

City of Rochelle, Illinois

Comprehensive Annual Financial Report
For the Fiscal Year Ended
April 30, 2015



Prepared by:
Finance Department

Chris Cardott
Finance Director

CITY OF ROCHELLE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2015

Prepared by
Finance Department

Chris Cardott
Finance Director

CITY OF ROCHELLE, ILLINOIS
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CITY OF ROCHELLE, ILLINOIS

List of Elected and Appointed Officers and Officials

April 30, 2015

Mayor

Chet Olson

City Council

Don Burke	Dave Eckhardt
Bil Hayes	Kathy Hollonbeck
Dan McDermott	Tom McDermott

City Clerk

Bruce W. McKinney

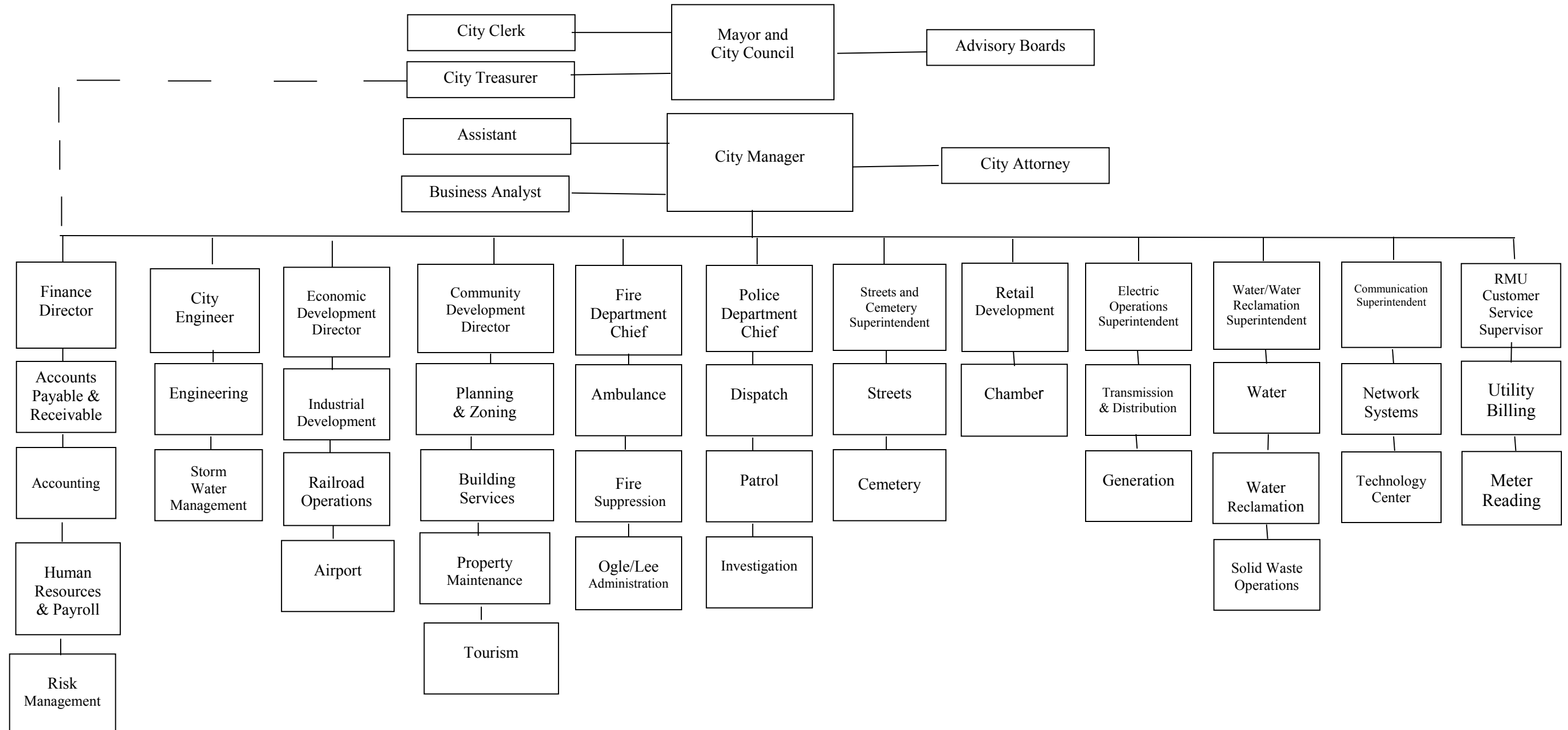
City Manager

Dave Plyman

Finance Director

Chris Cardott

CITY OF ROCHELLE
Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Rochelle
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2014

Executive Director/CEO



City of Rochelle

420 N 6th Street
P.O. Box 601
Rochelle, IL 61068-0601
Tele: (815) 562-6161
Fax: (815) 562-3888

October 30, 2015

Mayor Chet Olson and City Council
City of Rochelle, Illinois

The Comprehensive Annual Financial Report (CAFR) of the City of Rochelle for the fiscal year ended April 30, 2015 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally-accepted auditing standards, include all of the accounts and funds of the City, and be completed within six months after the close of the fiscal year. The City is required to issue a report on its financial position and activity presented in conformance with generally-accepted accounting principles (GAAP). This report represents a comprehensive picture of the City's financial activities and has been published to fulfill the requirements for the fiscal year ended April 30, 2015.

The financial report consists of management's representations concerning the finances of the City of Rochelle. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Rochelle's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The independent auditor issued an unmodified ("clean") opinion on the City's financial statements for the year ended April 30, 2015. The independent auditor's report is located at the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Rochelle, founded in 1853, located 80 miles west of Chicago, with quick access to two major highways and serves a population of 9,539. The City of Rochelle is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Rochelle operates under the Council Manager form of government that was approved by public referendum in 1994. The City operates under the City Manager Statutes of the State of Illinois which states that "The City Manager shall be the Chief Administrative Officer of the City and shall be

responsible to the City Council for the proper administration of all affairs of the City.” Working closely with the City Council, city staff, community organizations, the business community and citizens, the City Manager’s office ensures that quality services and programs are available to meet the needs of the City of Rochelle.

The City of Rochelle provides a full range of services, including police and fire protection, refuse collection, snow and leaf removal, traffic control, on- and off-street parking, building inspections, licenses and permits, construction and maintenance of streets and other infrastructure, cemetery maintenance, water and water reclamation service, electric service, and advanced communication services.

The City Council is required to adopt an initial budget for the fiscal year no later than April 30 preceding the beginning of the fiscal year on May 1. This annual budget serves as the foundation for the City of Rochelle’s financial planning and control. The budget is prepared by fund and department. Department heads may transfer resources within a department as they see fit. The City Manager may transfer resources between departments; however transfers between funds require the approval from the City Council.

Local economy

The City of Rochelle is located 80 miles outside the City of the Chicago. Close to 200 Chamber of Commerce member businesses call Rochelle home, including Rochelle Foods, Americold, Hillshire Brands, Bay Valley Foods, Cain Millwork, Clark Dietrich Building Systems, Silgan Containers, DelMonte, Central Refrigeration, Allstate Insurance, Coated Sands Solutions and Nippon Sharyo Manufacturing, LLC to name just a few. The City of Rochelle boasts a rich transportation history; two Class 1 Railroads, the Union Pacific and Burlington Northern Santa Fe, the Union Pacific Global III Intermodal, Interstates I-39 and I-88 and our own airport.

In the past ten years, over \$1.5B of capital investment has been made in Rochelle; \$60M in public infrastructure advancements, 4.5M sq. ft. of industrial space added, and well over 2,200 jobs have been created. Through a recession, commercial and retail development in the City is on the rise. Phase I of the Electrical System infrastructure upgrade is in progress. Some areas will receive new wires, either overhead or underground and others will receive utility pole replacements.

During the past ten years, the unemployment rate for Rochelle rose from 6.6% in 2007 to a high of 18.5% in 2010. The April 2015 unemployment rate for Rochelle was 5.4%.

Long-term financial planning and major initiatives

The City of Rochelle, Flagg-Rochelle Park District, Rochelle Township High School, Rochelle Community Consolidated District #231, Rochelle Community Hospital, the Greater Rochelle Economic Development Corporation (GREDCO), and the Rochelle Area Chamber (Partners) have recently formed a unified Brand Development Committee (BDC) to fund the development of a unique community brand with a compelling message and a five-year strategic plan. The Brand Leadership Team (BLT) is in place and preparing to take action on the Branding, Development and Marketing plan that will capitalize on Rochelle’s assets and unique attributes to positively impact all aspects of the local economy, tourism, and new residential development. The City’s Community Development Department will take an active role in this initiative.

Relevant financial policies

The City of Rochelle is in the process of adopting a comprehensive set of financial policies that set forth the basic framework for the overall fiscal management of the City. These policies are to assist the decision making process of the City Council and the Administration. These policies are to provide guidelines for evaluating both current activities and proposals for future programs and budgets.

Financial policies aid the City by improving financial management, financial position and the credit worthiness of the City. They also serve to ensure that all financial transactions conducted by or on behalf of the City are made in a manner and method which provides for the most proficient and effective management of the financial resources and funds of the City. Several examples include; Fund Balance Policy (25% of operating expenditures), Investment Policy, Debt Policy, and Internal Control Policy.

Awards & Acknowledgements

The Government Finance Officers Association of the United States awarded a Certificate of Achievement in Financial Reporting to the City of Rochelle for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2014. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City received the Certificate of Achievement for the first time and we believe our current report continues to conform to the Certificate of Achievement program requirements. We are submitting the CAFR to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Administrative Services Department. I would like to thank the staff for their dedication and support.

Respectfully submitted,

David Plyman

David Plyman
City Manager

Chris Cardott

Chris Cardott
Finance Director



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Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Rochelle, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois (the City) as of and for the year ended April 30, 2015, and the related notes to 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 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 from 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 the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections and the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions 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 the 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.

Naperville, Illinois
October 26, 2015

A handwritten signature in black ink, appearing to be 'M. D. P.', is located to the right of the date.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Rochelle offers all persons interested in the financial position of the City this narrative overview and analysis of the City's financial performance during the fiscal year ending April 30, 2015. You are invited to read this narrative in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Rochelle exceeded its liabilities by \$136,320,655 (net position). Of this amount, \$17,790,779 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$13,103,268 is restricted for specific purposes (restricted net position), and \$105,426,608 is the net investment in capital assets.
- The City's total net position increased by \$1,825,865. Governmental activities net position increased by \$890,709, while business-type net position increased by \$935,156.
- The governmental activities net position increase of \$890,709 is primarily due to an increase in capital grants and contributions of \$774,261 related to various ongoing grant-funded City projects.
- On April 30, 2015, the City's governmental funds reported combined fund balances of \$4,110,627, a decrease of \$4,753 from April 30, 2014. Unassigned fund balance was \$394,410 at year end.
- Revenues for the governmental activities increased from the previous year by 13%. Expenditures decreased by 4%. The decreases were due to the completion of grant-funded projects.
- The assets of the Electric Utility exceed its liabilities by \$42,749,162 (net position). Of this amount, \$12,476,796 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$10,904,642 is restricted for debt service (restricted net position), and \$19,367,724 is the net investment in capital assets.
- The assets of the Water and Water Reclamation Utility exceeded its liabilities by \$37,543,293 (net position). Of this amount, \$5,228,268 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$25,532 is restricted for debt service (restricted net position), and \$32,289,493 is the net investment in capital assets.
- Operating revenues for the Electric Utility were up 8% while expenses were up 13%. Operating revenue increases came from rate changes, added revenue streams, and grant funds. Operating expenses increased due to higher purchased power costs.
- Operating revenues for the Water and Water Reclamation Utility were up 12%, while operating expenses were up 3%. Operating expenses increased mainly due to the rise in power costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position – the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

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, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 18 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 which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains eight different types of proprietary funds, six of which are enterprise funds and two of which are internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations.

A summary of the City's Statement of Net Position is presented below in Table 1.

**Table 1
Condensed Statements of Net Position**

	2015 Governmental Activities	2014 Governmental Activities	2015 Business-type Activities	2014 Business-type Activities	2015 Total	2014 Total
Current and Other Assets	\$ 9,211,341	\$ 9,712,000	\$ 35,279,382	\$ 33,170,128	\$ 44,490,723	\$ 42,882,128
Capital Assets	48,124,038	46,244,092	80,146,216	75,599,371	128,270,254	121,843,463
Total Assets and Deferred Outflows	<u>57,335,379</u>	<u>55,956,092</u>	<u>115,425,598</u>	<u>108,769,499</u>	<u>172,760,977</u>	<u>164,725,591</u>
Long-term Liabilities	3,811,792	3,813,912	23,442,827	18,289,335	27,244,619	22,103,247
Other Liabilities	4,742,825	4,252,127	4,442,878	3,875,427	9,195,703	8,127,554
Total Liabilities and Deferred Inflows	<u>8,554,617</u>	<u>8,066,039</u>	<u>27,885,705</u>	<u>22,164,762</u>	<u>36,440,322</u>	<u>30,230,801</u>
Net investment in capital assets	48,124,038	46,244,092	57,302,570	57,684,867	105,426,608	103,928,959
Restricted	2,173,094	2,601,692	10,930,174	12,873,509	13,103,268	15,475,201
Unrestricted	<u>(1,516,370)</u>	<u>(955,731)</u>	<u>19,307,14</u>	<u>16,046,361</u>	<u>17,790,779</u>	<u>15,090,630</u>
Total Net Position	<u>\$ 48,780,762</u>	<u>\$ 47,890,053</u>	<u>\$ 87,539,893</u>	<u>\$ 86,604,737</u>	<u>\$ 136,320,655</u>	<u>\$ 134,494,790</u>

The largest portion of the City's net position (77%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (13%) may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all of the three categories of net position for the City as a whole.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

**Table 2
Condensed Statement of Activities**

	2015 Governmental Activities	2014 Governmental Activities	2015 Business-type Activities	2014 Business-type Activities	2015 Total	2014 Total
Revenues:						
Program Revenues						
Charges for Services	\$ 2,134,917	\$ 1,589,936	\$ 43,482,459	\$ 40,349,509	\$ 45,617,376	\$ 41,939,445
Operating Grants and contributions	252,066	292,235	-	-	252,066	292,235
Capital Grants and Contributions	774,261	1,131,988	803,867	1,655,641	1,578,128	2,787,629
General Revenues						
Property Taxes	2,826,331	2,605,811	57,837	58,912	2,884,168	2,664,723
Other Taxes	5,142,079	5,166,662	-	-	5,142,079	5,166,662
Other	85,475	103,422	385,232	131,956	470,707	235,378
Total Revenues	<u>11,215,129</u>	<u>10,890,054</u>	<u>44,729,395</u>	<u>42,196,018</u>	<u>55,944,524</u>	<u>53,086,072</u>
Expenses:						
General Government	2,024,267	1,991,208	-	-	2,024,267	1,991,208
Public Safety	5,506,420	5,240,013	-	-	5,506,420	5,240,013
Public Works	3,975,074	3,643,889	-	-	3,975,074	3,643,889
Conservation and Development	534,560	374,558	-	-	534,560	374,558
Public Service Enterprises	162,196	277,549	-	-	162,196	277,549
Landfill	-	-	577,716	502,936	577,716	502,936
Airport	-	-	536,528	739,131	536,528	739,131
Electric	-	-	34,790,641	30,900,842	34,790,641	30,900,842
Water and Water Reclamation	-	-	4,235,635	4,198,382	4,235,635	4,198,382
Communications	-	-	815,032	834,028	815,032	834,028
Technology Center	-	-	875,591	815,123	875,591	815,123
Interest and Fiscal Charges	84,999	172,584	-	-	84,999	172,584
Total Expenses	<u>12,287,516</u>	<u>11,699,801</u>	<u>41,831,143</u>	<u>37,990,442</u>	<u>54,118,659</u>	<u>49,690,243</u>
Income (Loss) Before Transfers	(1,072,387)	(809,747)	2,898,252	4,205,576	1,825,865	3,395,829
Transfers	<u>1,963,096</u>	<u>1,949,164</u>	<u>(1,963,096)</u>	<u>(1,949,164)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>890,709</u>	<u>1,139,417</u>	<u>935,156</u>	<u>2,256,412</u>	<u>1,825,865</u>	<u>3,395,829</u>

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

As previously noted, the Condensed Statements of Net Position (Table 1) shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Condensed Statement of Activities as shown above in Table 2.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$890,709. This increase is primarily a result of the following items:

- Grants that funded infrastructure improvements including streets and rail

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$935,156. This increase is primarily a result of the following items:

- System upgrades in Electric and Water and Water Reclamation
 - Deployment of services to new residential, commercial, and industrial developments
-

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

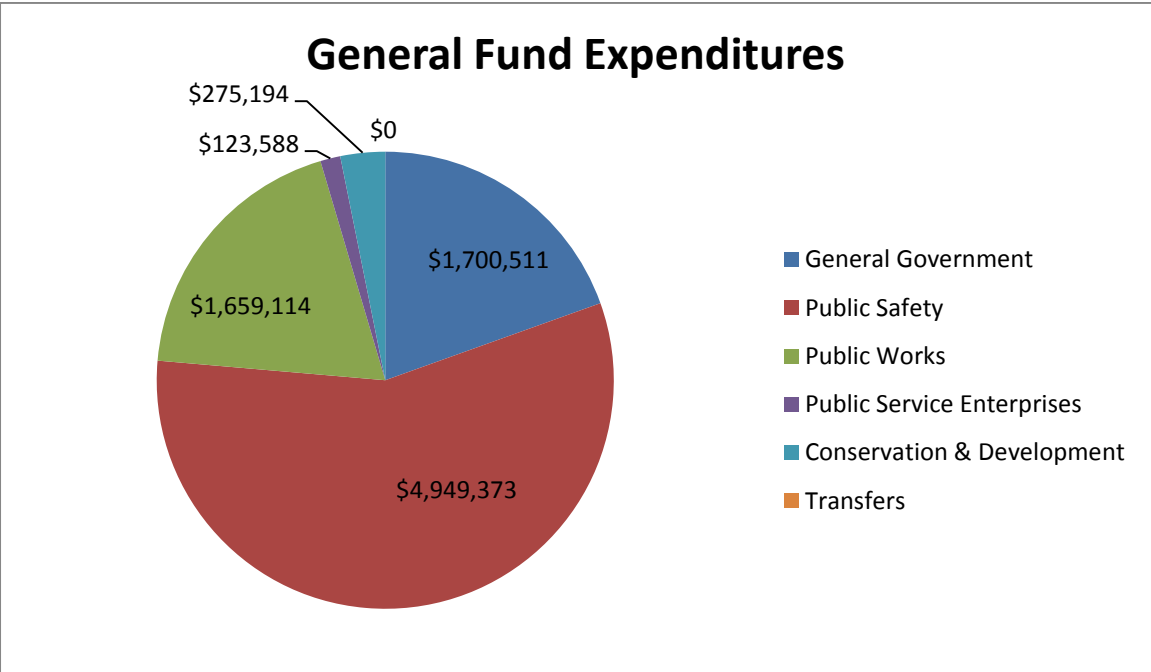
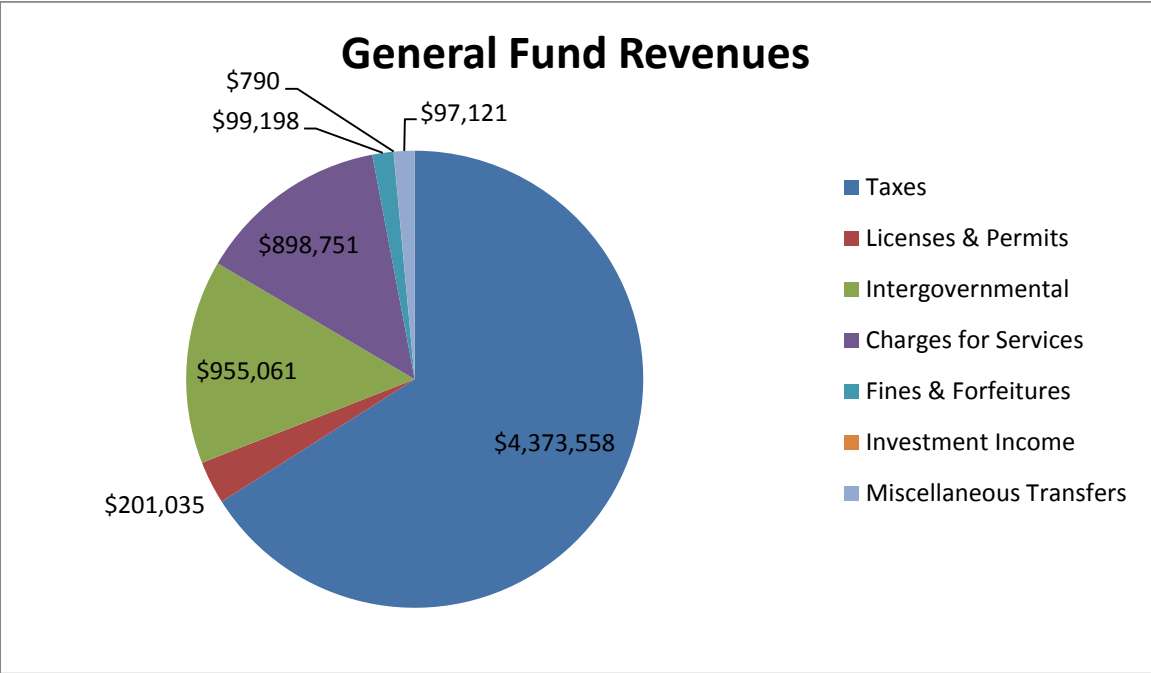
The focus of the City of Rochelle's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At April 30, 2015, the City's governmental funds reported combined fund balances of \$4,110,627. Approximately 10% of this amount, \$394,410 constitutes unrestricted, unassigned fund balance, which is available to meet the City's current and future needs. The remaining \$3,716,217 is nonspendable in form (prepaid items), restricted or unrestricted (assigned) for various capital improvements, tourism/employee benefits, and other specific purposes.

General Fund

The City's general fund is the chief operating fund of the City. Total fund balance in the general fund increased \$99,630 or 5.4%. Unrestricted, unassigned fund balance decreased \$679,749.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)



MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

Non-major Governmental Funds

Fund balance of all other governmental funds is \$2,180,178 which all but \$215,260 (nonspendable prepaid items) are restricted or assigned for future projects and expenditures.

Proprietary Funds

The City of Rochelle's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final General Fund budget had total appropriations of \$8,878,318. Actual expenditures were \$8,707,780, resulting in a \$170,538 favorable variance due to not filling open positions.

Total revenues and other sources were \$8,807,410, \$85,548 less than the final budget.

CAPITAL ASSETS

At the end fiscal year 2015, the City had invested a total of \$128,270,254 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	2015 Governmental Activities	2014 Governmental Activities	2015 Business-type Activities	2014 Business-type Activities	2015 Total	2014 Total
Construction in progress	\$ 221,885	\$ 287,397	\$ 5,587,953	\$ 1,456,821	\$ 5,809,838	\$ 1,744,218
Land and other assets not being depreciated	5,510,198	5,440,198	3,397,940	3,397,940	8,908,138	8,838,138
Buildings and improvements	3,115,916	3,062,534	6,301,931	6,296,932	9,417,847	9,359,466
Machinery and equipment	6,960,218	6,539,418	10,503,248	10,477,317	17,463,466	17,016,735
Infrastructure and utility plant	57,862,207	54,733,784	127,369,973	125,316,149	185,232,180	180,049,933
Total Capital Assets	73,670,424	70,083,331	153,161,045	146,945,159	226,831,469	217,008,490
Less: Accumulated Depreciation	(25,546,386)	(23,839,239)	(73,014,829)	(71,345,788)	(98,561,215)	(95,185,027)
Net Capital Assets	\$ 48,124,038	\$ 46,244,092	\$ 80,146,216	\$ 75,599,371	\$ 128,270,254	\$ 121,823,463

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS (cont.)

Major capital asset events during the current fiscal year included the following:

- Improvements to City sidewalks, streets, and alleys
- General system upgrades and extensions to electric, water, and waste water
- Purchase of 6 MW peak shaving equipment
- Installation of 312 kW solar plant

See note 3 on pages 36-37 for more information on the City's capital assets.

LONG-TERM DEBT

At April 30, 2015, the City had business-type activities debt including \$23,442,827 of long-term bonds and loans outstanding. \$16,370,000 of this is revenue debt, \$1,004,474 is IEPA loans, \$3,915,000 in debt certificates, and \$615,000 is a general obligation bond. The City also has governmental activities debt of \$2,805,000 in the form of a general obligation tax increment financing bond. The debt is payable either through the City's enterprise funds/business type activities, the TIF, or tax levy. See notes 4-6 on pages 38-42 for more information on the City's long-term debt.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2016 City budget. None of these conditions are anticipated to change the overall financial position of the City.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Rochelle, Chris Cardott, Finance Director, 420 N. 6th St., Rochelle, IL 61068 or e-mail ccardott@rochelleil.us.

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CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 4,057,636	\$ 15,103,044	\$ 19,160,680
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	2,329,909	59,584	2,389,493
Accounts	460,662	5,399,653	5,860,315
Grants	-	66,042	66,042
Accrued Interest	-	847	847
Other	59,068	752,272	811,340
Prepaid Expenses	217,492	374,945	592,437
Due from Other Governments	1,445,219	-	1,445,219
Internal Balances	641,355	(641,355)	-
Inventory	-	2,295,485	2,295,485
Deposits	-	368,658	368,658
Restricted Assets			
Restricted Cash and Investments	-	10,076,431	10,076,431
Cash Held at Paying Agent	-	853,743	853,743
Special Assessments	-	313,708	313,708
Capital Assets			
Not Depreciated	5,732,083	8,985,893	14,717,976
Depreciated (Net of Accumulated Depreciation)	42,391,955	71,160,323	113,552,278
Total Assets	57,335,379	115,169,273	172,504,652
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	-	256,325	256,325
Total Deferred Outflows of Resources	-	256,325	256,325
Total Assets and Deferred Outflows of Resources	57,335,379	115,425,598	172,760,977

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2015

	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Accounts Payable	\$ 706,754	\$ 3,268,277	\$ 3,975,031
Accrued Payroll	417,774	57,930	475,704
Accrued Interest Payable	36,533	386,564	423,097
Customer Advances	-	463,396	463,396
Other Payables	656,090	136,549	792,639
Deposits Payable	-	70,578	70,578
Unearned Revenue	605,765	-	605,765
Long-Term Liabilities			
Due Within One Year	272,580	1,295,847	1,568,427
Due in More than One Year	3,529,212	22,146,980	25,676,192
Total Liabilities	6,224,708	27,826,121	34,050,829
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	2,329,909	59,584	2,389,493
Total Deferred Inflows of Resources	2,329,909	59,584	2,389,493
Total Liabilities and Deferred Inflows of Resources	8,554,617	27,885,705	36,440,322
NET POSITION			
Net Investment in Capital Assets	48,124,038	57,302,570	105,426,608
Restricted for			
Audit	47	-	47
Maintenance of Roadways	705,760	-	705,760
Tourism	272,159	-	272,159
Employee Retirement	58,898	-	58,898
Capital Improvements	758,341	-	758,341
Community Development	68,477	-	68,477
Economic Development	142,151	-	142,151
Public Safety	28,947	-	28,947
Public Service Enterprises	138,314	-	138,314
Debt Service	-	10,930,174	10,930,174
Unrestricted	(1,516,370)	19,307,149	17,790,779
TOTAL NET POSITION	\$ 48,780,762	\$ 87,539,893	\$ 136,320,655

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,024,267	\$ 1,063,522	\$ -	\$ -
Public Safety	5,506,420	695,058	-	-
Public Works	3,975,074	335,859	252,066	774,261
Public Service Enterprises	162,196	40,478	-	-
Conservation and Development	534,560	-	-	-
Interest	84,999	-	-	-
Total Governmental Activities	12,287,516	2,134,917	252,066	774,261
Business-Type Activities				
Electric	34,790,641	33,991,035	-	508,504
Water and Water Reclamation	4,235,635	5,640,153	-	-
Communications	815,032	680,050	-	-
Technology Center	875,591	1,359,234	-	-
Landfill	577,716	1,396,251	-	-
Airport	536,528	415,736	-	295,363
Total Business-Type Activities	41,831,143	43,482,459	-	803,867
TOTAL PRIMARY GOVERNMENT	\$ 54,118,659	\$ 45,617,376	\$ 252,066	\$ 1,578,128

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (960,745)	\$ -	\$ (960,745)
	(4,811,362)	-	(4,811,362)
	(2,612,888)	-	(2,612,888)
	(121,718)	-	(121,718)
	(534,560)	-	(534,560)
	(84,999)	-	(84,999)
	<u>(9,126,272)</u>	<u>-</u>	<u>(9,126,272)</u>
	-	(291,102)	(291,102)
	-	1,404,518	1,404,518
	-	(134,982)	(134,982)
	-	483,643	483,643
	-	818,535	818,535
	-	174,571	174,571
	<u>-</u>	<u>2,455,183</u>	<u>2,455,183</u>
	<u>(9,126,272)</u>	<u>2,455,183</u>	<u>(6,671,089)</u>
General Revenues			
Taxes			
Property and Replacement	2,826,331	57,837	2,884,168
Sales and Use	3,081,073	-	3,081,073
Telecommunications	409,595	-	409,595
Hotel/Motel	212,328	-	212,328
Utility	373,430	-	373,430
Other	128,027	-	128,027
Shared Income Tax	937,626	-	937,626
Investment Income	3,581	31,851	35,432
Miscellaneous	81,894	353,381	435,275
Transfers In (Out)	1,963,096	(1,963,096)	-
Total	<u>10,016,981</u>	<u>(1,520,027)</u>	<u>8,496,954</u>
CHANGE IN NET POSITION	890,709	935,156	1,825,865
NET POSITION, MAY 1	<u>47,890,053</u>	<u>86,604,737</u>	<u>134,494,790</u>
NET POSITION, APRIL 30	<u>\$ 48,780,762</u>	<u>\$ 87,539,893</u>	<u>\$ 136,320,655</u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 484,039	\$ 3,152,855	\$ 3,636,894
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	1,709,417	620,492	2,329,909
Accounts	244,425	216,237	460,662
Prepaid Items	-	215,260	215,260
Due from Other Governments	788,448	656,771	1,445,219
Due from Other Funds	317,482	-	317,482
Advances to Other Funds	687,504	-	687,504
TOTAL ASSETS	\$ 4,231,315	\$ 4,861,615	\$ 9,092,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 180,297	\$ 433,588	\$ 613,885
Accrued Payroll	411,152	1,871	413,023
Deposits Payable	-	656,090	656,090
Due to Other Funds	-	363,631	363,631
Unearned Revenue	-	605,765	605,765
Total Liabilities	591,449	2,060,945	2,652,394
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	1,709,417	620,492	2,329,909
Total Liabilities and Deferred Inflows of Resources	2,300,866	2,681,437	4,982,303
FUND BALANCES			
Nonspendable Advances	687,504	-	687,504
Nonspendable Prepaid Items	-	215,260	215,260
Restricted for Audit	-	47	47
Restricted for Maintenance of Roadways	-	705,760	705,760
Restricted for Tourism	-	272,159	272,159
Restricted for Employee Retirement	-	58,898	58,898
Restricted for Capital Improvements	-	758,341	758,341
Restricted for Community Development	68,477	-	68,477
Restricted for Economic Development	-	142,151	142,151
Restricted for Public Safety	-	28,947	28,947
Restricted for Cemetery	138,314	-	138,314
Unrestricted			
Assigned for Ambulance Replacement	-	478,635	478,635
Assigned for Stormwater	-	124,507	124,507
Assigned for Capital Purposes	-	37,217	37,217
Unassigned	1,036,154	(641,744)	394,410
Total Fund Balances	1,930,449	2,180,178	4,110,627
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,231,315	\$ 4,861,615	\$ 9,092,930

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,110,627
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	48,124,038
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
General Obligation Tax Increment Financing Bonds	(2,805,000)
Accrued interest payable	(36,533)
Unamortized bond premium	(59,055)
Compensated absences payable	(299,281)
Net pension obligation	(498,645)
Other postemployment benefit payable	(123,933)
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>368,544</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 48,780,762</u></u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,373,558	\$ 2,634,265	\$ 7,007,823
Licenses and Permits	201,035	61,170	262,205
Intergovernmental	955,061	1,008,892	1,963,953
Charges for Services	898,751	827,644	1,726,395
Fines and Forfeitures	99,198	-	99,198
Investment Income	790	2,791	3,581
Miscellaneous	97,121	54,853	151,974
Total Revenues	6,625,514	4,589,615	11,215,129
EXPENDITURES			
Current			
General Government	1,700,511	277,762	1,978,273
Public Safety	4,949,373	394,321	5,343,694
Public Works	1,659,114	339,187	1,998,301
Public Service Enterprises	123,588	15,369	138,957
Conservation and Development	275,194	254,934	530,128
Capital Outlay	-	3,964,145	3,964,145
Debt Service			
Principal	-	90,000	90,000
Interest and Fiscal Charges	-	89,480	89,480
Total Expenditures	8,707,780	5,425,198	14,132,978
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,082,266)	(835,583)	(2,917,849)
OTHER FINANCING SOURCES (USES)			
Transfers In	2,181,896	3,429,961	5,611,857
Transfers (Out)	-	(2,698,761)	(2,698,761)
Total Other Financing Sources (Uses)	2,181,896	731,200	2,913,096
NET CHANGE IN FUND BALANCES	99,630	(104,383)	(4,753)
FUND BALANCES, MAY 1	1,830,819	2,284,561	4,115,380
FUND BALANCES, APRIL 30	\$ 1,930,449	\$ 2,180,178	\$ 4,110,627

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,753)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,587,093
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Depreciation	(1,707,147)
Change in compensated absences	(26,385)
Change in net pension obligation	(30,711)
Change in other postemployment benefit obligation	(29,773)
The decrease in interest payable is reported as a decrease of expense on the statement of activities	4,481
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal	90,000
The addition (reduction) in net position of certain activities of internal service funds is included in governmental funds	<u>(992,096)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 890,709</u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2015

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
CURRENT ASSETS			
Cash and Investments	\$ 6,954,460	\$ 4,848,344	\$ -
Receivables			
Property Taxes	-	-	-
Accounts	4,452,291	732,345	3,385
Grants	-	-	-
Accrued Interest	-	847	-
Other	751,259	1,013	-
Prepaid Expenses	322,031	42,167	10,747
Inventory	2,265,841	3,480	-
Deposits	368,658	-	-
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
Restricted Assets			
Cash and Investments	10,070,431	6,000	-
Cash Held at Paying Agent	834,211	19,532	-
Total Current Assets	<u>26,019,182</u>	<u>5,653,728</u>	<u>14,132</u>
NONCURRENT ASSETS			
Advance to Other Funds	1,070,568	-	-
Special Assessments	-	313,708	-
Total Noncurrent Assets	<u>1,070,568</u>	<u>313,708</u>	<u>-</u>
CAPITAL ASSETS			
Nondepreciable	2,146,948	3,688,065	-
Depreciable	74,222,626	56,677,856	3,629,245
Accumulated Depreciation	<u>(39,692,678)</u>	<u>(27,071,954)</u>	<u>(2,784,368)</u>
Net Capital Assets	<u>36,676,896</u>	<u>33,293,967</u>	<u>844,877</u>
Total Assets	<u>63,766,646</u>	<u>39,261,403</u>	<u>859,009</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	<u>256,325</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>256,325</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>64,022,971</u>	<u>39,261,403</u>	<u>859,009</u>

Business-Type Activities			Governmental
Technology	Nonmajor		Internal
Center	Enterprise	Total	Service
	Funds		Funds
\$ 206,070	\$ 3,094,170	\$ 15,103,044	\$ 420,742
-	59,584	59,584	-
29,424	182,208	5,399,653	-
-	66,042	66,042	-
-	-	847	-
-	-	752,272	59,068
-	-	374,945	2,232
-	26,164	2,295,485	-
-	-	368,658	-
-	-	-	-
-	56,061	56,061	-
-	-	10,076,431	-
-	-	853,743	-
235,494	3,484,229	35,406,765	482,042
-	-	1,070,568	-
-	-	313,708	-
-	-	1,384,276	-
519,453	2,631,427	8,985,893	-
5,240,600	4,404,825	144,175,152	116,880
(977,214)	(2,488,615)	(73,014,829)	(116,880)
4,782,839	4,547,637	80,146,216	-
5,018,333	8,031,866	116,937,257	482,042
-	-	256,325	-
-	-	256,325	-
5,018,333	8,031,866	117,193,582	482,042

(This statement is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

April 30, 2015

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
CURRENT LIABILITIES			
Accounts Payable	\$ 2,638,167	\$ 526,377	\$ 2,843
Customer Advances	463,396	-	-
Accrued Payroll	37,312	14,822	2,979
Accrued Interest Payable	219,211	17,804	-
Other Payables	136,549	-	-
Deposits Payable	-	67,840	2,738
Due to Other Funds	-	-	-
General Obligation Debt Payable	-	-	-
Revenue Bonds Payable	615,000	-	-
IEPA Loans Payable	-	258,699	-
Compensated Absences Payable	114,407	46,857	13,101
Total Current Liabilities	4,224,042	932,399	21,661
LONG-TERM LIABILITIES			
Advance from Other Funds	-	-	965,067
Net Pension Obligation	99,270	39,936	12,358
Long-Term Debt, Net of Current Maturities			
General Obligation Debt Payable	-	-	-
Revenue Bonds Payable	15,755,000	-	-
IEPA Loans Payable	-	745,775	-
Unamortized Bond Premium/Discount	1,195,497	-	-
Total Long-Term Liabilities	17,049,767	785,711	977,425
Total Liabilities	21,273,809	1,718,110	999,086
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	-	-	-
Total Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	21,273,809	1,718,110	999,086
NET POSITION			
Net Investment in Capital Assets	19,367,724	32,289,493	844,877
Restricted for Debt Service	10,904,642	25,532	-
Unrestricted (Deficit)	12,476,796	5,228,268	(984,954)
TOTAL NET POSITION (DEFICIT)	\$ 42,749,162	\$ 37,543,293	\$ (140,077)

Business-Type Activities			Governmental
Technology	Nonmajor		Internal
Center	Enterprise	Total	Service
	Funds		Funds
\$ 1,107	\$ 99,783	\$ 3,268,277	\$ 92,869
-	-	463,396	-
2,795	22	57,930	4,751
139,309	10,240	386,564	-
-	-	136,549	-
-	-	70,578	-
-	9,912	9,912	-
210,000	30,000	240,000	-
-	-	615,000	-
-	-	258,699	-
5,795	1,988	182,148	15,878
359,006	151,945	5,689,053	113,498
404,338	388,667	1,758,072	-
5,271	3,873	160,708	-
3,705,000	585,000	4,290,000	-
-	-	15,755,000	-
-	-	745,775	-
-	-	1,195,497	-
4,114,609	977,540	23,905,052	-
4,473,615	1,129,485	29,594,105	113,498
-	59,584	59,584	-
-	59,584	59,584	-
4,473,615	1,189,069	29,653,689	113,498
867,839	3,932,637	57,302,570	-
-	-	10,930,174	-
(323,121)	2,910,160	19,307,149	368,544
\$ 544,718	\$ 6,842,797	\$ 87,539,893	\$ 368,544

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the Year Ended April 30, 2015

	Business-Type Activities		
	Electric Utility	Water and Reclamation	Communications
OPERATING REVENUES			
Charges for Services	\$ 33,991,035	\$ 5,640,153	\$ 680,050
Miscellaneous	317,523	11,695	-
Total Operating Revenues	<u>34,308,558</u>	<u>5,651,848</u>	<u>680,050</u>
OPERATING EXPENSES			
Administration	-	-	-
Operations	32,022,344	2,753,491	740,692
Depreciation and Amortization	2,318,974	1,453,445	73,343
Total Operating Expenses	<u>34,341,318</u>	<u>4,206,936</u>	<u>814,035</u>
OPERATING INCOME (LOSS)	<u>(32,760)</u>	<u>1,444,912</u>	<u>(133,985)</u>
NON-OPERATING REVENUES (EXPENSES)			
Taxes	-	-	-
Investment Income	18,980	10,342	-
Interest Expense	(449,323)	(28,699)	(997)
Total Non-Operating Revenues (Expenses)	<u>(430,343)</u>	<u>(18,357)</u>	<u>(997)</u>
NET INCOME (LOSS) BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	<u>(463,103)</u>	<u>1,426,555</u>	<u>(134,982)</u>
TRANSFERS			
Transfers (Out)	(1,562,037)	(221,059)	-
Total Transfers	<u>(1,562,037)</u>	<u>(221,059)</u>	<u>-</u>
CAPITAL GRANTS AND CONTRIBUTIONS	<u>508,504</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(1,516,636)</u>	<u>1,205,496</u>	<u>(134,982)</u>
NET POSITION (DEFICIT), MAY 1	44,265,798	36,337,797	(5,095)
Prior Period Adjustment	-	-	-
NET POSITION (DEFICIT), MAY 1, RESTATED	<u>44,265,798</u>	<u>36,337,797</u>	<u>(5,095)</u>
NET POSITION (DEFICIT), APRIL 30	<u>\$ 42,749,162</u>	<u>\$ 37,543,293</u>	<u>\$ (140,077)</u>

Business-Type Activities			Governmental
Technology	Nonmajor		Internal
Center	Enterprise	Total	Service
	Funds		Funds
\$ 1,359,234	\$ 1,811,987	\$ 43,482,459	\$ 513,033
-	24,163	353,381	-
1,359,234	1,836,150	43,835,840	513,033
-	-	-	556,419
561,436	958,889	37,036,852	-
143,151	124,557	4,113,470	-
704,587	1,083,446	41,150,322	556,419
654,647	752,704	2,685,518	(43,386)
-	57,837	57,837	-
172	2,357	31,851	1,290
(171,004)	(30,798)	(680,821)	-
(170,832)	29,396	(591,133)	1,290
483,815	782,100	2,094,385	(42,096)
-	(180,000)	(1,963,096)	(950,000)
-	(180,000)	(1,963,096)	(950,000)
-	295,363	803,867	-
483,815	897,463	935,156	(992,096)
60,903	5,945,334	86,604,737	1,360,640
-	-	-	-
60,903	5,945,334	86,604,737	1,360,640
\$ 544,718	\$ 6,842,797	\$ 87,539,893	\$ 368,544

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2015

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 33,403,079	\$ 5,676,245	\$ 241,364
Receipts from Interfund Services Transactions	-	-	459,716
Payments to Suppliers	(29,682,521)	(814,953)	(259,888)
Payments to Employees	(1,323,359)	(1,190,091)	(321,672)
Payments to Other Funds	(629,433)	(921,102)	(164,729)
Net Cash from Operating Activities	<u>1,767,766</u>	<u>2,750,099</u>	<u>(45,209)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from Property Taxes	-	-	-
Receipts of Loans from Other Funds	466,808	-	632,530
Repayment of Loans from Other Funds	-	-	(524,210)
Interest Paid on Interfund Loans	-	-	(997)
Transfers (Out)	(1,562,038)	(221,059)	-
Net Cash from Noncapital Financing Activities	<u>(1,095,230)</u>	<u>(221,059)</u>	<u>107,323</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(5,514,310)	(2,233,998)	(62,114)
Issuance of Long-Term Debt	6,578,751	-	-
Principal Payments on Long-Term Debt	(590,000)	(251,460)	-
Interest Payments on Long-Term Debt	(494,502)	(32,901)	-
Grant Receipts	508,504	491,074	-
Net Cash from Capital and Related Financing Activities	<u>488,443</u>	<u>(2,027,285)</u>	<u>(62,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Investments	<u>16,880</u>	<u>10,593</u>	<u>-</u>
Net Cash from Investing Activities	<u>16,880</u>	<u>10,593</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,177,859</u>	<u>512,348</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, MAY 1	<u>15,847,032</u>	<u>4,341,996</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 17,024,891</u>	<u>\$ 4,854,344</u>	<u>\$ -</u>

Business-Type Activities			Governmental
Nonmajor			Activities
Technology Center	Enterprise Funds	Total	Internal Service
\$ 1,205,614	\$ 1,748,472	\$ 42,274,774	\$ -
131,679	-	591,395	508,240
(167,579)	(905,468)	(31,830,409)	(164,307)
(169,175)	(32,270)	(3,036,567)	(400,665)
(226,477)	(113,279)	(2,055,020)	-
774,062	697,455	5,944,173	(56,732)
-	57,837	57,837	-
-	465,322	1,564,660	-
(399,095)	-	(923,305)	-
(2,410)	-	(3,407)	-
-	(180,000)	(1,963,097)	(950,000)
(401,505)	343,159	(1,267,312)	(950,000)
(65,489)	(371,381)	(8,247,292)	-
-	-	6,578,751	-
(200,000)	(30,000)	(1,071,460)	-
(175,710)	(31,198)	(734,311)	-
-	243,057	1,242,635	-
(441,199)	(189,522)	(2,231,677)	-
172	2,358	30,003	1,290
172	2,358	30,003	1,290
(68,470)	853,450	2,475,187	(1,005,442)
274,540	2,240,720	22,704,288	1,426,184
\$ 206,070	\$ 3,094,170	\$ 25,179,475	\$ 420,742

(This statement is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2015

	<u>Business-Type Activities</u>		
	<u>Electric Utility</u>	<u>Water and Water Reclamation</u>	<u>Communications</u>
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH FLOWS FROM			
OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (32,760)	\$ 1,444,912	\$ (133,985)
Adjustments to Reconcile Operating Income			
(Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	2,318,974	1,453,445	73,343
Changes in Assets and Liabilities			
Accounts Receivable	(335,793)	(30,290)	6,330
Other Receivables	(550,920)	7,725	14,700
Prepaid Expenses	(92,825)	1,222	(3,663)
Inventory	50,504	350	-
Deposits	-	29,395	-
Accounts Payable	416,693	(184,910)	(7,317)
Customer Advances	(18,767)	-	-
Accrued Payroll	17,087	7,960	1,200
Other Payables	(4,733)	17,567	-
Compensated Absences	(1,773)	1,886	3,925
Net Pension Obligation	2,079	837	258
NET CASH FROM OPERATING ACTIVITIES	\$ 1,767,766	\$ 2,750,099	\$ (45,209)
CASH AND INVESTMENTS			
Cash and Investments	\$ 6,954,460	\$ 4,848,344	\$ -
Restricted Cash and Investments	10,070,431	6,000	-
TOTAL CASH AND INVESTMENTS	\$ 17,024,891	\$ 4,854,344	\$ -

Business-Type Activities			Governmental
Nonmajor			Activities
Technology	Enterprise	Total	Internal
Center	Funds		Service
\$ 654,647	\$ 752,704	\$ 2,685,518	\$ (43,386)
143,151	124,557	4,113,470	-
(21,941)	(87,678)	(469,372)	-
-	-	(528,495)	(4,793)
-	-	(95,266)	(854)
-	40,533	91,387	-
-	-	29,395	-
(4,548)	(130,746)	89,172	(4,046)
-	-	(18,767)	-
1,179	(302)	27,124	1,399
-	-	12,834	-
1,464	(1,694)	3,808	(5,052)
110	81	3,365	-
<u>\$ 774,062</u>	<u>\$ 697,455</u>	<u>\$ 5,944,173</u>	<u>\$ (56,732)</u>
\$ 206,070	\$ 3,094,170	\$ 15,103,044	\$ 420,742
-	-	10,076,431	-
<u>\$ 206,070</u>	<u>\$ 3,094,170</u>	<u>\$ 25,179,475</u>	<u>\$ 420,742</u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

April 30, 2015

ASSETS

Cash and Short-Term Investments	\$ 391,083
Investments, at Fair Value	
U.S. Treasury Securities	2,214,827
U.S. Agency Securities	1,149,725
Certificates of Deposit	51,066
Equity Mutual Funds	8,828,518
Corporate Bonds	1,621,326
Municipal Bonds	2,396,762
Equities	1,917,503
Annuity Contracts	191,698
Receivables	
Accrued Interest	<u>71,677</u>
 Total Assets	 <u>18,834,185</u>

LIABILITIES

None	<u>-</u>
 Total Liabilities	 <u>-</u>

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

\$ 18,834,185

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2015

ADDITIONS

Contributions

Employer Contributions	\$ 555,429
Employee Contributions	<u>230,580</u>

Total Contributions	<u>786,009</u>
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Investment Income

Net Appreciation in Fair Value of Investments	474,994
Interest	<u>619,630</u>

Total Investment Income	1,094,624
Less Investment Expense	<u>(69,265)</u>

Net Investment Income	<u>1,025,359</u>
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Total Additions	<u>1,811,368</u>
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DEDUCTIONS

Benefits and Refunds	1,424,379
Administrative Expenses	<u>33,109</u>

Total Deductions	<u>1,457,488</u>
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NET INCREASE	353,880
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**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>18,480,305</u>
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April 30	<u><u>\$ 18,834,185</u></u>
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See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

April 30, 2015

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CITY OF ROCHELLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rochelle, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated in 1853 and is a municipal corporation governed by an elected board under the mayor/council form of government. The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable.

Based on these criteria, the City is not considered a component unit of any other governmental unit, nor does it have any component units.

B. Fund Accounting

The City uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The City reports the following major proprietary funds:

The Electric Utility Fund accounts for the activities of the electric system.

The Water and Water Reclamation Fund accounts for the activities of the water and water reclamation system.

The Communications Fund accounts for the activities of the communication system.

The Technology Center Fund accounts for the activities of the technology center.

Additionally, the City reports the following proprietary fund type:

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, utility taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability and deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

E. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity less than one year when purchased are stated at cost or amortized cost. Investments with a maturity of one year or greater when purchased are reported at fair value. All investments of the pension trust funds are reported at fair value. Fair value has been based on quoted market prices at April 30, 2015 for debt and equity securities and contract values for mutual funds.

F. Property Taxes

Property taxes for 2014 are levied in December 2014 and attach as an enforceable lien on the property on January 1, 2014. Tax bills are prepared by the County and issued on or about May 1, 2015 and August 1, 2015, and are due and collectible on or about June 1, 2015 and September 1, 2015. The County collects the taxes and remits them periodically to the City. Those 2014 taxes are intended to finance the 2016 fiscal year and are not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue. The 2015 tax levy has not been recorded as a receivable at April 30, 2015, as the tax attached as a lien on property as of January 1, 2015; however, the tax will not be levied until December 2015 and, accordingly, is not measurable at April 30, 2015.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory

Inventory is valued at average cost on a first-in/first-out (FIFO) method.

H. Restricted Assets

Certain cash and investments in the Electric Utility Fund and Water and Water Reclamation Fund are restricted in accordance with the ordinances authorizing the issuance of the revenue bonds. Cash held with paying agent is held for payment of the Series 2008 Electric System Revenue Refunding Revenue Bonds. These assets are reflected as restricted cash and investments and restrictions of net position.

I. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Land	\$ -
Vehicles, Machinery, Furniture and Equipment	5,000
Buildings, Land Improvements and Infrastructure (All Systems)	25,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-40
Machinery and Equipment	5-20
Land Improvements	20-30
Utility System	5-77
Infrastructure	10-50

K. Vacation, Sick Pay and Other Employee Benefits

Vested or accumulated vacation related to employees that have retired or terminated at year end but have not yet been paid is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested and accumulated vacation of governmental activities and proprietary funds is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest and, therefore, no liability has been recorded for sick leave except for police officers and firefighters.

L. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

N. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts, as well as any gains/losses on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds 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 expenditures.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and Finance Director through the City's Fund Balance Policy. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

The City has a policy to maintain unassigned fund balance in the General Fund at a target level of 10% to 40% of annual budgeted expenditures. Balances in excess of 40% of annual budgeted expenditures may be transferred to the Capital Improvement Fund to support future capital projects.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

At April 30, 2015, the City had \$190,089 of net position and fund balances that were restricted for capital improvements and maintenance of roadways as a result of enabling legislation adopted by the City.

Q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH 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'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. The investments are governed by three separate investment policies; one policy for the City adopted by the City Council and one policy each for the Police and Firefighters' Pension Funds approved by their respective boards.

In accordance with the City's investment policy, the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance, evidenced by a written collateral agreement with the collateral held by an agent of the City in the City's name. City deposits at two institutions totaling \$224,688 were exposed to custodial credit risk as of April 30, 2015.

City Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 9,368	\$ 9,368	\$ -	\$ -	\$ -
TOTAL	\$ 9,368	\$ 9,368	\$ -	\$ -	\$ -

2. CASH AND INVESTMENTS (Continued)

City Investments (Continued)

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 limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. Unless matched to a specific cash flow, the City does not directly invest in securities maturing more than five years from the date of purchase.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government (Treasury obligations) or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government (GNMAs and Federal Home Loan Bank).

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased. Illinois Funds and the money market mutual funds are not subject to custodial credit risk.

The City's investment policy is silent on concentration of credit risk.

The City's investment policy specifically prohibits the use of or the investment in derivatives, unless separately approved by the City Council.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital Assets not Being Depreciated					
Land	\$ 3,101,317	\$ 70,000	\$ -	\$ -	\$ 3,171,317
Land Right of Way	2,338,881	-	-	-	2,338,881
Construction in Progress	287,397	257,194	-	(322,706)	221,885
Total Capital Assets not Being Depreciated	5,727,595	327,194	-	(322,706)	5,732,083
Capital Assets Being Depreciated					
Buildings	3,062,534	53,382	-	-	3,115,916
Machinery and Equipment	6,539,418	420,800	-	-	6,960,218
Bridges	9,328,117	1,179,635	-	-	10,507,752
Streets	29,429,891	-	-	173,030	29,602,921
Stormwater	4,552,223	-	-	149,676	4,701,899
Sidewalks	2,326,959	300,182	-	-	2,627,141
Railroad Spur	8,802,964	1,305,900	-	-	10,108,864
Street Lights	313,630	-	-	-	313,630
Total Capital Assets Being Depreciated	64,355,736	3,259,899	-	322,706	67,938,341
Less Accumulated Depreciation for					
Buildings	1,663,904	-	-	-	1,663,904
Machinery and Equipment	4,803,940	394,302	-	-	5,198,242
Bridges	1,214,162	210,155	-	-	1,424,317
Streets	11,220,367	706,566	-	-	11,926,933
Stormwater	3,486,728	117,547	-	-	3,604,275
Sidewalks	758,914	65,679	-	-	824,593
Railroad Spur	611,627	202,443	-	-	814,070
Street Lights	79,597	10,455	-	-	90,052
Total Accumulated Depreciation	23,839,239	1,707,147	-	-	25,546,386
Total Capital Assets Being Depreciated, Net	40,516,497	1,552,752	-	322,706	42,391,955
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 46,244,092	\$ 2,202,652	\$ -	\$ -	\$ 48,124,038

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 85,357
Public Safety	187,786
Public Works	1,416,933
Public Service Enterprises	17,071
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 1,707,147

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 3,397,940	\$ -	\$ -	\$ 3,397,940
Construction in Progress	1,456,821	8,571,228	4,440,096	5,587,953
Total Capital Assets not Being Depreciated	4,854,761	8,571,228	4,440,096	8,985,893
Capital Assets Being Depreciated				
Infrastructure	46,088,357	309,605	-	46,397,962
Equipment	10,477,317	25,931	-	10,503,248
Other Tangible Assets	2,134,356	-	-	2,134,356
Structures and Improvements	2,024,420	-	-	2,024,420
Building	4,272,512	4,999	-	4,277,511
General	8,135,204	122,604	-	8,257,808
Generation	8,559,757	3,789,953	-	12,349,710
Transmission	10,409,204	2,778,812	-	13,188,016
Distribution	49,989,271	300,488	5,247,638	45,042,121
Total Capital Assets Being Depreciated	142,090,398	7,332,392	5,247,638	144,175,152
Less Accumulated Depreciation for				
Infrastructure	19,895,181	1,189,366	-	21,084,547
Equipment	5,896,672	270,334	-	6,167,007
Other Tangible Assets	1,460,973	48,972	-	1,509,945
Structures and Improvements	708,051	68,324	-	776,375
Building	650,532	101,589	-	752,121
General	3,709,506	188,497	-	3,898,002
Generation	6,695,107	127,504	446,091	6,376,520
Transmission	7,462,485	413,720	210,219	7,665,986
Distribution	24,867,281	1,705,164	1,788,119	24,784,326
Total Accumulated Depreciation	71,345,788	4,113,470	2,444,429	73,014,829
Total Capital Assets Being Depreciated, Net	70,744,610	3,218,922	2,803,209	71,160,323
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET				
	\$ 75,599,371	\$ 11,790,150	\$ 7,243,305	\$ 80,146,216

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT

During the fiscal year the following changes occurred in liabilities reported in the governmental activities:

	Balances May 1	Additions	Reductions/ Refundings	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
GO TIF Bonds	\$ 2,895,000	\$ -	\$ 90,000	\$ 2,805,000	\$ 115,000
Unamortized Bond Premium	62,992	-	3,937	59,055	-
Compensated Absences*	293,826	168,246	146,913	315,159	157,580
Net Pension Obligation - IMRF*	109,339	2,339	-	111,678	-
Net Pension Obligation - Police*	215,219	-	6,404	208,815	-
Net Pension Asset/Obligation - Fire*	143,376	34,776	-	178,152	-
Net Other Postemployment Benefit Obligation*	94,160	29,773	-	123,933	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,813,912	\$ 235,134	\$ 247,254	\$ 3,801,792	\$ 272,580

*These liabilities are primarily retired by the General Fund.

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
Revenue Bonds					
2005 Electric System Bonds	\$ 9,435,000	\$ -	\$ 9,435,000	\$ -	\$ -
2008 Refunding Bonds	1,850,000	-	590,000	1,260,000	615,000
2008 Refunding Bonds	665,000	-	665,000	-	-
2014 Electric System Bonds	-	6,000,000	-	6,000,000	-
2015 Refunding Bonds	-	9,110,000	-	9,110,000	-
Total Revenue Bonds	11,950,000	15,110,000	10,690,000	16,370,000	615,000
General Obligation Debt Certificates	4,115,000	-	200,000	3,915,000	210,000
General Obligation Bonds	645,000	-	30,000	615,000	30,000
IEPA Revolving Loans	1,255,964	-	251,490	1,004,474	258,699
Unamortized Discount	(37,353)	-	(37,553)	-	-
Unamortized Premium	25,041	1,191,977	21,521	1,195,497	-
Compensated Absences	178,340	182,148	178,340	182,148	182,148
Net Pension Obligation	157,343	3,365	-	160,708	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 18,289,335	\$ 16,487,490	\$ 11,333,798	\$ 23,442,827	\$ 1,295,847

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Bonds payable and other long-term obligations at April 30, 2015 are comprised of the following, excluding the refunded bonds that are defeased in-substance:

General Obligation Debt

	<u>Total</u>	<u>Current Portion</u>
\$5,000,000 2008 Limited Tax Debt Certificates, due in annual installments of \$165,000 to \$350,000 from June 30, 2009 to June 30, 2028, interest at 4.27%, retired by the Technology Center Fund.	\$ 3,915,000	\$ 210,000
\$750,000 General Obligation Bonds, due in annual installments of \$15,000 to \$60,000 from June 30, 2011 to June 30, 2029, interest at 3.9% to 5.2%, retired by the Airport Fund, a nonmajor enterprise fund.	<u>615,000</u>	<u>30,000</u>
TOTAL GENERAL OBLIGATION DEBT	\$ 4,530,000	\$ 240,000
\$2,955,000 Series 2013 General Obligation Refunding (Tax Increment Financing Alternate Revenue Source) Bonds, due in annual installments of \$60,000 to \$260,000, through December 1, 2030, interest from 2% to 4%.	<u>\$ 2,805,000</u>	<u>\$ 115,000</u>
TOTAL TIF FUND ALTERNATE REVENUE BONDS	\$ 2,805,000	\$ 115,000

Revenue Bonds

	<u>Total</u>	<u>Current Portion</u>
\$5,755,000 Series 2008 Electric System Revenue Refunding Revenue Bonds, due in annual installments of \$565,000 to \$665,000, through May 1, 2016, interest from 3.5% to 4.5%.	\$ 1,260,000	\$ 615,000
\$6,000,000 Series 2014 Electric System Revenue Bonds due in annual installments of \$95,000 to \$1,215,000, through May 1, 2034, interest from 2% to 5%.	6,000,000	-
\$9,110,000 Series 2015 Electric System Revenue Refunding Revenue Bonds, due in annual installments of \$505,000 to \$830,000, through May 1, 2030, interest from 3% to 4%.	<u>9,110,000</u>	<u>-</u>
TOTAL ELECTRIC FUND REVENUE BONDS	\$ 16,370,000	\$ 615,000

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Revenue and Alternate Revenue Source Bonds Illinois EPA Loans

	Total	Current Portion
\$3,191,177 Illinois EPA low interest loan related to the Northwest Interceptor Sewer project, due in semiannual installments of \$122,605, through August 2017, interest at 2.89%.	\$ 587,319	\$ 229,885
\$600,000 Illinois EPA low interest loan related to the Askvig Subdivision project, due in semiannual installments of \$19,532, through May 2027, interest at 2.5%.	417,155	28,814
TOTAL WATER AND WATER RECLAMATION IEPA LOANS	\$ 1,004,474	\$ 258,699

Debt Service to Maturity

The annual requirements to amortize all debt outstanding (except compensated absences, insurance claims and net OPEB obligations) as of April 30, 2015, are as follows:

Fiscal Year Ending April 30,	General Obligation Debt		Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 240,000	\$ 196,748	\$ 615,000	\$ 546,294
2017	255,000	186,612	645,000	639,652
2018	265,000	175,852	600,000	616,615
2019	275,000	164,667	615,000	598,865
2020	290,000	162,102	630,000	580,190
2021-2025	1,630,000	600,158	3,515,000	2,523,700
2026-2030	1,575,000	186,932	4,265,000	1,753,595
2031-2035	-	-	5,485,000	711,975
TOTAL	\$ 4,530,000	\$ 1,673,071	\$ 16,370,000	\$ 7,970,886

Fiscal Year Ending April 30,	General Obligation Alternate Revenue Debt		Illinois EPA Loans	
	Principal	Interest	Principal	Interest
2016	\$ 115,000	\$ 87,680	\$ 258,699	\$ 25,214
2017	125,000	85,380	266,119	17,797
2018	130,000	82,880	151,140	10,169
2019	135,000	80,280	31,045	7,659
2020	140,000	76,905	31,825	6,879
2021-2025	805,000	326,825	171,544	21,976
2026-2030	1,095,000	181,612	94,102	2,838
2031-2035	260,000	10,400	-	-
TOTAL	\$ 2,805,000	\$ 931,962	\$ 1,004,474	\$ 92,532

4. LONG-TERM DEBT (Continued)

Revenue Source Bonds

The City issued the Series 2008 Refunding Water and Water Reclamation Alternate Revenue Source Bonds to provide funds for water and water reclamation capital improvements. These bonds are payable from a pledge of the City's water and water reclamation revenues and are being repaid by the Water and Water Reclamation Fund. The bonds are payable solely from water and water reclamation revenues and the final payment on the bonds was made on May 1, 2014. Principal and interest paid for the current year was \$677,469 or 23.37% of total customer net revenues of \$2,898,357.

The City issued the Series 2005 Electric Revenue Alternate Revenue Source Bonds, the Series 2008 Refunding Electric Alternate Revenue Source Bonds, the Series 2014 Electric Revenue Alternate Revenue Source Bonds and the Series 2015 Refunding Electric Alternate Revenue Source Bonds to provide funds for electric capital improvements. These bonds are payable from a pledge of the City's electric revenues and are being repaid by the Electric Fund. The bonds are payable solely from electric revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds as of April 30, 2015 is \$24,340,886. Principal and interest paid for the current year was \$1,061,835 or 46.45% of total customer net revenues of \$2,286,214.

Current Refunding

Electric

On March 4, 2015, the City issued \$9,110,000 Electric System Revenue Refunding Bonds, Series 2015, to refund the Electric System Revenue Bonds, Series 2005. As a result of the refunding, the City achieved cash flow savings of \$722,443 and an economic gain of \$681,002.

5. INDUSTRIAL REVENUE BONDS

The City has approved the issuance of industrial revenue bonds for the benefit of private business enterprises. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2015, there was one bond outstanding. The aggregate principal amount payable was \$5,250,000.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. REVENUE BONDS

The revenue bond ordinances require that all revenues derived from the operation of the Electric Utility Fund and Water and Water Reclamation Fund be segregated in separate accounts, in the priority indicated by the order of the following:

Account	Amount	Nature of Authorized Expenditures
Operation and Maintenance	Sufficient amount to pay reasonable expenses for one month's operations	Expenses of operating, maintaining and repairing the system
Bond and Interest	Amount sufficient to pay the current bond and interest maturities	Paying principal and interest on bonds
Bond Reserve	\$30,000 per month until account aggregates an amount equal to bond and interest requirements for any succeeding fiscal year	Paying principal and interest on bonds when there are insufficient funds in the bond and interest account
Depreciation, Improvement and Extension	\$20,000 per month until the account aggregates a minimum of \$7,000,000	Cost of extraordinary maintenance, necessary replacement and improvement or extension of the system
Surplus Revenue	The amount remaining after payment into the above four accounts	Making up deficiencies in the aforementioned accounts, paying of junior lien bonds and for any other lawful corporate purpose

The City has complied with all significant limitations, restrictions and bond covenants during the year ended April 30, 2015. The restricted assets and restricted net position for purposes other than bond proceeds and the expenses of operating, maintaining and repairing the system, is as follows:

RESTRICTED BOND ORDINANCE ACCOUNTS	
Bond and Interest Account	\$ 1,785,318
Bond Reserve Account	1,283,932
Depreciation, Improvement and Extension Account	<u>7,001,181</u>
TOTAL	<u><u>\$ 10,070,431</u></u>

7. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an 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. None of the plans issue separate reports. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan or Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the coverage of its own employees in IMRF, as specified by statute; for 2014 and 2015 the rates were 12.61% and 11.83%, respectively.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership

At April 30, 2015, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	17
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>20</u>
TOTAL	<u><u>37</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit 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. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.5% of salary for each year of service. The monthly benefit 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.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit 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. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. For the year ended April 30, 2015, the City's contribution was 17.46% of covered payroll.

Investment Policy

ILCS limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rates within the three highest classifications by at last two standard rating services, the Illinois Funds, mutual funds, equity securities, corporate debt securities, and variable annuities.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Cash	3.00%	0.00%
U.S. Fixed Income	32.00%	0.21%
Emerging Markets Debt	3.00%	2.36%
U.S. Large Cap Equity	5.00%	5.00%
U.S. Small/Mid Cap Equity	7.50%	6.04%
U.S. Preferred Securities	4.00%	3.02%
U.S. Convertible Bonds	6.00%	4.05%
International Developed Markets Equity	6.00%	5.97%
Emerging Markets Equity	9.00%	7.52%
Real Estate	7.50%	6.02%
Tactical All Asset	10.00%	3.70%
MLP's	4.00%	3.20%
Floating Rate Notes	3.00%	3.10%

The long-term expected real rates of return are net of a 2.5% factor for inflation and investment expense. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2013 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table above.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Police Pension Fund's investments.

Investment Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.74%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 854,988	\$ 10,013	\$ 409,148	\$ 230,160	\$ 205,667
U.S. Agency Obligations	868,211	50,082	177,255	-	640,874
Corporate Bonds	1,621,326	20,628	301,239	981,755	317,704
TOTAL	\$ 3,344,525	\$ 80,723	\$ 887,642	\$ 1,211,915	\$ 1,164,245

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 Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Police Pension Fund.

Credit Risk

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and corporate bonds. The agency securities are rated AA+ by Standard and Poor's, the current rating for federal debt securities. The corporate bonds are rated AA+ to BBB- by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy is silent on limiting exposure to custodial credit risk. In addition, the Fund allows the manager purchasing the investment to also serve as custodian over the investment. To limit its exposure, the manager has purchased an excess SIPC policy to cover any investment losses not covered by the limits of SIPC. The mutual funds are not subject to custodial credit risk.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Net Pension Liability

The components of the net pension liability of the Fund as of April 30, 2015 calculated in accordance with GASB Statement No. 67 were as follows:

Total Pension Liability	\$	15,181,931
Plan Fiduciary Net Position		10,802,351
City's Net Pension Liability		4,379,580
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.15%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Police Pension Fund.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2015 using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2015
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	3.00%
Salary Increases	2.50% to 7.50%
Discount Rate	6.75%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market

Mortality rates were based on rates developed in a 2012 study performed by the actuary for Illinois Police Officers. Other demographic assumption rates are based on a review of assumptions in the actuary's 2012 study for Illinois Police Officers.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 6,419,841	\$ 4,379,580	\$ 2,693,046

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Administration (Continued)

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

Plan Membership

At April 30, 2015, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active plan members	13
TOTAL	22

Benefits Provided

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement.

The annual benefit 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. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit 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. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's 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, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. For the year ended April 30, 2015, the City's contribution was 30.62% of covered payroll.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy

Permitted Deposits and Investments - Statutes and the Firefighter's Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rates within the three highest classifications by at last two standard rating services, the Illinois Funds, mutual funds, equity securities, corporate debt securities, and variable annuities.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	31.50%	7.00%
Small Cap Domestic Equity	9.00%	9.10%
International Equity	4.50%	7.20%
Fixed Income	55.00%	2.20%

The long-term expected real rates of return are net of a 3.15% factor for inflation and investment expense. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar*, for the period of December 31, 1925 through December 31, 2014. The long-term expected rate of return on the Internal Equity class was based on the MCSI EAFE index for the period of December 31, 1976 through December 31, 2014. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2015 are listed in the table above.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters' Pension Funds' deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,359,839	\$ 252,739	\$ 844,110	\$ 262,990	\$ -
U.S. Agency Obligations	281,514	-	-	2,095	279,419
State and Local Obligations	2,396,762	-	116,697	925,391	1,354,674
Negotiable Certificates of Deposit	51,066	51,066	-	-	-
TOTAL	\$ 4,089,181	\$ 303,805	\$ 960,807	\$ 1,190,476	\$ 1,634,093

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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 Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and state and local obligations. The agency securities are rated Aaa to AAA by Standard and Poor's, the current rating for federal debt securities. The state and local obligations are rated from AA to AA-.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy is silent on limiting exposure to custodial credit risk. In addition, the Fund allows the broker purchasing the investment to also serve as custodian over the investment. To limit its exposure, the broker has purchased an excess SIPC policy to cover any investment losses not covered by the limits of SIPC. The mutual funds are not subject to custodial credit risk.

Net Pension Liability

The components of the net pension liability of the City as of April 30, 2015 were as follows:

Total Pension Liability	\$	11,692,758
Plan Fiduciary Net Position		8,031,834
City's Net Pension Liability		3,660,924
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		68.69%

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2015 using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2015
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	3.00%
Salary Increases	0.00% to 15.00%
Discount Rate	6.75%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market

Mortality rates were based on rates developed in a 2012 study performed by the actuary for Illinois Firefighters. Other demographic assumption rates are based on a review of assumptions in the actuary's 2012 study for Illinois Firefighters.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 5,226,296	\$ 3,660,924	\$ 2,362,194

B. Significant Investments

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of plan net assets for either the Police Pension Plan or the Firefighters' Pension Plan. Information for IMRF is not available.

C. Annual Pension Costs

The annual required contribution (ARC) has been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2012	May 1, 2013	April 30, 2013
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	29 Years, Open	27 Years, Closed	27 Years, Closed

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.25% Compounded Annually	7.50% Compounded Annually
b) Projected Salary Increase-Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	0.40% to 10.00%	Not Available	Not Available

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

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2013	\$ 689,207	\$ 279,230	\$ 180,750
	2014	723,487	276,704	289,316
	2015	736,122	270,501	313,300
Actual Contributions	2013	\$ 664,684	\$ 172,117	\$ 151,275
	2014	717,902	177,283	103,048
	2015	730,417	276,905	278,524
Percentage of APC Contributed	2013	\$ 96.44%	\$ 61.64%	\$ 83.69%
	2014	99.23%	64.07%	35.62%
	2015	99.22%	102.37%	88.90%
NPO	2013	\$ 261,097	\$ 115,798	\$ (42,892)
	2014	266,681	215,219	143,376
	2015	272,386	208,815	178,152

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

The NPO at April 30, 2015 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 730,418	\$ 263,541	\$ 310,357
Interest on Net Pension Obligation	20,001	15,065	9,319
Adjustment to Annual Required Contribution	(14,297)	(8,105)	(6,376)
Annual Pension Cost	736,122	270,501	313,300
Contributions Made	730,417	276,905	278,524
Increase in Net Pension Obligation	5,705	(6,404)	34,776
Net Pension Obligation, Beginning of Year	266,681	215,219	143,376
NET PENSION OBLIGATION, END OF YEAR	\$ 272,386	\$ 208,815	\$ 178,152

The NPO is reported as a liability in the City's governmental and business-type activities columns in the government-wide financial statements at April 30, 2015.

D. Funded Status

The funded status of the plans as of April 30, 2015 is based on actuarial valuations as performed as of December 31, 2014 for IMRF and April 30, 2015 for the Police Pension Plan and Firefighters' Pension Plan. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 7c:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 17,944,176	\$ 15,181,931	\$ 11,692,758
Actuarial Value of Plan Assets	13,665,791	10,802,351	8,031,834
Unfunded Actuarial Accrued Liability (UAAL)	4,278,385	4,379,580	3,660,924
Funded Ratio (Actuarial Value of Plan Assets/AAL)	76.16%	71.15%	68.69%
Covered Payroll (Active Plan Members)	\$ 5,334,655	\$ 1,586,341	\$ 909,588
UAAL as a Percentage of Covered Payroll	80.20%	276.08%	402.48%

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

8. RISK MANAGEMENT

The City is exposed to various risks of loss, including but not limited to, property and casualty, general and public officials' liability, workers' compensation and employee's health. The City uses a combination of purchased third party indemnity insurance and self-insurance with specific and aggregate stop-loss coverage to limit its exposure to losses. The coverages by area are as follows:

Illinois Municipal League Risk Management Association

The Illinois Municipal League Risk Management Association (the Association) is an unincorporated and not-for-profit association of participating Illinois municipalities formed to operate as a cooperative program of risk management, loss coverage and claims administration for municipal operations. The program provides for the creation of a self-insurance pool and the purchase of excess insurance with loss coverage for workers' compensation, automobile and general liability, automobile physical damage and property damage with transfer of risk.

For health claims, the City had a plan until October 31, 2013 in which the uninsured risk of loss was \$60,000 per incident and \$1,940,000 in the aggregate for a policy year per eligible participant for all covered expenses. The City had purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years. Beginning on November 1, 2013, the City began purchasing commercial health insurance and no longer has uninsured risk of loss.

All funds of the City participated in the health claims risk management program. Amounts payable to the health insurance fund are based on estimates of the amounts necessary to pay prior year and current year claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and societal factors. Changes in the balances of claims liabilities during the year ended 2014 are as follows:

	<u>2014</u>
CLAIMS PAYABLE, MAY 1	\$ 129,221
Add Claims Incurred and Claims Adjustment	1,097,900
Less Claims Paid	<u>1,227,121</u>
CLAIMS PAYABLE, APRIL 30	<u><u>\$ -</u></u>

9. CONTRACTS, COMMITMENTS AND CONTINGENCIES

A. 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.

B. Grants

Amounts received and 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.

C. Northern Illinois Municipal Power Agency

On May 24, 2004, the City entered into a contract with the Cities of Batavia, Geneva and Geneseo to form a municipal power agency called Northern Illinois Municipal Power Agency (NIMPA). NIMPA declared its intent to acquire from Prairie State Generating Company, LLC an undivided ownership interest as a tenant-in-common in an approximately 1,620 mega-watt "mine mouth" coal fired power generating facility located in Washington County, Illinois, along with certain coal reserves, other related tangible and intangible property and related costs. This ownership interest is referred to as the Prairie State Project. On November 4, 2004, the City entered into the Peabody Prairie State Project Committee Agreement along with other NIMPA members for the purpose of allocating the preliminary costs of developing and negotiating the documents and agreements necessary to enable NIMPA to acquire ownership interest in the Prairie State Project. On January 24, 2005, the City agreed to enter into additional agreements with the other NIMPA members in order to participate in the Prairie State Project.

The City entitlement share of the project is 1.9%; therefore, the utilities were required to transfer 1.9%, or \$302,461, of total Prairie State Project fees to NIMPA. The City also entered into an agreement to make monthly transfers to NIMPA to enable NIMPA to meet its payment obligations under the project development agreement. The estimated monthly project cost payments total \$677,492. NIMPA has 120 mega-watts, of which the City has rights to 30 mega-watts. During August 2008, NIMPA issued Bond Anticipation Notes to fund the development costs to date.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. CONTRACTS, COMMITMENTS AND CONTINGENCIES (Continued)

C. Northern Illinois Municipal Power Agency (Continued)

NIMPA's outstanding debt service obligation is to be paid by its members through their wholesale power charges through the remainder of the long-term contract, which is \$502 million as of January 1, 2015 (most recent information available).

D. Rochelle Waste Disposal

The City signed a host agreement with Rochelle Waste Disposal, L.L.C. (the Operator) for Sanitary Landfill No. 2, effective May 1, 1996. Under this agreement, the Operator is responsible for all closure and post closure costs, with no liability to the City. The leasing parties are responsible for any remediation costs. The lease will run as long as the capacity permits for the disposal of solid waste remains, or a minimum of 20 years. The Operator paid an initiation fee of \$200,000. The Operator will also pay a base fee of \$75,000 payable in quarterly installments and a usage fee based on a tonnage fee, or 6.1% of gross revenues on the accrual basis, whichever is greater.

E. Ogle-Lee Fire Protection District

The City is engaged in an intergovernmental agreement for fire protection services with Ogle-Lee Fire Protection District (the District). The management board consists of two members appointed by the District and two by the City. The District is required to pay \$41,848 for fiscal year 2015. The annual payment shall be adjusted annually through April 30, 2015 by the change in the equalized assessed valuation of the District as determined by the County Clerks of Ogle and Lee Counties.

10. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

Due from/to other funds at April 30, 2015 consisted of the following:

Fund	Due From	Due To
General	\$ 317,482	\$ -
Landfill	56,061	-
Nonmajor Governmental	-	363,631
Nonmajor Enterprise	-	9,912
TOTAL	\$ 373,543	\$ 373,543

All due to/from amounts are to cover temporary cash deficits. Repayment is expected within one year.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Advances From/To Other Funds

Advances from/to other funds at April 30, 2015 consisted of the following:

Fund	Advance To	Advance From
General	\$ 687,504	\$ -
Electric Utility	1,070,568	-
Technology Center	-	404,338
Communications	-	965,067
Nonmajor Enterprise	-	388,667
TOTAL	\$ 1,758,072	\$ 1,758,072

The purposes of the advances from/to other funds are as follows:

- \$681,901 advanced from the Electric Utility Fund to the Technology Center and Communications Fund is for funding of capital projects. Repayment is not expected within one year.
- \$388,667 advanced from the Electric Utility Fund to the nonmajor enterprise funds to fund the purchase of a share of a golf course. Repayment is not expected within one year.
- \$687,504 advanced from the General Fund to the Communications Fund to cover cash deficits. Repayment is not expected within one year.

C. Interfund Transfers

Interfund transfers during the year ended April 30, 2015 consisted of the following:

	Transfer In	Transfer Out
General	\$ 2,181,896	\$ -
Water and Water Reclamation	-	221,059
Electric	-	1,562,037
Internal Service Funds	-	950,000
Nonmajor Governmental	3,429,961	2,698,761
Nonmajor Enterprise	-	180,000
TOTAL	\$ 5,611,857	\$ 5,611,857

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. INDIVIDUAL FUND DISCLOSURES (Continued)

C. Interfund Transfers (Continued)

The purposes of significant interfund transfers are as follows:

- \$2,181,896 transferred to the General Fund was made up of \$1,562,037 from the Electric Utility Fund, \$221,059 from the Water and Water Reclamation Fund, \$180,000 from the Nonmajor Enterprise Funds for annual transfers as permitted under bond ordinances and city policies. \$218,800 was transferred from the Nonmajor Governmental Funds (\$20,000 from the Motor Fuel Tax to fund community development, \$10,800 from the Overweight Truck Permit Fund to pay for administrative fees, \$108,000 from the Sales Tax Fund for the annual transfer and \$50,000 from the Motor Fuel tax to fund lighting improvements) and \$30,000 from the Internal Service Funds to fund community development. The transfers will not be repaid.
- \$2,509,961 transferred to the Nonmajor Governmental Funds (Capital Improvement Fund) from Nonmajor Governmental Funds (Utility Tax Fund \$617,318, Motor Fuel Tax Fund \$439,230, Overweight Truck Permits Fund \$74,634, and Sales Tax Fund \$1,378,779) for annual sidewalk maintenance and miscellaneous street maintenance and CIP projects. These transfers will not be repaid.

D. Fund Balance/Net Position Deficits

As of April 30, 2015, the TIF Development Fund, the Railroad Fund and the Capital Improvement Fund had deficit fund balances of \$56,061, \$410,212 and \$132,645, respectively.

As of April 30, 2015, the Communications Fund had a deficit net position of \$140,077.

11. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at April 30, 2015:

GOVERNMENTAL ACTIVITIES	
Telecommunications Tax	\$ 103,892
Income Tax	154,497
Use Tax	52,804
Sales Tax	686,438
Auto Rental Tax	383
Video Gaming Tax	20,799
Grants Receivable	404,139
Motor Fuel Tax	22,267
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,445,219
	<hr/>

12. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care 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 activity of the plan is reported in the City's governmental activities.

B. Benefits Provided

The City provides postemployment 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 IMRF.

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 age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C. Membership

At April 30, 2015, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	-
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>107</u>
 TOTAL	 <u>107</u>
 Participating Employers	 <u>1</u>

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Active employees do not contribute to the plan until retirement.

CITY OF ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013, 2014 and 2015 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 50,988	\$ 18,973	37.21%	\$ 61,611
2014	51,522	18,973	36.83%	94,160
2015	33,374	3,601	10.79%	123,933

The net OPEB obligation (NOPEBO) as April 30, 2015 was calculated as follows:

Annual Required Contribution	\$ 32,747
Interest on Net OPEB Obligation	3,766
Adjustment to Annual Required Contribution	<u>(3,139)</u>
Annual OPEB Cost	33,374
Contributions Made	<u>(3,601)</u>
Increase in Net OPEB Obligation	29,773
Net OPEB Obligation, Beginning of Year	<u>94,160</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 123,933</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2015 was as follows:

Actuarial Accrued Liability (AAL)	\$ 291,160
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	291,160
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 7,276,593
UAAL as a Percentage of Covered Payroll	4.00%

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation (Continued)

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 trend. Amounts determined regarding the funded status of the plan and the annual required 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 financial statements, presents multi-year 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 April 30, 2015 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4.00% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.5% reduced to an ultimate healthcare cost trend rate of 5.5%. 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 30-year basis.

13. SUBSEQUENT EVENT

On July 7, 2015, the City issued \$2,000,000 General Obligation Debt Certificates (Limited Tax), Series 2015A, due in annual installments of \$165,000 to \$330,000 at interest rates from 2.0% to 4.5%. Proceeds of the certificates will be used to (a) finance various capital improvements of the City and (b) pay costs associated with the issuance of the certificates.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 4,313,497	\$ 4,373,558	\$ 60,061
Licenses and Permits	241,000	201,035	(39,965)
Intergovernmental	936,337	955,061	18,724
Charges for Services	1,033,227	898,751	(134,476)
Fines and Forfeitures	163,000	99,198	(63,802)
Investment Income	4,000	790	(3,210)
Miscellaneous	70,000	97,121	27,121
Total Revenues	6,761,061	6,625,514	(135,547)
EXPENDITURES			
Current			
General Government	1,805,552	1,700,511	(105,041)
Public Safety	5,092,191	4,949,373	(142,818)
Public Works	1,601,638	1,659,114	57,476
Public Service Enterprises	127,715	123,588	(4,127)
Conservation and Development	251,222	275,194	23,972
Total Expenditures	8,878,318	8,707,780	(170,538)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,117,257)	(2,082,266)	34,991
OTHER FINANCING SOURCES (USES)			
Transfers In	2,131,897	2,181,896	49,999
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	2,131,897	2,181,896	49,999
NET CHANGE IN FUND BALANCE	\$ 14,640	99,630	\$ 84,990
FUND BALANCE, MAY 1		1,830,819	
FUND BALANCE, APRIL 30		\$ 1,930,449	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2015

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 12,400,486	\$ 16,742,139	74.07%	\$ 4,341,653	\$ 5,331,355	81.44%
2010	13,239,161	17,048,862	77.65%	3,809,701	5,211,960	73.10%
2011	13,034,163	17,243,459	75.59%	4,209,296	5,299,632	79.43%
2012	13,665,791	17,944,176	76.16%	4,278,385	5,334,655	80.20%
2013	13,505,538	17,196,413	78.54%	3,690,875	5,631,918	65.53%
2014	13,665,791	17,944,176	76.16%	4,278,385	5,334,655	80.20%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2015

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ 10,637,699	\$ 11,528,455	92.27%	\$ 890,756	\$ 1,150,635	77.41%
2011	11,004,676	12,981,772	84.77%	1,977,096	1,192,068	165.85%
2012	11,083,685	12,807,902	86.54%	1,724,217	1,474,601	116.93%
2013	11,184,003	13,178,253	84.87%	1,994,250	1,393,142	143.15%
2014	11,335,042	14,608,939	77.59%	3,273,897	1,393,203	234.99%
2015	10,802,351	15,181,931	71.15%	4,379,580	1,586,341	276.08%

N/A - Not available

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND**

April 30, 2015

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ 6,818,820	\$ 8,072,700	84.47%	\$ 1,253,880	\$ 740,031	169.44%
2011	7,259,152	8,556,229	84.84%	1,297,077	810,627	160.01%
2012	7,268,372	8,756,844	83.00%	1,488,472	729,664	203.99%
2013	7,608,614	10,167,636	74.83%	2,559,022	814,648	314.13%
2014	7,813,835	10,676,690	73.19%	2,862,855	858,304	333.55%
2015	8,031,834	11,692,758	68.69%	3,660,924	909,588	402.48%

N/A - Not available

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2015

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$ -	\$ 461,198	\$ -	\$ 461,198	\$ 8,044,646	5.73%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	291,160	-	291,160	7,276,593	4.00%

N/A - Not available

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2015

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2010	\$ 462,518	\$ 462,518	100.00%
2011	495,970	647,651	76.58%
2012	579,351	661,000	87.65%
2013	664,684	684,148	97.16%
2014	717,902	717,902	100.00%
2015	730,417	730,417	100.00%

(See independent auditor's report.)

CITY OF ROCHELLE

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2015

	<u>2015</u>
Actuarially Determined Contribution	\$ 263,541
Contributions in Relation to the Actuarially Determined Contribution	<u>276,905</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ (13,364)</u></u>
Covered-Employee Payroll	\$ 1,586,341
Contributions as a Percentage of Covered-Employee Payroll	17.46%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

<u>Year Ended April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percent Contributed</u>
2010	\$ 80,237	\$ 227,157	35.32%
2011	205,593	227,157	90.51%
2012	119,932	228,549	52.48%
2013	172,117	279,240	61.64%
2014	177,283	276,314	64.16%
2015	276,905	263,541	105.07%

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of May 1, 2013. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at five-year smoothed market value and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 4.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

CITY OF ROCHELLE

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

April 30, 2015

	<u>2015</u>
Actuarially Determined Contribution	\$ 273,650
Contributions in Relation to the Actuarially Determined Contribution	<u>278,524</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ (4,874)</u></u>
Covered-Employee Payroll	\$ 909,588
Contributions as a Percentage of Covered-Employee Payroll	30.62%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

<u>Year Ended April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percent Contributed</u>
2010	\$ 118,859	\$ 193,712	61.36%
2011	229,306	193,712	118.37%
2012	91,222	192,286	47.44%
2013	151,275	176,233	85.84%
2014	103,048	289,936	35.54%
2015	278,524	310,357	89.74%

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of April 30, 2013. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at market value and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2015

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2010	\$ 16,079	\$ 23,160	69.43%
2011	16,079	23,160	69.43%
2012	16,079	23,160	69.43%
2013	18,973	50,495	37.57%
2014	18,973	50,495	37.57%
2015	3,601	32,747	11.00%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS
POLICE PENSION FUND

April 30, 2015

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 285,666
Interest	971,183
Benefit Payments, Including Refunds of Member Contributions	<u>(925,616)</u>
Net Change in Total Pension Liability	331,233
Total Pension Liability - Beginning	<u>14,850,698</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 15,181,931</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 276,905
Contributions - Member	138,909
Net Investment Income	504,446
Benefit Payments, Including Refunds of Member Contributions	(925,616)
Administrative Expense	<u>(17,065)</u>
Net Change in Plan Fiduciary Net Position	(22,421)
Plan Fiduciary Net Position - Beginning	<u>10,824,772</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 10,802,351</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 4,379,580</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.15%
Covered-Employee Payroll	\$ 1,586,341
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	276.08%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND**

April 30, 2015

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 215,229
Interest	741,514
Benefit Payments, Including Refunds of Member Contributions	<u>(498,763)</u>
Net Change in Total Pension Liability	457,980
Total Pension Liability - Beginning	<u>11,234,778</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 11,692,758</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 278,524
Contributions - Member	91,671
Net Investment Income	520,913
Benefit Payments, Including Refunds of Member Contributions	(498,763)
Administrative Expense	<u>(16,044)</u>
Net Change in Plan Fiduciary Net Position	376,301
Plan Fiduciary Net Position - Beginning	<u>7,655,533</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 8,031,834</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 3,660,924</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.69%
Covered-Employee Payroll	\$ 909,588
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	402.48%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

April 30, 2015

	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	4.74%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

April 30, 2015

	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

1. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the General, Special Revenue, Debt Service and Capital Projects Funds, except for the TIF Development Fund. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the City to obtain taxpayer comments.

Subsequently, the budget is legally enacted through passage of an ordinance.

Formal budgetary integration is employed as a management control device during the year for all funds.

The legal level of budgetary control is at the fund level. The City Manager can transfer budgeted amounts between departments; however, any revision altering both revenues and budgeted expenditures for any fund must be approved by a two-thirds council action.

2. INDIVIDUAL FUND DISCLOSURES

The following funds had expenditures/expenses in excess of budget:

Fund	Excess
Railroad	\$ 48,325
Social Security	531
TIF	11,263

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property	\$ 1,493,080	\$ 1,415,945	\$ (77,135)
Road and Bridge	155,000	152,543	(2,457)
Local Use	170,417	197,466	27,049
Telecommunications	375,000	409,595	34,595
State Sales	1,860,000	1,900,744	40,744
Replacement	185,000	192,200	7,200
Video Gaming	75,000	105,065	30,065
Total Taxes	4,313,497	4,373,558	60,061
Licenses and Permits			
Licenses			
Amusement	2,250	1,989	(261)
Liquor	22,250	20,150	(2,100)
Franchise	114,000	116,415	2,415
Permits			
Building	102,500	62,481	(40,019)
Total Licenses and Permits	241,000	201,035	(39,965)
Intergovernmental			
Shared Income Tax	936,337	937,626	1,289
Federal Grants	-	17,435	17,435
Total Intergovernmental	936,337	955,061	18,724
Charges for Services			
Fire Protection	43,227	41,848	(1,379)
Ambulance Fees	600,000	480,344	(119,656)
Police Services	70,000	73,670	3,670
Planning/Zoning Fees	75,000	63,320	(11,680)
Grave Opening Fees	21,500	20,205	(1,295)
Brush Pick-Up Fees	85,500	85,500	-
Cemetery Lot Sales	15,000	18,253	3,253
Cemetery Receipts	3,000	2,020	(980)
Water Reclamation Solid Waste	120,000	113,591	(6,409)
Total Charges for Services	1,033,227	898,751	(134,476)

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Fines and Forfeitures			
Circuit Court	\$ 160,000	\$ 97,298	\$ (62,702)
Alarm	3,000	1,900	(1,100)
Total Fines and Forfeitures	<u>163,000</u>	<u>99,198</u>	<u>(63,802)</u>
Investment Income	<u>4,000</u>	<u>790</u>	<u>(3,210)</u>
Miscellaneous			
Refunds/Reimbursements	35,000	2,415	(32,585)
Miscellaneous	<u>35,000</u>	<u>94,706</u>	<u>59,706</u>
Total Miscellaneous	<u>70,000</u>	<u>97,121</u>	<u>27,121</u>
TOTAL REVENUES	<u>\$ 6,761,061</u>	<u>\$ 6,625,514</u>	<u>\$ (135,547)</u>

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT			
Mayor and Council			
Salaries	\$ 50,500	\$ 50,478	\$ (22)
Travel Expenditures and Dues	3,000	2,917	(83)
Conferences	4,000	2,133	(1,867)
Supplies and Equipment	600	678	78
Other Professional Services	100	-	(100)
Printing	200	21	(179)
Publications	100	-	(100)
Community Relations	800	1,242	442
Equipment	2,000	538	(1,462)
Total Mayor and Council	61,300	58,007	(3,293)
City Clerk			
Salaries	101,563	135,110	33,547
Health Insurance	19,243	27,024	7,781
Postage	7,000	5,699	(1,301)
Data Processing Services	850	1,203	353
Publishing	1,000	147	(853)
Printing	750	-	(750)
Travel Expenditures and Dues	3,100	961	(2,139)
Tuition and Training	700	350	(350)
Publications	300	-	(300)
Conferences	1,300	1,149	(151)
Office Supplies	1,500	1,235	(265)
Other Professional Services	-	200	200
Microcomputer Software	300	309	9
Maintenance of Equipment	300	-	(300)
Equipment	1,000	545	(455)
Brush Grove Drainage	2,500	2,500	-
Miscellaneous Charges	14,000	11,300	(2,700)
Total City Clerk	155,406	187,732	32,326
Municipal Building			
Salaries	37,108	39,975	2,867
Health Insurance	7,504	7,581	77
Maintenance (Buildings)	6,000	21,001	15,001
Maintenance (Grounds)	1,000	385	(615)
Maintenance (Other)	1,920	2,000	80
Network Administration	160,880	160,880	-
Publishing	125	107	(18)
Other Professional Services	32,000	29,705	(2,295)
Postage	-	8	8
Utilities	60,000	60,580	580
Telephone	3,500	2,656	(844)
Travel Expenditures	200	-	(200)
Garbage Disposal/Recycling	500	486	(14)

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)			
Municipal Building (Continued)			
Other Contractual Services	\$ 3,000	\$ 2,257	\$ (743)
Property Tax	4,600	4,006	(594)
Maintenance Supplies	7,200	2,196	(5,004)
Office Supplies	2,500	3,400	900
General Supplies	5,000	4,656	(344)
Building Improvements	-	(198)	(198)
Equipment	-	1,550	1,550
Other Improvements	15,000	11,450	(3,550)
Public Relations	26,000	25,597	(403)
Sales Tax Rebates	60,000	22,239	(37,761)
Administrative Services	129,363	129,363	-
Miscellaneous Charges	-	100	100
Contingency	125,000	-	(125,000)
Total Municipal Building	688,400	531,980	(156,420)
City Attorney			
Legal	155,000	147,944	(7,056)
Conferences	250	-	(250)
Publications and Dues	100	71	(29)
Total City Attorney	155,350	148,015	(7,335)
City Manager			
Salaries	132,880	143,397	10,517
Health Insurance	17,125	23,451	6,326
Other Professional Services	5,000	175	(4,825)
Telephone	1,200	1,602	402
Dues	2,500	2,695	195
Travel	2,500	2,043	(457)
Tuition	-	2,906	2,906
Publications	100	130	30
Conferences	2,500	3,341	841
Office Supplies	500	1,249	749
Public Relations	1,000	1,493	493
Equipment	1,000	74	(926)
Miscellaneous Charges	-	400	400
Total City Manager	166,305	182,956	16,651
Building, Zoning and Engineering			
Salaries	358,994	381,368	22,374
Health Insurance	76,487	79,282	2,795
Maintenance (Building)	7,200	8,092	892
Maintenance (Equipment)	1,600	687	(913)
Maintenance (Vehicles)	3,500	2,606	(894)
Engineering	41,000	9,971	(31,029)
Legal Services	1,800	1,215	(585)
Medical Services	100	-	(100)

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)			
Building, Zoning and Engineering (Continued)			
Other Professional Services	\$ 25,100	\$ 41,407	\$ 16,307
Postage	550	84	(466)
Telephone	3,800	3,644	(156)
Printing	1,100	20	(1,080)
Dues	2,500	2,602	102
Travel	1,750	2,087	337
Training	2,500	2,925	425
Publications	3,700	2,858	(842)
Utilities	4,000	5,692	1,692
Supplies (Equipment)	3,570	2,965	(605)
Office Supplies	2,200	2,482	282
Microcomputer Software	17,400	17,400	-
General Supplies	480	690	210
Small Tools	850	478	(372)
Gasoline and Oil	6,050	4,439	(1,611)
Capital Improvements	4,060	7,630	3,570
Software	5,400	7,082	1,682
Nuisance Abatement	2,000	2,834	834
Conference Expenditures	1,000	994	(6)
Miscellaneous	100	287	187
Total Building, Zoning and Engineering	578,791	591,821	13,030
Total General Government	1,805,552	1,700,511	(105,041)
PUBLIC SAFETY			
Police Department			
Salaries	2,145,654	2,052,932	(92,722)
Health Insurance	415,957	335,433	(80,524)
Pension Contribution	288,257	276,905	(11,352)
Uniform Allowance	24,000	21,333	(2,667)
Maintenance (Equipment)	34,000	34,055	55
Maintenance (Vehicles)	33,000	42,592	9,592
Medical Services	2,000	2,255	255
Data Processing Services	22,000	16,550	(5,450)
Other Professional Services	10,400	22,630	12,230
Postage	300	356	56
Telephone	16,000	13,729	(2,271)
Printing and Publishing	2,950	2,363	(587)
Dues	5,000	11,843	6,843
Travel	2,500	2,347	(153)
Training	12,000	6,197	(5,803)
Tuition Reimbursement	18,800	-	(18,800)
Utilities	1,290	1,236	(54)
Animal Control	5,000	1,593	(3,407)
Supplies (Equipment)	500	315	(185)
Supplies (Vehicles)	3,000	4,376	1,376
Office Supplies	7,000	6,244	(756)
Operating Supplies	17,000	12,451	(4,549)

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)			
Police Department (Continued)			
Gas and Oil	\$ 65,000	\$ 48,731	\$ (16,269)
K9 Supplies	500	8,580	8,080
Prisoner Supplies	1,000	2,353	1,353
Capital Improvements	76,499	101,014	24,515
Miscellaneous	2,000	18,532	16,532
	<hr/>	<hr/>	<hr/>
Total Police Department	3,211,607	3,046,945	(164,662)
Fire Department			
Salaries	1,188,400	1,247,474	59,074
Health Insurance	203,198	205,307	2,109
Pension Contribution	289,936	278,524	(11,412)
Uniform Allowance	11,000	9,398	(1,602)
Maintenance (Building)	8,000	8,038	38
Maintenance (Equipment)	8,500	15,436	6,936
Maintenance (Vehicles)	8,000	11,081	3,081
Legal Services	-	420	420
Medical Services	4,500	1,341	(3,159)
Other Professional Services	54,000	33,760	(20,240)
Postage	150	151	1
Telephone	9,500	8,407	(1,093)
Printing and Publishing	500	367	(133)
Dues	1,200	1,351	151
Travel	1,800	1,211	(589)
Training	5,000	5,644	644
Tuition Reimbursement	2,000	620	(1,380)
Publications	1,000	950	(50)
Utilities	19,000	16,090	(2,910)
General Insurance	-	-	-
Supplies (Building)	3,000	1,967	(1,033)
Supplies (Equipment)	5,000	4,634	(366)
Supplies (Vehicles)	3,000	1,958	(1,042)
Capital Outlay - Equipment	15,400	18,693	3,293
Office Supplies	2,500	1,575	(925)
Operating Supplies	13,000	12,616	(384)
Janitorial Supplies	3,500	4,088	588
Gas and Oil	19,500	11,327	(8,173)
	<hr/>	<hr/>	<hr/>
Total Fire Department	1,880,584	1,902,428	21,844
	<hr/>	<hr/>	<hr/>
Total Public Safety	5,092,191	4,949,373	(142,818)
PUBLIC WORKS			
Streets			
Salaries	674,808	693,944	19,136
Health Insurance	161,445	163,550	2,105
Uniform Allowance	3,000	2,377	(623)
Maintenance (Building)	7,000	6,927	(73)
Maintenance (Equipment)	31,000	27,098	(3,902)

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)			
Streets (Continued)			
Maintenance (Streets)	\$ 25,000	\$ 29,115	\$ 4,115
Maintenance (Snow Removal)	10,000	525	(9,475)
Maintenance (Service Vehicles)	15,000	14,559	(441)
Maintenance (Other)	5,000	3,977	(1,023)
Janitorial Services	2,500	1,541	(959)
Other Professional Services	14,000	14,194	194
Postage	100	20	(80)
Telephone	5,000	3,560	(1,440)
Printing and Publishing	100	226	126
Travel	300	329	29
Training	1,000	1,320	320
Utilities	15,000	14,265	(735)
Street Lighting	158,000	160,899	2,899
Lease or Rentals	5,000	5,155	155
Community Relations	-	-	-
Supplies (Vehicles)	35,000	35,480	480
Supplies (Streets)	52,000	53,101	1,101
Supplies (Snow Removal)	122,200	149,933	27,733
Supplies (Safety)	3,500	3,357	(143)
Supplies (Other)	30,900	30,489	(411)
Office Supplies	2,000	1,599	(401)
Operating Supplies	8,000	7,964	(36)
Gas and Oil	68,000	63,486	(4,514)
Capital Outlay	146,285	170,124	23,839
Miscellaneous	500	-	(500)
	<hr/>	<hr/>	<hr/>
Total Streets	1,601,638	1,659,114	57,476
	<hr/>	<hr/>	<hr/>
Total Public Works	1,601,638	1,659,114	57,476
	<hr/>	<hr/>	<hr/>
PUBLIC SERVICE ENTERPRISES			
Cemetery			
Salaries	72,872	73,076	204
Health Insurance	19,243	19,013	(230)
Uniform Allowance	550	485	(65)
Maintenance (Buildings)	1,200	1,179	(21)
Maintenance (Equipment)	1,500	1,110	(390)
Maintenance (Vehicles)	300	62	(238)
Other Professional Services	5,000	4,921	(79)
Telephone	1,000	1,244	244
Printing and Publishing	-	148	148
Travel	100	35	(65)
Training	100	20	(80)
Utilities	3,000	3,180	180
Supplies (Vehicles)	500	174	(326)
Supplies (Other)	2,350	1,697	(653)

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SERVICE ENTERPRISES (Continued)			
Cemetery (Continued)			
Operating Supplies	\$ 700	\$ 658	\$ (42)
Gas and Oil	6,200	3,362	(2,838)
Capital Outlay	9,500	9,733	233
Equipment	3,500	3,424	(76)
Miscellaneous	100	67	(33)
	<hr/>	<hr/>	<hr/>
Total Cemetery	127,715	123,588	(4,127)
	<hr/>	<hr/>	<hr/>
Total Public Service Enterprises	127,715	123,588	(4,127)
	<hr/>	<hr/>	<hr/>
CONSERVATION AND DEVELOPMENT			
Economic Development			
Salaries	211,126	204,152	(6,974)
Health Insurance	26,746	27,024	278
Other Professional Services	2,400	863	(1,537)
Postage	150	31,529	31,379
Telephone	1,900	1,682	(218)
Dues	500	660	160
Travel	3,500	5,900	2,400
Publications	200	-	(200)
Office Supplies	1,750	1,433	(317)
Equipment	1,200	-	(1,200)
Miscellaneous	1,750	1,951	201
	<hr/>	<hr/>	<hr/>
Total Economic Development	251,222	275,194	23,972
	<hr/>	<hr/>	<hr/>
Total Conservation and Development	251,222	275,194	23,972
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 8,878,318	\$ 8,707,780	\$ (170,538)

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROCHELLE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2015

	Special Revenue				
	Audit	Insurance	Motor Fuel Tax	Hotel/Motel Tax	IMRF Fund
ASSETS					
Cash and Investments	\$ 47	\$ -	\$ 1,249,819	\$ 258,601	\$ 55,757
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	38,503	217,001	-	-	169,998
Accounts	-	-	-	17,001	-
Prepaid Items	-	215,260	-	-	-
Due from Other Governments	-	-	22,267	-	-
Restricted Assets					
Cash and Investments	-	-	-	-	-
TOTAL ASSETS	\$ 38,550	\$ 432,261	\$ 1,272,086	\$ 275,602	\$ 225,755
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,198	\$ -
Accrued Payroll	-	-	-	1,245	-
Deposits Payable	-	-	-	-	-
Due to Other Funds	-	42,826	-	-	-
Unearned revenue	-	-	605,765	-	-
Total Liabilities	-	42,826	605,765	3,443	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	38,503	217,001	-	-	169,998
Total Deferred Inflows of Resources	38,503	217,001	-	-	169,998
Total Liabilities and Deferred Inflows of Resources	38,503	259,827	605,765	3,443	169,998
FUND BALANCES					
Nonspendable Prepaid Items	-	215,260	-	-	-
Restricted for Audit	47	-	-	-	-
Restricted for Maintenance of Roadways	-	-	666,321	-	-
Restricted for Tourism	-	-	-	272,159	-
Restricted for Employee Retirement	-	-	-	-	55,757
Restricted for Capital Improvements	-	-	-	-	-
Restricted for Economic Development	-	-	-	-	-
Restricted for Public Safety	-	-	-	-	-
Unrestricted					
Assigned for Ambulance Replacement	-	-	-	-	-
Assigned for Stormwater	-	-	-	-	-
Assigned for Capital Purposes	-	-	-	-	-
Unassigned (Deficit)	-	(42,826)	-	-	-
Total Fund Balances (Deficit)	47	172,434	666,321	272,159	55,757
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 38,550	\$ 432,261	\$ 1,272,086	\$ 275,602	\$ 225,755

Social Security	Special Revenue			Capital Projects			Utility Tax
	TIF	Foreign Fire Insurance	Overweight Truck Permits	Capital Improvement	Ambulance Replacement	Stormwater	
\$ 3,141	\$ 142,451	\$ 28,947	\$ 39,439	\$ 235,378	\$ 478,635	\$ 124,507	\$ 121,592
194,990	-	-	-	-	-	-	-
-	-	-	-	-	-	-	29,058
-	-	-	-	12,606	-	-	-
-	-	-	-	-	-	-	-
\$ 198,131	\$ 142,451	\$ 28,947	\$ 39,439	\$ 247,984	\$ 478,635	\$ 124,507	\$ 150,650
\$ -	\$ 300	\$ -	\$ -	\$ 314,987	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	65,642	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	300	-	-	380,629	-	-	-
194,990	-	-	-	-	-	-	-
194,990	-	-	-	-	-	-	-
194,990	300	-	-	380,629	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	39,439	-	-	-	-
3,141	-	-	-	-	-	-	-
-	-	-	-	-	-	-	150,650
-	142,151	-	-	-	-	-	-
-	-	28,947	-	-	-	-	-
-	-	-	-	-	478,635	-	-
-	-	-	-	-	-	124,507	-
-	-	-	-	-	-	-	-
-	-	-	-	(132,645)	-	-	-
3,141	142,151	28,947	39,439	(132,645)	478,635	124,507	150,650
\$ 198,131	\$ 142,451	\$ 28,947	\$ 39,439	\$ 247,984	\$ 478,635	\$ 124,507	\$ 150,650

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2015

	Capital Projects				Total
	Sales Tax	TIF Development	Railroad	Technology Park	
ASSETS					
Cash and Investments	\$ 377,324	\$ -	\$ -	\$ 37,217	\$ 3,152,855
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	-	-	-	-	620,492
Accounts	-	-	170,178	-	216,237
Prepaid Items	-	-	-	-	215,260
Due from Other Governments	230,367	-	391,531	-	656,771
Restricted Assets					
Cash and Investments	-	-	-	-	-
TOTAL ASSETS	\$ 607,691	\$ -	\$ 561,709	\$ 37,217	\$ 4,861,615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 116,103	\$ -	\$ 433,588
Accrued Payroll	-	-	626	-	1,871
Deposits Payable	-	-	590,448	-	656,090
Due to Other Funds	-	56,061	264,744	-	363,631
Unearned Revenue	-	-	-	-	605,765
Total Liabilities	-	56,061	971,921	-	2,060,945
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	-	-	-	-	620,492
Total Deferred Inflows of Resources	-	-	-	-	620,492
Total Liabilities and Deferred Inflows of Resources	-	56,061	971,921	-	2,681,437
FUND BALANCES					
Nonspendable Prepaid Items	-	-	-	-	215,260
Restricted for Audit	-	-	-	-	47
Restricted for Maintenance of Roadways	-	-	-	-	705,760
Restricted for Tourism	-	-	-	-	272,159
Restricted for Employee Retirement	-	-	-	-	58,898
Restricted for Capital Improvements	607,691	-	-	-	758,341
Restricted for Economic Development	-	-	-	-	142,151
Restricted for Public Safety	-	-	-	-	28,947
Unrestricted					
Assigned for Ambulance Replacement	-	-	-	-	478,635
Assigned for Stormwater	-	-	-	-	124,507
Assigned for Capital Purposes	-	-	-	37,217	37,217
Unassigned (Deficit)	-	(56,061)	(410,212)	-	(641,744)
Total Fund Balances (Deficit)	607,691	(56,061)	(410,212)	37,217	2,180,178
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 607,691	\$ -	\$ 561,709	\$ 37,217	\$ 4,861,615

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2015

	Special Revenue				
	Audit	Insurance	Motor Fuel Tax	Hotel/Motel Tax	IMRF Fund
REVENUES					
Taxes	\$ 32,850	\$ 128,032	\$ -	\$ 212,328	\$ 281,355
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	538,366	-	-
Charges For Services	-	-	-	-	-
Investment Income	3	-	338	202	40
Miscellaneous	-	-	-	22,824	-
Total Revenues	32,853	128,032	538,704	235,354	281,395
EXPENDITURES					
Current					
General Government	32,557	72,855	-	-	47,140
Public Safety	-	202,815	-	-	49,578
Public Works	-	70,680	-	-	123,398
Public Service Enterprises	-	4,420	-	-	8,116
Conservation and Development	-	-	-	212,736	31,064
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	32,557	350,770	-	212,736	259,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	296	(222,738)	538,704	22,618	22,099
OTHER FINANCING SOURCES (USES)					
Transfers In	-	831,000	-	-	68,000
Transfers (Out)	-	-	(489,230)	(20,000)	-
Total Other Financing Sources (Uses)	-	831,000	(489,230)	(20,000)	68,000
NET CHANGE IN FUND BALANCES	296	608,262	49,474	2,618	90,099
FUND BALANCES (DEFICIT), MAY 1	(249)	(435,828)	616,847	269,541	(34,342)
FUND BALANCES (DEFICIT), APRIL 30	\$ 47	\$ 172,434	\$ 666,321	\$ 272,159	\$ 55,757

Social Security	Special Revenue			Capital Projects			Utility Tax
	TIF	Foreign Fire Insurance	Overweight Truck Permits	Capital Improvement	Ambulance Replacement	Stormwater	
\$ 199,911	\$ 423,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 373,430
-	-	-	61,170	-	-	-	-
-	-	-	-	78,994	-	-	-
-	-	-	-	-	-	10,778	-
32	192	16	33	15	328	104	906
-	-	22,962	-	984	-	-	-
199,943	423,688	22,978	61,203	79,993	328	10,882	374,336
20,192	105,018	-	-	-	-	-	-
122,014	-	19,914	-	-	-	-	-
43,358	-	-	3,037	-	-	3,224	-
2,833	-	-	-	-	-	-	-
11,134	-	-	-	-	-	-	-
-	-	-	-	2,461,645	-	26,848	-
-	90,000	-	-	-	-	-	-
-	89,480	-	-	-	-	-	-
199,531	284,498	19,914	3,037	2,461,645	-	30,072	-
412	139,190	3,064	58,166	(2,381,652)	328	(19,190)	374,336
21,000	-	-	-	2,509,961	-	-	-
-	-	-	(85,434)	-	-	-	(617,318)
21,000	-	-	(85,434)	2,509,961	-	-	(617,318)
21,412	139,190	3,064	(27,268)	128,309	328	(19,190)	(242,982)
(18,271)	2,961	25,883	66,707	(260,954)	478,307	143,697	393,632
\$ 3,141	\$ 142,151	\$ 28,947	\$ 39,439	\$ (132,645)	\$ 478,635	\$ 124,507	\$ 150,650

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2015

	Capital Projects				Total
	Sales Tax	TIF Development	Railroad	Technology Park	
REVENUES					
Taxes	\$ 982,863	\$ -	\$ -	\$ -	\$ 2,634,265
Licenses and Permits	-	-	-	-	61,170
Intergovernmental	-	-	391,532	-	1,008,892
Charges For Services	-	-	816,866	-	827,644
Investment Income	402	-	152	28	2,791
Miscellaneous	-	-	8,083	-	54,853
Total Revenues	983,265	-	1,216,633	28	4,589,615
EXPENDITURES					
Current					
General Government	-	-	-	-	277,762
Public Safety	-	-	-	-	394,321
Public Works	-	-	95,209	281	339,187
Public Service Enterprises	-	-	-	-	15,369
Conservation and Development	-	-	-	-	254,934
Capital Outlay	-	-	1,475,652	-	3,964,145
Debt Service					
Principal	-	-	-	-	90,000
Interest and Fiscal Charges	-	-	-	-	89,480
Total Expenditures	-	-	1,570,861	281	5,425,198
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	983,265	-	(354,228)	(253)	(835,583)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	3,429,961
Transfers (Out)	(1,486,779)	-	-	-	(2,698,761)
Total Other Financing Sources (Uses)	(1,486,779)	-	-	-	731,200
NET CHANGE IN FUND BALANCES	(503,514)	-	(354,228)	(253)	(104,383)
FUND BALANCES (DEFICIT), MAY 1	1,111,205	(56,061)	(55,984)	37,470	2,284,561
FUND BALANCES (DEFICIT), APRIL 30	\$ 607,691	\$ (56,061)	\$ (410,212)	\$ 37,217	\$ 2,180,178

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 34,500	\$ 32,850	\$ (1,650)
Investment Income	-	3	3
	<hr/>		
Total Revenues	34,500	32,853	(1,647)
	<hr/>		
EXPENDITURES			
Current			
General Government			
Contractual Services	35,450	32,557	(2,893)
	<hr/>		
Total Expenditures	35,450	32,557	(2,893)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (950)</u>	296	<u>\$ 1,246</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(249)</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 47</u></u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 134,500	\$ 128,032	\$ (6,468)
Total Revenues	<u>134,500</u>	<u>128,032</u>	<u>(6,468)</u>
EXPENDITURES			
Current			
General Government			
Contractual Services	89,934	72,855	(17,079)
Public Safety			
Contractual Services	250,360	202,815	(47,545)
Public Works			
Contractual Services	87,250	70,680	(16,570)
Public Service Enterprises			
Contractual Services	5,456	4,420	(1,036)
Total Expenditures	<u>433,000</u>	<u>350,770</u>	<u>(82,230)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(298,500)</u>	<u>(222,738)</u>	<u>75,762</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	831,000	831,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>831,000</u>	<u>831,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (298,500)</u>	608,262	<u>\$ 906,762</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(435,828)</u>	
FUND BALANCE, APRIL 30		<u>\$ 172,434</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 236,400	\$ 316,481	\$ 80,081
Other Intergovernmental	1,008,000	221,885	(786,115)
Investment Income	300	338	38
	<hr/>	<hr/>	<hr/>
Total Revenues	1,244,700	538,704	(705,996)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,244,700	538,704	(705,996)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,693,000)	(489,230)	1,203,770
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(1,693,000)	(489,230)	1,203,770
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (448,300)</u>	49,474	<u>\$ 497,774</u>
FUND BALANCE, MAY 1		<u>616,847</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 666,321</u></u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Hotel/Motel Tax	\$ 221,169	\$ 212,328	\$ (8,841)
Investment Income	130	202	72
Miscellaneous	-	22,824	22,824
	<hr/>	<hr/>	<hr/>
Total Revenues	221,299	235,354	14,055
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Conservation and Development			
Personal Services	73,462	75,059	1,597
Commodities	17,426	13,450	(3,976)
Contractual Services	91,255	94,441	3,186
Miscellaneous	47,250	24,653	(22,597)
Capital Outlay	10,000	5,133	(4,867)
	<hr/>	<hr/>	<hr/>
Total Expenditures	239,393	212,736	(26,657)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,094)	22,618	40,712
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	(20,000)	(20,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	(20,000)	(20,000)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (18,094)</u>	2,618	<u>\$ 20,712</u>
FUND BALANCE, MAY 1		<hr/>	269,541
FUND BALANCE, APRIL 30		<u>\$ 272,159</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMRF FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 240,000	\$ 228,449	\$ (11,551)
Replacement Taxes	52,908	52,906	(2)
Investment Income	50	40	(10)
	<hr/>		
Total Revenues	292,958	281,395	(11,563)
	<hr/>		
EXPENDITURES			
Current			
General Government			
Pension Contributions	48,359	47,140	(1,219)
Public Safety			
Pension Contributions	50,859	49,578	(1,281)
Public Works			
Pension Contributions	126,589	123,398	(3,191)
Public Service Enterprises			
Pension Contributions	8,326	8,116	(210)
Conservation and Development			
Pension Contributions	31,867	31,064	(803)
	<hr/>		
Total Expenditures	266,000	259,296	(6,704)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,958	22,099	(4,859)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	-	68,000	68,000
	<hr/>		
Total Other Financing Sources (Uses)	-	68,000	68,000
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 26,958</u>	90,099	<u>\$ 63,141</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(34,342)</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 55,757</u></u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 210,000	\$ 199,911	\$ (10,089)
Investment Income	75	32	(43)
	<hr/>	<hr/>	<hr/>
Total Revenues	210,075	199,943	(10,132)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Government			
Payroll Taxes	20,138	20,192	54
Public Safety			
Payroll Taxes	121,689	122,014	325
Public Works			
Payroll Taxes	43,243	43,358	115
Public Service Enterprises			
Payroll Taxes	2,826	2,833	7
Conservation and Development			
Payroll Taxes	11,104	11,134	30
	<hr/>	<hr/>	<hr/>
Total Expenditures	199,000	199,531	531
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,075	412	(10,663)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	21,000	21,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	21,000	21,000
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 11,075</u>	21,412	<u>\$ 10,337</u>
FUND BALANCE (DEFICIT), MAY 1		<hr/>	(18,271)
FUND BALANCE, APRIL 30		<u><u>\$ 3,141</u></u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 415,000	\$ 423,496	\$ 8,496
Investment Income	100	192	92
	<hr/>		
Total Revenues	415,100	423,688	8,588
	<hr/>		
EXPENDITURES			
Current			
General Government			
Contractual Services	93,755	105,018	11,263
Debt Service			
Principal	90,000	90,000	-
Interest and Fiscal Charges	89,480	89,480	-
	<hr/>		
Total Expenditures	273,235	284,498	11,263
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 141,865</u>	139,190	<u>\$ (2,675)</u>
FUND BALANCE, MAY 1		<u>2,961</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 142,151</u></u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	\$ 15	\$ 16	\$ 1
Miscellaneous	21,800	22,962	1,162
Total Revenues	<u>21,815</u>	<u>22,978</u>	<u>1,163</u>
EXPENDITURES			
Current			
Public Safety			
Contractual Services	20,500	19,914	(586)
Capital Outlay	28,000	-	(28,000)
Total Expenditures	<u>48,500</u>	<u>19,914</u>	<u>(28,586)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (26,685)</u>	3,064	<u>\$ 29,749</u>
FUND BALANCE, MAY 1		<u>25,883</u>	
FUND BALANCE, APRIL 30		<u>\$ 28,947</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OVERWEIGHT TRUCK PERMITS FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Licenses and Permits	\$ 68,500	\$ 61,170	\$ (7,330)
Investment Income	200	33	(167)
Total Revenues	68,700	61,203	(7,497)
EXPENDITURES			
Current			
Public Works			
Contractual Services	11,900	3,037	(8,863)
Total Expenditures	11,900	3,037	(8,863)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,800	58,166	1,366
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(115,800)	(85,434)	30,366
Total Other Financing Sources (Uses)	(115,800)	(85,434)	30,366
NET CHANGE IN FUND BALANCE	\$ (59,000)	(27,268)	\$ 31,732
FUND BALANCE, MAY 1		66,707	
FUND BALANCE, APRIL 30		\$ 39,439	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE REPLACEMENT FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	\$ -	\$ 328	\$ 328
Total Revenues	-	328	328
EXPENDITURES			
Capital Outlay	480,000	-	(480,000)
Total Expenditures	480,000	-	(480,000)
NET CHANGE IN FUND BALANCE	<u>\$ (480,000)</u>	328	<u>\$ 480,328</u>
FUND BALANCE, MAY 1		<u>478,307</u>	
FUND BALANCE, APRIL 30		<u>\$ 478,635</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
Federal Grants	\$ 58,000	\$ 78,994	\$ 20,994
Investment Income	2,000	15	(1,985)
Miscellaneous	-	984	984
Total Revenues	<u>60,000</u>	<u>79,993</u>	<u>19,993</u>
EXPENDITURES			
Capital Outlay	<u>4,752,500</u>	<u>2,461,645</u>	<u>(2,290,855)</u>
Total Expenditures	<u>4,752,500</u>	<u>2,461,645</u>	<u>(2,290,855)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,692,500)</u>	<u>(2,381,652)</u>	<u>2,310,848</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>4,402,500</u>	<u>2,509,961</u>	<u>(1,892,539)</u>
Total Other Financing Sources (Uses)	<u>4,402,500</u>	<u>2,509,961</u>	<u>(1,892,539)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (290,000)</u>	128,309	<u>\$ 418,309</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(260,954)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (132,645)</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORMWATER FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Charges For Services	\$ 15,000	\$ 10,778	\$ (4,222)
Investment Income	400	104	(296)
Total Revenues	<u>15,400</u>	<u>10,882</u>	<u>(4,518)</u>
EXPENDITURES			
Current			
Public Works			
Contractual Services	7,000	3,224	(3,776)
Capital Outlay	209,000	26,848	(182,152)
Total Expenditures	<u>216,000</u>	<u>30,072</u>	<u>(185,928)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (200,600)</u>	<u>(19,190)</u>	<u>\$ 181,410</u>
FUND BALANCE, MAY 1		<u>143,697</u>	
FUND BALANCE, APRIL 30		<u>\$ 124,507</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
UTILITY TAX FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Utility Taxes	\$ 378,800	\$ 373,430	\$ (5,370)
Investment Income	600	906	306
Total Revenues	<u>379,400</u>	<u>374,336</u>	<u>(5,064)</u>
EXPENDITURES			
None	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>379,400</u>	<u>374,336</u>	<u>(5,064)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	<u>(713,500)</u>	<u>(617,318)</u>	<u>96,182</u>
Total Other Financing Sources (Uses)	<u>(713,500)</u>	<u>(617,318)</u>	<u>96,182</u>
NET CHANGE IN FUND BALANCE	<u>\$ (334,100)</u>	<u>(242,982)</u>	<u>\$ 91,118</u>
FUND BALANCE, MAY 1		<u>393,632</u>	
FUND BALANCE, APRIL 30		<u>\$ 150,650</u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SALES TAX FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Sales Tax	\$ 978,000	\$ 982,863	\$ 4,863
Investment Income	500	402	(98)
	<hr/>		
Total Revenues	978,500	983,265	4,765
	<hr/>		
EXPENDITURES			
Current			
General Government	1,000	-	(1,000)
	<hr/>		
Total Expenditures	1,000	-	(1,000)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	977,500	983,265	5,765
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,049,000)	(1,486,779)	562,221
	<hr/>		
Total Other Financing Sources (Uses)	(2,049,000)	(1,486,779)	562,221
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (1,071,500)</u>	(503,514)	<u>\$ 567,986</u>
FUND BALANCE, MAY 1		<u>1,111,205</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 607,691</u></u>	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RAILROAD FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	\$ 360,000	\$ 391,532	\$ 31,532
Charges For Services	900,000	816,866	(83,134)
Investment Income	1,000	152	(848)
Miscellaneous	8,083	8,083	-
	<hr/>	<hr/>	<hr/>
Total Revenues	1,269,083	1,216,633	(52,450)
EXPENDITURES			
Current			
Public Works			
Personal Services	89,486	51,830	(37,656)
Commodities	6,000	156	(5,844)
Contractual Services	48,050	13,681	(34,369)
Other Services	17,000	215	(16,785)
Contractual Services	65,000	29,327	(35,673)
Capital Outlay	1,297,000	1,475,652	178,652
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,522,536	1,570,861	48,325
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	(253,453)	(354,228)	(100,775)
OTHER FINANCING SOURCES (USES)			
Bonds Issued	700,000	-	(700,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	700,000	-	(700,000)
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	\$ 446,547	(354,228)	\$ (800,775)
FUND BALANCE (DEFICIT), MAY 1		<hr/>	(55,984)
FUND BALANCE (DEFICIT), APRIL 30		<hr/>	\$ (410,212)

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TECHNOLOGY PARK FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	\$ 100	\$ 28	\$ (72)
Total Revenues	<u>100</u>	<u>28</u>	<u>(72)</u>
EXPENDITURES			
Current			
Public Works			
Contractual Services	3,500	281	(3,219)
Capital Outlay	<u>28,000</u>	<u>-</u>	<u>(28,000)</u>
Total Expenditures	<u>31,500</u>	<u>281</u>	<u>(31,219)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (31,400)</u>	<u>(253)</u>	<u>\$ 31,147</u>
FUND BALANCE, MAY 1		<u>37,470</u>	
FUND BALANCE, APRIL 30		<u>\$ 37,217</u>	

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

April 30, 2015

	<u>Landfill</u>	<u>Airport</u>	<u>Total Nonmajor Enterprise</u>
CURRENT ASSETS			
Cash and Investments	\$ 3,093,970	\$ 200	\$ 3,094,170
Receivables			
Property Taxes	-	59,584	59,584
Accounts	142,546	39,662	182,208
Grants	-	66,042	66,042
Due from Other Funds	56,061	-	56,061
Inventory	-	26,164	26,164
	<u>3,292,577</u>	<u>191,652</u>	<u>3,484,229</u>
CAPITAL ASSETS			
Nondepreciable	708,563	1,922,864	2,631,427
Depreciable	277,730	4,127,095	4,404,825
Accumulated Depreciation	<u>(277,730)</u>	<u>(2,210,885)</u>	<u>(2,488,615)</u>
	<u>708,563</u>	<u>3,839,074</u>	<u>4,547,637</u>
Total Capital Assets	<u>708,563</u>	<u>3,839,074</u>	<u>4,547,637</u>
Total Assets	<u>4,001,140</u>	<u>4,030,726</u>	<u>8,031,866</u>
CURRENT LIABILITIES			
Accounts Payable	29,634	70,149	99,783
Accrued Payroll	22	-	22
Accrued Interest Payable	-	10,240	10,240
Due to Other Funds	-	9,912	9,912
General Obligation Bonds Payable	-	30,000	30,000
Compensated Absences Payable	-	1,988	1,988
	<u>29,656</u>	<u>122,289</u>	<u>151,945</u>
Total Current Liabilities	<u>29,656</u>	<u>122,289</u>	<u>151,945</u>
LONG-TERM LIABILITIES			
Net Pension Obligation	-	3,873	3,873
General Obligation Bonds Payable	-	585,000	585,000
Advances from other funds	<u>388,667</u>	<u>-</u>	<u>388,667</u>
Total Long-Term Liabilities	<u>388,667</u>	<u>588,873</u>	<u>977,540</u>
Total Liabilities	<u>418,323</u>	<u>711,162</u>	<u>1,129,485</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	<u>-</u>	<u>59,584</u>	<u>59,584</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>59,584</u>	<u>59,584</u>
Total Liabilities and Deferred Inflows of Resources	<u>418,323</u>	<u>770,746</u>	<u>1,189,069</u>
NET POSITION			
Net Investment in Capital Assets	708,563	3,224,074	3,932,637
Unrestricted	<u>2,874,254</u>	<u>35,906</u>	<u>2,910,160</u>
TOTAL NET POSITION	<u>\$ 3,582,817</u>	<u>\$ 3,259,980</u>	<u>\$ 6,842,797</u>

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended April 30, 2015

	Landfill	Airport	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for Services	\$ 1,396,251	\$ 415,736	\$ 1,811,987
Miscellaneous	-	24,163	24,163
Total Operating Revenues	1,396,251	439,899	1,836,150
OPERATING EXPENSES			
Personal Services	1,474	28,881	30,355
Commodities	-	264,837	264,837
Contractual Services	576,242	83,905	660,147
Equipment and Improvements	-	3,550	3,550
Depreciation/Amortization	-	124,557	124,557
Total Operating Expenses	577,716	505,730	1,083,446
OPERATING INCOME (LOSS)	818,535	(65,831)	752,704
OTHER INCOME (EXPENSE)			
Taxes	-	57,837	57,837
Investment Income	2,309	48	2,357
Interest Expense	-	(30,798)	(30,798)
Total Other Income (Expense)	2,309	27,087	29,396
NET INCOME (LOSS) BEFORE TRANSFERS IN (OUT), CAPITAL GRANTS AND CONTRIBUTIONS	820,844	(38,744)	782,100
TRANSFERS IN (OUT)			
General Fund	(180,000)	-	(180,000)
Total Transfers In (Out)	(180,000)	-	(180,000)
CAPITAL GRANTS AND CONTRIBUTIONS	-	295,363	295,363
CHANGE IN NET POSITION	640,844	256,619	897,463
NET POSITION, MAY 1	2,941,973	3,003,361	5,945,334
NET POSITION, APRIL 30	\$ 3,582,817	\$ 3,259,980	\$ 6,842,797

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended April 30, 2015

	Landfill	Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,336,784	\$ 411,688	\$ 1,748,472
Payments to Suppliers	(497,122)	(408,346)	(905,468)
Payments to Employees	(1,602)	(30,668)	(32,270)
Payments to Other Funds	(85,500)	(27,779)	(113,279)
Net Cash from Operating Activities	<u>752,560</u>	<u>(55,105)</u>	<u>697,455</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from Property Taxes	-	57,837	57,837
Interfund Activity	275,410	9,912	285,322
Net Cash from Noncapital Financing Activities	<u>275,410</u>	<u>67,749</u>	<u>343,159</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	-	(371,381)	(371,381)
Principal Payments on Long-Term Debt	-	(30,000)	(30,000)
Interest Payments on Long-Term Debt	-	(31,198)	(31,198)
Grant Receipts	-	243,057	243,057
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(189,522)</u>	<u>(189,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	2,309	49	2,358
Net Cash from Investing Activities	<u>2,309</u>	<u>49</u>	<u>2,358</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,030,279	(176,829)	853,450
CASH AND CASH EQUIVALENTS, MAY 1	2,063,691	177,029	2,240,720
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 3,093,970</u>	<u>\$ 200</u>	<u>\$ 3,094,170</u>

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended April 30, 2015

	<u>Landfill</u>	<u>Airport</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 818,535	\$ (65,831)	\$ 752,704
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Depreciation and amortization	-	124,557	124,557
Changes in Assets and Liabilities			
Accounts Receivables	(59,467)	(28,211)	(87,678)
Inventory	-	40,533	40,533
Accounts Payable	(6,380)	(124,366)	(130,746)
Accrued Payroll	(128)	(174)	(302)
Compensated Absences	-	(1,694)	(1,694)
Net Pension Obligation	-	81	81
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 752,560</u>	<u>\$ (55,105)</u>	<u>\$ 697,455</u>
CASH AND INVESTMENTS			
Cash and Cash Equivalents	\$ 3,093,970	\$ 200	\$ 3,094,170
TOTAL CASH AND INVESTMENTS	<u>\$ 3,093,970</u>	<u>\$ 200</u>	<u>\$ 3,094,170</u>
NONCASH TRANSACTIONS			
Contributions	\$ -	\$ -	\$ -
TOTAL NONCASH TRANSACTIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

April 30, 2015

	Health Insurance	Administrative Services	Total
CURRENT ASSETS			
Cash and Investments	\$ 374,217	\$ 46,525	\$ 420,742
Receivables			
Other	-	59,068	59,068
Prepaid Expenses	-	2,232	2,232
Total Current Assets	<u>374,217</u>	<u>107,825</u>	<u>482,042</u>
CAPITAL ASSETS			
Depreciable Capital Assets	-	116,880	116,880
Accumulated Depreciation	-	(116,880)	(116,880)
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>374,217</u>	<u>107,825</u>	<u>482,042</u>
CURRENT LIABILITIES			
Accounts Payable	3,030	89,839	92,869
Accrued Payroll	-	4,751	4,751
Compensated Absences Payable	-	15,878	15,878
Total Liabilities	<u>3,030</u>	<u>110,468</u>	<u>113,498</u>
NET POSITION			
Unrestricted (Deficit)	<u>371,187</u>	<u>(2,643)</u>	<u>368,544</u>
TOTAL NET POSITION	<u>\$ 371,187</u>	<u>\$ (2,643)</u>	<u>\$ 368,544</u>

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

For the Year Ended April 30, 2015

	Health Insurance	Administrative Services	Total
OPERATING REVENUES			
Charges for Services			
Contributions			
City	\$ -	\$ 513,033	\$ 513,033
Total Operating Revenues	-	513,033	513,033
OPERATING EXPENSES			
Administration			
Personnel	-	397,012	397,012
Commodities	-	18,736	18,736
Contractual Services	-	73,538	73,538
Claims and Premiums	59,864	-	59,864
Other	-	7,269	7,269
Total Operating Expenses	59,864	496,555	556,419
OPERATING INCOME (LOSS)	(59,864)	16,478	(43,386)
NON-OPERATING REVENUES			
Investment Income	1,290	-	1,290
Total Non-Operating Revenues	1,290	-	1,290
NET INCOME (LOSS) BEFORE TRANSFERS	(58,574)	16,478	(42,096)
TRANSFERS			
Transfers (Out)	(920,000)	(30,000)	(950,000)
Total Transfers	(920,000)	(30,000)	(950,000)
CHANGE IN NET POSITION	(978,574)	(13,522)	(992,096)
NET POSITION, MAY 1	1,349,761	10,879	1,360,640
NET POSITION (DEFICIT), APRIL 30	\$ 371,187	\$ (2,643)	\$ 368,544

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2015

	Health Insurance	Administrative Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ -	\$ 508,240	\$ 508,240
Payments to Suppliers	(59,544)	(104,763)	(164,307)
Payments to Employees	-	(400,665)	(400,665)
Net Cash from Operating Activities	(59,544)	2,812	(56,732)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Activity	(920,000)	(30,000)	(950,000)
Net Cash from Noncapital Financing Activities	(920,000)	(30,000)	(950,000)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Capital Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Investments	1,290	-	1,290
Net Cash from Investing Activities	1,290	-	1,290
NET DECREASE IN CASH AND CASH EQUIVALENTS	(978,254)	(27,188)	(1,005,442)
CASH AND CASH EQUIVALENTS, MAY 1	1,352,471	73,713	1,426,184
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 374,217	\$ 46,525	\$ 420,742
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (59,864)	\$ 16,478	\$ (43,386)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Other Receivables	-	(4,793)	(4,793)
Prepaid Expenses	-	(854)	(854)
Accounts Payable	320	(4,366)	(4,046)
Accrued Payroll	-	1,399	1,399
Compensated Absences	-	(5,052)	(5,052)
NET CASH FROM OPERATING ACTIVITIES	\$ (59,544)	\$ 2,812	\$ (56,732)
CASH AND INVESTMENTS			
Cash and Cash Equivalents	\$ 374,217	\$ 46,525	\$ 420,742
TOTAL CASH AND INVESTMENTS	\$ 374,217	\$ 46,525	\$ 420,742

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS**

April 30, 2015

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 234,545	\$ 156,538	\$ 391,083
Investments, at Fair Value			
U.S. Treasury Securities	854,988	1,359,839	2,214,827
U.S. Agency Securities	868,211	281,514	1,149,725
Certificates of Deposit	-	51,066	51,066
Equity Mutual Funds	5,284,045	3,544,473	8,828,518
Corporate Bonds	1,621,326	-	1,621,326
Municipal Bonds	-	2,396,762	2,396,762
Equities	1,917,503	-	1,917,503
Annuity Contracts	-	191,698	191,698
Receivables			
Accrued Interest	21,733	49,944	71,677
Total Assets	10,802,351	8,031,834	18,834,185
LIABILITIES			
None	-	-	-
Total Liabilities	-	-	-
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ 10,802,351	\$ 8,031,834	\$ 18,834,185

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2015

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 276,905	\$ 278,524	\$ 555,429
Employee Contributions	138,909	91,671	230,580
Total Contributions	415,814	370,195	786,009
Investment Income			
Net Appreciation in Fair Value of Investments	228,855	246,139	474,994
Interest	343,011	276,619	619,630
Total Investment Income	571,866	522,758	1,094,624
Less Investment Expense	(67,420)	(1,845)	(69,265)
Net Investment Income	504,446	520,913	1,025,359
Total Additions	920,260	891,108	1,811,368
DEDUCTIONS			
Benefits and Refunds	925,616	498,763	1,424,379
Administrative Expenses	17,065	16,044	33,109
Total Deductions	942,681	514,807	1,457,488
NET INCREASE	(22,421)	376,301	353,880
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	10,824,772	7,655,533	18,480,305
April 30	\$ 10,802,351	\$ 8,031,834	\$ 18,834,185

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of Rochelle, Illinois' 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.

<u>Contents</u>	<u>Page(s)</u>
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.	121-130
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax and property tax.	131-134
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.	135-138
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.	139-140
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.	141-145

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ROCHELLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 14,641,855	\$ 25,940,768	\$ 25,949,166	\$ 28,030,635
Restricted	865,752	1,077,029	1,036,904	2,411,932
Unrestricted	4,300,889	5,967,521	7,395,510	8,122,109
TOTAL GOVERNMENTAL ACTIVITIES	\$ 19,808,496	\$ 32,985,318	\$ 34,381,580	\$ 38,564,676
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 38,323,421	\$ 37,862,528	\$ 39,438,963	\$ 43,441,197
Restricted	12,183,344	11,101,991	11,469,672	12,148,422
Unrestricted	3,619,883	7,559,510	10,404,915	10,280,867
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 54,126,648	\$ 56,524,029	\$ 61,313,550	\$ 65,870,486
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 52,965,276	\$ 63,803,296	\$ 65,388,129	\$ 71,471,832
Restricted	13,049,096	12,179,020	12,506,576	14,560,354
Unrestricted	7,920,772	13,527,031	17,800,425	18,402,976
TOTAL PRIMARY GOVERNMENT	\$ 73,935,144	\$ 89,509,347	\$ 95,695,130	\$ 104,435,162

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 31,233,702	\$ 32,486,431	\$ 35,209,156	\$ 45,652,694	\$ 46,244,092	\$ 48,124,038
3,346,501	3,136,885	2,714,044	2,153,415	2,601,692	2,173,047
3,454,217	904,527	(397,013)	(1,720,909)	(955,731)	(1,516,370)
<u>\$ 38,034,420</u>	<u>\$ 36,527,843</u>	<u>\$ 37,526,187</u>	<u>\$ 46,085,200</u>	<u>\$ 47,890,053</u>	<u>\$ 48,780,715</u>
\$ 45,629,528	\$ 47,880,962	\$ 51,245,063	\$ 54,389,403	\$ 57,684,867	\$ 57,302,570
10,420,612	11,479,611	11,056,287	10,475,599	12,873,509	10,930,174
14,096,522	16,805,412	19,458,333	19,281,545	16,046,361	19,307,149
<u>\$ 70,146,662</u>	<u>\$ 76,165,985</u>	<u>\$ 81,759,683</u>	<u>\$ 84,146,547</u>	<u>\$ 86,604,737</u>	<u>\$ 87,539,893</u>
\$ 76,863,230	\$ 80,367,393	\$ 86,454,219	\$ 100,042,097	\$ 103,928,959	\$ 105,426,608
13,767,113	14,616,496	13,770,331	12,629,014	15,475,201	13,103,221
17,550,739	17,709,939	19,061,320	17,560,636	15,090,630	17,790,779
<u>\$ 108,181,082</u>	<u>\$ 112,693,828</u>	<u>\$ 119,285,870</u>	<u>\$ 130,231,747</u>	<u>\$ 134,494,790</u>	<u>\$ 136,320,608</u>

CITY OF ROCHELLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
EXPENSES				
Governmental Activities				
General Government	\$ 1,949,233	\$ 1,809,425	\$ 1,947,228	\$ 2,100,584
Public Safety	3,040,101	3,111,407	3,343,768	3,432,012
Public Works	2,219,645	2,943,385	2,713,935	4,471,342
Public Service Enterprises	162,030	166,394	183,626	112,396
Conservation and Development	326,948	395,805	1,188,500	319,690
Interest	2,900	1,450	-	-
Total Governmental Activities Expenses	<u>7,700,857</u>	<u>8,427,866</u>	<u>9,377,057</u>	<u>10,436,024</u>
BUSINESS-TYPE ACTIVITIES				
Electric	13,676,704	14,124,953	17,168,822	21,711,141
Water and Water Reclamation	3,886,739	3,848,738	3,794,004	3,859,428
Communications	1,224,942	1,196,404	1,358,233	1,300,613
Technology Center	-	-	-	-
Landfill	313,102	1,542,005	353,953	368,709
Airport	145,900	117,906	141,915	322,260
Total Business-Type Activities Expenses	<u>19,247,387</u>	<u>20,830,006</u>	<u>22,816,927</u>	<u>27,562,151</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 26,948,244</u>	<u>\$ 29,257,872</u>	<u>\$ 32,193,984</u>	<u>\$ 37,998,175</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 89,505	\$ 214,882	\$ 342,483	\$ 398,599
Public Safety	571,257	560,364	512,424	614,804
Public Works	391,178	1,897,854	780,942	772,105
Public Service Enterprises	29,492	49,027	34,847	32,324
Operating Grants and Contributions	345,053	373,037	287,411	272,880
Capital Grants and Contributions	3,791,097	1,940,898	76,226	3,116,176
Total Governmental Activities Program Revenues	<u>5,217,582</u>	<u>5,036,062</u>	<u>2,034,333</u>	<u>5,206,888</u>
Business-Type Activities				
Charges for Services				
Electric	16,617,354	17,099,445	20,746,634	25,145,569
Water and Water Reclamation	3,867,654	3,772,991	4,138,912	4,259,594
Communications	1,100,658	1,183,642	879,289	868,496
Technology Center	-	-	-	-
Landfill	661,848	882,685	1,079,860	1,377,573
Airport	44,883	53,209	52,541	166,446
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	335,488	354,977	926,079	520,718
Total Business-Type Activities Program Revenues	<u>22,627,885</u>	<u>23,346,949</u>	<u>27,823,315</u>	<u>32,338,396</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 27,845,467</u>	<u>\$ 28,383,011</u>	<u>\$ 29,857,648</u>	<u>\$ 37,545,284</u>

2010	2011	2012	2013	2014	2015
\$ 1,950,767	\$ 2,196,004	\$ 1,984,007	\$ 2,061,279	\$ 1,991,208	\$ 2,024,267
4,237,541	4,312,468	4,715,710	5,034,276	5,240,013	5,506,420
3,245,912	3,418,490	4,219,449	4,841,587	3,643,889	3,975,074
114,165	123,050	136,065	138,179	277,549	162,196
373,212	2,009,540	2,148,272	514,955	374,558	534,560
-	124,897	167,859	180,611	172,584	84,999
9,921,597	12,184,449	13,371,362	12,770,887	11,699,801	12,287,516
23,805,717	20,856,403	23,599,387	27,290,007	30,900,842	34,790,641
3,841,246	3,792,934	3,906,034	3,989,355	4,198,382	4,235,635
1,385,080	995,213	847,598	1,104,006	834,028	815,032
-	419,894	431,483	564,706	815,123	875,591
392,533	450,491	397,471	452,664	502,936	577,716
327,708	416,249	766,300	611,097	739,131	536,528
29,752,284	26,931,184	29,948,273	34,011,835	37,990,442	41,831,143
\$ 39,673,881	\$ 39,115,633	\$ 43,319,635	\$ 46,782,722	\$ 49,690,243	\$ 54,118,659
\$ 559,303	\$ 784,120	\$ 726,043	\$ 562,912	\$ 715,864	\$ 1,063,522
518,090	571,893	652,764	654,474	489,758	695,058
288,333	277,489	310,538	277,273	338,940	335,859
50,957	43,761	37,253	45,047	45,374	40,478
243,436	428,029	316,878	311,353	292,235	252,066
1,621,522	41,255	3,855,271	10,852,788	1,131,988	774,261
3,281,641	2,146,547	5,898,747	12,703,847	3,014,159	3,161,244
27,710,497	24,929,112	27,399,527	28,677,373	31,727,508	33,991,035
4,698,794	4,740,039	4,710,716	4,895,848	5,020,871	5,640,153
1,176,630	951,319	947,423	962,487	831,694	680,050
-	486,759	565,308	626,084	1,127,944	1,359,234
772,976	654,873	662,243	981,632	1,178,675	1,396,251
130,168	192,519	462,822	384,818	462,817	415,736
20,534	-	-	-	-	-
724,986	2,754,075	2,601,474	1,516,037	1,655,641	803,867
35,234,585	34,708,696	37,349,513	38,044,279	42,005,150	44,286,326
\$ 38,516,226	\$ 36,855,243	\$ 43,248,260	\$ 50,748,126	\$ 45,019,309	\$ 47,447,570

CITY OF ROCHELLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (2,483,275)	\$ (3,391,804)	\$ (7,342,724)	\$ (5,229,136)
Business-Type Activities	3,380,498	2,516,943	5,006,388	4,776,245
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	\$ 897,223	\$ (874,861)	\$ (2,336,336)	\$ (452,891)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property and Replacement	\$ 1,049,978	\$ 1,156,013	\$ 1,251,787	\$ 1,403,627
Sales and Use	2,020,609	2,022,908	2,824,081	2,855,679
Telecommunications	57,826	72,326	184,305	297,346
Hotel/Motel	157,675	158,998	159,115	147,275
Utility	281,129	275,254	336,659	344,422
Other	107,537	186,590	357,623	326,528
Shared Income Tax	728,691	812,824	887,895	829,930
Investment Income	105,018	186,360	237,815	167,615
Miscellaneous	277,725	343,346	1,488,656	1,582,260
Transfers In (Out)	929,800	975,350	1,011,050	1,457,550
Total Governmental Activities	5,715,988	6,189,969	8,738,986	9,412,232
Business-Type Activities				
Property and Replacement	-	-	-	-
Investment Income	868,747	874,365	834,321	634,594
Miscellaneous	17,250	(18,577)	7,713	14,506
Transfers	(929,800)	(975,350)	(1,011,050)	(1,457,550)
Total Business-Type Activities	(43,803)	(119,562)	(169,016)	(808,450)
TOTAL PRIMARY GOVERNMENT	\$ 5,672,185	\$ 6,070,407	\$ 8,569,970	\$ 8,603,782
CHANGE IN NET POSITION				
Governmental Activities	\$ 3,232,713	\$ 2,798,165	\$ 1,396,262	\$ 4,183,096
Business-Type Activities	3,336,695	2,397,381	4,837,372	3,967,795
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,797,324	\$ 3,734,071	\$ 8,117,079	\$ 7,446,127

* The City began recording the property tax levies for the police and fire pension funds as both a revenue and an expenditure in the General Fund in fiscal year 2010.

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ (6,639,956)	\$ (10,037,902)	\$ (7,472,615)	\$ (67,040)	\$ (8,685,642)	\$ (9,126,272)
5,482,301	7,777,512	7,401,240	4,032,444	4,014,708	2,455,183
\$ (1,157,655)	\$ (2,260,390)	\$ (71,375)	\$ 3,965,404	\$ (4,670,934)	\$ (6,671,089)
\$ 1,889,327	\$ 1,974,363	\$ 1,968,013	\$ 2,160,763	\$ 2,605,811	\$ 2,826,331
2,403,416	2,632,904	2,769,309	2,874,151	3,161,390	3,081,073
348,392	427,963	350,589	419,475	394,192	409,595
159,410	182,649	202,782	214,837	199,768	212,328
343,304	366,631	362,786	350,293	378,945	373,430
-	58,759	17,040	40,440	99,417	128,027
748,490	734,758	778,540	862,814	932,950	937,626
53,718	35,049	15,762	8,689	3,483	3,581
49,611	70,095	43,903	27,949	99,939	81,894
1,709,418	2,048,154	1,962,235	1,666,642	1,949,164	1,963,096
7,705,086	8,531,325	8,470,959	8,626,053	9,825,059	10,016,981
-	-	-	-	58,912	57,837
290,761	195,532	45,097	37,417	35,054	31,851
65,419	94,433	109,596	127,225	96,902	353,381
(1,709,418)	(2,048,154)	(1,962,235)	(1,666,642)	(1,949,164)	(1,963,096)
(1,353,238)	(1,758,189)	(1,807,542)	(1,502,000)	(1,758,296)	(1,520,027)
\$ 6,351,848	\$ 6,773,136	\$ 6,663,417	\$ 7,124,053	\$ 8,066,763	\$ 8,496,954
\$ 1,065,130	\$ (1,506,577)	\$ 998,344	\$ 8,559,013	\$ 1,139,417	\$ 890,709
4,129,063	6,019,323	5,593,698	2,530,444	2,256,412	935,156
\$ 4,091,458	\$ 6,701,761	\$ 10,628,821	\$ 2,453,119	\$ 3,395,829	\$ 1,825,865

CITY OF ROCHELLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL FUND				
Restricted				
Cemetery	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Unassigned	-	-	-	-
Reserved				
Cemetery	100,605	105,849	110,093	115,644
Noncurrent Interfunds	-	-	252,073	71,514
Unreserved				
Designated	521,255	-	-	-
Undesignated	684,704	1,255,443	1,101,816	1,464,610
TOTAL GENERAL FUND	\$ 1,306,564	\$ 1,361,292	\$ 1,463,982	\$ 1,651,768
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable Prepaid Items	\$ -	\$ -	\$ -	\$ -
Restricted				
Maintenance of Roadways	-	-	-	-
Tourism	-	-	-	-
Capital Improvements	-	-	-	-
Economic Development	-	-	-	-
Specific Purposes	-	-	-	-
Public Safety	-	-	-	-
Unrestricted				
Committed - Ambulance Replacement	-	-	-	-
Assigned - Ambulance Replacement	-	-	-	-
Assigned - Stormwater	-	-	-	-
Assigned - Railroad	-	-	-	-
Assigned - Capital Purposes	-	-	-	-
Unassigned	-	-	-	-
Reserved				
Prepaid Items	87,227	100,117	111,814	115,357
Encumbrances	-	-	-	3,873,358
Maintenance of Roadways	-	-	-	-
Economic Development	24,693	-	-	-
Tourism	-	-	-	-
Stormwater	-	-	-	-
Railroad	-	-	-	-
Capital Improvements	-	-	-	-
Employee Retirement	-	-	-	-
Public Safety	-	-	-	-
Unreserved				
Designated - Special Revenue Funds	3,239,962	3,201,982	3,821,132	3,261,871
Designated - Capital Projects Funds	126,165	-	494,844	-
Undesignated - Special Revenue Funds	(23,084)	(62,284)	(113,853)	(237,854)
Undesignated - Capital Projects Funds	-	(177,130)	(63,775)	(676,351)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 3,454,963	\$ 3,062,685	\$ 4,250,162	\$ 6,336,381

*The City implemented GASB S-54 for the fiscal year ended April 30, 2012.

Data Source

Audited Financial Statements

2010	2011	2012*	2013	2014	2015
\$ -	\$ -	\$ 114,786	\$ 150,081	\$ 114,916	\$ 138,314
-	-	-	-	-	68,477
-	-	1,666,585	1,633,858	1,715,903	1,036,154
150,587	150,587	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,553,850	1,658,810	-	-	-	-
<u>\$ 1,704,437</u>	<u>\$ 1,809,397</u>	<u>\$ 1,781,371</u>	<u>\$ 1,783,939</u>	<u>\$ 1,830,819</u>	<u>\$ 1,242,945</u>
\$ -	\$ -	\$ 231,445	\$ 85,262	\$ 212,505	\$ 215,260
-	-	572,821	557,533	683,554	705,760
-	-	80,970	68,898	269,541	272,159
-	-	1,831,206	1,343,870	1,504,837	758,341
-	-	49,480	-	2,961	142,151
-	-	1,099	-	-	-
-	-	-	33,033	25,883	28,947
-	-	139,702	-	-	-
-	-	521,931	368,127	478,307	478,635
-	-	332,081	301,017	143,697	124,507
-	-	231,580	-	-	-
-	-	45,430	42,433	37,470	37,217
-	-	(761,279)	(1,528,752)	(1,074,194)	(641,744)
174,436	160,533	-	-	-	-
-	-	-	-	-	-
318,896	231,058	-	-	-	-
-	1,285,461	-	-	-	-
42,744	74,632	-	-	-	-
471,570	303,906	-	-	-	-
375,094	478,785	-	-	-	-
1,957,497	1,572,045	-	-	-	-
16,785	1,416	-	-	-	-
-	57,508	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
662,414	394,871	-	-	-	-
531,410	92,660	-	-	-	-
<u>\$ 4,550,846</u>	<u>\$ 4,652,875</u>	<u>\$ 3,276,466</u>	<u>\$ 1,271,421</u>	<u>\$ 2,284,561</u>	<u>\$ 2,121,233</u>

CITY OF ROCHELLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2006	2007	2008	2009
REVENUES				
Taxes	\$ 4,678,218	\$ 4,967,133	\$ 6,269,295	\$ 6,456,562
Licenses and Permits	310,921	205,000	332,903	544,061
Intergovernmental	1,644,897	642,306	90,731	2,937,116
Charges for Services	692,160	656,493	607,761	620,360
Fines and Forfeitures	174,638	161,840	133,919	163,509
Investment Income	93,379	169,098	199,065	155,229
Miscellaneous	2,345,301	1,028,493	553,671	939,856
TOTAL REVENUES	9,939,514	7,830,363	8,187,345	11,816,693
EXPENDITURES				
Current				
General Government	2,663,715	2,152,213	2,248,586	2,421,142
Public Safety	3,049,461	2,979,996	3,247,958	3,359,306
Public Works	1,081,333	1,501,670	1,487,518	1,809,495
Public Service Enterprises	165,018	163,792	174,191	103,959
Conservation and Development	322,894	391,072	360,976	317,624
Capital Outlay	2,018,212	1,993,070	1,560,760	4,455,289
Debt Service				
Principal	20,000	85,000	-	-
Interest and Fiscal Charges	2,900	1,450	65,047	125,000
TOTAL EXPENDITURES	9,323,533	9,268,263	9,145,036	12,591,815
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	615,981	(1,437,900)	(957,691)	(775,122)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,864,031	1,866,741	2,137,470	3,320,497
Transfers (Out)	(934,231)	(891,391)	(1,126,420)	(1,862,947)
Bonds Issued	-	125,000	-	-
Premium on Bonds Issued	-	-	-	-
Sale of Capital Assets	-	-	1,236,808	1,607,414
Total Other Financing Sources (Uses)	929,800	1,100,350	2,247,858	3,064,964
NET CHANGE IN FUND BALANCES	\$ 1,545,781	\$ (337,550)	\$ 1,290,167	\$ 2,289,842
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.23%	1.64%	0.99%	0.00%

Note: The increase in the 2014 debt service as a percentage of noncapital expenditures was due to the current refunding of the Tax Increment Financing Bonds in 2014.

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	5,902,149	\$ 6,378,028	\$ 5,653,479	\$ 6,038,257	\$ 6,817,791	\$ 7,007,823
	242,025	409,189	337,529	214,563	346,245	262,205
	1,648,868	313,884	4,324,922	5,771,389	1,399,886	1,963,953
	980,909	1,062,705	1,164,543	1,120,525	1,051,482	1,726,395
	136,744	126,109	118,596	140,596	132,548	99,198
	53,718	35,049	15,762	8,689	3,483	3,581
	91,144	299,288	792,640	110,898	201,432	151,974
	9,055,557	8,624,252	12,407,471	13,404,917	9,952,867	11,215,129
	1,844,546	1,978,377	1,878,005	1,975,333	2,099,082	1,978,273
	3,821,495	4,285,461	4,340,991	4,893,561	5,115,991	5,343,694
	1,676,185	1,890,401	1,976,169	2,208,093	1,815,695	1,998,301
	111,924	121,799	126,227	123,943	296,959	138,957
	373,495	2,005,648	463,174	507,463	371,996	530,128
	4,817,498	3,070,397	6,821,716	7,194,270	1,798,044	3,964,145
	-	-	-	-	3,000,000	90,000
	-	58,800	167,859	174,148	212,008	89,480
	12,645,143	13,410,883	15,774,141	17,076,811	14,709,775	14,132,978
	(3,589,586)	(4,786,631)	(3,366,670)	(3,671,894)	(4,756,908)	(2,917,849)
	5,178,633	4,331,074	3,857,182	4,083,047	4,155,467	5,611,857
	(3,469,215)	(2,282,920)	(1,894,947)	(2,416,405)	(2,025,908)	(2,698,761)
	-	2,940,000	-	-	2,955,000	-
	-	-	-	-	66,933	-
	5,637	5,466	-	2,775	-	-
	1,715,055	4,993,620	1,962,235	1,669,417	5,151,492	2,913,096
\$	(1,874,531)	\$ 206,989	\$ (1,404,435)	\$ (2,002,477)	\$ 394,584	\$ (4,753)
	0.63%	1.26%	1.34%	2.40%	23.95%	1.70%

CITY OF ROCHELLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	State Railroad	Local Railroad	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2005	\$ 694,656	\$ 87,017,854	\$ 31,386,694	\$ 30,548,447	\$ 7,717,127	\$ 7,520	\$ 157,372,298	0.87606	\$ 472,164,110	33.33%
2006	850,731	93,242,143	34,340,785	35,694,739	10,138,426	7,520	174,274,344	0.81755	522,875,320	33.33%
2007	962,767	101,750,437	37,317,891	39,506,811	12,666,694	7,520	192,212,120	0.82055	576,694,029	33.33%
2008	833,836	106,462,882	38,612,621	41,563,018	14,776,635	7,520	202,256,512	0.78730	606,830,219	33.33%
2009	2,230,164	104,635,888	38,614,776	47,980,162	15,112,210	7,520	208,580,720	0.83491	625,804,740	33.33%
2010	2,767,461	100,367,572	39,119,561	47,657,566	15,509,994	7,520	205,429,674	0.86035	616,350,657	33.33%
2011	3,046,220	96,694,673	38,846,206	64,981,630	15,597,849	7,520	219,174,098	0.87663	657,588,053	33.33%
2012	3,073,447	91,492,076	40,876,648	67,372,730	15,949,007	7,520	218,771,428	0.94226	656,379,922	33.33%
2013	3,114,773	84,613,120	42,499,156	78,233,664	16,786,145	7,520	225,254,378	1.00483	675,830,717	33.33%
2014	3,131,074	80,191,232	43,456,382	78,870,652	16,761,683	7,520	222,418,543	1.05366	667,322,361	33.33%

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

Data Source

Office of the County Treasurer

CITY OF ROCHELLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
DIRECT CITY RATE										
City of Rochelle	0.63149	0.62280	0.60496	0.64129	0.67901	0.68140	0.70545	0.74480	0.67390	0.71125
City of Rochelle Pension	0.24457	0.19475	0.21559	0.14601	0.15590	0.17895	0.17118	0.19750	0.33090	0.34241
Total Direct City Rate	0.87606	0.81755	0.82055	0.78730	0.83491	0.86035	0.87663	0.94230	1.00480	1.05366
OVERLAPPING RATES										
Ogle County	0.58583	0.53990	0.54752	0.55172	0.55352	0.55378	0.54556	0.55358	0.55690	0.56104
Ogle County Mental Health	0.06415	0.05815	0.05531	0.05160	0.05324	0.05303	0.05301	0.05321	0.05377	0.05561
Ogle County Extension	0.01076	0.00975	-	0.01001	0.00989	0.00985	0.00982	0.00985	0.00929	0.00955
Ogle County Veterans Assistance	0.00383	0.00554	0.00518	0.00500	0.00445	0.00631	0.00628	0.00631	0.00498	0.00512
Ogle County Senior Services	0.01553	0.01439	-	0.01488	0.01493	0.01507	0.01473	0.01478	0.01407	0.01447
Ogle County Pension	0.09288	0.09158	0.09328	0.09339	0.09661	0.09623	0.09588	0.09920	0.12282	0.12931
Rochelle High School 212	2.55351	2.53929	2.52167	2.48689	2.50209	2.49890	2.46049	2.53074	2.54466	2.49790
Rochelle High School 212 Pension	0.04082	0.06002	0.06076	0.04550	0.05335	0.04072	0.04900	0.05085	0.04555	0.04618
Rochelle Grade School 231	3.09979	3.06467	3.01198	2.92436	2.96004	3.00536	3.00860	3.01011	3.00422	3.05081
Rochelle Grade School 231 Pension	0.02309	0.04489	0.04706	0.05021	0.07090	0.04611	0.06052	0.06343	0.06671	0.07571
Kishwaukee College 523	0.52796	0.54180	0.54816	0.54521	0.56208	0.55874	0.57423	0.64306	0.72368	0.71134
Flagg Rochelle Library	0.23420	0.22984	0.19719	0.16893	0.16574	0.16934	0.16809	0.17032	0.17025	0.17934
Flagg Rochelle Library Pension	0.01151	0.01289	0.01187	0.00939	0.01050	0.01145	0.01131	0.00977	0.00993	0.01231
Flagg Rochelle Parks	0.32500	0.30388	0.30698	0.68912	0.69766	0.69445	0.54898	0.56849	0.59249	0.60141
Flagg Rochelle Park Pension	0.00923	0.00905	0.00875	0.00893	0.00906	0.02145	0.01620	0.01781	0.01691	0.02084
Flagg Road	0.29800	0.29554	0.29046	0.29100	0.29684	0.30609	0.31393	0.32745	0.33521	0.35007
Flagg Township	0.17925	0.15506	0.14669	0.14734	0.13975	0.14081	0.14863	0.15385	0.15735	0.16995
Flagg Township Pension	0.00803	0.01000	0.01008	0.01010	0.02204	0.01930	0.02016	0.02344	0.02415	0.02778

Data Source

Office of the County Clerk

CITY OF ROCHELLE, ILLINOIS
PRINCIPAL PROPERTY TAXPAYERS
PRIOR YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2014			2006		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Americold Acquisition LLC	Distribution & Warehouse	\$ 12,829,974	1	5.77%			
Prologis Land LLC	Distribution & Warehouse	10,023,173	2	4.51%	\$ 5,912,056	1	3.39%
Nippon Sharyo	Manufacturing	8,994,924	3	4.04%			
Sara Lee Corporation	Distribution Center	8,749,330	4	3.93%	2,548,535	6	1.46%
Illinois River Energy LLC	Ethanol Plant	7,555,493	5	3.40%			
IndCor Properties	Land Development	5,846,120	6	2.63%			
Total Logistic Control LLC	Cold Storage	4,249,395	7	1.91%	3,009,693	4	1.73%
Rochelle Development LLC	Land Development	3,642,882	8	1.64%	3,500,524	3	2.01%
Northern Trust	Data Center	3,043,250	9	1.37%			
Fund 601 LLC	Commercial Development	2379189	10	1.07%			
Erie Foods International	Distribution				1,893,235	8	1.09%
DP Industrial, LLC	Distribution Center				3,572,786	2	2.05%
Rochelle Foods, Inc (Hormel)	Meat Packing Plant				2,666,562	5	1.53%
Americold Real Estate LP	Distribution & Warehouse				2,400,760	7	1.38%
Rochelle Travel Plaza	Truck Stop				1,628,513	9	0.93%
Rochelle Hotel, LLC	Hotel				1,575,432	10	0.90%
TOTAL		<u>\$ 67,313,730</u>		<u>30.27%</u>	<u>\$ 28,708,096</u>		<u>16.47%</u>

*Information for the current year is not available, therefore, information is presented for the prior year.

Data Source

Office of the County Treasurer

CITY OF ROCHELLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount	Amount	Percentage of Levy
2005	\$ 1,378,675	\$ 1,338,294	97.07%	\$ -	\$ 1,338,294	97.07%
2006	1,424,780	1,351,531	94.86%	-	1,351,531	94.86%
2007	1,577,200	1,514,053	96.00%	-	1,514,053	96.00%
2008	1,593,367	1,548,945	97.21%	-	1,548,945	97.21%
2009	1,741,490	1,673,492	96.10%	-	1,673,492	96.10%
2010	1,736,927	1,675,106	96.44%	-	1,675,106	96.44%
2011	1,921,386	1,796,512	93.50%	-	1,796,512	93.50%
2012	2,017,884	1,919,824	95.14%	-	1,919,824	95.14%
2013	2,167,126	2,062,815	95.19%	-	2,062,815	95.19%
*2014	2,227,811	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

* 2014 property taxes will not all be received until the end of fiscal year 2016.

Data Source

Office of the Ogle County Treasurer

CITY OF ROCHELLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)	Debt Outstanding as a Percentage of Personal Income
	General Obligation Bonds	General Obligation TIF Bonds	Promissory Note	Revenue Bonds	General Obligation Debt Certificates	General Obligation Bonds	IEPA Revolving Loans				
2006	\$ 20,000	\$ -	\$ -	\$ 19,500,000	\$ -	\$ -	\$ 2,384,692	\$ 21,904,692	12.57%	2,222.92	9.69%
2007	-	-	190,047	21,315,000	-	-	2,729,852	24,234,899	12.61%	2,457.65	10.71%
2008	-	-	125,000	20,065,000	-	-	2,624,391	22,814,391	11.28%	2,311.49	10.07%
2009	-	-	-	18,875,000	5,000,000	-	2,399,788	26,274,788	12.60%	2,665.33	11.62%
2010	-	-	-	17,380,000	4,835,000	750,000	2,206,107	25,171,107	12.25%	2,631.31	12.51%
2011	-	-	-	15,885,000	4,665,000	735,000	1,969,163	23,254,163	10.61%	2,422.56	11.52%
2012	-	2,940,000	-	14,330,000	4,490,000	705,000	1,738,116	24,203,116	11.06%	2,538.88	12.07%
2013	-	2,940,000	-	13,165,000	4,305,000	675,000	1,500,446	22,585,446	10.03%	2,359.04	11.21%
2014	-	2,895,000	-	11,950,000	4,115,000	645,000	1,255,964	20,860,964	9.26%	2,178.92	9.50%
2015	-	2,805,000	-	16,370,000	3,915,000	615,000	1,004,474	24,709,474	11.11%	2,590.36	10.93%

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

(1) Assessed value and actual value of taxable property

(2) See the schedule of Demographic and Economic Information for personal income and population data.

Data Source

City Records

CITY OF ROCHELLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2006	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2007	-	-	-	-	0.00%	-
2008	-	5,000,000	-	5,000,000	2.40%	507.20
2009	-	5,585,000	-	5,585,000	2.72%	583.84
2010	-	5,400,000	-	5,400,000	2.46%	562.56
2011	2,940,000	5,195,000	-	8,135,000	3.72%	853.35
2012	2,940,000	4,980,000	-	7,920,000	3.52%	827.24
2013	2,895,000	4,760,000	-	7,655,000	3.40%	799.56
2014	2,895,000	4,760,000	-	7,655,000	3.40%	799.56
2015	2,805,000	4,530,000	-	7,335,000	3.30%	768.95

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 131 for property value data.

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

Data Source

City Records

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2015

ASSESSED VALUATION - 2014 TAX YEAR	<u><u>\$ 222,418,543</u></u>
Legal debt limit - 8.625% of assessed valuation	\$ 19,183,599
Amount of debt applicable to debt limit	<u>4,530,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 14,653,599</u></u>

Data Source

City records

CITY OF ROCHELLE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Levy Years

Levy Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal debt limit	\$ 15,031,162	\$ 16,578,295	\$ 17,444,624	\$ 17,990,087	\$ 17,718,309	\$ 18,903,766	\$ 18,869,036	\$ 19,428,190	\$ 19,428,190	\$ 19,183,599
Total net debt applicable to limit	-	-	5,000,000	5,585,000	5,400,000	5,195,000	4,980,000	4,760,000	4,760,000	4,530,000
LEGAL DEBT MARGIN	\$ 15,031,162	\$ 16,578,295	\$ 12,444,624	\$ 12,405,087	\$ 12,318,309	\$ 13,708,766	\$ 13,889,036	\$ 14,668,190	\$ 14,668,190	\$ 14,653,599
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	0.00%	0.00%	28.66%	31.04%	30.48%	27.48%	26.39%	24.50%	24.50%	23.61%

Data Source

City records

CITY OF ROCHELLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	9,854	\$ 226,119,738	\$ 22,947	N/A	2,483	7.0%
2007	9,861	226,280,367	22,947	N/A	2,928	6.6%
2008	9,870	226,486,890	22,947	35.0	2,858	11.0%
2009	9,858	226,211,526	22,947	35.0	2,735	16.8%
2010	9,566	201,249,508	21,038	35.0	2,654	18.5%
2011	9,599	201,943,762	21,038	35.0	2,540	16.7%
2012	9,533	200,555,254	21,038	35.0	2,529	15.0%
2013	9,574	201,417,812	21,038	36.0	2,480	12.9%
2014	9,574	219,694,578	22,947	36.0	2,415	7.3%
2015	9,539	226,045,683	23,697	36.6	2,027	5.4%

N/A - Information not available

Unemployment rate is the twelve month average.

Data Sources

City Records
 US Census Bureau
 Office of the County Clerk
 IL Board of Education

CITY OF ROCHELLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2015			2006		
	Number of Employees	Rank	% of Total City Population	Number of Employees	Rank	% of Total City Population
Rochelle Foods	760	1	7.94%	760	1	7.71%
Nippon Sharyo	397	2	4.15%			
Rochelle Community Hospital	261	3	2.73%	168	4	1.70%
Americold	232	4	2.42%	100	8	1.01%
Elementary School District #231	230	5	2.40%			
Hillshire Brands	215	6	2.25%			
Silgan Containers	200	7	2.09%			
Central Refrigeration	191	8	1.99%			
High Schol District #212	155	9	1.62%	152	5	1.54%
DelMonte	140	10	1.46%	140	6	1.42%
Eaton Corporation				200	2	2.03%
J.W. Peters				200	2	2.03%
City of Rochelle				116	7	1.18%
Erie Foods				65	9	0.66%
TOTAL	2,781		29.05%	1,141		19.28%

Data Source

Economic Development

CITY OF ROCHELLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Mayor and City Council	7	7	7	7	7	7	7	7	7	7
City Manager	2	2	2	2	2	2	2	2	2	2
Municipal Building	1	1	1	1	2	1.5	1.5	1.5	1.5	1.0
City Clerk	2	2	2	2	2	2	2	2	2	1
Cemetery	2	1	2	2	2	1	1	1	1	1
Community Development	4	4	3	5	5	4	4	4	3	4
Economic Development	2	2	2	2	2	3	3	3	3	2
Engineering	3	4	2	2	2	2	2	2	2	2
Fire	10	13	13	13	13	13	13	13	12	13
Police	20	21	18	19	19	18	20	20	20	21
Street	9	9	9	9	9	10	10	10	10	10
ENTERPRISE FUND										
Airport	-	-	-	1	2	1.5	1.5	1.5	1.5	1.5
Utilities - Technology Center	-	-	-	-	-	-	-	1	1	2
Utilities - Communications/ Network Administration	7	7	6	7	7	6	6	5	6	3
Utilities - Electric	33	31	28	28	30	31	31	31	31	28
Utilities - Water	4	4	4	4	4	4	4	4	4	5
Utilities - Water Reclamation	8	8	8	8	8	9	9	8	8	8
INTERNAL FUND										
Administrative Services	5	4	4	5	5	6	6	6	6	6

Data Source

City Budget File

CITY OF ROCHELLE, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2005	2006	2007	2008
COMMUNITY DEVELOPMENT				
New Construction Single Family Permits	16	9	15	1
Number of Permits Issued	N/A	N/A	462	456
Building and Engineering Inspections	N/A	N/A	1,386	1,368
POLICE				
DUI Arrests	49	55	73	58
Criminal Arrests	786	712	638	569
Accidents	502	443	463	402
Ordinance Enforcement	62	70	95	157
Total Tickets	1,741	1,814	1,370	1,772
Total Calls	11,693	11,626	10,611	10,677
FIRE				
Number of Fire Calls Answered	574	511	523	473
Number of EMS Calls Answered	1,616	1,470	1,574	1,529
PUBLIC WORKS				
Trees Planted	15	23	14	15
Trees Removed	15	23	20	36
Street Sweeping (Tons)	90	297	352	751
Street Sweeping (Hours)	1,200	1,200	1,200	1,200
Snow Removal (Hours)	657	1,917	2,199	1,962
Catch Basins/Inlets Cleaned	600	800	600	500
Sidewalk Replacement (Square Feet)	21,208	31,414	31,414	38,138
WATER AND SEWER				
Water MGD Pumped (millions/gallons)	N/A	N/A	N/A	N/A
Water MGD Billed (millions/gallons)	N/A	N/A	N/A	N/A
Sewer MGD Treated (millions/gallons)	N/A	N/A	N/A	N/A
Water Meter Installations (New)	56	35	30	17
Water Meter Exchanges	291	192	219	159
Hydrants Flushed	600	620	620	620
ELECTRIC				
Pole Replacements	N/A	N/A	N/A	N/A
Electric Meter Installations	N/A	N/A	N/A	N/A

N/A - Not Available

* Increase to total calls are due to officer initiated business checks.

Data Source

City Records

2009	2010	2011	2012	2013	2014
-	11	-	-	-	3
440	483	454	467	364	393
1,320	1,449	1,362	1,401	1,092	1,179
64	61	79	55	55	38
583	449	434	434	310	321
364	332	314	333	374	437
57	55	37	25	21	29
1,698	1,332	1,376	1,373	1,244	846
9,735	10,925	10,990	*15,515	*22,371	6,023
560	279	241	235	276	208
1,589	1,476	1,554	1,649	1,741	1,749
9	12	12	15	24	109
21	25	27	32	47	122
512	799	494	323	340	359
1,200	1,200	1,200	1,200	1,200	1,200
1,312	1,755	739	1,217	1,929	1,764
1,200	1,200	600	800	1,200	500
57,220	49,279	49,009	50,816	47,996	47,500
N/A	N/A	N/A	N/A	N/A	2.95
N/A	N/A	N/A	N/A	N/A	2.57
N/A	N/A	N/A	N/A	N/A	2.36
16	9	11	7	17	6
248	173	199	260	290	176
630	630	640	640	640	285
N/A	N/A	N/A	N/A	44	27
N/A	N/A	N/A	N/A	532	1,461

CITY OF ROCHELLE, ILLINOIS

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009
GENERAL GOVERNMENT				
General Government Buildings	N/A	N/A	N/A	N/A
PUBLIC SAFETY				
Police				
Number of Squad Cars	N/A	N/A	N/A	N/A
Fire				
Number of Vehicles	9	9	9	9
PUBLIC WORKS				
Number of Vehicles and Equipment	N/A	N/A	N/A	N/A
Streets (Lane Miles)	N/A	N/A	N/A	N/A
Alleys (Miles)	N/A	N/A	N/A	N/A
Bridges and Structures	N/A	N/A	N/A	N/A
WATER AND SEWER				
Number of Vehicles and Equipment	N/A	N/A	N/A	N/A
Water Mains (Miles)	N/A	N/A	N/A	N/A
Water Towers	N/A	N/A	N/A	N/A
Wells and Wellhouses	N/A	N/A	N/A	N/A
Sanitary Sewers (Miles)	N/A	N/A	N/A	N/A
Lift Stations	N/A	N/A	N/A	N/A
Number of Manholes	N/A	N/A	N/A	N/A
Number of Fire Hydrants	N/A	N/A	N/A	N/A
ELECTRIC				
Number of Vehicles	N/A	N/A	N/A	N/A
Overhead Line (Miles)	N/A	N/A	N/A	N/A
Underground Line (Miles)	N/A	N/A	N/A	N/A
COMMUNICATIONS				
Fiber (Miles)	N/A	N/A	N/A	N/A

N/A - Information not available

Data Source

City Records

2010	2011	2012	2013	2014	2015
48	48	49	46	48	48
15	15	14	14	17	17
10	11	12	12	12	12
25	25	23	23	24	24
160	160	160	160	160	160
7	7	7	7	7	7
20	20	20	20	20	20
14	14	14	14	15	15
63	63	63	63	63	63
4	4	4	4	4	5
4	4	4	4	4	5
74	74	74	74	74	74
9	9	11	11	12	12
294	294	294	294	294	294
707	707	707	707	707	707
16	16	18	19	19	19
150	150	150	150	150	150
58	58	58	58	58	58
35	35	35	45	45	45