by the Plan) | \$ 7,050,997                         | \$ 4,641,016      | \$ 4,018,560             |
| Ratio of UAAL to Covered<br>Payroll  | 134.73%                              | 654.01%           | 768.70%                  |

\*Includes Library discretely presented component unit.

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, 2013**

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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, 2013, retirees contributed \$617,121. Active employees do not contribute to the plan until retirement.

At December 31, 2013, membership consisted of:

|  |                   |
|--|-------------------|
| Retirees and Beneficiaries Currently Receiving<br>Benefits and Terminated Employees Entitled<br>to Benefits but not yet Receiving Them | 61                |
| Active Employees   | <u>144</u>        |
|  | <u><u>205</u></u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2013**

**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, 2013, was calculated as follows:

|                              |                                    |
|------------------------------|------------------------------------|
|                              | <u>Governmental<br/>Activities</u> |
| Annual Required Contribution | \$ 568,908                         |
| Interest on the NPO          | 59,132                             |
| Adjustment to the ARC        | <u>(49,276)</u>                    |
| Annual OPEB Cost             | 578,764                            |
| Actual Contribution          | <u>281,522</u>                     |
| Change in the NOPEBO         | 297,242                            |
| NOPEBO - Beginning           | <u>1,478,297</u>                   |
| NOPEBO - Ending              | <u><u>1,775,539</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<br>Year | Annual<br>OPEB<br>Cost | Actual<br>Contributions | Percentage<br>of OPEB<br>Cost Contributed | Net<br>OPEB<br>Obligation |
|----------------|------------------------|-------------------------|---|---------------------------|
| 2011           | \$ 498,285             | \$ 217,733              | 43.70%                                    | \$ 1,152,979              |
| 2012           | 551,616                | 226,298                 | 41.02%                                    | 1,478,297                 |
| 2,013          | 578,764                | 281,522                 | 48.64%                                    | 1,775,539                 |

# CITY OF ROLLING MEADOWS, ILLINOIS

## Notes to the Financial Statements December 31, 2013

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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, 2011, the date of the latest actuarial valuation, was as follows:

|   |              |
|---|--------------|
| Actuarial Accrued Liability (AAL)                 | \$ 6,685,475 |
| Actuarial Value of Plan Assets                    | -            |
| Unfunded Actuarial Accrued Liability (UAAL)       | 6,685,475    |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | -            |
| Covered Payroll (Active Plan Members)             | 13,476,213   |
| UAAL as a Percentage of Covered Payroll           | 49.61%       |

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, 2011 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 City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013, was 30 years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Funding Progress and Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefits Plan
  
- Budgetary Comparison Schedule
  - General Fund
  - Motor Fuel Tax – Special Revenue Fund

### Notes to the Required Supplementary Information

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2013**

| <b>Funding Progress</b>                   |  |  |                                     |   |                                     | (6)<br>Unfunded<br>(Overfunded)<br>Actuarial<br>Accrued<br>Liability as a<br>Percentage<br>of Covered<br>Payroll<br>(4) ÷ (5) |
|---|--|--|-------------------------------------|---|-------------------------------------|---|
| Actuarial<br>Valuation<br>Date<br>Dec. 31 | (1)<br>Actuarial<br>Value<br>of Plan<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>- Entry Age | (3)<br>Funded<br>Ratio<br>(1) ÷ (2) | (4)<br>Unfunded<br>(Overfunded)<br>Actuarial<br>Accrued<br>Liability<br>(2) - (1) | (5)<br>Annual<br>Covered<br>Payroll |   |
| 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%   |
| 2011                                      | 19,552,396                                     | 31,602,092   | 61.87%                              | 12,049,696  | 7,603,546                           | 158.47%   |
| 2012                                      | 19,646,285                                     | 31,236,279   | 62.90%                              | 11,589,994  | 6,944,208                           | 166.90%   |
| 2013                                      | 21,714,036                                     | 31,213,779   | 69.57%                              | 9,499,743   | 7,050,997                           | 134.73%   |

**Employer Contributions**

| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contribution | Percent<br>Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 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%                 |
| 2011           | 1,077,388                 | 1,189,917                          | 90.54%                 |
| 2012           | 1,082,602                 | 1,097,185                          | 98.67%                 |
| 2013           | 1,209,246                 | 1,233,219                          | 98.06%                 |

Data Source: Illinois Municipal Retirement Fund

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2013**

| <b>Funding Progress</b>          |                                       |  |                                  |   |                               |  |
|----------------------------------|---------------------------------------|--|----------------------------------|---|-------------------------------|--|
| Actuarial Valuation Date Dec. 31 | (1)<br>Actuarial Value of Plan Assets | (2)<br>Actuarial Accrued Liability (AAL) - Entry Age | (3)<br>Funded Ratio<br>(1) ÷ (2) | (4)<br>Unfunded (Overfunded) Actuarial Liability<br>(2) - (1) | (5)<br>Annual Covered Payroll | (6)<br>Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll<br>(4) ÷ (5) |
| 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%  |
| 2010                             | 24,759,482                            | 51,404,624   | 48.17%                           | 26,645,142  | 4,841,699                     | 550.33%  |
| 2011                             | 25,707,443                            | 55,300,402   | 46.49%                           | 29,592,959  | 4,597,919                     | 643.62%  |
| 2012                             | 28,554,626                            | 59,980,045   | 47.61%                           | 31,425,419  | 4,546,829                     | 691.15%  |
| 2013                             | 31,403,872                            | 61,756,473   | 50.85%                           | 30,352,601  | 4,641,016                     | 654.01%  |

**Employer Contributions**

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------|------------------------|------------------------------|---------------------|
| 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%             |
| 2011        | 2,245,217              | 2,090,287                    | 107.41%             |
| 2012        | 2,438,936              | 2,126,043                    | 114.72%             |
| 2013        | 2,427,061              | 2,396,965                    | 101.26%             |

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, 2013**

**Funding Progress**

|                                  | (1)                            | (2)                                   | (3)                    | (4)   | (5)                    | (6)  |
|----------------------------------|--------------------------------|---------------------------------------|------------------------|---|------------------------|--|
| Actuarial Valuation Date Dec. 31 | Actuarial Value of Plan Assets | Actuarial Liability (AAL) - Entry Age | Funded Ratio (1) ÷ (2) | Unfunded (Overfunded) Actuarial Liability (2) - (1) | Annual Covered Payroll | Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5) |
| 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%  |
| 2010                             | 20,219,977                     | 48,584,953                            | 41.62%                 | 28,364,976  | 3,899,331              | 727.43%  |
| 2011                             | 20,697,746                     | 51,335,524                            | 40.32%                 | 30,637,778  | 4,029,761              | 760.29%  |
| 2012                             | 22,674,564                     | 54,055,257                            | 41.95%                 | 31,380,693  | 3,975,751              | 789.30%  |
| 2013                             | 24,677,864                     | 55,568,457                            | 44.41%                 | 30,890,593  | 4,018,560              | 768.70%  |

**Employer Contributions**

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------|------------------------|------------------------------|---------------------|
| 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%             |
| 2011        | 2,213,935              | 2,128,673                    | 104.01%             |
| 2012        | 2,312,145              | 2,122,969                    | 108.91%             |
| 2013        | 2,614,318              | 2,577,488                    | 101.43%             |

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, 2013**

| <b>Funding Progress</b>                   |  |  |                                     |   |                                     | (6)<br>Unfunded<br>(Overfunded)<br>Actuarial<br>Accrued<br>Liability<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) ÷ (5) |
|---|--|--|-------------------------------------|---|-------------------------------------|--|
| Actuarial<br>Valuation<br>Date<br>Dec. 31 | (1)<br>Actuarial<br>Value<br>of Plan<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>- Entry Age | (3)<br>Funded<br>Ratio<br>(1) ÷ (2) | (4)<br>Unfunded<br>(Overfunded)<br>Actuarial<br>Accrued<br>Liability<br>(2) - (1) | (5)<br>Annual<br>Covered<br>Payroll |  |
| 2008                                      | \$ -   | \$ 5,832,237   | 0.00%                               | \$ 5,832,237  | \$ 15,785,156                       | 36.95%   |
| 2009                                      | -  | 5,722,184  | 0.00%                               | 5,722,184   | 13,843,167                          | 41.34%   |
| 2010                                      | N/A  | N/A  | N/A                                 | N/A   | N/A                                 | N/A  |
| 2011                                      | -  | 6,685,475  | 0.00%                               | 6,685,475   | 13,476,213                          | 49.61%   |
| 2012                                      | N/A  | N/A  | N/A                                 | N/A   | N/A                                 | N/A  |
| 2013                                      | N/A  | N/A  | N/A                                 | N/A   | N/A                                 | N/A  |

**Employer Contributions**

| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contribution | Percent<br>Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 2008           | \$ 173,645                | \$ 471,423                         | 36.83%                 |
| 2009           | 204,918                   | 498,722                            | 41.09%                 |
| 2010           | 193,811                   | 470,711                            | 41.17%                 |
| 2011           | 217,733                   | 492,469                            | 44.21%                 |
| 2012           | 226,298                   | 543,929                            | 41.60%                 |
| 2013           | 281,522                   | 568,908                            | 49.48%                 |

Data Source: Actuarial Valuation Reports

The City Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008.  
The City is required to have an actuarial valuation performed triennially.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget            |                    | Actual             |
|--|-------------------|--------------------|--------------------|
|  | Original          | Final              |                    |
| <b>Revenues</b>  |                   |                    |                    |
| Taxes  | \$ 20,170,764     | 20,170,764         | 21,010,089         |
| Intergovernmental  | 2,627,750         | 2,627,750          | 3,004,014          |
| Licenses and Permits   | 855,000           | 855,000            | 885,032            |
| Charges for Services   | 2,474,613         | 2,474,613          | 2,609,891          |
| Fines and Forfeitures  | 982,500           | 982,500            | 1,138,510          |
| Interest   | 5,000             | 5,000              | 9,732              |
| Miscellaneous  | 364,429           | 364,429            | 328,337            |
| <b>Total Revenues</b>  | <b>27,480,056</b> | <b>27,480,056</b>  | <b>28,985,605</b>  |
| <b>Expenditures</b>  |                   |                    |                    |
| General Government   | 3,798,162         | 3,798,162          | 3,457,687          |
| Public Safety  | 20,587,373        | 20,587,373         | 20,385,478         |
| Public Works   | 2,432,310         | 2,432,310          | 2,236,611          |
| Health/Welfare and Culture   | 16,330            | 16,330             | 10,481             |
| Economic Development   | 10,770            | 10,770             | 10,060             |
| <b>Total Expenditures</b>  | <b>26,844,945</b> | <b>26,844,945</b>  | <b>26,100,317</b>  |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>635,111</b>    | <b>635,111</b>     | <b>2,885,288</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                   |                    |                    |
| Disposal of Capital Assets   | 500               | 500                | 539                |
| Transfers Out  | (596,840)         | (1,028,887)        | (1,028,887)        |
|  | <b>(596,340)</b>  | <b>(1,028,387)</b> | <b>(1,028,348)</b> |
| <b>Net Change in Fund Balance</b>                                    | <b>38,771</b>     | <b>(393,276)</b>   | <b>1,856,940</b>   |
| <b>Fund Balance - Beginning</b>                                      |                   |                    | <b>4,246,377</b>   |
| <b>Fund Balance - Ending</b>   |                   |                    | <b>6,103,317</b>   |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget                  |                         | Actual                |
|--|-------------------------|-------------------------|-----------------------|
|  | Original                | Final                   |                       |
| <b>Revenues</b>  |                         |                         |                       |
| Intergovernmental  | \$ 600,000              | 600,000                 | 696,494               |
| Interest   | 100                     | 100                     | 502                   |
| Miscellaneous  | -                       | -                       | (3,015)               |
| <b>Total Revenues</b>  | <u>600,100</u>          | <u>600,100</u>          | <u>693,981</u>        |
| <b>Expenditures</b>  |                         |                         |                       |
| Highways and Streets   |                         |                         |                       |
| Contracted Services  | 200,000                 | 200,000                 | 118,505               |
| Supplies   |                         |                         |                       |
| Snow and Ice Control   | 89,000                  | 89,000                  | 68,481                |
| <b>Total Expenditures</b>  | <u>289,000</u>          | <u>289,000</u>          | <u>186,986</u>        |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | 311,100                 | 311,100                 | 506,995               |
| <b>Other Financing (Uses)</b>  |                         |                         |                       |
| Transfers Out  | <u>(700,000)</u>        | <u>(700,000)</u>        | <u>(700,000)</u>      |
| <b>Net Change in Fund Balance</b>                                    | <u><u>(388,900)</u></u> | <u><u>(388,900)</u></u> | <u>(193,005)</u>      |
| <b>Fund Balance - Beginning</b>                                      |                         |                         | <u>961,783</u>        |
| <b>Fund Balance - Ending</b>   |                         |                         | <u><u>768,778</u></u> |

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Statements – Pension Trust Funds
- Statement of Changes in Assets and Liabilities – Agency Fund

## **MAJOR GOVERNMENTAL FUNDS**

## **GENERAL FUND**

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

## **MAJOR SPECIAL REVENUE FUND**

### **Motor Fuel Tax Fund**

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

## **DEBT SERVICE FUND**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                                   | Budget            |                   | Actual            |
|-----------------------------------|-------------------|-------------------|-------------------|
|                                   | Original          | Final             |                   |
| <b>Taxes</b>                      |                   |                   |                   |
| Property Taxes                    |                   |                   |                   |
| Prior Years' Taxes                | \$ 10,000         | 10,000            | (76,090)          |
| Current Levy                      | 5,146,311         | 5,146,311         | 5,248,774         |
| Police Pension                    | 2,396,965         | 2,396,965         | 2,433,806         |
| Fire Pension                      | 2,577,488         | 2,577,488         | 2,614,318         |
| Municipal Sales Tax               | 2,900,000         | 2,900,000         | 3,075,929         |
| Home Rule Sales Tax               | 2,080,000         | 2,080,000         | 2,211,223         |
| Simplified Telecommunications Tax | 1,800,000         | 1,800,000         | 1,705,124         |
| Electric Utility Tax              | 1,300,000         | 1,300,000         | 1,314,755         |
| Hotel Tax                         | 300,000           | 300,000           | 399,218           |
| Food and Beverage Tax             | 1,200,000         | 1,200,000         | 1,166,430         |
| Real Estate Transfer Tax          | 200,000           | 200,000           | 638,306           |
| Cable Franchise Fees              | 260,000           | 260,000           | 278,296           |
| <b>Total Taxes</b>                | <b>20,170,764</b> | <b>20,170,764</b> | <b>21,010,089</b> |
| <b>Intergovernmental</b>          |                   |                   |                   |
| State Income Tax                  | 2,050,000         | 2,050,000         | 2,323,902         |
| Local Use Tax                     | 350,000           | 350,000           | 433,888           |
| Replacement Tax                   | 174,000           | 174,000           | 201,091           |
| Other Grants                      | 53,750            | 53,750            | 45,133            |
| <b>Total Intergovernmental</b>    | <b>2,627,750</b>  | <b>2,627,750</b>  | <b>3,004,014</b>  |
| <b>Licenses and Permits</b>       |                   |                   |                   |
| Business Licenses                 | 260,000           | 260,000           | 248,956           |
| Liquor Licenses                   | 155,000           | 155,000           | 148,175           |
| Other Licenses                    | 13,000            | 13,000            | 16,750            |
| Building Permits                  | 350,000           | 350,000           | 396,167           |
| Rental Unit Permits               | 70,000            | 70,000            | 72,145            |
| Other Permits                     | 7,000             | 7,000             | 2,839             |
| <b>Total Licenses and Permits</b> | <b>855,000</b>    | <b>855,000</b>    | <b>885,032</b>    |
| <b>Charges for Services</b>       |                   |                   |                   |
| Police Special Details            | 60,000            | 60,000            | 76,671            |
| School Liaison Charges            | 177,000           | 177,000           | 185,817           |
| Ambulance Fees                    | 450,000           | 450,000           | 460,195           |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013**

|   | Budget            |                   | Actual            |
|---|-------------------|-------------------|-------------------|
|   | Original          | Final             |                   |
| <b>Charges for Services - Continued</b> |                   |                   |                   |
| <b>Overhead Charges</b>                 |                   |                   |                   |
| Garage                                  | \$ 209,619        | 209,619           | 209,619           |
| E911                                    | 28,000            | 28,000            | 28,000            |
| TIF #2                                  | 49,000            | 49,000            | 49,000            |
| Refuse                                  | 363,530           | 363,530           | 363,530           |
| Utilities                               | 632,000           | 632,000           | 632,000           |
| Library                                 | 40,000            | 40,000            | 40,001            |
| Other Inspection Fees                   | 62,050            | 62,050            | 79,913            |
| Other Charges for Services              | 403,414           | 403,414           | 485,145           |
| <b>Total Charges for Services</b>       | <b>2,474,613</b>  | <b>2,474,613</b>  | <b>2,609,891</b>  |
| <b>Fines and Forfeitures</b>            |                   |                   |                   |
| Circuit Court Fines                     | 75,000            | 75,000            | 97,447            |
| Traffic and Compliance Fines            | 180,000           | 180,000           | 252,562           |
| DUI Fines                               | 8,500             | 8,500             | 13,080            |
| Red Light Enforcement Fines             | 525,000           | 525,000           | 564,864           |
| Adjudication                            | 40,000            | 40,000            | 27,967            |
| Other Fines                             | 154,000           | 154,000           | 182,590           |
| <b>Total Fines and Forfeitures</b>      | <b>982,500</b>    | <b>982,500</b>    | <b>1,138,510</b>  |
| <b>Interest</b>                         | <b>5,000</b>      | <b>5,000</b>      | <b>9,732</b>      |
| <b>Miscellaneous</b>                    |                   |                   |                   |
| Rental Income                           | 314,075           | 314,075           | 256,483           |
| Other                                   | 50,354            | 50,354            | 71,854            |
| <b>Total Miscellaneous</b>              | <b>364,429</b>    | <b>364,429</b>    | <b>328,337</b>    |
| <b>Total Revenues</b>                   | <b>27,480,056</b> | <b>27,480,056</b> | <b>28,985,605</b> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                               | Budget         |                | Actual         |
|-------------------------------|----------------|----------------|----------------|
|                               | Original       | Final          |                |
| <b>General Government</b>     |                |                |                |
| <b>Administrative</b>         |                |                |                |
| <b>Mayor</b>                  |                |                |                |
| Salaries and Wages            | \$ 9,950       | 9,950          | 9,950          |
| Benefits                      | 761            | 761            | 761            |
| Contracted Services           | 4,250          | 4,250          | 1,211          |
| Supplies                      | 400            | 400            | -              |
| <b>Total Mayor</b>            | <b>15,361</b>  | <b>15,361</b>  | <b>11,922</b>  |
| <b>City Council</b>           |                |                |                |
| Salaries and Wages            | 28,001         | 28,001         | 27,667         |
| Benefits                      | 4,302          | 4,302          | 3,489          |
| Contracted Services           | 55,770         | 55,770         | 59,408         |
| Supplies                      | 700            | 700            | 270            |
| <b>Total City Council</b>     | <b>88,773</b>  | <b>88,773</b>  | <b>90,834</b>  |
| <b>City Manager</b>           |                |                |                |
| Salaries and Wages            | 332,837        | 332,837        | 326,017        |
| Benefits                      | 152,700        | 152,700        | 147,429        |
| Contracted Services           | 67,070         | 67,070         | 45,802         |
| Supplies                      | 10,600         | 10,600         | 937            |
| <b>Total City Manager</b>     | <b>563,207</b> | <b>563,207</b> | <b>520,185</b> |
| <b>City Clerk</b>             |                |                |                |
| Salaries and Wages            | 104,456        | 104,456        | 111,458        |
| Benefits                      | 46,716         | 46,716         | 47,240         |
| Contracted Services           | 13,617         | 13,617         | 11,237         |
| Supplies                      | 2,500          | 2,500          | 1,143          |
| <b>Total City Clerk</b>       | <b>167,289</b> | <b>167,289</b> | <b>171,078</b> |
| <b>Public Relations</b>       |                |                |                |
| Contracted Services           | 26,500         | 26,500         | 23,872         |
| Supplies                      | 1,500          | 1,500          | -              |
| <b>Total Public Relations</b> | <b>28,000</b>  | <b>28,000</b>  | <b>23,872</b>  |
| <b>Video Production</b>       |                |                |                |
| Salaries and Wages            | 10,500         | 10,500         | 6,739          |
| Benefits                      | 140            | 140            | 195            |
| Contracted Services           | 4,500          | 4,500          | -              |
| Supplies                      | 3,200          | 3,200          | 484            |
| <b>Total Video Production</b> | <b>18,340</b>  | <b>18,340</b>  | <b>7,418</b>   |

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013

|                                 | Budget    |           | Actual    |
|---------------------------------|-----------|-----------|-----------|
|                                 | Original  | Final     |           |
| General Government - Continued  |           |           |           |
| Administrative - Continued      |           |           |           |
| Adjudication                    |           |           |           |
| Contracted Services             | \$ 49,800 | 49,800    | 42,909    |
| Supplies                        | 750       | 750       | 873       |
| Total Adjudication              | 50,550    | 50,550    | 43,782    |
| Community Events                |           |           |           |
| Contracted Services             | 3,450     | 3,450     | 244       |
| Supplies                        | 38,250    | 38,250    | 35,642    |
| Total Community Events          | 41,700    | 41,700    | 35,886    |
| Finance                         |           |           |           |
| Salaries and Wages              | 205,266   | 205,266   | 198,004   |
| Benefits                        | 93,685    | 93,685    | 89,914    |
| Contracted Services             | 151,238   | 151,238   | 93,272    |
| Supplies                        | 1,000     | 1,000     | 1,469     |
| Total Finance                   | 451,189   | 451,189   | 382,659   |
| Administrative Services         |           |           |           |
| Legal Contracted Services       | 307,000   | 307,000   | 233,216   |
| Engineering Contracted Services | 26,400    | 26,400    | 24,200    |
| Special Details                 |           |           |           |
| Salaries and Wages              | 100,000   | 100,000   | 100,324   |
| Benefits                        | 200       | 200       | 3         |
| Other Contracted Services       | 299,700   | 299,700   | 218,112   |
| Other Supplies                  | 8,000     | 8,000     | 3,985     |
| Total Administrative Services   | 741,300   | 741,300   | 579,840   |
| Information Technology          |           |           |           |
| Salaries and Wages              | 180,674   | 180,674   | 181,950   |
| Benefits                        | 81,530    | 81,530    | 81,414    |
| Contracted Services             | 78,383    | 78,383    | 72,211    |
| Supplies                        | 22,250    | 22,250    | 14,256    |
| Total Information Technology    | 362,837   | 362,837   | 349,831   |
| Total Administrative            | 2,528,546 | 2,528,546 | 2,217,307 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013**

|                                       | Budget     |           | Actual    |
|---------------------------------------|------------|-----------|-----------|
|                                       | Original   | Final     |           |
| <b>General Government - Continued</b> |            |           |           |
| <b>Community Development</b>          |            |           |           |
| <b>Administration</b>                 |            |           |           |
| Salaries and Wages                    | \$ 276,622 | 276,622   | 277,857   |
| Benefits                              | 102,988    | 102,988   | 98,788    |
| Contracted Services                   | 130,307    | 130,307   | 115,715   |
| Supplies and Materials                | 2,500      | 2,500     | 1,942     |
| Total Administration                  | 512,417    | 512,417   | 494,302   |
| <b>Building Inspections</b>           |            |           |           |
| Salaries and Wages                    | 453,525    | 453,525   | 457,721   |
| Benefits                              | 231,767    | 231,767   | 226,827   |
| Contracted Services                   | 67,005     | 67,005    | 58,033    |
| Supplies and Materials                | 2,505      | 2,505     | 1,764     |
| Total Building Inspections            | 754,802    | 754,802   | 744,345   |
| <b>Zoning Board of Appeals</b>        |            |           |           |
| Contracted Services                   | 750        | 750       | 460       |
| <b>Plan Commission</b>                |            |           |           |
| Contracted Services                   | 1,097      | 1,097     | 873       |
| <b>Tobacco Information/Prevention</b> |            |           |           |
| Contracted Services                   | 550        | 550       | 400       |
| Total Community Development           | 1,269,616  | 1,269,616 | 1,240,380 |
| Total General Government              | 3,798,162  | 3,798,162 | 3,457,687 |
| <b>Public Safety</b>                  |            |           |           |
| <b>Police Department</b>              |            |           |           |
| <b>Administration</b>                 |            |           |           |
| Salaries and Wages                    | 380,520    | 380,520   | 371,756   |
| Benefits                              | 147,616    | 147,616   | 137,504   |
| Employer Pension Contribution         | 2,396,965  | 2,396,965 | 2,433,806 |
| Contracted Services                   | 793,986    | 793,986   | 789,930   |
| Supplies and Materials                | 17,913     | 17,913    | 17,862    |
| Total Administration                  | 3,737,000  | 3,737,000 | 3,750,858 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013**

|                                      | Budget            |                   | Actual            |
|--------------------------------------|-------------------|-------------------|-------------------|
|                                      | Original          | Final             |                   |
| <b>Public Safety - Continued</b>     |                   |                   |                   |
| <b>Police Department - Continued</b> |                   |                   |                   |
| <b>Patrol</b>                        |                   |                   |                   |
| Salaries and Wages                   | \$ 4,414,710      | 4,414,710         | 4,513,525         |
| Benefits                             | 1,346,122         | 1,346,122         | 1,345,303         |
| Contracted Services                  | 56,589            | 56,589            | 56,096            |
| Supplies and Materials               | 68,550            | 68,550            | 65,494            |
| <b>Total Patrol</b>                  | <b>5,885,971</b>  | <b>5,885,971</b>  | <b>5,980,418</b>  |
| <b>Investigation</b>                 |                   |                   |                   |
| Salaries and Wages                   | 875,803           | 875,803           | 826,621           |
| Benefits                             | 256,571           | 256,571           | 242,988           |
| Contracted Services                  | 19,266            | 19,266            | 17,685            |
| Supplies and Materials               | 7,100             | 7,100             | 5,436             |
| <b>Total Investigation</b>           | <b>1,158,740</b>  | <b>1,158,740</b>  | <b>1,092,730</b>  |
| <b>Total Police Department</b>       | <b>10,781,711</b> | <b>10,781,711</b> | <b>10,824,006</b> |
| <b>Fire Department</b>               |                   |                   |                   |
| <b>Administration</b>                |                   |                   |                   |
| Salaries and Wages                   | 318,112           | 318,112           | 308,194           |
| Benefits                             | 98,089            | 98,089            | 83,783            |
| Employer Pension Contribution        | 2,577,488         | 2,577,488         | 2,614,318         |
| Contracted Services                  | 934,039           | 934,039           | 926,860           |
| Supplies and Materials               | 5,300             | 5,300             | 3,518             |
| <b>Total Administration</b>          | <b>3,933,028</b>  | <b>3,933,028</b>  | <b>3,936,673</b>  |
| <b>Fire Operations</b>               |                   |                   |                   |
| Salaries and Wages                   | 4,476,953         | 4,476,953         | 4,372,660         |
| Benefits                             | 1,115,772         | 1,115,772         | 1,066,759         |
| Contracted Services                  | 110,007           | 110,007           | 71,053            |
| Supplies and Materials               | 67,027            | 67,027            | 64,901            |
| <b>Total Fire Operations</b>         | <b>5,769,759</b>  | <b>5,769,759</b>  | <b>5,575,373</b>  |
| <b>Special Rescue Teams</b>          |                   |                   |                   |
| Salaries and Wages                   | 39,800            | 39,800            | 16,761            |
| Contracted Services                  | 30,550            | 30,550            | 10,799            |
| Supplies and Materials               | 4,225             | 4,225             | 1,967             |
| <b>Total Special Rescue Teams</b>    | <b>74,575</b>     | <b>74,575</b>     | <b>29,527</b>     |
| <b>Total Fire Department</b>         | <b>9,777,362</b>  | <b>9,777,362</b>  | <b>9,541,573</b>  |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013**

|  | Budget            |                   | Actual            |
|--|-------------------|-------------------|-------------------|
|  | Original          | Final             |                   |
| <b>Public Safety - Continued</b>                 |                   |                   |                   |
| <b>Board of Police and Fire Commission</b>       |                   |                   |                   |
| Salaries and Wages                               | \$ 3,000          | 3,000             | 255               |
| Contracted Services                              | 24,950            | 24,950            | 19,459            |
| Supplies and Materials                           | 350               | 350               | 185               |
| <b>Total Board of Police and Fire Commission</b> | <b>28,300</b>     | <b>28,300</b>     | <b>19,899</b>     |
| <b>Total Public Safety</b>                       | <b>20,587,373</b> | <b>20,587,373</b> | <b>20,385,478</b> |
| <b>Public Works</b>                              |                   |                   |                   |
| <b>Administration</b>                            |                   |                   |                   |
| Salaries and Wages                               | 688,875           | 688,875           | 675,687           |
| Benefits   | 389,079           | 389,079           | 359,556           |
| Contracted Services                              | 180,695           | 180,695           | 172,684           |
| Supplies and Materials                           | 9,250             | 9,250             | 6,330             |
| <b>Total Administration</b>                      | <b>1,267,899</b>  | <b>1,267,899</b>  | <b>1,214,257</b>  |
| <b>Forestry Program</b>                          |                   |                   |                   |
| Salaries and Wages                               | 712,086           | 712,086           | 619,311           |
| Benefits   | 399,655           | 399,655           | 359,800           |
| Contracted Services                              | 43,820            | 43,820            | 36,535            |
| Supplies and Materials                           | 8,850             | 8,850             | 6,708             |
| <b>Total Forestry Program</b>                    | <b>1,164,411</b>  | <b>1,164,411</b>  | <b>1,022,354</b>  |
| <b>Total Public Works</b>                        | <b>2,432,310</b>  | <b>2,432,310</b>  | <b>2,236,611</b>  |
| <b>Health/Welfare and Culture</b>                |                   |                   |                   |
| <b>Museum</b>                                    |                   |                   |                   |
| Contracted Services                              | 4,980             | 4,980             | 3,931             |
| <b>ESDA</b>                                      |                   |                   |                   |
| Supplies and Materials                           | 2,000             | 2,000             | 1,340             |
| <b>Safety Committee</b>                          |                   |                   |                   |
| Supplies and Materials                           | 1,300             | 1,300             | 835               |
| <b>Employee Wellness Program</b>                 |                   |                   |                   |
| Contracted Services                              | 6,700             | 6,700             | 4,375             |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013**

|  | Budget     |            | Actual     |
|--|------------|------------|------------|
|  | Original   | Final      |            |
| Health/Welfare and Culture - Continued |            |            |            |
| Urban Affairs                          |            |            |            |
| Supplies                               | \$ 1,350   | 1,350      | -          |
| Total Health/Welfare and Culture       | 16,330     | 16,330     | 10,481     |
| Economic Development                   |            |            |            |
| Community Development                  |            |            |            |
| Contracted Services                    | 10,270     | 10,270     | 10,060     |
| Supplies and Materials                 | 500        | 500        | -          |
| Total Economic Development             | 10,770     | 10,770     | 10,060     |
| Total Expenditures                     | 26,844,945 | 26,844,945 | 26,100,317 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget       |           | Actual    |
|--|--------------|-----------|-----------|
|  | Original     | Final     |           |
| Revenues   |              |           |           |
| Taxes  |              |           |           |
| Property Taxes   | \$ 1,336,105 | 1,336,105 | 1,377,568 |
| Expenditures   |              |           |           |
| Debt Service   |              |           |           |
| Principal Retirement   | 1,581,465    | 1,581,465 | 1,555,000 |
| Interest and Fiscal Charges                                  | 351,480      | 351,480   | 378,411   |
| Total Expenditures   | 1,932,945    | 1,932,945 | 1,933,411 |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (596,840)    | (596,840) | (555,843) |
| Other Financing Sources                                      |              |           |           |
| Transfers In   | 596,840      | 763,443   | 763,443   |
| Net Change in Fund Balance                                   | -            | 166,603   | 207,600   |
| Fund Balance - Beginning                                     |              |           | (166,603) |
| Fund Balance - Ending  |              |           | 40,997    |

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
December 31, 2013**

|   | Special<br>Revenue | Capital<br>Projects | Totals           |
|---|--------------------|---------------------|------------------|
| <b>ASSETS</b>   |                    |                     |                  |
| Cash and Investments  | \$ 452,264         | 472,263             | 924,527          |
| Receivables - Net of Allowances                                       |                    |                     |                  |
| Property Taxes  | 555,079            | 156,157             | 711,236          |
| Other Taxes   | -                  | 25,109              | 25,109           |
| Accounts  | 37,935             | 879,395             | 917,330          |
| Prepays   | 9,987              | -                   | 9,987            |
|   |                    |                     |                  |
| Total Assets  | <u>1,055,265</u>   | <u>1,532,924</u>    | <u>2,588,189</u> |
| <b>LIABILITIES</b>  |                    |                     |                  |
| Accounts Payable  | 21,759             | 232,742             | 254,501          |
| Due to Other Funds  | -                  | 892,747             | 892,747          |
| Total Liabilities   | <u>21,759</u>      | <u>1,125,489</u>    | <u>1,147,248</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                    |                     |                  |
| Property Taxes  | 551,500            | 149,301             | 700,801          |
| Total Liabilities and Deferred Inflows<br>of Resources                | <u>573,259</u>     | <u>1,274,790</u>    | <u>1,848,049</u> |
| <b>FUND BALANCES</b>  |                    |                     |                  |
| Nonspendable  | 9,987              | -                   | 9,987            |
| Restricted  | 472,019            | 1,378               | 473,397          |
| Assigned  | -                  | 1,147,248           | 1,147,248        |
| Unassigned  | -                  | (890,492)           | (890,492)        |
| Total Fund Balances   | <u>482,006</u>     | <u>258,134</u>      | <u>740,140</u>   |
|   |                    |                     |                  |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <u>1,055,265</u>   | <u>1,532,924</u>    | <u>2,588,189</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2013**

|  | Special<br>Revenue    | Capital<br>Projects   | Totals                |
|--|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>  |                       |                       |                       |
| Taxes  | \$ 752,870            | 1,054,029             | 1,806,899             |
| Intergovernmental  | -                     | 944,855               | 944,855               |
| Licenses and Permits   | -                     | 502,194               | 502,194               |
| Fines and Forfeitures  | 209,492               | -                     | 209,492               |
| Interest   | 328                   | 28                    | 356                   |
| Miscellaneous  | -                     | 25,954                | 25,954                |
| Total Revenues   | <u>962,690</u>        | <u>2,527,060</u>      | <u>3,489,750</u>      |
| <b>Expenditures</b>  |                       |                       |                       |
| General Government   | -                     | 106,612               | 106,612               |
| Public Safety  | 851,670               | -                     | 851,670               |
| Highways and Streets   | -                     | 1,084,502             | 1,084,502             |
| Public Works   | -                     | 20,000                | 20,000                |
| Economic Development   | -                     | 49,791                | 49,791                |
| Capital Outlay   | -                     | 1,187,260             | 1,187,260             |
| Debt Service   |                       |                       |                       |
| Principal Retirement   | -                     | 546,590               | 546,590               |
| Interest and Fiscal Charges                                  | -                     | 79,081                | 79,081                |
| Total Expenditures   | <u>851,670</u>        | <u>3,073,836</u>      | <u>3,925,506</u>      |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>111,020</u>        | <u>(546,776)</u>      | <u>(435,756)</u>      |
| <b>Other Financing Sources (Uses)</b>                        |                       |                       |                       |
| Debt Issuance  | -                     | 2,055,000             | 2,055,000             |
| Payments to Escrow Agents                                    | -                     | (2,033,165)           | (2,033,165)           |
| Transfers In   | 84,888                | 850,239               | 935,127               |
| Transfers Out  | (20,000)              | -                     | (20,000)              |
|  | <u>64,888</u>         | <u>872,074</u>        | <u>936,962</u>        |
| Net Change in Fund Balances                                  | 175,908               | 325,298               | 501,206               |
| Fund Balances - Beginning                                    | <u>306,098</u>        | <u>(67,164)</u>       | <u>238,934</u>        |
| Fund Balances - Ending                                       | <u><u>482,006</u></u> | <u><u>258,134</u></u> | <u><u>740,140</u></u> |

## **NONMAJOR SPECIAL REVENUE FUNDS**

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

### **911 Emergency Telephone Fund**

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

### **Foreign Fire Tax Fund**

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

### **Asset Seizure Fund**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet  
December 31, 2013**

|   | 911<br>Emergency<br>Telephone | Foreign<br>Fire Tax | Asset<br>Seizure | Totals           |
|---|-------------------------------|---------------------|------------------|------------------|
| <b>ASSETS</b>   |                               |                     |                  |                  |
| Cash and Investments  | \$ 139,467                    | 62,424              | 250,373          | 452,264          |
| Receivables - Net of Allowances   |                               |                     |                  |                  |
| Property Taxes  | 555,079                       | -                   | -                | 555,079          |
| Accounts  | 37,935                        | -                   | -                | 37,935           |
| Prepays   | 2,677                         | -                   | 7,310            | 9,987            |
| <b>Total Assets</b>   | <b>735,158</b>                | <b>62,424</b>       | <b>257,683</b>   | <b>1,055,265</b> |
| <b>LIABILITIES</b>  |                               |                     |                  |                  |
| Accounts Payable  | 4,269                         | 10,324              | 7,166            | 21,759           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                               |                     |                  |                  |
| Property Taxes  | 551,500                       | -                   | -                | 551,500          |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources</b>                | <b>555,769</b>                | <b>10,324</b>       | <b>7,166</b>     | <b>573,259</b>   |
| <b>FUND BALANCES</b>  |                               |                     |                  |                  |
| Nonspendable  | 2,677                         | -                   | 7,310            | 9,987            |
| Restricted  | 176,712                       | 52,100              | 243,207          | 472,019          |
| <b>Total Fund Balances</b>  | <b>179,389</b>                | <b>52,100</b>       | <b>250,517</b>   | <b>482,006</b>   |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources and Fund Balances</b> | <b>735,158</b>                | <b>62,424</b>       | <b>257,683</b>   | <b>1,055,265</b> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2013**

|  | 911<br>Emergency<br>Telephone | Foreign<br>Fire Tax | Asset<br>Seizure | Totals   |
|--|-------------------------------|---------------------|------------------|----------|
| Revenues   |                               |                     |                  |          |
| Taxes  | \$ 714,307                    | 38,563              | -                | 752,870  |
| Fines and Forfeitures  | -                             | -                   | 209,492          | 209,492  |
| Interest   | -                             | -                   | 328              | 328      |
| Total Revenues   | 714,307                       | 38,563              | 209,820          | 962,690  |
| Expenditures   |                               |                     |                  |          |
| Public Safety  | 514,918                       | 50,951              | 285,801          | 851,670  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 199,389                       | (12,388)            | (75,981)         | 111,020  |
| Other Financing Sources (Uses)                               |                               |                     |                  |          |
| Transfers In   | 84,888                        | -                   | -                | 84,888   |
| Transfers Out  | (20,000)                      | -                   | -                | (20,000) |
|  | 64,888                        | -                   | -                | 64,888   |
| Net Change in Fund Balances                                  | 264,277                       | (12,388)            | (75,981)         | 175,908  |
| Fund Balances - Beginning                                    | (84,888)                      | 64,488              | 326,498          | 306,098  |
| Fund Balances - Ending                                       | 179,389                       | 52,100              | 250,517          | 482,006  |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**911 Emergency Telephone - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget          |                 | Actual          |
|--|-----------------|-----------------|-----------------|
|  | Original        | Final           |                 |
| Revenues   |                 |                 |                 |
| Taxes  |                 |                 |                 |
| Property Taxes   | \$ 551,500      | 551,500         | 559,867         |
| Other Taxes  | 160,000         | 160,000         | 154,440         |
| Total Revenues   | <u>711,500</u>  | <u>711,500</u>  | <u>714,307</u>  |
| Expenditures   |                 |                 |                 |
| Public Safety  |                 |                 |                 |
| Contracted Services  | <u>658,750</u>  | <u>658,750</u>  | <u>514,918</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>52,750</u>   | <u>52,750</u>   | <u>199,389</u>  |
| Other Financing Sources (Uses)                               |                 |                 |                 |
| Transfers In   | -               | 84,888          | 84,888          |
| Transfers Out  | <u>(20,000)</u> | <u>(20,000)</u> | <u>(20,000)</u> |
|  | <u>(20,000)</u> | <u>64,888</u>   | <u>64,888</u>   |
| Net Change in Fund Balance                                   | <u>32,750</u>   | <u>117,638</u>  | <u>264,277</u>  |
| Fund Balance - Beginning                                     |                 |                 | <u>(84,888)</u> |
| Fund Balance - Ending  |                 |                 | <u>179,389</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.

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

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

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

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

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

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

### **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.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet  
December 31, 2013**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet  
December 31, 2013**

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|  | <u>Local<br/>Road</u>          |
|--|--------------------------------|
| <b>ASSETS</b>  |                                |
| Cash and Investments   | \$ 69,433                      |
| Receivables - Net of Allowances                                    |                                |
| Property Taxes   | 153,902                        |
| Other Taxes  | 25,109                         |
| Accounts   | <u>879,395</u>                 |
| Total Assets   | <u><u>1,127,839</u></u>        |
| <b>LIABILITIES</b>   |                                |
| Accounts Payable   | 232,742                        |
| Due to Other Funds   | -                              |
| Total Liabilities  | <u>232,742</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                                |
| Property Taxes   | <u>149,301</u>                 |
| Total Liabilities and Deferred Inflows of Resources                | <u><u>382,043</u></u>          |
| Fund Balances  |                                |
| Assigned   | 745,796                        |
| Restricted   | -                              |
| Unassigned   | -                              |
| Total Fund Balances  | <u><u>745,796</u></u>          |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u><u>1,127,839</u></u></u> |

| Transit<br>Oriented<br>Area<br>Development | TIF #1<br>Kirchoff/<br>Meadow | TIF #2<br>Kirchoff/<br>Owl | TIF #3<br>Woodfield | Totals    |
|--|-------------------------------|----------------------------|---------------------|-----------|
| 401,452                                    | 1,378                         | -                          | -                   | 472,263   |
| -  | -                             | 2,255                      | -                   | 156,157   |
| -  | -                             | -                          | -                   | 25,109    |
| -  | -                             | -                          | -                   | 879,395   |
| 401,452                                    | 1,378                         | 2,255                      | -                   | 1,532,924 |
| -  | -                             | -                          | -                   | 232,742   |
| -  | -                             | 892,747                    | -                   | 892,747   |
| -  | -                             | 892,747                    | -                   | 1,125,489 |
| -  | -                             | -                          | -                   | 149,301   |
| -  | -                             | 892,747                    | -                   | 1,274,790 |
| 401,452                                    | -                             | -                          | -                   | 1,147,248 |
| -  | 1,378                         | -                          | -                   | 1,378     |
| -  | -                             | (890,492)                  | -                   | (890,492) |
| 401,452                                    | 1,378                         | (890,492)                  | -                   | 258,134   |
| 401,452                                    | 1,378                         | 2,255                      | -                   | 1,532,924 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2013**

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|  | <u>Local<br/>Road</u> |
|--|-----------------------|
| Revenues   |                       |
| Taxes  | \$ 650,789            |
| Intergovernmental  | 944,855               |
| Licenses and Permits   | 502,194               |
| Interest   | 21                    |
| Miscellaneous  | 25,954                |
| Total Revenues   | <u>2,123,813</u>      |
| Expenditures   |                       |
| General Government   | -                     |
| Highways and Streets   | 1,084,502             |
| Public Works   | -                     |
| Economic Development   | -                     |
| Capital Outlay   | 1,187,260             |
| Debt Service   |                       |
| Principal Retirement   | 136,590               |
| Interest and Fiscal Charges                                  | 25,614                |
| Total Expenditures   | <u>2,433,966</u>      |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(310,153)</u>      |
| Other Financing Sources (Uses)                               |                       |
| Debt Issuance  | -                     |
| Payments to Escrow Agents                                    | -                     |
| Transfers In   | 700,000               |
| Transfers Out  | -                     |
|  | <u>700,000</u>        |
| Net Change in Fund Balances                                  | 389,847               |
| Fund Balances - Beginning                                    | <u>355,949</u>        |
| Fund Balances - Ending                                       | <u><u>745,796</u></u> |

| Transit<br>Oriented<br>Area<br>Development | TIF #1<br>Kirchoff/<br>Meadow | TIF #2<br>Kirchoff/<br>Owl | TIF #3<br>Woodfield | Totals      |
|--|-------------------------------|----------------------------|---------------------|-------------|
| -  | 23,218                        | 380,022                    | -                   | 1,054,029   |
| -  | -                             | -                          | -                   | 944,855     |
| -  | -                             | -                          | -                   | 502,194     |
| -  | -                             | 7                          | -                   | 28          |
| -  | -                             | -                          | -                   | 25,954      |
| -  | 23,218                        | 380,029                    | -                   | 2,527,060   |
| -  | 106,612                       | -                          | -                   | 106,612     |
| -  | -                             | -                          | -                   | 1,084,502   |
| 20,000                                     | -                             | -                          | -                   | 20,000      |
| -  | -                             | 49,790                     | 1                   | 49,791      |
| -  | -                             | -                          | -                   | 1,187,260   |
| -  | -                             | 410,000                    | -                   | 546,590     |
| -  | -                             | 53,467                     | -                   | 79,081      |
| 20,000                                     | 106,612                       | 513,257                    | 1                   | 3,073,836   |
| (20,000)                                   | (83,394)                      | (133,228)                  | (1)                 | (546,776)   |
| -  | -                             | 2,055,000                  | -                   | 2,055,000   |
| -  | -                             | (2,033,165)                | -                   | (2,033,165) |
| 20,000                                     | -                             | -                          | 130,239             | 850,239     |
| -  | -                             | -                          | -                   | -           |
| 20,000                                     | -                             | 21,835                     | 130,239             | 872,074     |
| -  | (83,394)                      | (111,393)                  | 130,238             | 325,298     |
| 401,452                                    | 84,772                        | (779,099)                  | (130,238)           | (67,164)    |
| 401,452                                    | 1,378                         | (890,492)                  | -                   | 258,134     |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Local Road - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget           |                  | Actual           |
|--|------------------|------------------|------------------|
|  | Original         | Final            |                  |
| <b>Revenues</b>  |                  |                  |                  |
| Taxes  | \$ 704,301       | 704,301          | 650,789          |
| Intergovernmental  | 655,000          | 655,000          | 944,855          |
| Licenses and Permits   | 480,000          | 480,000          | 502,194          |
| Interest   | 100              | 100              | 21               |
| Miscellaneous  | 37,500           | 37,500           | 25,954           |
| <b>Total Revenues</b>  | <b>1,876,901</b> | <b>1,876,901</b> | <b>2,123,813</b> |
| <b>Expenditures</b>  |                  |                  |                  |
| Highways and Streets   |                  |                  |                  |
| Contracted Services  | 1,000,300        | 1,000,300        | 988,558          |
| Supplies   |                  |                  |                  |
| Operating Supplies   | 110,000          | 110,000          | 87,552           |
| Repairs and Maintenance Supplies                                     | 23,600           | 23,600           | 8,392            |
| Capital Outlay   |                  |                  |                  |
| Street Improvements  | 1,514,000        | 1,514,000        | 1,187,260        |
| Debt Service   |                  |                  |                  |
| Principal Retirement   | 136,590          | 136,590          | 136,590          |
| Interest and Fiscal Charges  | 25,639           | 25,639           | 25,614           |
| <b>Total Expenditures</b>  | <b>2,810,129</b> | <b>2,810,129</b> | <b>2,433,966</b> |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(933,228)</b> | <b>(933,228)</b> | <b>(310,153)</b> |
| <b>Other Financing Sources</b>                                       |                  |                  |                  |
| Transfers In   | 700,000          | 700,000          | 700,000          |
| <b>Net Change in Fund Balance</b>                                    | <b>(233,228)</b> | <b>(233,228)</b> | <b>389,847</b>   |
| <b>Fund Balance - Beginning</b>                                      |                  |                  | <b>355,949</b>   |
| <b>Fund Balance - Ending</b>   |                  |                  | <b>745,796</b>   |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget        |               | Actual                |
|--|---------------|---------------|-----------------------|
|  | Original      | Final         |                       |
| Revenues   |               |               |                       |
| Miscellaneous  | \$ 26,000     | 26,000        | -                     |
| Expenditures   |               |               |                       |
| Public Works   | 26,000        | 26,000        | 20,000                |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -             | -             | (20,000)              |
| Other Financing Sources                                      |               |               |                       |
| Transfers In   | 20,000        | 20,000        | 20,000                |
| Net Change in Fund Balance                                   | <u>20,000</u> | <u>20,000</u> | -                     |
| Fund Balance - Beginning                                     |               |               | <u>401,452</u>        |
| Fund Balance - Ending  |               |               | <u><u>401,452</u></u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

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|                            | Budget   |          | Actual              |
|----------------------------|----------|----------|---------------------|
|                            | Original | Final    |                     |
| Revenues                   |          |          |                     |
| Taxes                      |          |          |                     |
| Property Taxes             | \$ -     | -        | 23,218              |
| Expenditures               |          |          |                     |
| General Government         |          |          |                     |
| Contracted Services        | -        | -        | 106,612             |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | (83,394)            |
| Fund Balance - Beginning   |          |          | <u>84,772</u>       |
| Fund Balance - Ending      |          |          | <u><u>1,378</u></u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget           |                  | Actual           |
|--|------------------|------------------|------------------|
|  | Original         | Final            |                  |
| <b>Revenues</b>  |                  |                  |                  |
| Taxes  |                  |                  |                  |
| Property Taxes   | \$ 310,000       | 310,000          | 380,022          |
| Interest   | 50               | 50               | 7                |
| <b>Total Revenues</b>  | <b>310,050</b>   | <b>310,050</b>   | <b>380,029</b>   |
| <b>Expenditures</b>  |                  |                  |                  |
| Economic Development   |                  |                  |                  |
| Contracted Services  | 106,350          | 106,350          | 49,790           |
| Debt Service   |                  |                  |                  |
| Principal Retirement   | 375,000          | 375,000          | 410,000          |
| Interest and Fiscal Charges  | 70,672           | 70,672           | 53,467           |
| <b>Total Expenditures</b>  | <b>552,022</b>   | <b>552,022</b>   | <b>513,257</b>   |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(241,972)</b> | <b>(241,972)</b> | <b>(133,228)</b> |
| <b>Other Financing Sources (Uses)</b>                                |                  |                  |                  |
| Debt Issuance  | -                | -                | 2,055,000        |
| Payments to Escrow Agents  | -                | -                | (2,033,165)      |
|  | -                | -                | 21,835           |
| <b>Net Change in Fund Balance</b>                                    | <b>(241,972)</b> | <b>(241,972)</b> | <b>(111,393)</b> |
| <b>Fund Balance - Beginning</b>                                      |                  |                  | <b>(779,099)</b> |
| <b>Fund Balance - Ending</b>   |                  |                  | <b>(890,492)</b> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|  | Budget          |               | Actual           |
|--|-----------------|---------------|------------------|
|  | Original        | Final         |                  |
| Revenues   |                 |               |                  |
| Taxes  | \$ (89,353)     | (89,353)      | -                |
| Expenditures   |                 |               |                  |
| Economic Development   | 2,000           | 2,000         | 1                |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (91,353)        | (91,353)      | (1)              |
| Other Financing Sources                                      |                 |               |                  |
| Transfers In   | -               | 130,239       | 130,239          |
| Net Change in Fund Balance                                   | <u>(91,353)</u> | <u>38,886</u> | 130,238          |
| Fund Balance - Beginning                                     |                 |               | <u>(130,238)</u> |
| Fund Balance - Ending  |                 |               | <u><u>-</u></u>  |

## **ENTERPRISE FUNDS**

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

### **Utilities Fund**

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

### **Refuse Collection Fund**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                                  | Budget            |                   | Actual            |
|----------------------------------|-------------------|-------------------|-------------------|
|                                  | Original          | Final             |                   |
| Operating Revenues               |                   |                   |                   |
| Charges for Services             | \$ 9,453,450      | 9,453,450         | 8,697,684         |
| Miscellaneous                    | 2,103,792         | 2,103,792         | 202,705           |
| Total Operating Revenues         | <u>11,557,242</u> | <u>11,557,242</u> | <u>8,900,389</u>  |
| Operating Expenses               |                   |                   |                   |
| Administration                   | 1,490,299         | 1,490,299         | 1,139,607         |
| Public Works                     | 632,000           | 632,000           | 632,000           |
| Operations                       | 9,059,773         | 9,059,773         | 5,756,876         |
| Depreciation                     | -                 | -                 | 594,596           |
| Total Operating Expenses         | <u>11,182,072</u> | <u>11,182,072</u> | <u>8,123,079</u>  |
| Operating Income                 | <u>375,170</u>    | <u>375,170</u>    | <u>777,310</u>    |
| Nonoperating Revenues (Expenses) |                   |                   |                   |
| Interest Income                  | -                 | -                 | 1,024             |
| Interest Expense                 | (92,221)          | (92,221)          | (55,366)          |
|                                  | <u>(92,221)</u>   | <u>(92,221)</u>   | <u>(54,342)</u>   |
| Change in Net Position           | <u>282,949</u>    | <u>282,949</u>    | 722,968           |
| Net Position - Beginning         |                   |                   | <u>11,885,020</u> |
| Net Position - Ending            |                   |                   | <u>12,607,988</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                             | Budget           |                  | Actual           |
|-----------------------------|------------------|------------------|------------------|
|                             | Original         | Final            |                  |
| <b>Administration</b>       |                  |                  |                  |
| Salaries and Wages          | \$ 191,859       | 191,859          | 202,123          |
| Benefits                    | 110,773          | 110,773          | 110,218          |
| Contracted Services         | 1,187,417        | 1,187,417        | 827,092          |
| Supplies                    | 250              | 250              | 174              |
| <b>Total Administration</b> | <b>1,490,299</b> | <b>1,490,299</b> | <b>1,139,607</b> |
| <b>Public Works</b>         |                  |                  |                  |
| Contracted Services         | 632,000          | 632,000          | 632,000          |
| <b>Operations</b>           |                  |                  |                  |
| <b>Water</b>                |                  |                  |                  |
| Salaries and Wages          | 573,161          | 573,161          | 654,151          |
| Benefits                    | 329,728          | 329,728          | 352,020          |
| Contracted Services         | 332,282          | 332,282          | 278,696          |
| Supplies                    | 160,190          | 160,190          | 159,036          |
| Lake Michigan Water         | 3,006,363        | 3,006,363        | 3,154,254        |
| Machinery & Equipment       | 1,114,250        | 1,114,250        | 6,782            |
| <b>Total Water</b>          | <b>5,515,974</b> | <b>5,515,974</b> | <b>4,604,939</b> |
| <b>Sewer</b>                |                  |                  |                  |
| Salaries and Wages          | 640,654          | 640,654          | 521,131          |
| Benefits                    | 363,113          | 363,113          | 276,356          |
| Contracted Services         | 141,355          | 141,355          | 54,829           |
| Supplies                    | 83,600           | 83,600           | 72,082           |
| Machinery & Equipment       | 1,800,000        | 1,800,000        | 4,277            |
| <b>Total Sewer</b>          | <b>3,028,722</b> | <b>3,028,722</b> | <b>928,675</b>   |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Utilities - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2013**

|                          | Budget     |            | Actual    |
|--------------------------|------------|------------|-----------|
|                          | Original   | Final      |           |
| Operations - Continued   |            |            |           |
| Stormwater               |            |            |           |
| Salaries and Wages       | \$ 91,478  | 91,478     | 91,207    |
| Benefits                 | 33,919     | 33,919     | 31,442    |
| Contracted Services      | 146,980    | 146,980    | 75,756    |
| Supplies                 | 37,700     | 37,700     | 24,857    |
| Machinery & Equipment    | 205,000    | 205,000    | -         |
| Total Stormwater         | 515,077    | 515,077    | 223,262   |
| Total Operations         | 9,059,773  | 9,059,773  | 5,756,876 |
| Depreciation             | -          | -          | 594,596   |
| Total Operating Expenses | 11,182,072 | 11,182,072 | 8,123,079 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                          | Budget           |                  | Actual                  |
|--------------------------|------------------|------------------|-------------------------|
|                          | Original         | Final            |                         |
| Operating Revenues       |                  |                  |                         |
| Charges for Services     | \$ 2,182,077     | 2,182,077        | 2,135,665               |
| Miscellaneous            | 21,500           | 21,500           | 46,959                  |
| Total Operating Revenues | <u>2,203,577</u> | <u>2,203,577</u> | <u>2,182,624</u>        |
| Operating Expenses       |                  |                  |                         |
| Administration           | 819,428          | 819,428          | 812,779                 |
| Operations               | 1,286,806        | 1,286,806        | 1,104,781               |
| Depreciation             | -                | -                | 57,260                  |
| Total Operating Expenses | <u>2,106,234</u> | <u>2,106,234</u> | <u>1,974,820</u>        |
| Operating Income         | 97,343           | 97,343           | 207,804                 |
| Nonoperating (Expenses)  |                  |                  |                         |
| Interest Expense         | <u>(5,770)</u>   | <u>(5,770)</u>   | <u>(5,764)</u>          |
| Change in Net Position   | <u>91,573</u>    | <u>91,573</u>    | 202,040                 |
| Net Position - Beginning |                  |                  | <u>875,446</u>          |
| Net Position - Ending    |                  |                  | <u><u>1,077,486</u></u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Refuse Collection - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

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|                          | Budget     |           | Actual    |
|--------------------------|------------|-----------|-----------|
|                          | Original   | Final     |           |
| Administration           |            |           |           |
| Contracted Services      | \$ 819,428 | 819,428   | 812,779   |
| Operations               |            |           |           |
| Salaries and Wages       | 248,016    | 248,016   | 182,835   |
| Benefits                 | 123,080    | 123,080   | 123,230   |
| Contracted Services      | 911,110    | 911,110   | 795,136   |
| Supplies                 | 4,600      | 4,600     | 3,580     |
| Total Operations         | 1,286,806  | 1,286,806 | 1,104,781 |
| Depreciation             | -          | -         | 57,260    |
| Total Operating Expenses | 2,106,234  | 2,106,234 | 1,974,820 |

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## **INTERNAL SERVICE FUNDS**

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

### **Municipal Garage Fund**

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

### **Vehicle Replacement Fund**

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

### **Buildings and Land Fund**

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

### **Liability Insurance Fund**

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

### **Health Insurance Fund**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Position  
December 31, 2013**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Position**

**December 31, 2013**

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|  | <u>Municipal<br/>Garage</u> |
|--|-----------------------------|
| <b>ASSETS</b>                              |                             |
| Current Assets                             |                             |
| Cash and Investments                       | \$ 102,182                  |
| Receivables - Net of Allowances - Accounts | 1,628                       |
| Prepays                                    | -                           |
| Total Current Assets                       | <u>103,810</u>              |
| Noncurrent Assets                          |                             |
| Capital Assets                             |                             |
| Nondepreciable                             | -                           |
| Depreciable                                | 9,247                       |
| Accumulated Depreciation                   | <u>(9,247)</u>              |
| Total Capital Assets                       | <u>-</u>                    |
| Total Assets                               | <u>103,810</u>              |
| <b>LIABILITIES</b>                         |                             |
| Current Liabilities                        |                             |
| Accounts Payable                           | 27,134                      |
| Deposits Payable                           | -                           |
| Accrued Payroll                            | 2,906                       |
| Compensated Absences Payable               | 18,625                      |
| Capital Leases Payable                     | -                           |
| Total Current Liabilities                  | <u>48,665</u>               |
| Noncurrent Liabilities                     |                             |
| Compensated Absences Payable               | 74,499                      |
| Capital Leases Payable                     | -                           |
| Total Noncurrent Liabilities               | <u>74,499</u>               |
| Total Liabilities                          | <u>123,164</u>              |
| <b>NET POSITION</b>                        |                             |
| Net Investment in Capital Assets           | -                           |
| Unrestricted                               | <u>(19,354)</u>             |
| Total Net Position                         | <u>(19,354)</u>             |

| Vehicle Replacement | Buildings and Land | Liability Insurance | Health Insurance | Totals       |
|---------------------|--------------------|---------------------|------------------|--------------|
| 1,942,663           | 388,838            | 635,202             | 1,461,051        | 4,529,936    |
| 16,005              | -                  | -                   | -                | 17,633       |
| -                   | -                  | 447,677             | 2,271,502        | 2,719,179    |
| 1,958,668           | 388,838            | 1,082,879           | 3,732,553        | 7,266,748    |
| 750,286             | 287,341            | -                   | -                | 1,037,627    |
| 17,660,689          | 3,159,181          | -                   | -                | 20,829,117   |
| (12,207,748)        | (1,544,759)        | -                   | -                | (13,761,754) |
| 6,203,227           | 1,901,763          | -                   | -                | 8,104,990    |
| 8,161,895           | 2,290,601          | 1,082,879           | 3,732,553        | 15,371,738   |
| 8,176               | 44,196             | 13,682              | 250,040          | 343,228      |
| -                   | -                  | -                   | 108,518          | 108,518      |
| -                   | -                  | -                   | -                | 2,906        |
| -                   | -                  | -                   | -                | 18,625       |
| 44,706              | -                  | -                   | -                | 44,706       |
| 52,882              | 44,196             | 13,682              | 358,558          | 517,983      |
| -                   | -                  | -                   | -                | 74,499       |
| 146,527             | -                  | -                   | -                | 146,527      |
| 146,527             | -                  | -                   | -                | 221,026      |
| 199,409             | 44,196             | 13,682              | 358,558          | 739,009      |
| 6,011,994           | 1,901,763          | -                   | -                | 7,913,757    |
| 1,950,492           | 344,642            | 1,069,197           | 3,373,995        | 6,718,972    |
| 7,962,486           | 2,246,405          | 1,069,197           | 3,373,995        | 14,632,729   |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended December 31, 2013**

|                                  | <u>Municipal<br/>Garage</u> |
|----------------------------------|-----------------------------|
| Operating Revenues               |                             |
| Interfund Services               | \$ 1,364,285                |
| Miscellaneous                    | 7,752                       |
| Total Operating Revenues         | <u>1,372,037</u>            |
| Operating Expenses               |                             |
| Administration                   | 1,307,968                   |
| Public Safety                    | -                           |
| Public Works                     | -                           |
| Depreciation and Amortization    | 154                         |
| Total Operating Expenses         | <u>1,308,122</u>            |
| Operating Income                 | <u>63,915</u>               |
| Nonoperating Revenues (Expenses) |                             |
| Disposal of Capital Assets       | -                           |
| Interest Income                  | -                           |
| Interest Expense                 | -                           |
|                                  | <u>-</u>                    |
| Income Before Transfers          | 63,915                      |
| Transfers In                     | <u>50,317</u>               |
| Change in Net Position           | 114,232                     |
| Net Position - Beginning         | <u>(133,586)</u>            |
| Net Position - Ending            | <u><u>(19,354)</u></u>      |

| Vehicle Replacement | Buildings and Land | Liability Insurance | Health Insurance | Totals     |
|---------------------|--------------------|---------------------|------------------|------------|
| 1,134,247           | 506,506            | 806,133             | 3,669,460        | 7,480,631  |
| 54,848              | 601,816            | 173,706             | 1,471,089        | 2,309,211  |
| 1,189,095           | 1,108,322          | 979,839             | 5,140,549        | 9,789,842  |
| -                   | -                  | 627,616             | 4,021,134        | 5,956,718  |
| 174,004             | -                  | -                   | -                | 174,004    |
| -                   | 857,627            | -                   | -                | 857,627    |
| 772,955             | 207,836            | -                   | -                | 980,945    |
| 946,959             | 1,065,463          | 627,616             | 4,021,134        | 7,969,294  |
| 242,136             | 42,859             | 352,223             | 1,119,415        | 1,820,548  |
| 71,320              | -                  | -                   | -                | 71,320     |
| -                   | -                  | 171                 | 1,364            | 1,535      |
| (13,412)            | -                  | -                   | -                | (13,412)   |
| 57,908              | -                  | 171                 | 1,364            | 59,443     |
| 300,044             | 42,859             | 352,394             | 1,120,779        | 1,879,991  |
| -                   | -                  | -                   | -                | 50,317     |
| 300,044             | 42,859             | 352,394             | 1,120,779        | 1,930,308  |
| 7,662,442           | 2,203,546          | 716,803             | 2,253,216        | 12,702,421 |
| 7,962,486           | 2,246,405          | 1,069,197           | 3,373,995        | 14,632,729 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Cash Flows  
For the Fiscal Year Ended December 31, 2013**

|  | <u>Municipal<br/>Garage</u> |
|--|-----------------------------|
| Cash Flows from Operating Activities   |                             |
| Interfund Services Provided  | \$ 1,371,742                |
| Payments to Suppliers  | (1,011,422)                 |
| Payments to Employees  | (308,301)                   |
|  | <u>52,019</u>               |
| Cash Flows from Noncapital Financing Activities  |                             |
| Transfers In   | <u>50,317</u>               |
| Cash Flows from Capital and Related<br>Financing Activities  |                             |
| Disposal of Capital Assets   | -                           |
| Purchase of Capital Assets   | -                           |
| Principal Paid on Debt   | (154)                       |
| Interest Paid on Debt  | -                           |
|  | <u>(154)</u>                |
| Cash Flows from Investing Activities   |                             |
| Interest Received  | <u>-</u>                    |
| Net Change in Cash and Cash Equivalents  | 102,182                     |
| Cash and Cash Equivalents - Beginning  | <u>-</u>                    |
| Cash and Cash Equivalents - Ending   | <u><u>102,182</u></u>       |
| Reconciliation of Operating Income to Net Cash<br>Provided (Used) by Operating Activities              |                             |
| Operating Income   | 63,915                      |
| Adjustments to Reconcile Operating Income<br>to Net Cash Provided by (Used in)<br>Operating Activities |                             |
| Depreciation and Amortization  | 154                         |
| (Increase) Decrease in Current Assets  | (295)                       |
| Increase (Decrease) in Current Liabilities   | (11,755)                    |
|  | <u>(11,755)</u>             |
| Net Cash Provided by Operating Activities  | <u><u>52,019</u></u>        |

| Vehicle Replacement | Buildings and Land | Liability Insurance | Health Insurance | Totals      |
|---------------------|--------------------|---------------------|------------------|-------------|
| 1,173,090           | 1,189,039          | 833,220             | 4,644,501        | 9,211,592   |
| (171,089)           | (847,263)          | (616,743)           | (4,107,825)      | (6,754,342) |
| -                   | -                  | -                   | -                | (308,301)   |
| 1,002,001           | 341,776            | 216,477             | 536,676          | 2,148,949   |
| -                   | -                  | -                   | -                | 50,317      |
| 71,320              | -                  | -                   | -                | 71,320      |
| (286,422)           | (83,286)           | -                   | -                | (369,708)   |
| (112,785)           | -                  | -                   | -                | (112,939)   |
| (13,412)            | -                  | -                   | -                | (13,412)    |
| (341,299)           | (83,286)           | -                   | -                | (424,739)   |
| -                   | -                  | 171                 | 1,364            | 1,535       |
| 660,702             | 258,490            | 216,648             | 538,040          | 1,776,062   |
| 1,281,961           | 130,348            | 418,554             | 923,011          | 2,753,874   |
| 1,942,663           | 388,838            | 635,202             | 1,461,051        | 4,529,936   |
| 242,136             | 42,859             | 352,223             | 1,119,415        | 1,820,548   |
| 772,955             | 207,836            | -                   | -                | 980,945     |
| (16,005)            | 80,717             | (146,619)           | (496,048)        | (578,250)   |
| 2,915               | 10,364             | 10,873              | (86,691)         | (74,294)    |
| 1,002,001           | 341,776            | 216,477             | 536,676          | 2,148,949   |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Municipal Garage - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                                | Budget           |                  | Actual           |
|--------------------------------|------------------|------------------|------------------|
|                                | Original         | Final            |                  |
| Operating Revenues             |                  |                  |                  |
| Interfund Services             | \$ 1,353,135     | 1,353,135        | 1,364,285        |
| Miscellaneous                  | 5,250            | 5,250            | 7,752            |
| Total Operating Revenues       | <u>1,358,385</u> | <u>1,358,385</u> | <u>1,372,037</u> |
| Operating Expenses             |                  |                  |                  |
| Administration                 |                  |                  |                  |
| Motor Pool                     |                  |                  |                  |
| Salaries and Wages             | 296,521          | 296,521          | 308,301          |
| Benefits                       | 160,707          | 160,707          | 157,903          |
| Contracted Services            | 372,435          | 372,435          | 346,781          |
| Supplies                       | 592,068          | 592,068          | 494,983          |
| Depreciation and Amortization  | -                | -                | 154              |
| Total Operating Expenses       | <u>1,421,731</u> | <u>1,421,731</u> | <u>1,308,122</u> |
| Income (Loss) Before Transfers | (63,346)         | (63,346)         | 63,915           |
| Transfers In                   | -                | 50,317           | 50,317           |
| Change in Net Position         | <u>(63,346)</u>  | <u>(13,029)</u>  | 114,232          |
| Net Position - Beginning       |                  |                  | <u>(133,586)</u> |
| Net Position - Ending          |                  |                  | <u>(19,354)</u>  |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Vehicle Replacement - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                                  | Budget           |                  | Actual           |
|----------------------------------|------------------|------------------|------------------|
|                                  | Original         | Final            |                  |
| Operating Revenues               |                  |                  |                  |
| Interfund Services               | \$ 1,134,247     | 1,134,247        | 1,134,247        |
| Miscellaneous                    | 325,000          | 325,000          | 54,848           |
| Total Operating Revenues         | <u>1,459,247</u> | <u>1,459,247</u> | <u>1,189,095</u> |
| Operating Expenses               |                  |                  |                  |
| Public Safety                    | 1,274,285        | 1,274,285        | 174,004          |
| Depreciation and Amortization    | -                | -                | 772,955          |
| Total Operating Expenses         | <u>1,274,285</u> | <u>1,274,285</u> | <u>946,959</u>   |
| Operating Income                 | <u>184,962</u>   | <u>184,962</u>   | <u>242,136</u>   |
| Nonoperating Revenues (Expenses) |                  |                  |                  |
| Disposal of Capital Assets       | -                | -                | 71,320           |
| Interest Expense                 | (13,412)         | (13,412)         | (13,412)         |
|                                  | <u>(13,412)</u>  | <u>(13,412)</u>  | <u>57,908</u>    |
| Change in Net Position           | <u>171,550</u>   | <u>171,550</u>   | <u>300,044</u>   |
| Net Position - Beginning         |                  |                  | <u>7,662,442</u> |
| Net Position - Ending            |                  |                  | <u>7,962,486</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Buildings and Land - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                          | Budget         |                | Actual           |
|--------------------------|----------------|----------------|------------------|
|                          | Original       | Final          |                  |
| Operating Revenues       |                |                |                  |
| Interfund Services       | \$ 498,500     | 498,500        | 506,506          |
| Miscellaneous            | 100,000        | 100,000        | 601,816          |
| Total Operating Revenues | <u>598,500</u> | <u>598,500</u> | <u>1,108,322</u> |
| Operating Expenses       |                |                |                  |
| Public Works             | 588,494        | 588,494        | 857,627          |
| Depreciation             | -              | -              | 207,836          |
| Total Operating Expenses | <u>588,494</u> | <u>588,494</u> | <u>1,065,463</u> |
| Change in Net Position   | <u>10,006</u>  | <u>10,006</u>  | 42,859           |
| Net Position - Beginning |                |                | <u>2,203,546</u> |
| Net Position - Ending    |                |                | <u>2,246,405</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Liability Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                              | Budget         |                | Actual                  |
|------------------------------|----------------|----------------|-------------------------|
|                              | Original       | Final          |                         |
| Operating Revenues           |                |                |                         |
| Interfund Services           | \$ 806,136     | 806,136        | 806,133                 |
| Miscellaneous                |                |                |                         |
| Insurance Rebate             | -              | -              | 146,619                 |
| Other                        | 15,000         | 15,000         | 27,087                  |
| Total Operating Revenues     | <u>821,136</u> | <u>821,136</u> | <u>979,839</u>          |
| Operating Expenses           |                |                |                         |
| Administration               |                |                |                         |
| Liability Insurance          | 750,000        | 750,000        | 593,963                 |
| Unemployment                 | 35,000         | 35,000         | 19,555                  |
| Reimbursable Repairs         | 15,000         | 15,000         | 14,098                  |
| Change to Insurance Reserves | 15,000         | 15,000         | -                       |
| Total Operating Expenses     | <u>815,000</u> | <u>815,000</u> | <u>627,616</u>          |
| Operating Income             | 6,136          | 6,136          | 352,223                 |
| Nonoperating Revenues        |                |                |                         |
| Interest Income              | <u>100</u>     | <u>100</u>     | <u>171</u>              |
| Change in Net Position       | <u>6,236</u>   | <u>6,236</u>   | 352,394                 |
| Net Position - Beginning     |                |                | <u>716,803</u>          |
| Net Position - Ending        |                |                | <u><u>1,069,197</u></u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Health Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2013**

|                          | Budget           |                  | Actual           |
|--------------------------|------------------|------------------|------------------|
|                          | Original         | Final            |                  |
| Operating Revenues       |                  |                  |                  |
| Interfund Services       | \$ 3,951,707     | 3,951,707        | 3,669,460        |
| Miscellaneous            |                  |                  |                  |
| Employee Contributions   | 322,895          | 322,895          | 352,983          |
| Retiree Contributions    | 531,460          | 531,460          | 622,058          |
| Other                    | (100,000)        | (100,000)        | 496,048          |
| Total Operating Revenues | <u>4,706,062</u> | <u>4,706,062</u> | <u>5,140,549</u> |
| Operating Expenses       |                  |                  |                  |
| Administration           |                  |                  |                  |
| Group Health             |                  |                  |                  |
| PPO White                | 1,335,678        | 1,335,678        | 1,267,043        |
| PPO Blue                 | 136,276          | 136,276          | 167,757          |
| HMO                      | 1,500,610        | 1,500,610        | 1,447,856        |
| Retirees                 | 630,991          | 630,991          | 617,121          |
| PSEBA                    | 24,381           | 24,381           | 23,742           |
| Dental Insurance         |                  |                  |                  |
| PPO                      | 70,340           | 70,340           | 69,393           |
| HMO                      | 55,181           | 55,181           | 50,700           |
| Retirees                 | 6,178            | 6,178            | 7,499            |
| Life Insurance           | 17,299           | 17,299           | 16,618           |
| Medical Waivers          | 618              | 618              | 630              |
| Retiree Payouts          | 500,000          | 500,000          | 350,895          |
| Other                    | 4,000            | 4,000            | 1,880            |
| Total Operating Expenses | <u>4,281,552</u> | <u>4,281,552</u> | <u>4,021,134</u> |
| Operating Income         | 424,510          | 424,510          | 1,119,415        |
| Nonoperating Revenues    |                  |                  |                  |
| Interest Income          | 500              | 500              | 1,364            |
| Change in Net Position   | <u>425,010</u>   | <u>425,010</u>   | 1,120,779        |
| Net Position - Beginning |                  |                  | <u>2,253,216</u> |
| Net Position - Ending    |                  |                  | <u>3,373,995</u> |

## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

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

#### **Firefighters' Pension Fund**

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

### **AGENCY FUNDS**

#### **Compliance Deposits Fund**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Fiduciary Net Position  
December 31, 2013**

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|  | Police<br>Pension | Firefighters'<br>Pension | Totals     |
|--|-------------------|--------------------------|------------|
| <b>ASSETS</b>                          |                   |                          |            |
| Cash and Cash Equivalents              | \$ 3,159,793      | 4,287,931                | 7,447,724  |
| Investments                            |                   |                          |            |
| U.S. Government and Agency Obligations | 3,864,857         | 2,913,786                | 6,778,643  |
| Corporate Bonds                        | 6,226,673         | 4,489,365                | 10,716,038 |
| Mutual Funds                           | 16,882,756        | 12,635,670               | 29,518,426 |
| Common Stock                           | 2,769,434         | 607,612                  | 3,377,046  |
| Insurance Company Contracts            | -                 | 190,205                  | 190,205    |
| Receivables - Net of Allowance         |                   |                          |            |
| Accrued Interest                       | 101,068           | 82,005                   | 183,073    |
| Due from Other Funds                   | 17,517            | 18,299                   | 35,816     |
| Prepays                                | 1,989             | 1,269                    | 3,258      |
| Total Assets                           | 33,024,087        | 25,226,142               | 58,250,229 |
| <b>LIABILITIES</b>                     |                   |                          |            |
| Accounts Payable                       | 16,801            | 1,675                    | 18,476     |
| <b>NET POSITION</b>                    |                   |                          |            |
| Held in Trust for Pension Benefits     | 33,007,286        | 25,224,467               | 58,231,753 |

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**CITY OF ROLLING MEADOWS, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended December 31, 2013**

|                                 | Police<br>Pension | Firefighters'<br>Pension | Totals            |
|---------------------------------|-------------------|--------------------------|-------------------|
| <b>Additions</b>                |                   |                          |                   |
| Contributions - Employer        | \$ 2,433,806      | 2,614,318                | 5,048,124         |
| Contributions - Plan Members    | 460,025           | 389,439                  | 849,464           |
| Miscellaneous                   | -                 | 6,494                    | 6,494             |
| <b>Total Contributions</b>      | <b>2,893,831</b>  | <b>3,010,251</b>         | <b>5,904,082</b>  |
| <b>Investment Earnings</b>      |                   |                          |                   |
| Interest Earned                 | 705,156           | 2,769,435                | 3,474,591         |
| Net Change in Fair Value        | 3,597,750         | (348,856)                | 3,248,894         |
|                                 | 4,302,906         | 2,420,579                | 6,723,485         |
| Less Investment Expenses        | (82,653)          | (74,918)                 | (157,571)         |
| <b>Net Investment Income</b>    | <b>4,220,253</b>  | <b>2,345,661</b>         | <b>6,565,914</b>  |
| <b>Total Additions</b>          | <b>7,114,084</b>  | <b>5,355,912</b>         | <b>12,469,996</b> |
| <b>Deductions</b>               |                   |                          |                   |
| Administration                  | 30,715            | 38,115                   | 68,830            |
| Benefits and Refunds            | 2,630,708         | 2,767,894                | 5,398,602         |
| <b>Total Deductions</b>         | <b>2,661,423</b>  | <b>2,806,009</b>         | <b>5,467,432</b>  |
| <b>Change in Net Position</b>   | <b>4,452,661</b>  | <b>2,549,903</b>         | <b>7,002,564</b>  |
| <b>Net Position - Beginning</b> | <b>28,554,625</b> | <b>22,674,564</b>        | <b>51,229,189</b> |
| <b>Net Position - Ending</b>    | <b>33,007,286</b> | <b>25,224,467</b>        | <b>58,231,753</b> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Compliance Deposits - Agency Fund**

**Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended December 31, 2013**

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|                      | <u>Beginning<br/>Balances</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending<br/>Balances</u> |
|----------------------|-------------------------------|------------------|-------------------|----------------------------|
| <b>ASSETS</b>        |                               |                  |                   |                            |
| Cash and Investments | <u>\$ 256,076</u>             | <u>-</u>         | <u>16,988</u>     | <u>239,088</u>             |
| <b>LIABILITIES</b>   |                               |                  |                   |                            |
| Accounts Payable     | 1,875                         | -                | 1,875             | -                          |
| Deposits Payable     | <u>254,201</u>                | <u>1,875</u>     | <u>16,988</u>     | <u>239,088</u>             |
| Total Liabilities    | <u>256,076</u>                | <u>1,875</u>     | <u>18,863</u>     | <u>239,088</u>             |

## **SUPPLEMENTAL SCHEDULES**

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**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2013**

|                         |  |
|-------------------------|--|
| Date of Issue           | September 15, 2004                                       |
| Date of Maturity        | January 1, 2015  |
| 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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Requirements |          |         | Interest Due on |        |        |        |
|---------------------|--------------|----------|---------|-----------------|--------|--------|--------|
|                     | Principal    | Interest | Totals  | Jul. 1          | Amount | Jan. 1 | Amount |
| 2013                | \$ 390,000   | 14,040   | 404,040 | 2014            | 7,020  | 2015   | 7,020  |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2013**

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

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

| Tax<br>Levy<br>Year | Requirements     |                |                  | Interest Due on |                |        |                |
|---------------------|------------------|----------------|------------------|-----------------|----------------|--------|----------------|
|                     | Principal        | Interest       | Totals           | Jun. 1          | Amount         | Dec. 1 | Amount         |
| 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>3,030,000</u> | <u>308,600</u> | <u>3,338,600</u> |                 | <u>154,300</u> |        | <u>154,300</u> |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2013**

|                         |  |
|-------------------------|--|
| 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,<br>Acquisition of Recycling Carts |

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

| Tax<br>Levy<br>Year | Requirements     |                          |                  | Interest Due on |               |        |               |
|---------------------|------------------|--------------------------|------------------|-----------------|---------------|--------|---------------|
|                     | Principal        | Interest                 | Totals           | Jun. 1          | Amount        | Dec. 1 | Amount        |
| 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>1,260,000</u> | <u>112,382</u>           | <u>1,372,382</u> |                 | <u>56,191</u> |        | <u>56,191</u> |
|                     | 593,198          | Governmental Activities  |                  |                 |               |        |               |
|                     | <u>666,802</u>   | Business-Type Activities |                  |                 |               |        |               |
|                     | <u>1,260,000</u> |                          |                  |                 |               |        |               |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2013**

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

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

| Tax<br>Levy<br>Year | Requirements     |                          |                   | Interest Due on |                |        |                |
|---------------------|------------------|--------------------------|-------------------|-----------------|----------------|--------|----------------|
|                     | Principal        | Interest                 | Totals            | Jul. 1          | Amount         | Jan. 1 | Amount         |
| 2013                | \$ 700,000       | 219,738                  | 919,738           | 2014            | 109,869        | 2015   | 109,869        |
| 2014                | 1,110,000        | 205,738                  | 1,315,738         | 2015            | 102,869        | 2016   | 102,869        |
| 2015                | 1,130,000        | 183,538                  | 1,313,538         | 2016            | 91,769         | 2017   | 91,769         |
| 2016                | 1,175,000        | 160,938                  | 1,335,938         | 2017            | 80,469         | 2018   | 80,469         |
| 2017                | 1,215,000        | 131,562                  | 1,346,562         | 2018            | 65,781         | 2019   | 65,781         |
| 2018                | 760,000          | 101,188                  | 861,188           | 2019            | 50,594         | 2020   | 50,594         |
| 2019                | 805,000          | 80,288                   | 885,288           | 2020            | 40,144         | 2021   | 40,144         |
| 2020                | 635,000          | 58,150                   | 693,150           | 2021            | 29,075         | 2022   | 29,075         |
| 2021                | 675,000          | 40,688                   | 715,688           | 2022            | 20,344         | 2023   | 20,344         |
| 2022                | 715,000          | 21,450                   | 736,450           | 2023            | 10,725         | 2024   | 10,725         |
|                     | <u>8,920,000</u> | <u>1,203,278</u>         | <u>10,123,278</u> |                 | <u>601,639</u> |        | <u>601,639</u> |
|                     | 7,690,000        | Governmental Activities  |                   |                 |                |        |                |
|                     | <u>1,230,000</u> | Business-Type Activities |                   |                 |                |        |                |
|                     | <u>8,920,000</u> |                          |                   |                 |                |        |                |

**CITY OF ROLLING MEADOWS, ILLINOIS**

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

**December 31, 2013**

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

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

| Tax<br>Levy<br>Year | Requirements     |               |                  | Interest Due on |               |        |               |
|---------------------|------------------|---------------|------------------|-----------------|---------------|--------|---------------|
|                     | Principal        | Interest      | Totals           | Jul. 1          | Amount        | Jan. 1 | Amount        |
| 2013                | \$ 400,000       | 32,900        | 432,900          | 2014            | 16,450        | 2015   | 16,450        |
| 2014                | 405,000          | 24,900        | 429,900          | 2015            | 12,450        | 2016   | 12,450        |
| 2015                | 415,000          | 16,800        | 431,800          | 2016            | 8,400         | 2017   | 8,400         |
| 2016                | 425,000          | 8,500         | 433,500          | 2017            | 4,250         | 2018   | 4,250         |
|                     | <u>1,645,000</u> | <u>83,100</u> | <u>1,728,100</u> |                 | <u>41,550</u> |        | <u>41,550</u> |

## **STATISTICAL SECTION (Unaudited)**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
December 31, 2013 (Unaudited)**

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**See Following Page**

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
December 31, 2013 (Unaudited)**

|  | 2004               | 2005               | 2006               | 2007               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Governmental Activities</b>                           |                    |                    |                    |                    |
| Net Investment in Capital Assets                         | \$ 110,976,358     | 104,921,357        | 109,358,442        | 105,646,508        |
| Restricted   | 7,452,856          | 13,012,711         | 5,940,947          | 3,753,784          |
| Unrestricted   | 4,075,589          | 4,126,247          | 5,356,570          | 8,983,731          |
| <b>Total Governmental<br/>  Activities Net Position</b>  | <b>122,504,803</b> | <b>122,060,315</b> | <b>120,655,959</b> | <b>118,384,023</b> |
| <b>Business-Type Activities</b>                          |                    |                    |                    |                    |
| Net Investment in Capital Assets                         | 5,760,042          | 5,880,429          | 6,576,137          | 5,085,394          |
| Restricted   | -                  | -                  | -                  | -                  |
| Unrestricted   | 1,431,808          | 1,382,591          | 1,069,107          | 1,259,025          |
| <b>Total Business-Type<br/>  Activities Net Position</b> | <b>7,191,850</b>   | <b>7,263,020</b>   | <b>7,645,244</b>   | <b>6,344,419</b>   |
| <b>Primary Government</b>                                |                    |                    |                    |                    |
| Net Investment in Capital Assets                         | 116,736,400        | 110,801,786        | 115,934,579        | 110,731,902        |
| Restricted   | 7,452,856          | 13,012,711         | 5,940,947          | 3,753,784          |
| Unrestricted   | 5,507,397          | 5,508,838          | 6,425,677          | 10,242,756         |
| <b>Total Primary Government<br/>  Net Position</b>       | <b>129,696,653</b> | <b>129,323,335</b> | <b>128,301,203</b> | <b>124,728,442</b> |

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

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

| 2008        | 2009        | 2010        | 2011        | 2012        | 2013        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 109,272,518 | 108,882,307 | 108,392,130 | 111,771,420 | 113,811,130 | 114,849,845 |
| 1,647,970   | 2,051,851   | 1,699,491   | 2,767,336   | 1,437,541   | 1,281,794   |
| (5,930,130) | (5,645,470) | (4,534,846) | (7,515,610) | (2,230,163) | 2,456,900   |
| 104,990,358 | 105,288,688 | 105,556,775 | 107,023,146 | 113,018,508 | 118,588,539 |
| 7,126,881   | 8,491,159   | 8,095,948   | 8,449,043   | 8,343,385   | 8,429,963   |
| -           | -           | -           | -           | -           | -           |
| 713,479     | 315,541     | 2,085,393   | 2,942,316   | 4,417,081   | 5,255,511   |
| 7,840,360   | 8,806,700   | 10,181,341  | 11,391,359  | 12,760,466  | 13,685,474  |
| 116,399,399 | 117,373,466 | 116,488,078 | 120,220,463 | 122,154,515 | 123,279,808 |
| 1,647,970   | 2,051,851   | 1,699,491   | 2,767,336   | 1,437,541   | 1,281,794   |
| (5,216,651) | (5,329,929) | (2,449,453) | (4,573,294) | 2,186,918   | 7,712,411   |
| 112,830,718 | 114,095,388 | 115,738,116 | 118,414,505 | 125,778,974 | 132,274,013 |

CITY OF ROLLING MEADOWS, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
December 31, 2013 (Unaudited)

|   | 2004         | 2005       | 2006       | 2007       | 2008       | 2009       | 2010**     | 2011       | 2012       | 2013       |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Expenses</b>                                 |              |            |            |            |            |            |            |            |            |            |
| <b>Governmental Activities</b>                  |              |            |            |            |            |            |            |            |            |            |
| General Government                              | \$ 7,521,694 | 6,145,099  | 3,490,225  | 4,721,609  | 5,050,686  | 5,142,807  | 3,866,996  | 4,235,018  | 2,551,436  | 1,884,228  |
| Public Safety                                   | 14,351,010   | 15,253,378 | 16,061,263 | 19,927,423 | 20,450,625 | 18,504,150 | 17,950,149 | 19,535,204 | 19,817,544 | 21,310,555 |
| Highways and Streets                            | 1,142,852    | 1,869,904  | 5,012,517  | 4,476,613  | 2,639,761  | 1,063,134  | 673,460    | 1,136,370  | 1,201,640  | 1,271,488  |
| Public Works                                    | 1,601,180    | 1,871,045  | 1,935,883  | 2,246,108  | 4,155,140  | 3,449,304  | 5,708,281  | 3,948,420  | 3,692,206  | 3,929,719  |
| Health and Welfare                              | 251,207      | 236,829    | 67,394     | 103,638    | 25,680     | 30,071     | 23,721     | 9,537      | 9,879      | 10,481     |
| Economic Development                            | 8,221,945    | 50,827     | 48,841     | 122,229    | 251,734    | 62,322     | 32,982     | 42,130     | 129,036    | 59,851     |
| Interest on Long-Term Debt                      | 615,250      | 844,525    | 1,021,232  | 922,866    | 1,050,211  | 913,918    | 825,026    | 752,459    | 670,105    | 512,086    |
| Total Governmental Activities Expenses          | 33,705,138   | 26,271,607 | 27,637,355 | 32,520,486 | 33,623,837 | 29,165,706 | 29,080,615 | 29,659,138 | 28,071,846 | 28,978,408 |
| <b>Business-Type Activities</b>                 |              |            |            |            |            |            |            |            |            |            |
| Water   | 4,332,690    | 4,307,934  | 4,393,038  | 4,768,120  | 4,772,997  | 4,859,697  | -          | -          | -          | -          |
| Sewer   | 823,218      | 764,523    | 982,322    | 1,251,397  | 1,178,925  | 1,305,382  | -          | -          | -          | -          |
| Refuse  | 1,853,234    | 1,763,795  | 2,123,270  | 2,381,456  | 2,488,338  | 2,471,363  | 2,543,279  | 2,291,402  | 2,224,955  | 1,980,584  |
| Storm Water Management                          | 317,309      | 435,541    | 390,878    | 508,623    | 603,328    | 476,415    | -          | -          | -          | -          |
| Street Light Utility                            | 84,201       | 86,316     | 103,826    | 91,310     | -          | -          | -          | -          | -          | -          |
| Utilities                                       | -            | -          | -          | -          | -          | -          | 6,432,610  | 6,740,808  | 7,735,312  | 8,178,445  |
| Total Business-Type Activities Expenses         | 7,410,652    | 7,358,109  | 7,993,334  | 9,000,906  | 9,043,588  | 9,112,857  | 8,975,889  | 9,032,210  | 9,960,267  | 10,159,029 |
| Total Primary Government Expenses               | 41,115,790   | 33,629,716 | 35,630,689 | 41,521,392 | 42,667,425 | 38,278,563 | 38,056,504 | 38,691,348 | 38,032,113 | 39,137,437 |
| <b>Program Revenues</b>                         |              |            |            |            |            |            |            |            |            |            |
| <b>Governmental Activities</b>                  |              |            |            |            |            |            |            |            |            |            |
| <b>Charges for Services</b>                     |              |            |            |            |            |            |            |            |            |            |
| General Government                              | 4,742,608    | 5,551,277  | 3,175,688  | 3,641,078  | 2,862,046  | 2,409,957  | 2,235,239  | 2,292,373  | 2,759,018  | 2,744,240  |
| Public Safety                                   | 1,424,161    | 1,459,145  | 1,674,630  | 1,830,923  | 1,680,285  | 2,227,513  | 2,278,235  | 1,935,468  | 2,010,026  | 2,098,685  |
| Highways and Streets                            | -            | -          | -          | -          | 367,344    | 377,951    | 379,500    | 376,565    | 440,191    | 502,194    |
| Public Works                                    | -            | -          | -          | -          | 40,000     | -          | -          | -          | -          | -          |
| Operating Grants/Contributions                  | 103,324      | 72,863     | 179,560    | 56,871     | 131,846    | 87,436     | 129,711    | 115,719    | 89,572     | 45,133     |
| Capital Grants/Contributions                    | 716,557      | 787,515    | 756,145    | 1,004,163  | 862,720    | 868,063    | 743,796    | 1,068,261  | 1,981,230  | 1,641,349  |
| Total Governmental Activities Program Revenues  | 6,986,650    | 7,870,800  | 5,786,023  | 6,533,035  | 5,944,241  | 5,970,920  | 5,766,481  | 5,788,386  | 7,280,037  | 7,031,601  |
| <b>Business-Type Activities</b>                 |              |            |            |            |            |            |            |            |            |            |
| <b>Charges for Services</b>                     |              |            |            |            |            |            |            |            |            |            |
| Water   | 3,417,460    | 3,824,944  | 3,765,740  | 3,917,773  | 4,580,044  | 5,428,887  | -          | -          | -          | -          |
| Sewer   | 1,011,446    | 1,115,544  | 1,200,544  | 1,277,885  | 1,576,209  | 1,663,771  | -          | -          | -          | -          |
| Refuse  | 1,896,759    | 2,020,598  | 2,230,404  | 2,281,387  | 2,525,528  | 2,481,918  | 2,441,652  | 2,550,654  | 2,489,843  | 2,182,624  |
| Storm Water Management                          | 326,491      | 414,679    | 463,534    | 493,815    | 520,222    | 895,935    | -          | -          | -          | -          |
| Street Light Utility                            | -            | 300        | 2,405      | -          | -          | -          | -          | -          | -          | -          |
| Utilities                                       | -            | -          | -          | -          | -          | -          | 7,971,358  | 7,690,989  | 8,926,344  | 8,900,389  |
| Operating Grants/Contributions                  | 20,658       | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Capital Grants/Contributions                    | -            | -          | -          | -          | 813,878    | -          | -          | -          | -          | -          |
| Total Business-Type Activities Program Revenues | 6,672,814    | 7,376,065  | 7,662,627  | 7,970,860  | 10,015,881 | 10,470,511 | 10,413,010 | 10,241,643 | 11,416,187 | 11,083,013 |
| Total Primary Government Program Revenues       | 13,659,464   | 15,246,865 | 13,448,650 | 14,503,895 | 15,960,122 | 16,441,431 | 16,179,491 | 16,030,029 | 18,696,224 | 18,114,614 |

|   | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010**              | 2011                | 2012                | 2013                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Net (Expense) Revenue</b>                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities                                   | \$ (26,718,488)     | (18,400,807)        | (21,851,332)        | (25,987,451)        | (27,679,596)        | (23,194,786)        | (23,314,134)        | (23,870,752)        | (20,791,809)        | (21,946,807)        |
| Business-Type Activities                                  | (737,838)           | 17,956              | (330,707)           | (1,030,046)         | 972,293             | 1,357,654           | 1,437,121           | 1,209,433           | 1,455,920           | 923,984             |
| <b>Total Primary Government Net (Expense) Revenue</b>     | <b>(27,456,326)</b> | <b>(18,382,851)</b> | <b>(22,182,039)</b> | <b>(27,017,497)</b> | <b>(26,707,303)</b> | <b>(21,837,132)</b> | <b>(21,877,013)</b> | <b>(22,661,319)</b> | <b>(19,335,889)</b> | <b>(21,022,823)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property  | 6,631,757           | 7,361,063           | 7,534,448           | 9,308,152           | 8,532,810           | 9,112,215           | 10,548,012          | 11,826,132          | 12,794,326          | 13,212,272          |
| Sales and Home Rule                                       | 5,384,657           | 5,724,848           | 5,642,929           | 5,878,245           | 5,612,900           | 5,115,760           | 4,726,022           | 4,930,575           | 5,127,489           | 5,287,152           |
| Income  | 1,574,803           | 1,851,239           | 2,015,888           | 2,196,417           | 2,326,382           | 1,999,825           | 1,923,695           | 1,915,788           | 2,136,575           | 2,323,902           |
| Replacement   | 172,583             | 238,523             | 250,109             | 303,772             | 207,587             | 177,371             | 194,281             | 181,680             | 175,462             | 201,091             |
| Hotel   | 263,684             | 248,527             | 304,677             | 265,716             | 451,898             | 288,634             | 289,076             | 333,374             | 389,212             | 399,218             |
| Food and Beverage   | 1,250,607           | 1,276,799           | 1,318,674           | 1,339,008           | 1,293,970           | 1,221,391           | 1,216,961           | 1,212,122           | 1,176,218           | 1,166,430           |
| Real Estate Transfer                                      | 912,866             | 802,639             | 594,248             | 386,091             | 269,663             | 191,259             | 174,819             | 153,688             | 239,865             | 638,306             |
| Other Taxes   | 258,288             | 288,052             | 585,297             | 605,793             | 1,181,778           | 918,055             | 783,518             | 802,280             | 840,015             | 905,187             |
| Electric Utility  | -                   | -                   | -                   | -                   | -                   | 1,301,016           | 1,310,453           | 1,295,918           | 1,298,887           | 1,314,755           |
| Telecommunications Taxes                                  | -                   | -                   | 2,065,561           | 2,047,648           | 2,038,337           | 2,075,334           | 1,846,728           | 1,936,227           | 1,845,387           | 1,705,124           |
| Interest  | 129,419             | 224,106             | 573,027             | 261,614             | 61,928              | 4,572               | 3,736               | 8,471               | 12,070              | 12,125              |
| Miscellaneous   | 117,425             | 13,708              | 356,266             | 612,121             | 1,174,766           | 696,661             | 508,518             | 740,868             | 664,470             | 351,276             |
| Gain (Loss) on Sale of Capital Assets                     | -                   | -                   | 2,518               | (4,137)             | -                   | -                   | -                   | -                   | -                   | -                   |
| Transfers   | 372,942             | (73,185)            | (568,093)           | 700,644             | (490,990)           | 404,714             | 56,402              | -                   | 87,195              | -                   |
| <b>Total Governmental Activities</b>                      | <b>17,069,031</b>   | <b>17,956,319</b>   | <b>20,675,549</b>   | <b>23,901,084</b>   | <b>22,661,029</b>   | <b>23,506,807</b>   | <b>23,582,221</b>   | <b>25,337,123</b>   | <b>26,787,171</b>   | <b>27,516,838</b>   |
| Business-Type Activities                                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Interest  | 8,435               | (19,971)            | (42,536)            | (25,828)            | 32,658              | 13,400              | (6,078)             | 585                 | 382                 | 1,024               |
| Miscellaneous   | -                   | -                   | 3,300               | 88,161              | -                   | -                   | -                   | -                   | -                   | -                   |
| Gain (Loss) on Sale of Capital Assets                     | -                   | -                   | 51,000              | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Transfers   | (372,942)           | 73,185              | 568,093             | (399,863)           | 490,990             | (404,714)           | (56,402)            | -                   | (87,195)            | -                   |
| <b>Total Business-Type Activities</b>                     | <b>(364,507)</b>    | <b>53,214</b>       | <b>579,857</b>      | <b>(337,530)</b>    | <b>523,648</b>      | <b>(391,314)</b>    | <b>(62,480)</b>     | <b>585</b>          | <b>(86,813)</b>     | <b>1,024</b>        |
| <b>Total Primary Government</b>                           | <b>16,704,524</b>   | <b>18,009,533</b>   | <b>21,255,406</b>   | <b>23,563,554</b>   | <b>23,184,677</b>   | <b>23,115,493</b>   | <b>23,519,741</b>   | <b>25,337,708</b>   | <b>26,700,358</b>   | <b>27,517,862</b>   |
| <b>Changes in Net Position</b>                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities                                   | (9,649,457)         | (444,488)           | (1,175,783)         | (2,086,367)         | (5,018,567)         | 312,021             | 268,087             | 1,466,371           | 5,995,362           | 5,570,031           |
| Business-Type Activities                                  | (1,102,345)         | 71,170              | 249,150             | (1,367,576)         | 1,495,941           | 966,340             | 1,374,641           | 1,210,018           | 1,369,107           | 925,008             |
| <b>Total Primary Government</b>                           | <b>(10,751,802)</b> | <b>(373,318)</b>    | <b>(926,633)</b>    | <b>(3,453,943)</b>  | <b>(3,522,626)</b>  | <b>1,278,361</b>    | <b>1,642,728</b>    | <b>2,676,389</b>    | <b>7,364,469</b>    | <b>6,495,039</b>    |

\* 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, 2013 (Unaudited)**

|  | 2004             | 2005              | 2006             |
|--|------------------|-------------------|------------------|
| <b>General Fund</b>                                  |                  |                   |                  |
| Reserved   | \$ 1,631,733     | 2,373,441         | 2,759,673        |
| Unreserved   | 1,801,605        | 1,483,152         | 933,072          |
| Nonspendable   | -                | -                 | -                |
| Unassigned   | -                | -                 | -                |
| <b>Total General Fund</b>                            | <b>3,433,338</b> | <b>3,856,593</b>  | <b>3,692,745</b> |
| <b>All Other Governmental Funds</b>                  |                  |                   |                  |
| Reserved   | 698,338          | 589,942           | 684,867          |
| Unreserved, Reported in,                             |                  |                   |                  |
| Special Revenue Funds                                | 1,145,141        | 1,036,954         | 1,621,101        |
| Debt Service Funds                                   | (60,449)         | -                 | (11,785)         |
| Capital Projects Funds                               | 3,816,748        | 10,919,372        | 3,802,109        |
| Nonspendable   | -                | -                 | -                |
| Restricted   | -                | -                 | -                |
| Assigned   | -                | -                 | -                |
| Unassigned   | -                | -                 | -                |
| <b>Total All Other Governmental Funds</b>            | <b>5,599,778</b> | <b>12,546,268</b> | <b>6,096,292</b> |
| <b>Total Fund Balances of All Governmental Funds</b> | <b>9,033,116</b> | <b>16,402,861</b> | <b>9,789,037</b> |

\* 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.

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

| 2007      | 2008        | 2009      | 2010      | 2011        | 2012        | 2013      |
|-----------|-------------|-----------|-----------|-------------|-------------|-----------|
| 23,280    | 885,176     | 31,143    | 38,662    | -           | -           | -         |
| (558,108) | (3,259,880) | (755,684) | (276,386) | -           | -           | -         |
| -         | -           | -         | -         | 17,154      | 42,584      | 26,407    |
| -         | -           | -         | -         | 1,835,647   | 4,203,793   | 6,076,910 |
| (534,828) | (2,374,704) | (724,541) | (237,724) | 1,852,801   | 4,246,377   | 6,103,317 |
| 406,996   | 3,083       | 39,266    | -         | -           | -           | -         |
| 1,880,821 | 1,632,220   | 1,558,533 | 1,890,239 | -           | -           | -         |
| (94,750)  | (202,957)   | 944,481   | 733,690   | -           | -           | -         |
| 1,394,085 | 759,234     | 2,143,972 | 2,000,606 | -           | -           | -         |
| -         | -           | -         | -         | 43,704      | 34,615      | 9,987     |
| -         | -           | -         | -         | 2,767,336   | 1,437,541   | 1,283,172 |
| -         | -           | -         | -         | 394,257     | 756,176     | 1,147,248 |
| -         | -           | -         | -         | (1,577,366) | (1,194,218) | (890,492) |
| 3,587,152 | 2,191,580   | 4,686,252 | 4,624,535 | 1,627,931   | 1,034,114   | 1,549,915 |
| 3,052,324 | (183,124)   | 3,961,711 | 4,386,811 | 3,480,732   | 5,280,491   | 7,653,232 |

CITY OF ROLLING MEADOWS, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2013 (Unaudited)

|  | 2004                | 2005              | 2006               |
|--|---------------------|-------------------|--------------------|
| <b>Revenues</b>  |                     |                   |                    |
| Taxes  | \$ 16,160,343       | 17,289,700        | 17,832,188         |
| Intergovernmental  | 3,032,939           | 3,964,740         | 3,857,675          |
| Licenses and Permits   | 1,136,599           | 1,173,272         | 1,093,799          |
| Charges for Services   | 1,993,875           | 2,049,499         | 2,700,640          |
| Fines and Forfeitures  | 476,295             | 484,245           | 654,288            |
| Interest   | 117,937             | 203,689           | 537,225            |
| Miscellaneous  | 1,457,052           | 759,733           | 530,800            |
| <b>Total Revenues</b>  | <b>24,375,040</b>   | <b>25,924,878</b> | <b>27,206,615</b>  |
| <b>Expenditures</b>  |                     |                   |                    |
| General Government   | 3,834,734           | 3,546,548         | 4,083,515          |
| Public Safety  | 14,858,842          | 14,928,155        | 16,002,500         |
| Highways and Streets   | 1,168,220           | 1,288,266         | 1,630,778          |
| Public Works   | 1,440,080           | 1,602,790         | 2,105,611          |
| Health and Welfare   | 251,597             | 35,956            | 42,000             |
| Economic Development   | 8,221,945           | 136,170           | 48,841             |
| Capital Outlay   | 3,321,074           | 2,336,720         | 8,746,520          |
| Debt Service   |                     |                   |                    |
| Bond Defeasance  | -                   | -                 | -                  |
| Professional Fees  | 137,781             | -                 | -                  |
| Principal Retirement   | 955,000             | 1,370,000         | 1,445,000          |
| Interest   | 628,554             | 808,782           | 1,074,145          |
| <b>Total Expenditures</b>  | <b>34,817,827</b>   | <b>26,053,387</b> | <b>35,178,910</b>  |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(10,442,787)</b> | <b>(128,509)</b>  | <b>(7,972,295)</b> |
| <b>Other Financing Sources (Uses)</b>                                |                     |                   |                    |
| Disposal of Capital Assets   | -                   | -                 | 74,968             |
| Debt Issuance  | 8,070,000           | 7,425,000         | -                  |
| Premium/Discount on Debt Issuance                                    | -                   | 145,912           | -                  |
| Payment to Escrow Agent  | -                   | -                 | -                  |
| Transfers In   | 11,562,784          | 3,351,565         | 2,595,995          |
| Transfers Out  | (11,189,349)        | (3,424,222)       | (2,228,222)        |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>8,443,435</b>    | <b>7,498,255</b>  | <b>442,741</b>     |
| <b>Net Change in Fund Balances</b>                                   | <b>(1,999,352)</b>  | <b>7,369,746</b>  | <b>(7,529,554)</b> |
| <b>Debt Service as a Percentage<br/>of Noncapital Expenditures</b>   | <b>5.0%</b>         | <b>9.2%</b>       | <b>9.0%</b>        |

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

| 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | 2013        |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 18,308,907  | 19,016,882  | 19,937,896  | 20,571,562  | 22,139,213  | 23,327,064  | 24,194,556  |
| 4,021,047   | 3,933,009   | 3,788,179   | 3,385,015   | 3,632,551   | 4,767,174   | 4,645,363   |
| 1,010,634   | 1,017,538   | 1,153,258   | 1,164,750   | 1,337,517   | 1,504,274   | 1,387,226   |
| 2,996,532   | 2,872,146   | 2,437,206   | 2,210,123   | 2,070,328   | 2,433,701   | 2,609,891   |
| 618,072     | 1,019,991   | 1,055,241   | 1,448,596   | 1,196,561   | 1,271,260   | 1,348,002   |
| 190,513     | 26,760      | 3,244       | 3,656       | 7,758       | 11,033      | 10,590      |
| 407,520     | 1,174,766   | 696,661     | 508,518     | 740,868     | 664,470     | 351,276     |
| 27,553,225  | 29,061,092  | 29,071,685  | 29,292,220  | 31,124,796  | 33,978,976  | 34,546,904  |
| 4,176,068   | 4,225,872   | 3,541,481   | 3,512,882   | 3,357,499   | 4,042,299   | 3,564,299   |
| 17,700,593  | 19,222,960  | 17,272,340  | 18,731,524  | 19,269,706  | 20,259,585  | 21,237,148  |
| 1,376,631   | 1,997,103   | 586,396     | 673,460     | 1,136,370   | 1,201,640   | 1,271,488   |
| 2,817,057   | 2,128,901   | 2,545,694   | 2,668,228   | 2,417,384   | 2,136,425   | 2,256,611   |
| 23,013      | 25,680      | 30,071      | 23,721      | 9,537       | 9,879       | 10,481      |
| 119,358     | 251,734     | 62,322      | 32,982      | 42,130      | 129,036     | 59,851      |
| 2,356,659   | 1,670,995   | 995,943     | 1,114,952   | 2,062,621   | 1,948,992   | 1,187,260   |
| -           | -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           | -           |
| 1,535,000   | 1,474,744   | 1,639,923   | 3,007,460   | 2,972,170   | 1,926,880   | 2,101,590   |
| 944,177     | 892,309     | 890,602     | 837,422     | 765,130     | 615,941     | 457,492     |
| 31,048,556  | 31,890,298  | 27,564,772  | 30,602,631  | 32,032,547  | 32,270,677  | 32,146,220  |
| (3,495,331) | (2,829,206) | 1,506,913   | (1,310,411) | (907,751)   | 1,708,299   | 2,400,684   |
| 7,040       | 851         | 1,258       | 10,456      | 1,672       | 763         | 539         |
| -           | 83,897      | 1,315,000   | 1,200,000   | -           | 8,265,000   | 2,055,000   |
| -           | -           | -           | -           | -           | 5,791       | -           |
| -           | -           | -           | -           | -           | (8,267,289) | (2,033,165) |
| 2,093,122   | 2,977,970   | 3,288,518   | 2,712,782   | 1,412,903   | 961,494     | 1,698,570   |
| (4,275,361) | (3,468,960) | (3,182,211) | (1,656,380) | (1,412,903) | (874,299)   | (1,748,887) |
| (2,175,199) | (406,242)   | 1,422,565   | 2,266,858   | 1,672       | 91,460      | (27,943)    |
| (5,670,530) | (3,235,448) | 2,929,478   | 956,447     | (906,079)   | 1,799,759   | 2,372,741   |
| 8.6%        | 7.71%       | 9.36%       | 12.96%      | 12.54%      | 8.46%       | 8.41%       |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
December 31, 2013 (Unaudited)**

| Tax Levy Year | Residential Property | Commercial Property | Industrial Property | Less: Tax-Exempt Property |
|---------------|----------------------|---------------------|---------------------|---------------------------|
| 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          | 572,817,559          | 391,540,158         | 181,795,503         | -                         |
| 2010          | 511,782,750          | 325,424,028         | 166,631,402         | -                         |
| 2011          | 478,777,636          | 280,540,952         | 147,475,207         | -                         |
| 2012          | 441,318,353          | 259,333,247         | 135,360,243         | -                         |

Data Source: Office of the Cook County Clerk

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

|    | Total<br>Taxable<br>Assessed<br>Value | Total<br>Direct Tax<br>Rate | % Increase/<br>% Decrease | Estimated<br>Actual<br>Taxable<br>Value | Ratio of Total<br>Assessed Value<br>to Total Estimated<br>Actual Value |
|----|---------------------------------------|-----------------------------|---------------------------|---|--|
| \$ | 787,489,143                           | 0.056                       | -3.15%                    | \$ 2,362,467,429                        | 33.33%   |
|    | 903,702,926                           | 0.763                       | 14.76%                    | 2,711,108,778                           | 33.33%   |
|    | 959,038,502                           | 0.719                       | 6.12%                     | 2,877,115,506                           | 33.33%   |
|    | 965,178,443                           | 0.723                       | 0.64%                     | 2,895,535,329                           | 33.33%   |
|    | 1,085,113,672                         | 0.723                       | 12.43%                    | 3,255,341,016                           | 33.33%   |
|    | 1,152,685,356                         | 0.730                       | 6.23%                     | 3,458,056,068                           | 33.33%   |
|    | 1,146,153,220                         | 0.849                       | -0.57%                    | 3,438,459,660                           | 33.33%   |
|    | 1,003,838,180                         | 1.064                       | -12.42%                   | 3,011,514,540                           | 33.33%   |
|    | 906,793,995                           | 1.317                       | -9.67%                    | 2,720,381,985                           | 33.33%   |
|    | 836,011,843                           | 0.389                       | -7.81%                    | 2,508,035,529                           | 0.00%  |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Elk Grove Township  
December 31, 2013 (Unaudited)**

|  | 2003     | 2004  | 2005  |
|--|----------|-------|-------|
| City Direct Rates                            |          |       |       |
| General                                      | \$ 0.569 | 0.497 | 0.468 |
| Debt Service                                 | 0.119    | 0.153 | 0.144 |
| Pension Trust                                |          |       |       |
| Police Pension                               | 0.065    | 0.056 | 0.053 |
| Firefighters' Pension                        | 0.065    | 0.057 | 0.054 |
| Total City Direct Rates                      | 0.818    | 0.763 | 0.719 |
| Component Unit - Library Direct Rate         | 0.355    | 0.325 | 0.317 |
| Total City Direct Rate                       | 1.173    | 1.088 | 1.036 |
| Overlapping Rates - Elk Grove Township       |          |       |       |
| Cook County                                  | 0.630    | 0.593 | 0.533 |
| Forest Preserve District                     | 0.059    | 0.060 | 0.060 |
| Suburban Tuberculosis Sanitarium             | 0.004    | 0.001 | 0.005 |
| Metropolitan Sanitary District               | 0.361    | 0.347 | 0.315 |
| Northwest Mosquito Abatement                 | 0.010    | 0.009 | 0.009 |
| Consolidated Elections                       | 0.029    | -     | 0.014 |
| Elk Grove                                    |          |       |       |
| Town   | 0.051    | 0.046 | 0.044 |
| Road and Bridge                              | 0.010    | 0.009 | 0.009 |
| General Assistance                           | 0.011    | 0.007 | 0.009 |
| School Districts                             |          |       |       |
| School District Number 15                    | 3.313    | 2.925 | 2.840 |
| High School District Number 214              | 1.982    | 1.818 | 1.759 |
| Community College District Number 512        | 0.310    | 0.279 | 0.281 |
| Rolling Meadows Park District                | 0.498    | 0.471 | 0.429 |
| Total Overlapping Rates - Elk Grove Township | 7.268    | 6.565 | 6.307 |
| Total Direct and Overlapping Rates           | 8.441    | 7.653 | 7.343 |

Data Source: Office of the County Clerk

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

| 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  |
|-------|-------|-------|-------|-------|-------|-------|
| 0.473 | 0.473 | 0.428 | 0.445 | 0.507 | 0.649 | 0.703 |
| 0.139 | 0.139 | 0.124 | 0.124 | 0.142 | 0.157 | 0.168 |
| 0.055 | 0.055 | 0.089 | 0.139 | 0.209 | 0.257 | 0.295 |
| 0.056 | 0.056 | 0.089 | 0.141 | 0.206 | 0.254 | 0.318 |
| 0.723 | 0.723 | 0.730 | 0.849 | 1.064 | 1.317 | 1.484 |
| 0.331 | 0.302 | 0.289 | 0.309 | 0.352 | 0.389 | 0.434 |
| 1.054 | 1.025 | 1.019 | 1.158 | 1.416 | 1.706 | 1.918 |
| 0.500 | 0.446 | 0.415 | 0.394 | 0.423 | 0.462 | 0.531 |
| 0.057 | 0.053 | 0.051 | 0.490 | 0.051 | 0.058 | 0.063 |
| 0.005 | -     | -     | -     | -     | 0.025 | -     |
| 0.284 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 | 0.370 |
| 0.009 | 0.008 | 0.008 | 0.008 | 0.009 | 0.010 | 0.011 |
| -     | 0.012 | -     | 0.021 | -     | -     | -     |
| 0.044 | 0.040 | 0.041 | 0.044 | 0.049 | 0.056 | 0.064 |
| 0.009 | 0.009 | 0.009 | 0.010 | 0.010 | 0.013 | 0.014 |
| 0.009 | 0.008 | 0.009 | 0.010 | 0.010 | 0.012 | 0.014 |
| 2.763 | 2.435 | 2.385 | 2.307 | 2.512 | 2.943 | 3.269 |
| 1.823 | 1.621 | 1.587 | 1.636 | 1.839 | 2.067 | 2.324 |
| 0.288 | 0.260 | 0.256 | 0.258 | 0.295 | 0.334 | 0.373 |
| 0.449 | 0.418 | 0.411 | 0.420 | 0.486 | 0.546 | 0.607 |
| 6.240 | 5.573 | 5.424 | 5.859 | 5.958 | 6.846 | 7.640 |
| 7.294 | 6.598 | 6.443 | 7.017 | 7.374 | 8.552 | 9.558 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Palatine Township (High School District 211)  
December 31, 2013 (Unaudited)**

|  | 2003     | 2004  | 2005  |
|--|----------|-------|-------|
| City Direct Rates                            |          |       |       |
| General                                      | \$ 0.569 | 0.497 | 0.468 |
| Debt Service                                 | 0.119    | 0.153 | 0.144 |
| Pension Trust                                |          |       |       |
| Police Pension                               | 0.065    | 0.056 | 0.053 |
| Firefighters' Pension                        | 0.065    | 0.057 | 0.054 |
| Total City Direct Rates                      | 0.818    | 0.763 | 0.719 |
| Component Unit - Library Direct Rate         | 0.355    | 0.325 | 0.317 |
| Total City Direct Rate                       | 1.173    | 1.088 | 1.036 |
| Overlapping Rates - Palatine Township        |          |       |       |
| Cook County                                  | 0.630    | 0.593 | 0.533 |
| Forest Preserve District                     | 0.059    | 0.060 | 0.060 |
| Suburban Tuberculosis Sanitarium             | 0.004    | 0.001 | 0.005 |
| Water Reclamation District                   | 0.361    | 0.347 | 0.315 |
| Northwest Mosquito Abatement                 | 0.010    | 0.009 | 0.009 |
| Consolidated Elections                       | 0.029    | -     | 0.014 |
| Palatine                                     |          |       |       |
| Town   | 0.042    | 0.038 | 0.037 |
| Road and Bridge                              | 0.009    | 0.070 | 0.069 |
| General Assistance                           | 0.078    | 0.008 | 0.008 |
| School Districts                             |          |       |       |
| School District Number 15                    | 3.313    | 2.925 | 2.840 |
| High School District Number 211              | 2.165    | 2.158 | 2.191 |
| Community College District Number 512        | 0.310    | 0.279 | 0.281 |
| Rolling Meadows Park District                | 0.498    | 0.471 | 0.429 |
| Total Overlapping Rates - Elk Grove Township | 7.508    | 6.959 | 6.791 |
| Total Direct and Overlapping Rates           | 8.681    | 8.047 | 7.827 |

Data Source: Office of the County Clerk

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

| 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012   |
|-------|-------|-------|-------|-------|-------|--------|
| 0.473 | 0.473 | 0.428 | 0.445 | 0.507 | 0.648 | 0.703  |
| 0.139 | 0.139 | 0.124 | 0.124 | 0.142 | 0.157 | 0.168  |
| 0.055 | 0.055 | 0.089 | 0.139 | 0.209 | 0.257 | 0.295  |
| 0.056 | 0.056 | 0.089 | 0.141 | 0.206 | 0.254 | 0.318  |
| 0.723 | 0.723 | 0.730 | 0.849 | 1.065 | 1.317 | 1.484  |
| 0.331 | 0.302 | 0.289 | 0.309 | 0.352 | 0.389 | 0.434  |
| 1.054 | 1.025 | 1.019 | 1.158 | 1.417 | 1.706 | 1.918  |
| 0.500 | 0.446 | 0.415 | 0.394 | 0.423 | 0.462 | 0.531  |
| 0.057 | 0.053 | 0.051 | 0.490 | 0.051 | 0.058 | 0.063  |
| 0.005 | -     | -     | -     | -     | -     | -      |
| 0.284 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 | 0.370  |
| 0.009 | 0.008 | 0.008 | 0.008 | 0.009 | 0.010 | 0.011  |
| -     | 0.012 | -     | 0.021 | -     | -     | -      |
| 0.039 | 0.035 | 0.035 | 0.034 | 0.041 | 0.044 | 0.049  |
| 0.072 | 0.064 | 0.063 | 0.061 | 0.070 | 0.079 | 0.082  |
| 0.009 | 0.008 | 0.008 | 0.008 | 0.009 | 0.012 | 0.014  |
| 2.763 | 2.435 | 2.385 | 2.307 | 2.512 | 2.943 | 3.269  |
| 2.261 | 1.972 | 1.928 | 1.916 | 2.200 | 2.482 | 2.772  |
| 0.288 | 0.260 | 0.256 | 0.258 | 0.295 | 0.334 | 0.373  |
| 0.449 | 0.418 | 0.411 | 0.420 | 0.486 | 0.546 | 0.607  |
| 6.736 | 5.974 | 5.812 | 6.178 | 6.370 | 7.290 | 8.141  |
| 7.790 | 6.999 | 6.831 | 7.336 | 7.787 | 8.996 | 10.059 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
Palatine Township (High School District 214)  
December 31, 2013 (Unaudited)**

|  | 2003     | 2004  | 2005  |
|--|----------|-------|-------|
| City Direct Rates                            |          |       |       |
| General                                      | \$ 0.569 | 0.497 | 0.468 |
| Debt Service                                 | 0.119    | 0.153 | 0.144 |
| Pension Trust                                |          |       |       |
| Police Pension                               | 0.065    | 0.056 | 0.053 |
| Firefighters' Pension                        | 0.065    | 0.057 | 0.054 |
| Total City Direct Rates                      | 0.818    | 0.763 | 0.719 |
| Component Unit - Library Direct Rate         | 0.355    | 0.325 | 0.317 |
| Total City Direct Rate                       | 1.173    | 1.088 | 1.036 |
| Overlapping Rates - Palatine Township        |          |       |       |
| Cook County                                  | 0.630    | 0.593 | 0.533 |
| Forest Preserve District                     | 0.059    | 0.060 | 0.060 |
| Suburban Tuberculosis Sanitarium             | 0.004    | 0.001 | 0.005 |
| Water Reclamation District                   | 0.361    | 0.347 | 0.315 |
| Northwest Mosquito Abatement                 | 0.010    | 0.009 | 0.009 |
| Consolidated Elections                       | 0.029    | -     | 0.014 |
| Palatine                                     |          |       |       |
| Town   | 0.042    | 0.038 | 0.037 |
| Road and Bridge                              | 0.009    | 0.070 | 0.069 |
| General Assistance                           | 0.078    | 0.008 | 0.008 |
| School Districts                             |          |       |       |
| School District Number 15                    | 3.313    | 2.925 | 2.840 |
| High School District Number 214              | 1.982    | 1.818 | 1.759 |
| Community College District Number 512        | 0.310    | 0.279 | 0.281 |
| Rolling Meadows Park District                | 0.498    | 0.471 | 0.429 |
| Total Overlapping Rates - Elk Grove Township | 7.325    | 6.619 | 6.359 |
| Total Direct and Overlapping Rates           | 8.498    | 7.707 | 7.395 |

Data Source: Office of the County Clerk

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

| 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  |
|-------|-------|-------|-------|-------|-------|-------|
| 0.473 | 0.473 | 0.428 | 0.445 | 0.507 | 0.648 | 0.703 |
| 0.139 | 0.139 | 0.124 | 0.124 | 0.142 | 0.157 | 0.168 |
| 0.055 | 0.055 | 0.089 | 0.139 | 0.209 | 0.257 | 0.295 |
| 0.056 | 0.056 | 0.089 | 0.141 | 0.206 | 0.254 | 0.318 |
| 0.723 | 0.723 | 0.730 | 0.849 | 1.065 | 1.317 | 1.484 |
| 0.331 | 0.302 | 0.298 | 0.309 | 0.352 | 0.389 | 0.434 |
| 1.054 | 1.025 | 1.028 | 1.158 | 1.417 | 1.706 | 1.918 |
| 0.500 | 0.446 | 0.415 | 0.394 | 0.423 | 0.462 | 0.531 |
| 0.057 | 0.053 | 0.051 | 0.490 | 0.051 | 0.028 | 0.063 |
| 0.005 | -     | -     | -     | -     | -     | -     |
| 0.284 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 | 0.370 |
| 0.009 | 0.008 | 0.008 | 0.008 | 0.009 | 0.010 | 0.011 |
| -     | 0.012 | -     | 0.021 | -     | 0.025 | -     |
| 0.039 | 0.035 | 0.035 | 0.034 | 0.041 | 0.044 | 0.049 |
| 0.072 | 0.064 | 0.063 | 0.061 | 0.070 | 0.079 | 0.082 |
| 0.009 | 0.008 | 0.008 | 0.008 | 0.009 | 0.012 | 0.014 |
| 2.763 | 2.435 | 2.385 | 2.307 | 2.512 | 2.943 | 3.269 |
| 1.823 | 1.621 | 1.587 | 1.636 | 1.839 | 2.067 | 2.324 |
| 0.288 | 0.260 | 0.256 | 0.256 | 0.295 | 0.334 | 0.373 |
| 0.449 | -     | 0.411 | 0.420 | 0.486 | 0.546 | 0.607 |
| 6.298 | 5.205 | 5.471 | 5.896 | 6.009 | 6.870 | 7.693 |
| 7.352 | 6.230 | 6.499 | 7.054 | 7.426 | 8.576 | 9.611 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago  
December 31, 2013 (Unaudited)**

| Taxpayer                         | 2012 Tax Levy Year     |      |   | 2004 Tax Levy Year     |      |   |
|----------------------------------|------------------------|------|---|------------------------|------|---|
|                                  | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| 1701 Golf Road Holdings          | \$ 10,451,902          | 1    | 1.25%   |                        |      |   |
| Northrop Corporation             | 7,374,994              | 2    | 0.88%   | 23,909,234             | 2    | 3.04%   |
| Atrium Corp. Center LLC          | 7,057,319              | 3    | 0.84%   |                        |      |   |
| Rolling Meadows Delaware         | 5,066,528              | 4    | 0.61%   | 11,526,982             | 10   | 1.46%   |
| YPI 1600 Corp Center/Great Lakes | 4,949,706              | 5    | 0.59%   | 16,538,517             | 5    | 2.10%   |
| Tower Realty Management Corp     | 4,250,093              | 6    | 0.51%   | 16,678,371             | 4    | 2.12%   |
| Walmart Stores                   | 3,152,978              | 7    | 0.38%   | 20,601,942             | 3    | 2.62%   |
| Woodfield Crossing               | 4,041,903              | 8    | 0.48%   |                        |      |   |
| Rolling Meadows 450 LLC          | 3,363,303              | 9    | 0.40%   |                        |      |   |
| Marc Realty                      | 3,896,274              | 10   | 0.47%   |                        |      |   |
| Prime Group Realty               |                        |      |   | 43,817,616             | 1    | 5.56%   |
| 3800 Golf Rd LLC                 |                        |      |   | 14,059,275             | 6    | 1.79%   |
| Citadel Management, Inc          |                        |      |   | 14,020,853             | 7    | 1.78%   |
| Lincoln Atrium Management Co.    |                        |      |   | 13,195,479             | 9    | 1.68%   |
| Teachers Insurance               |                        |      |   | 13,454,415             | 8    | 1.71%   |
| <b>Total</b>                     | <b>53,605,000</b>      |      | <b>6.41%</b>                                    | <b>187,802,684</b>     |      | <b>23.86%</b>                                   |

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
December 31, 2013 (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 |
| 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                        | 9,383,289                                    | 96.43%             | 108,851                         | 9,492,140                 | 97.55%             |
| 2011        | 2010          | 10,690,980                       | 10,481,601                                   | 98.04%             | (2,868)                         | 10,478,733                | 98.01%             |
| 2012        | 2011          | 11,939,545                       | 11,565,351                                   | 96.87%             | (76,090)                        | 11,489,261                | 96.23%             |
| 2013        | 2012          | 12,393,762                       | 12,006,864                                   | 96.88%             | -                               | 12,006,864                | 96.88%             |

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, 2013 (Unaudited)**

| <b>Fiscal Year</b>              | <b>2004</b>        | <b>2005</b>        | <b>2006</b>        | <b>2007</b>        |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| General Merchandise             | \$ 65,459,920      | 64,188,280         | 61,123,560         | 60,275,753         |
| Food                            | 13,072,900         | 13,779,560         | 15,127,480         | 15,001,571         |
| Drinking and Eating Places      | 45,969,580         | 47,885,120         | 49,420,200         | 48,936,206         |
| Apparel                         | 3,356,000          | 3,621,500          | 3,443,500          | 3,405,336          |
| Furniture and H.H. and Radio    | 4,136,200          | 3,699,140          | 7,149,700          | 7,218,336          |
| Lumber, Building, Hardware      | 3,211,060          | 2,807,960          | 2,915,620          | 2,715,061          |
| Automobile and Filling Stations | 37,261,380         | 46,308,020         | 44,328,920         | 65,703,526         |
| Drugs and Misc. Retail          | 13,628,840         | 16,269,740         | 16,478,260         | 16,190,972         |
| Agriculture and All Others      | 36,813,940         | 31,777,380         | 32,129,520         | 32,404,576         |
| Manufacturers                   | 9,413,220          | 10,828,300         | 8,593,220          | 8,463,314          |
| <b>Total</b>                    | <b>232,323,040</b> | <b>241,165,000</b> | <b>240,709,980</b> | <b>260,314,651</b> |
| <br>                            |                    |                    |                    |                    |
| Local Sales Tax Rate            | 2.00%              | 2.00%              | 2.00%              | 2.00%              |
| <br>                            |                    |                    |                    |                    |
| Total Sales Tax Rate            | 8.75%              | 8.75%              | 8.75%              | 8.75%              |

Data Source: Illinois Department of Revenue

| 2008        | 2009        | 2010        | 2011        | 2012        | 2013        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 59,529,361  | 60,495,368  | 39,328,192  | 28,167,711  | 37,623,908  | 36,328,755  |
| 11,690,306  | 11,157,166  | 9,916,455   | 9,785,079   | 9,011,588   | 8,723,269   |
| 48,805,003  | 44,742,470  | 42,917,114  | 43,795,249  | 51,400,943  | 49,940,617  |
| 2,521,712   | 2,522,896   | 2,443,133   | 11,089,518  | 1,610,968   | 1,088,969   |
| 7,372,794   | 6,164,965   | 5,862,267   | 6,649,299   | 8,020,244   | 8,972,718   |
| 2,697,156   | 1,205,151   | 1,186,241   | 794,665     | 710,119     | 1,128,473   |
| 46,737,476  | 45,088,883  | 52,407,264  | 64,965,950  | 66,092,838  | 67,697,225  |
| 13,493,447  | 12,878,726  | 12,343,741  | 12,821,333  | 14,548,096  | 16,448,533  |
| 30,093,783  | 20,523,263  | 23,267,418  | 24,719,294  | 21,716,579  | 20,689,436  |
| 9,521,908   | 6,873,845   | 6,851,196   | 2,831,417   | 5,460,129   | 12,305,693  |
| 232,462,946 | 211,652,733 | 196,523,021 | 205,619,515 | 216,195,412 | 223,323,688 |
| 2.00%       | 2.00%       | 2.00%       | 2.00%       | 2.00%       | 2.00%       |
| 10.00%      | 10.00%      | 9.50%       | 9.25%       | 9.00%       | 9.00%       |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
December 31, 2013 (Unaudited)**

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| <b>Fiscal Year</b> | <b>State Sales Tax</b> | <b>Local Sales Tax to City</b> | <b>Home Rule Sales Tax to City</b> | <b>Mass Transit Portion</b> | <b>Cook County Portion</b> | <b>Total Sales Tax Rate</b> |
|--------------------|------------------------|--------------------------------|------------------------------------|-----------------------------|----------------------------|-----------------------------|
| 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%                       |
| 2011               | 5.25%                  | 1.00%                          | 1.00%                              | 1.00%                       | 1.00%                      | 9.25%                       |
| 2012               | 5.25%                  | 1.00%                          | 1.00%                              | 1.00%                       | 0.75%                      | 9.00%                       |
| 2013               | 5.25%                  | 1.00%                          | 1.00%                              | 1.00%                       | 0.75%                      | 9.00%                       |

Data Source: Illinois Department of Revenue

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Local Tax Revenues - Last Ten Fiscal Years  
December 31, 2013 (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 |
|-------------|-----------------|-------------------------|-----------------|--------------------------|---------------------|---------------|--------------------------|
| 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                  |
| 2011        | 2,871,640       | 2,058,935               | 1,936,227       | 1,295,918                | 1,212,122           | 333,374       | 153,688                  |
| 2012        | 2,978,856       | 2,148,633               | 1,845,387       | 1,298,887                | 1,176,218           | 389,212       | 239,865                  |
| 2013        | 3,075,929       | 2,211,223               | 1,705,124       | 1,314,755                | 1,166,430           | 399,218       | 638,306                  |

Data Source: City of Rolling Meadows CAFR

N/A - Not Available

Notes: (A) Home Rule Sales Tax rate increased from .5% to 1.0% in 2004.

(B) The 1.0% "Infrastructure Maintenance Fee" was changed to a 4.0% Telecom Tax in Sept, 2004. Telecom Tax rates increased from 4.5% to 6% in 2005.

(C) Electric Utility Tax was implemented in 2009.

(D) Food & Beverage Tax increased from 1% to 1.5% in 2002 and to 2% in 2004.

(E) Hotel Tax rate increased from 4% to 5% in 2002 to 8% in 2008.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
December 31, 2013 (Unaudited)**

| Fiscal Year | Governmental Activities  |               | Business-Type Activities |            | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|--------------------------|---------------|--------------------------|------------|--------------------------|-----------------------------------|----------------|
|             | General Obligation Bonds | Capital Lease | General Obligation Bonds | IEPA Loans |                          |                                   |                |
| 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               | 6.08%                             | 1,068          |
| 2009        | 20,721,298               | 471,887       | 3,053,702                | -          | 24,246,887               | 5.70%                             | 985            |
| 2010        | 18,968,838               | 390,505       | 2,786,162                | -          | 22,145,505               | 6.12%                             | 922            |
| 2011        | 17,131,668               | 284,713       | 2,508,332                | -          | 19,924,713               | 4.74%                             | 827            |
| 2012        | 15,474,788               | 234,172       | 2,230,212                | 1,029,074  | 18,968,246               | 4.34%                             | 787            |
| 2013        | 13,348,198               | 191,232       | 1,896,802                | 2,434,046  | 17,870,278               | 3.89%                             | 742            |

Data Source: Audited Financial Statements

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

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
December 31, 2013 (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> |
|--------------------|---------------------------------|---|-----------------------|
| 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                   |
| 2011               | 19,640,000                      | 1.96%   | 815                   |
| 2012               | 17,705,000                      | 1.95%   | 735                   |
| 2013               | 15,245,000                      | 1.82%   | 633                   |

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, 2013 (Unaudited)**

| Governmental Unit                                      | Gross Debt    | Percentage of<br>Debt<br>Applicable<br>to City (1) | City's<br>Share of<br>Debt |
|--|---------------|--|----------------------------|
| City Direct Debt                                       | \$ 13,539,430 | 100.00%  | \$ 13,539,430              |
| Overlapping Debt                                       |               |  |                            |
| Cook County  | 3,780,315,000 | 0.59%  | 22,303,859                 |
| Forest Preserve District of Cook County                | 187,950,000   | 0.59%  | 1,108,905                  |
| Harper Community College District 512                  | 188,411,800   | 6.45%  | 12,152,561                 |
| Metro Water Reclamation District of<br>Greater Chicago | 2,576,682,000 | 0.60%  | 15,460,092                 |
| Arlington Heights Park District                        | 20,522,121    | 0.18%  | 36,940                     |
| Palatine Park District                                 | 19,885,000    | 5.97%  | 1,187,135                  |
| Rolling Meadows Park District                          | 2,955,000     | 89.27%   | 2,637,929                  |
| Schaumburg Park District                               | 20,430,000    | 0.20%  | 40,860                     |
| Community Consolidated School District No. 15          | 38,273,666    | 20.79%   | 7,957,095                  |
| Community Consolidated School District No. 59          | 8,750,000     | 1.76%  | 154,000                    |
| Township High School District 211                      | 24,970,000    | 4.34%  | 1,083,698                  |
| Township High School District 214                      | 46,530,000    | 5.96%  | 2,773,188                  |
| Total Overlapping Debt                                 | 6,915,674,587 |  | 66,896,261                 |
| Total Direct and Overlapping Debt                      | 6,929,214,017 |  | 80,435,691                 |

Data Source: Cook County Treasurer's Office

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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Schedule of Legal Debt Margin  
December 31, 2013 (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, 2013 (Unaudited)**

| Fiscal Year | (1)<br>Population | (2)<br>Personal<br>Income<br>(in Thousands) | (3)<br>Per<br>Capita<br>Personal<br>Income | (1)<br>Median<br>Age | (1)<br>Education<br>Level in<br>Years<br>of<br>Schooling | (3)<br>School<br>Enrollment | (4)<br>Unemployment<br>Rate |
|-------------|-------------------|---|--|----------------------|--|-----------------------------|-----------------------------|
| 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%                      |
| 2011        | 24,099            | 420,051                                     | 30,678                                     | 34.2                 | 14.0   | 5,196                       | 9.90%                       |
| 2012        | 24,099            | 436,998                                     | 30,678                                     | 37.5                 | 14.0   | 5,032                       | 8.90%                       |
| 2013        | 24,099            | 459,981                                     | 30,919                                     | 35.3                 | 14.0   | 5,703                       | 9.20%                       |

**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

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
December 31, 2013 (Unaudited)**

| Employer                  | 2013         |      |                                     | 2004         |      |                                     |
|---------------------------|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|                           | Employees    | Rank | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| Northrop Defense Systems  | 2,100        | 1    | 9.1%                                | 2,500        | 1    | 11.1%                               |
| Capital One               | 625          | 2    | 2.7%                                |              |      |                                     |
| Houghton Mifflin Harcourt | 350          | 3    | 1.5%                                |              |      |                                     |
| Komatsu                   | 325          | 4    | 1.4%                                |              |      |                                     |
| Meijer                    | 274          | 5    | 1.2%                                |              |      |                                     |
| A.H. Management Group     | 268          | 6    | 1.2%                                |              |      |                                     |
| RTC                       | 246          | 7    | 1.1%                                |              |      |                                     |
| Panasonic                 | 235          | 8    | 1.0%                                |              |      |                                     |
| Methode Electronics, Inc. | 230          | 9    | 1.0%                                |              |      |                                     |
| Walmart                   | 217          | 10   | 0.9%                                | 250          | 10   | 1.1%                                |
| 3 Comm Corp               |              |      |                                     | 1,000        | 2    | 4.4%                                |
| Transamerica Commercial   |              |      |                                     | 500          | 3    | 2.2%                                |
| Kelso Burnett Co.         |              |      |                                     | 400          | 4    | 1.8%                                |
| Middleby Corp.            |              |      |                                     | 300          | 5    | 1.3%                                |
| New Resources             |              |      |                                     | 285          | 6    | 1.3%                                |
| ElectroDynamics Inc.      |              |      |                                     | 270          | 7    | 1.2%                                |
| Carlson Wagonlit Travel   |              |      |                                     | 250          | 8    | 1.1%                                |
| Coleman Floor Co.         |              |      |                                     | 250          | 9    | 1.1%                                |
|                           | <u>4,870</u> |      | <u>21.1%</u>                        | <u>6,005</u> |      | <u>26.7%</u>                        |

Data Source: Rolling Meadows Chamber of Commerce

\* Formerly Riverside Publishing Co.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
December 31, 2013 (Unaudited)**

|                           | 2004 | 2005 | 2006 |
|---------------------------|------|------|------|
| <b>Full-Time</b>          |      |      |      |
| <b>General Government</b> |      |      |      |
| Management                | 6    | 5    | 8    |
| Finance                   | 11   | 10   | 9    |
| Community Development     | 9    | 9    | 9    |
| <b>Public Safety</b>      |      |      |      |
| <b>Police</b>             |      |      |      |
| Officers                  | 55   | 54   | 54   |
| Civilians                 | 28   | 29   | 27   |
| <b>Fire</b>               |      |      |      |
| Firefighters and Officers | 45   | 45   | 45   |
| Civilians                 | 3    | 3    | 2    |
| <b>Public Works</b>       |      |      |      |
| Administration            | 5    | 5    | 4    |
| Engineering/Inspections   | 1    | 1    | 4    |
| Streets and Grounds       | 17   | 15   | 14   |
| Utilities and Garage      | 20   | 20   | 20   |
| <b>Part-Time</b>          |      |      |      |
| <b>General Government</b> |      |      |      |
| Management                | -    | -    | -    |
| Finance                   | 2    | 2    | 2    |
| Community Development     | 2    | 2    | 2    |
| <b>Public Safety</b>      |      |      |      |
| Police                    | 11   | 10   | 13   |
| Fire                      | -    | -    | -    |
| <b>Public Works</b>       |      |      |      |
| Streets and Grounds       | 2    | 2    | 2    |
| Utilities                 | 2    | 2    | 3    |

Data Source: City Human Resources and Budget Departments

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------|------|------|------|------|------|------|
| 8    | 8    | 7    | 7    | 6    | 7    | 7    |
| 8    | 8    | 6    | 4    | 4    | 4    | 4    |
| 9    | 9    | 8    | 8    | 8    | 8    | 8    |
| 54   | 56   | 52   | 51   | 48   | 49   | 49   |
| 27   | 27   | 13   | 9    | 8    | 8    | 9    |
| 46   | 49   | 42   | 44   | 44   | 43   | 43   |
| 2    | 2    | -    | -    | -    | 1    | 1    |
| 5    | 5    | 4    | 4    | 4    | 4    | 4    |
| 5    | 3    | 2    | 2    | 1    | -    | -    |
| 14   | 14   | 16   | 16   | 15   | 14   | 15   |
| 20   | 20   | 16   | 15   | 15   | 15   | 16   |
| -    | -    | 1    | 1    | 2    | 2    | 2    |
| 2    | 2    | 3    | 3    | 3    | 3    | 3    |
| 3    | 2    | 1    | 1    | 1    | 1    | 1    |
| 20   | 25   | 7    | 9    | 12   | 12   | 10   |
| -    | 1    | 1    | 1    | -    | -    | -    |
| 2    | 2    | 1    | -    | -    | -    | -    |
| 3    | 1    | 2    | 3    | 4    | 2    | -    |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2013 (Unaudited)**

|  | 2004  | 2005  | 2006  |
|--|-------|-------|-------|
| <b>Public Safety</b>                                   |       |       |       |
| <b>Police</b>  |       |       |       |
| Physical Arrests                                       | 886   | 798   | 1,084 |
| Parking Violations                                     | 4,293 | 4,014 | 4,540 |
| Traffic Violations                                     | 6,616 | 5,837 | 5,928 |
| <b>Fire</b>  |       |       |       |
| Emergency Responses                                    | 1,912 | 1,945 | 1,978 |
| Fire Calls   | 1,036 | 1,055 | 1,227 |
| Fires Extinguished                                     | N/A   | N/A   | N/A   |
| <b>Public Works</b>                                    |       |       |       |
| Street Resurfacing (Miles)                             | 0.41  | 2.28  | 8.28  |
| Snow and Ice Control (Tons of Salt)                    | 1,395 | 1,150 | 1,636 |
| <b>Water</b>   |       |       |       |
| Number of Water Main Repairs                           | 43    | 78    | 42    |
| Water Average Daily Consumption (Thousands of Gallons) | 2,481 | 2,557 | 2,563 |
| <b>Refuse Collection</b>                               |       |       |       |
| Refuse Collected (Tons per Day)                        | N/A   | 25    | 29    |
| Recyclables Collected (Tons per Day)                   | N/A   | 9     | 9     |

Data Source: Various City Departments

N/A - Not Available

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

| 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
|-------|-------|-------|-------|-------|-------|-------|
| 1,043 | 921   | 510   | 456   | 921   | 812   | 861   |
| 3,418 | 4,795 | 3,066 | 3,469 | 6,165 | 6,198 | 6,494 |
| 5,731 | 5,364 | 5,906 | 5,947 | 4,665 | 3,591 | 3,688 |
| 1,976 | 2,282 | 2,204 | 3,599 | 3,487 | 3,507 | 3,589 |
| 1,019 | 1,148 | 1,093 | 1,097 | 1,196 | 1,070 | 1,181 |
| N/A   | N/A   | N/A   | 42    | 41    | 53    | 54    |
| 0.77  | 0.95  | -     | 1.60  | 1.36  | 0.07  | 0.75  |
| 2,500 | 3,000 | 1,476 | 1,668 | 678   | 1,301 | 2,078 |
| 41    | 53    | 51    | 58    | 54    | 61    | 69    |
| 2,487 | 2,616 | 2,692 | 2,300 | 1,871 | 2,173 | 2,037 |
| 25    | 22    | 27    | 19    | 19    | 18    | 10    |
| 9     | 10    | 10    | 9     | 10    | 9     | 11    |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2013 (Unaudited)**

|  | 2004  | 2005  | 2006  |
|--|-------|-------|-------|
| <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)                        | 61.71 | 61.71 | 61.71 |
| Streetlights                           | 257   | 257   | 257   |
| Traffic Signals                        | 45    | 45    | 45    |
| <b>Water</b>                           |       |       |       |
| Water Mains (Miles)                    | 87.38 | 88.03 | 88.63 |
| Fire Hydrants                          | 1,295 | 1,314 | 1,327 |
| Storage Capacity (Millions of Gallons) | 5.50  | 5.50  | 5.50  |
| <b>Wastewater</b>                      |       |       |       |
| Sanitary Sewer (Miles)                 | 76.88 | 77.16 | 77.33 |
| Lift Stations                          | 3     | 3     | 3     |
| Storm Sewers (Miles)                   | 60    | 60    | 60    |

Data Source: Various City Departments

| 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
|-------|-------|-------|-------|-------|-------|-------|
| 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| 18    | 15    | 15    | 15    | 15    | 15    | 15    |
| 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| 5     | 5     | 5     | 5     | 5     | 4     | 4     |
| 61.71 | 61.71 | 61.71 | 61.71 | 61.71 | 61.71 | 61.71 |
| 257   | 257   | 257   | 260   | 260   | 260   | 260   |
| 45    | 45    | 49    | 49    | 49    | 49    | 49    |
| 89.50 | 88.21 | 88.40 | 89.92 | 90.12 | 90.12 | 90.12 |
| 1,392 | 1,395 | 1,395 | 1,353 | 1,356 | 1,356 | 1,356 |
| 5.50  | 5.50  | 5.50  | 5.50  | 5.50  | 5.50  | 5.50  |
| 77.67 | 77.94 | 77.94 | 82.00 | 82.00 | 82.00 | 82.00 |
| 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| 60    | 60    | 60    | 61    | 61    | 61    | 61    |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Water Sold by Type of Customer - Last Ten Fiscal Years  
December 31, 2013 (Unaudited)**

| Type of Customer  | 2004           | 2005           | 2006           |
|---|----------------|----------------|----------------|
| Industrial  | 56,856         | 54,273         | 52,830         |
| Residential/Multi-Family                                    | 581,221        | 615,602        | 586,794        |
| Commercial  | 225,158        | 227,754        | 223,024        |
| School/Government   | 42,278         | 35,628         | 34,704         |
| <b>Total</b>  | <b>905,513</b> | <b>933,257</b> | <b>897,352</b> |
| <br>  |                |                |                |
| Water Rate per 1,000 Gallons<br>of 1st 15,000 Gallons       | \$ 3.58        | \$ 3.78        | \$ 4.06        |
| Water rate per 1,000 gallons<br>in excess of 15,000 gallons | \$ -           | \$ -           | \$ -           |
| <br>  |                |                |                |
| Sewer Rate per 1,000 Gallons<br>of 1st 15,000 gallons       | \$ 1.07        | \$ 1.13        | \$ 1.34        |
| Sewer rate per 1,000 gallons<br>of 1st 15,000 gallons       | \$ -           | \$ -           | \$ -           |

Notes:

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

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

Data Source: City of Rolling Meadows Water Department Pumpage Report

| 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    |
|---------|---------|---------|---------|---------|---------|---------|
| 43,802  | 40,803  | 34,102  | 44,149  | 37,534  | 40,863  | 35,689  |
| 575,905 | 547,625 | 529,064 | 520,636 | 495,298 | 516,757 | 472,037 |
| 204,060 | 189,405 | 171,698 | 166,978 | 155,393 | 158,171 | 144,366 |
| 32,071  | 26,450  | 26,712  | 26,343  | 25,827  | 27,718  | 25,511  |
| 855,838 | 804,283 | 761,576 | 758,106 | 714,052 | 743,509 | 677,603 |

|         |         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|---------|
| \$ 4.34 | \$ 4.96 | \$ 5.83 | \$ 5.83 | \$ 6.35 | \$ 7.40 | \$ 8.11 |
| \$ -    | \$ 5.79 | \$ 6.81 | \$ 7.43 | \$ 7.43 | \$ 8.60 | \$ 9.37 |
| \$ 1.43 | \$ 1.64 | \$ 1.92 | \$ 2.10 | \$ 2.10 | \$ 2.50 | \$ 2.63 |
| \$ -    | \$ 1.91 | \$ 2.25 | \$ 2.45 | \$ 2.45 | \$ 2.95 | \$ 3.10 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures  
December 31, 2013 (Unaudited)**

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**City of Rolling Meadows, Cook County, Illinois  
2013 Continuing Bond Disclosures Relating to the Following Bonds:**

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

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

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

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

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

**For further information please contact:**

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

Telephone Number: (847) 394-8500

Fax Number: (847) 394-8710

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

### **Continuing Bond Disclosures - Continued December 31, 2013 (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, 2012. The City has received the award to each of the last 27 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 127 - 128 and 136 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 129 - 134 of these audited financial statements.

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2013 (Unaudited)**

**Debt Statement**

| Issue Date | Bond Issue                                 | Principal Outstanding    | Supported by      |
|------------|--|--------------------------|-------------------|
| 09/15/2004 | General Obligation Bonds of 2004           | \$ 390,000               | Sales Taxes       |
| 11/01/2005 | General Obligation Bonds of 2005           | 3,030,000                | Property Taxes    |
| 12/31/2007 | General Obligation Bonds of 2007A          | 1,260,000                | Proprietary       |
| 05/08/2012 | General Obligation Refunding Bonds of 2012 | 8,920,000                | Proprietary       |
| 03/28/2013 | General Obligation Refunding Bonds of 2013 | <u>1,645,000</u>         | Incremental Taxes |
|            | Total Gross Direct Bonded Debt             | 15,245,000               |                   |
|            | Less: Self-Supporting Bonded Debt          | <u>3,295,000</u>         |                   |
|            | Total Net Direct Bonded Debt               | <u><u>11,950,000</u></u> |                   |

The City's overlapping and underlying bonded debt is updated as of December 31, 2013, and can be found on pages 141 - 143 of the audited financial statements.

The City's debt ratios are updated using the 2012 equalized assessed valuation and the 2012 estimated full value of taxable property.

|   |                  |
|---|------------------|
| Estimated Full Value of Taxable Property - 2012 | \$ 2,508,035,529 |
| Equalized Assessed Valuation - 2012             | 836,011,843      |

|                                     | Gross Direct Debt | Gross Direct Debt and Overlapping Debt |
|-------------------------------------|-------------------|--|
| Per Capita                          | \$ 632.60         | \$ 3,337.72                            |
| Percent of Estimated Full Value     | 0.608%            | 3.303%                                 |
| Percent of Equalized Assessed Value | 1.824%            | 9.910%                                 |

**CITY OF ROLLING MEADOWS, ILLINOIS**

**Continuing Bond Disclosures - Continued  
December 31, 2013 (Unaudited)**

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**Debt Maturity Schedule**

The following schedule sets forth the maturity schedule for all general obligation bonded debt of the City:

| Fiscal<br>Year | Annual<br>Requirement | Cumulative Retirement |         |
|----------------|-----------------------|-----------------------|---------|
|                |                       | Amount                | Percent |
| 2014           | \$ 2,105,000          | \$ 2,105,000          | 15.48%  |
| 2015           | 2,165,000             | 4,270,000             | 31.40%  |
| 2016           | 2,220,000             | 6,490,000             | 47.72%  |
| 2017           | 2,305,000             | 8,795,000             | 64.67%  |
| 2018           | 1,215,000             | 10,010,000            | 73.60%  |
| 2019           | 760,000               | 10,770,000            | 79.19%  |
| 2020           | 805,000               | 11,575,000            | 85.11%  |
| 2021           | 635,000               | 12,210,000            | 89.78%  |
| 2022           | 675,000               | 12,885,000            | 94.74%  |
| 2023           | 715,000               | 13,600,000            | 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 65.