

City of Rochelle, Illinois

Comprehensive Annual Financial Report
For the Fiscal Year Ended
April 30, 2014



Prepared by:
Finance Department

Chris Frye
Finance Manager

CITY OF ROCHELLE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2014

Prepared by
Finance Department

Chris Frye
Finance Manager

CITY OF ROCHELLE, ILLINOIS
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CITY OF ROCHELLE, ILLINOIS

List of Elected and Appointed Officers and Officials

April 30, 2014

Mayor

Chet Olson

City Council

Dennis Berg

Dave Eckhardt

Bil Hayes

Kathy Hollonbeck

Dan McDermott

W. Ed Rice

City Clerk

Bruce W. McKinney

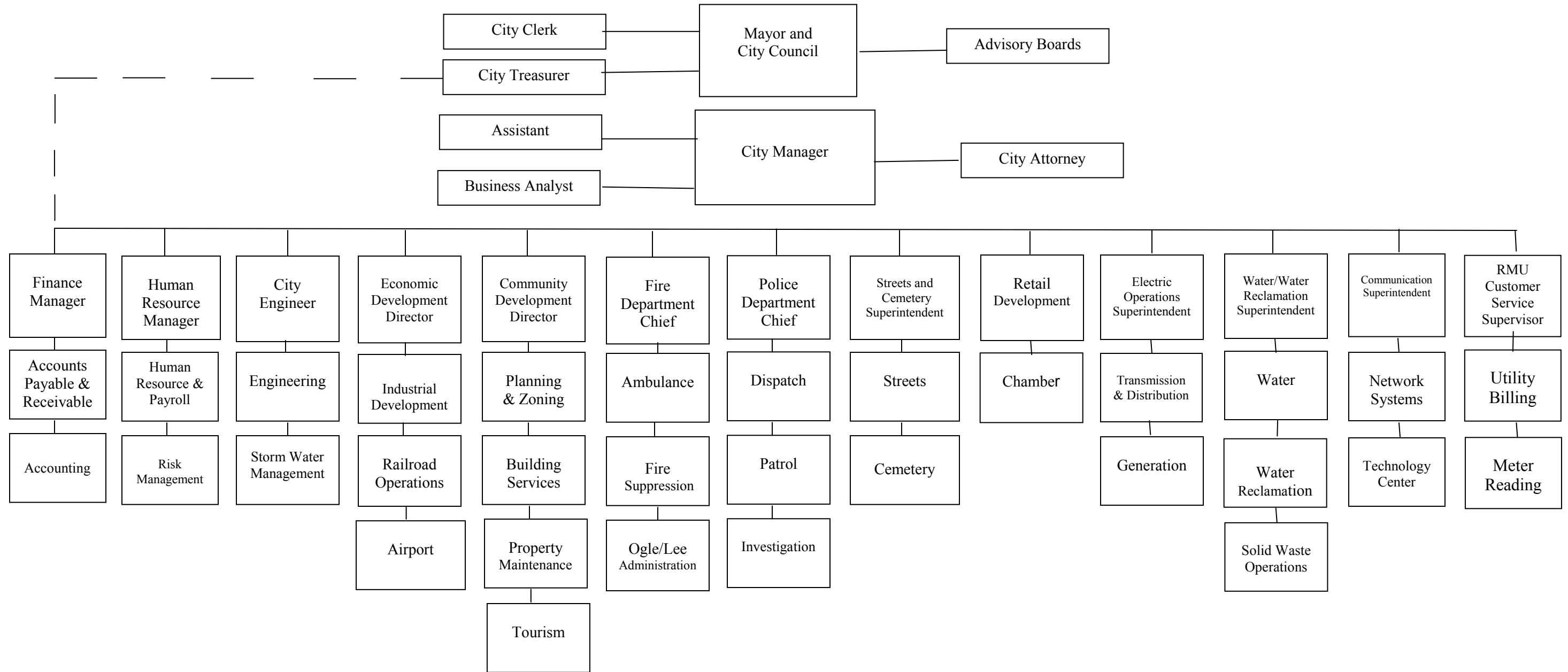
City Manager

David Plyman

Finance Manager

Chris Frye

CITY OF ROCHELLE
Organizational Chart





City of Rochelle

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P.O. Box 601
Rochelle, IL 61068-0601
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September 30, 2014

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, 2014 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, 2014.

The financial report consists of management 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, 2014. 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 9,574. 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, 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 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 2,000 jobs have been created. Through a recession, commercial and retail development in the City is on the rise.

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. This plan should utilize our existing resources in developing a community branding campaign that will capitalize on Rochelle’s assets and unique attributes to positively impact all aspects of the local economy, tourism, and new residential development.

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.

Acknowledgements

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,

Chris Frye

Chris Frye
Finance Manager



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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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 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 September 26, 2014, 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
September 26, 2014

A handwritten signature in black ink, appearing to be 'Bill D.P.', is written in a cursive style.

**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, 2014. 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 \$134,494,790 (net position). Of this amount, \$15,090,630 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$15,475,201 is restricted for specific purposes (restricted net position), and \$103,928,959 is the net investment in capital assets.
- The City's total net position increased by \$3,395,829. Governmental activities net position increased by \$1,139,417, while business-type net position increased by \$2,256,412.
- The governmental activities net position increase of \$1,139,417 is primarily due to an increase in capital grants and contributions of \$1,131,988 related to various ongoing grant-funded City projects.
- On April 30, 2014, the City's governmental funds reported combined fund balances of \$4,115,380, an increase of \$1,060,020 from April 30, 2013. Unassigned fund balance was \$641,709 at year end.
- Revenues for the governmental activities decreased from the previous year by 26%. Expenditures decreased by 14%. The decreases were due to the completion of grant-funded projects.
- The assets of the Electric Utility exceed its liabilities by \$44,265,798 (net position). Of this amount, \$13,262,239 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$8,756,557 is restricted for debt service (restricted net position), and \$22,247,002 is the net investment in capital assets.
- The assets of the Water and Water Reclamation Utility exceeded its liabilities by \$36,337,797 (net position). Of this amount, \$2,040,400 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$4,116,952 is restricted for debt service (restricted net position), and \$30,180,445 is the net investment in capital assets.
- Operating revenues for the Electric Utility were up 11% while expenses were up 14%. 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 3%, while operating expenses were up 6%. 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**

	2014 Governmental Activities	2013 Governmental Activities	2014 Business-type Activities	2013 Business-type Activities	2014 Total	2013 Total
Current and Other Assets	\$ 9,712,000	\$ 7,999,564	\$ 33,170,128	\$ 34,563,408	\$ 42,882,128	\$ 42,562,972
Capital Assets	46,244,092	45,652,694	75,599,371	73,951,037	121,843,463	119,603,731
Total Assets and Deferred Outflows	<u>55,956,092</u>	<u>53,652,258</u>	<u>108,769,499</u>	<u>108,514,445</u>	<u>164,725,591</u>	<u>162,166,703</u>
Long-term Liabilities	3,813,912	3,497,390	18,289,335	19,976,656	22,103,247	23,474,046
Other Liabilities	4,252,127	4,069,668	3,875,427	4,391,242	8,127,554	8,460,910
Total Liabilities and Deferred Inflows	<u>8,066,039</u>	<u>7,567,058</u>	<u>22,164,762</u>	<u>24,367,898</u>	<u>30,230,801</u>	<u>31,934,956</u>
Net investment in capital assets	46,244,092	45,652,694	57,684,867	54,389,403	103,928,959	100,042,097
Restricted	2,601,692	2,153,415	12,873,509	10,475,599	15,475,201	12,629,014
Unrestricted	<u>(955,731)</u>	<u>(1,720,909)</u>	<u>16,046,361</u>	<u>19,281,545</u>	<u>15,090,630</u>	<u>17,560,636</u>
Total Net Position	<u>\$ 47,890,053</u>	<u>\$ 46,085,200</u>	<u>\$ 86,604,737</u>	<u>\$ 84,146,547</u>	<u>\$ 134,494,790</u>	<u>\$ 130,231,747</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 (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (11%) 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**

	2014	2013	2014	2013	2014	2013
	Governmental	Governmental	Business-type	Business-type	2014	2013
	Activities	Activities	Activities	Activities	Total	Total
Revenues:						
Program Revenues						
Charges for Services	\$ 1,589,936	\$ 1,539,706	\$ 40,349,509	\$ 36,528,242	\$ 41,939,445	\$ 38,067,948
Operating Grants and contributions	292,235	311,353	-	-	292,235	311,353
Capital Grants and Contributions	1,131,988	11,518,224	1,655,641	1,717,815	2,787,629	13,236,039
General Revenues						
Property Taxes	2,605,811	2,160,763	58,912	59,460	2,664,723	2,220,223
Other Taxes	5,166,662	4,762,010	-	-	5,166,662	4,762,010
Other	103,422	36,638	131,956	105,182	235,378	141,820
Total Revenues	<u>10,890,054</u>	<u>20,328,694</u>	<u>42,196,018</u>	<u>38,410,699</u>	<u>53,086,072</u>	<u>58,739,393</u>
Expenses:						
General Government	1,991,208	2,061,279	-	-	1,991,208	2,061,279
Public Safety	5,240,013	5,034,276	-	-	5,240,013	5,034,276
Public Works	3,643,889	4,841,587	-	-	3,643,889	4,841,587
Conservation and Development	374,558	514,955	-	-	374,558	514,955
Public Service Enterprises	277,549	138,179	-	-	277,549	138,179
Landfill	-	-	502,936	452,664	502,936	452,664
Airport	-	-	739,131	611,097	739,131	611,097
Electric	-	-	30,900,842	27,290,007	30,900,842	27,290,007
Water and Water Reclamation	-	-	4,198,382	3,989,355	4,198,382	3,989,355
Communications	-	-	834,028	1,104,006	834,028	1,104,006
Technology Center	-	-	815,123	564,706	815,123	564,706
Interest and Fiscal Charges	172,584	180,611	-	-	172,584	180,611
Total Expenses	<u>11,699,801</u>	<u>13,371,362</u>	<u>37,990,442</u>	<u>34,011,835</u>	<u>49,690,243</u>	<u>46,782,722</u>
Income (Loss) Before Transfers	(809,747)	(3,960,417)	4,205,576	2,681,049	3,395,829	(1,279,368)
Transfers	<u>1,949,164</u>	<u>1,666,642</u>	<u>(1,949,164)</u>	<u>(1,666,642)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>1,139,417</u>	<u>9,224,449</u>	<u>2,256,412</u>	<u>2,732,222</u>	<u>3,395,829</u>	<u>11,089,457</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 \$1,139,417. 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 \$2,256,412. 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

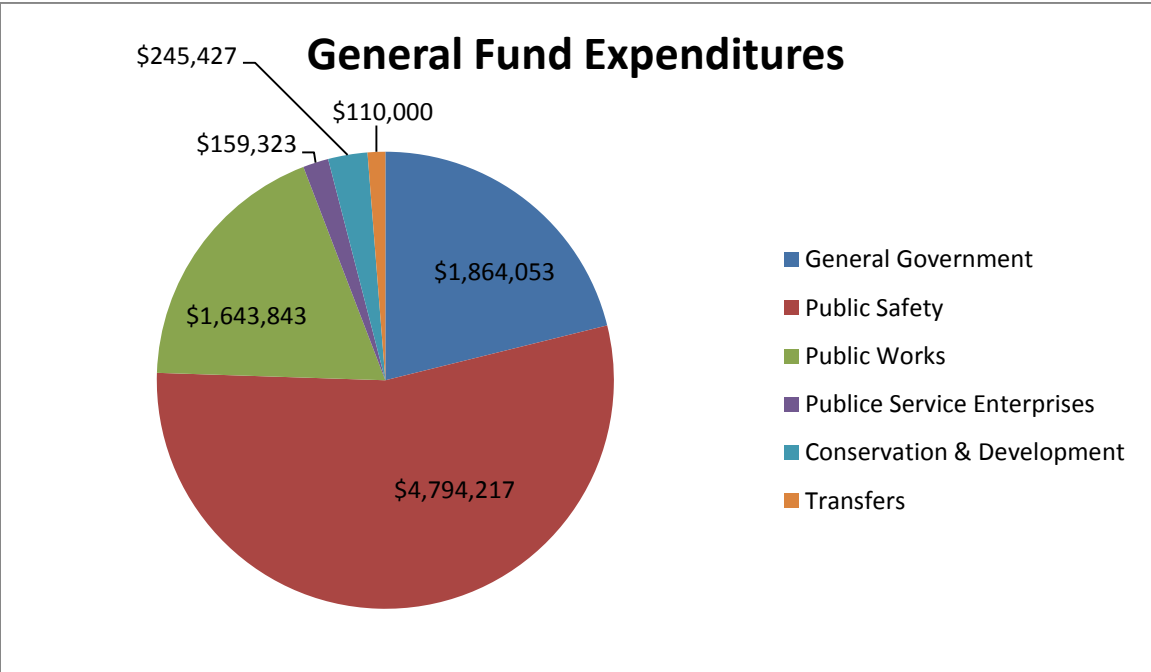
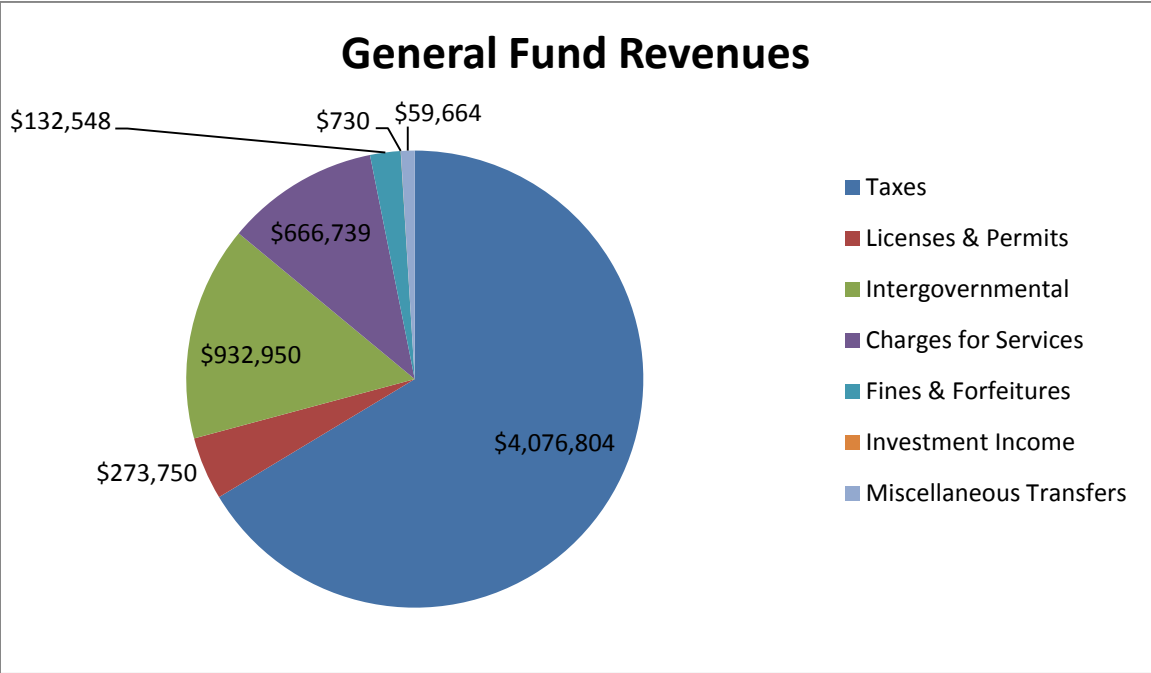
The focus of the City of Rochelle's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the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

At April 30, 2014, the City's governmental funds reported combined fund balances of \$4,115,380. Approximately 16% of this amount, \$641,709 constitutes unrestricted, unassigned fund balance, which is available to meet the City's current and future needs. The remaining \$3,473,671 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 \$46,880 or 2.6%. Unrestricted, unassigned fund balance increased \$82,045.

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 \$2,284,561 which all but \$212,505 (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 \$9,575,301. Actual expenditures were \$8,706,863, resulting in a \$868,438 favorable variance due to changing from a self-funded health plan to a fully-funded health plan and not filling open positions.

Total revenues and other sources were \$8,863,743, \$730,698 less than the final budget.

CAPITAL ASSETS

At the end fiscal year 2014, the City had invested a total of \$121,843,445 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	2014 Governmental Activities	2013 Governmental Activities	2014 Business-type Activities	2013 Business- type Activities	2014 Total	2013 Total
Construction in progress	\$ 287,397	\$ -	\$ 1,456,821	\$ 1,004,572	\$ 1,744,218	\$ 1,004,572
Land and other assets not being depreciated	5,440,198	5,369,492	3,397,940	3,397,940	8,838,138	8,767,432
Buildings and improvements	3,062,534	3,036,479	6,296,932	6,223,602	9,359,466	9,260,081
Machinery and equipment	6,539,418	6,116,591	10,477,317	10,429,065	17,016,735	16,545,656
Infrastructure and utility plant	54,733,784	53,322,734	125,316,149	120,257,927	180,049,933	173,580,661
Total Capital Assets	70,083,331	67,845,296	146,945,159	141,313,106	217,008,490	209,158,02
Less: Accumulated Depreciation	(23,839,239)	(22,192,602)	(71,345,788)	(67,362,069)	(95,185,027)	(89,554,671)
Net Capital Assets	\$ 46,244,092	\$ 45,652,694	\$ 75,599,371	\$ 73,951,037	\$ 121,823,463	\$ 119,603,731

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
- Rail extension
- Airport expansion

See note 3 on pages 38-40 for more information on the City's capital assets.

LONG-TERM DEBT

At April 30, 2014, the City had business-type activities debt including \$20,861,000 of long-term bonds and loans outstanding. \$11,950,000 of this is revenue debt, \$1,256,000 is IEPA loans, \$4,115,000 in debt certificates, and \$645,000 is a general obligation bond. The City also has governmental activities debt of \$2,895,000 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 40-45 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 2015 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 Frye, Finance Manager, 420 N. 6th St., Rochelle, IL 61068 or e-mail cfrye@rochelleil.us.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Investments	\$ 5,607,241	\$ 11,158,418	\$ 16,765,659
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	2,265,131	60,758	2,325,889
Accounts	357,367	4,930,297	5,287,664
Grants	-	13,737	13,737
Accrued Interest	-	1,098	1,098
Other	54,275	223,777	278,052
Prepaid Expenses	213,883	279,679	493,562
Due from Other Governments	1,107,498	491,074	1,598,572
Inventory	-	2,386,872	2,386,872
Deposits	-	368,658	368,658
Restricted Assets			
Restricted Cash and Investments	106,605	11,545,870	11,652,475
Cash Held at Paying Agent	-	1,327,639	1,327,639
Special Assessments	-	343,103	343,103
Capital Assets			
Not Depreciated	5,727,595	4,854,761	10,582,356
Depreciated (Net of Accumulated Depreciation)	40,516,497	70,744,610	111,261,107
Total Assets	<u>55,956,092</u>	<u>108,730,351</u>	<u>164,686,443</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	-	39,148	39,148
Total Deferred Outflows of Resources	<u>-</u>	<u>39,148</u>	<u>39,148</u>
Total Assets and Deferred Outflows of Resources	<u>55,956,092</u>	<u>108,769,499</u>	<u>164,725,591</u>

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2014

	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Accounts Payable	\$ 679,768	\$ 2,673,713	\$ 3,353,481
Accrued Payroll	432,173	30,806	462,979
Accrued Interest Payable	37,077	433,694	470,771
Customer Advances	-	482,163	482,163
Other Payables	837,978	141,282	979,260
Deposits Payable	-	53,011	53,011
Long-Term Liabilities			
Due Within One Year	236,913	1,914,830	2,151,743
Due in More than One Year	3,576,999	16,374,505	19,951,504
Total Liabilities	5,800,908	22,104,004	27,904,912
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	2,265,131	60,758	2,325,889
Total Deferred Inflows of Resources	2,265,131	60,758	2,325,889
Total Liabilities and Deferred Inflows of Resources	8,066,039	22,164,762	30,230,801
NET POSITION			
Net Investment in Capital Assets	46,244,092	57,684,867	103,928,959
Restricted for			
Maintenance of Roadways	683,554	-	683,554
Tourism	269,541	-	269,541
Capital Improvements	1,504,837	-	1,504,837
Economic Development	2,961	-	2,961
Public Safety	25,883	-	25,883
Public Service Enterprises	114,916	-	114,916
Debt Service	-	12,873,509	12,873,509
Unrestricted	(955,731)	16,046,361	15,090,630
TOTAL NET POSITION	\$ 47,890,053	\$ 86,604,737	\$ 134,494,790

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,991,208	\$ 715,864	\$ -	\$ -
Public Safety	5,240,013	489,758	-	-
Public Works	3,643,889	338,940	256,461	1,131,988
Public Service Enterprises	277,549	45,374	-	-
Conservation and Development	374,558	-	-	-
Interest	172,584	-	35,774	-
Total Governmental Activities	11,699,801	1,589,936	292,235	1,131,988
Business-Type Activities				
Electric	30,900,842	31,727,508	-	909,643
Water and Water Reclamation	4,198,382	5,020,871	-	672,024
Communications	834,028	831,694	-	-
Technology Center	815,123	1,127,944	-	-
Landfill	502,936	1,178,675	-	-
Airport	739,131	462,817	-	73,974
Total Business-Type Activities	37,990,442	40,349,509	-	1,655,641
TOTAL PRIMARY GOVERNMENT	\$ 49,690,243	\$ 41,939,445	\$ 292,235	\$ 2,787,629

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (1,275,344)	\$ -	\$ (1,275,344)
	(4,750,255)	-	(4,750,255)
	(1,916,500)	-	(1,916,500)
	(232,175)	-	(232,175)
	(374,558)	-	(374,558)
	(136,810)	-	(136,810)
	<u>(8,685,642)</u>	<u>-</u>	<u>(8,685,642)</u>
	-	1,736,309	1,736,309
	-	1,494,513	1,494,513
	-	(2,334)	(2,334)
	-	312,821	312,821
	-	675,739	675,739
	-	(202,340)	(202,340)
	<u>-</u>	<u>4,014,708</u>	<u>4,014,708</u>
	<u>(8,685,642)</u>	<u>4,014,708</u>	<u>(4,670,934)</u>
General Revenues			
Taxes			
Property and Replacement	2,605,811	58,912	2,664,723
Sales and Use	3,161,390	-	3,161,390
Telecommunications	394,192	-	394,192
Hotel/Motel	199,768	-	199,768
Utility	378,945	-	378,945
Other	99,417	-	99,417
Shared Income Tax	932,950	-	932,950
Investment Income	3,483	35,054	38,537
Miscellaneous	99,939	96,902	196,841
Transfers In (Out)	1,949,164	(1,949,164)	-
Total	<u>9,825,059</u>	<u>(1,758,296)</u>	<u>8,066,763</u>
CHANGE IN NET POSITION	<u>1,139,417</u>	<u>2,256,412</u>	<u>3,395,829</u>
NET POSITION, MAY 1	46,085,200	84,146,547	130,231,747
Prior period adjustment	<u>665,436</u>	<u>201,778</u>	<u>867,214</u>
NET POSITION, MAY 1, RESTATED	<u>46,750,636</u>	<u>84,348,325</u>	<u>131,098,961</u>
NET POSITION, APRIL 30	<u>\$ 47,890,053</u>	<u>\$ 86,604,737</u>	<u>\$ 134,494,790</u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 785,264	\$ 3,395,793	\$ 4,181,057
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	1,646,124	619,007	2,265,131
Accounts	140,927	216,440	357,367
Prepaid Items	-	212,505	212,505
Due from Other Governments	809,362	298,136	1,107,498
Due from Other Funds	815,870	-	815,870
Restricted Assets			
Cash and Investments	-	106,605	106,605
TOTAL ASSETS	\$ 4,197,547	\$ 4,848,486	\$ 9,046,033
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 293,165	\$ 289,688	\$ 582,853
Accrued Payroll	427,439	1,382	428,821
Deposits Payable	-	837,978	837,978
Due to Other Funds	-	815,870	815,870
Total Liabilities	720,604	1,944,918	2,665,522
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	1,646,124	619,007	2,265,131
Total Liabilities and Deferred Inflows of Resources	2,366,728	2,563,925	4,930,653
FUND BALANCES			
Nonspendable Prepaid Items	-	212,505	212,505
Restricted for Maintenance of Roadways	-	683,554	683,554
Restricted for Tourism	-	269,541	269,541
Restricted for Capital Improvements	-	1,504,837	1,504,837
Restricted for Economic Development	-	2,961	2,961
Restricted for Public Safety	-	25,883	25,883
Restricted for Cemetery	114,916	-	114,916
Unrestricted			
Assigned for Ambulance Replacement	-	478,307	478,307
Assigned for Stormwater	-	143,697	143,697
Assigned for Capital Purposes	-	37,470	37,470
Unassigned	1,715,903	(1,074,194)	641,709
Total Fund Balances	1,830,819	2,284,561	4,115,380
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,197,547	\$ 4,848,486	\$ 9,046,033

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, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,115,380
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	46,244,092
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	(2,895,000)
Accrued interest payable	(37,077)
Unamortized bond premium	(62,992)
Compensated absences payable	(272,896)
Net pension obligation	(467,934)
Other postemployment benefit payable	(94,160)
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>1,360,640</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 47,890,053</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, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,076,804	\$ 2,740,987	\$ 6,817,791
Licenses and Permits	273,750	72,495	346,245
Intergovernmental	932,950	466,936	1,399,886
Charges for Services	666,739	384,743	1,051,482
Fines and Forfeitures	132,548	-	132,548
Investment Income	730	2,753	3,483
Miscellaneous	59,664	141,768	201,432
Total Revenues	6,143,185	3,809,682	9,952,867
EXPENDITURES			
Current			
General Government	1,864,053	235,029	2,099,082
Public Safety	4,794,217	321,774	5,115,991
Public Works	1,643,843	171,852	1,815,695
Public Service Enterprises	159,323	137,636	296,959
Conservation and Development	245,427	126,569	371,996
Capital Outlay	-	1,798,044	1,798,044
Debt Service			
Principal	-	3,000,000	3,000,000
Interest and Fiscal Charges	-	212,008	212,008
Total Expenditures	8,706,863	6,002,912	14,709,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,563,678)	(2,193,230)	(4,756,908)
OTHER FINANCING SOURCES (USES)			
Bonds Issued	-	2,955,000	2,955,000
Premium on Bonds Issued	-	66,933	66,933
Transfers In	2,720,558	1,434,909	4,155,467
Transfers (Out)	(110,000)	(1,915,908)	(2,025,908)
Total Other Financing Sources (Uses)	2,610,558	2,540,934	5,151,492
NET CHANGE IN FUND BALANCES	46,880	347,704	394,584
FUND BALANCES, MAY 1	1,783,939	1,271,421	3,055,360
Prior Period Adjustment	-	665,436	665,436
FUND BALANCES, MAY 1, RESTATED	1,783,939	1,936,857	3,720,796
FUND BALANCES, APRIL 30	\$ 1,830,819	\$ 2,284,561	\$ 4,115,380

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, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 394,584
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	1,300,848
Contributed capital assets are recorded as capital contributions in the statement of activities	937,187
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	(1,646,637)
Change in compensated absences	(15,376)
Change in net pension obligation	(287,978)
Change in other postemployment benefit obligation	(32,549)
The decrease in interest payable is reported as a decrease of expense on the statement of activities	39,424
The proceeds of long-term debt are recorded as an other financing source in governmental funds but as a liability in the statement of activities	(2,955,000)
The premium on bonds sold is recorded as an other financing source in governmental funds but as a liability in the statement of activities	(66,933)
Payment of long-term debt to an escrow agent for a current refunding is reported as an expenditure in the governmental funds but as a reduction of principal outstanding in the statement of activities	2,940,000
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal	60,000
The addition (reduction) in net position of certain activities of internal service funds is included in governmental funds	<u>471,847</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,139,417</u></u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2014

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
CURRENT ASSETS			
Cash and Investments	\$ 7,721,113	\$ 922,045	\$ -
Receivables			
Property Taxes	-	-	-
Accounts	4,116,498	702,071	9,715
Grants	-	-	-
Accrued Interest	-	1,098	-
Other	200,339	8,738	14,700
Prepaid Expenses	229,206	43,389	7,084
Inventory	2,316,345	3,830	-
Deposits	368,658	-	-
Due from Other Governments	-	491,074	-
Due from Other Funds	12,739	-	-
Restricted Assets			
Cash and Investments	8,125,919	3,419,951	-
Cash Held at Paying Agent	630,638	697,001	-
Total Current Assets	<u>23,721,455</u>	<u>6,289,197</u>	<u>31,499</u>
NONCURRENT ASSETS			
Advance to Other Funds	1,524,637	-	-
Special Assessments	-	343,103	-
Total Noncurrent Assets	<u>1,524,637</u>	<u>343,103</u>	<u>-</u>
CAPITAL ASSETS			
Nondepreciable	697,664	1,377,598	-
Depreciable	72,601,011	56,342,320	3,567,131
Accumulated Depreciation	(39,818,133)	(25,618,509)	(2,711,025)
Net Capital Assets	<u>33,480,542</u>	<u>32,101,409</u>	<u>856,106</u>
Total Assets	<u>58,726,634</u>	<u>38,733,709</u>	<u>887,605</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	39,148	-	-
Total Deferred Outflows of Resources	<u>39,148</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>58,765,782</u>	<u>38,733,709</u>	<u>887,605</u>

Business-Type Activities			Governmental
Technology	Nonmajor		Internal
Center	Enterprise	Total	Service
	Funds		Funds
\$ 274,540	\$ 2,240,720	\$ 11,158,418	\$ 1,426,184
-	60,758	60,758	-
7,483	94,530	4,930,297	-
-	13,737	13,737	-
-	-	1,098	-
-	-	223,777	54,275
-	-	279,679	1,378
-	66,697	2,386,872	-
-	-	368,658	-
-	-	491,074	-
-	511,471	524,210	-
-	-	11,545,870	-
-	-	1,327,639	-
282,023	2,987,913	33,312,087	1,481,837
-	-	1,524,637	-
-	-	343,103	-
-	-	1,867,740	-
519,453	2,260,046	4,854,761	-
5,175,111	4,404,825	142,090,398	116,880
(834,063)	(2,364,058)	(71,345,788)	(116,880)
4,860,501	4,300,813	75,599,371	-
5,142,524	7,288,726	110,779,198	1,481,837
-	-	39,148	-
-	-	39,148	-
5,142,524	7,288,726	110,818,346	1,481,837

(This statement is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

April 30, 2014

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
CURRENT LIABILITIES			
Accounts Payable	\$ 2,128,069	\$ 299,300	\$ 10,160
Customer Advances	482,163	-	-
Accrued Payroll	20,225	6,862	1,779
Accrued Interest Payable	242,186	34,443	-
Other Payables	141,282	-	-
Deposits Payable	-	50,273	2,738
Due to Other Funds	-	-	524,210
General Obligation Debt Payable	-	-	-
Revenue Bonds Payable	590,000	665,000	-
IEPA Loans Payable	-	251,490	-
Compensated Absences Payable	116,180	44,971	9,176
Total Current Liabilities	3,720,105	1,352,339	548,063
LONG-TERM LIABILITIES			
Advance from Other Funds	-	-	332,537
Net Pension Obligation	97,191	39,099	12,100
Long-Term Debt, Net of Current Maturities			
General Obligation Debt Payable	-	-	-
Revenue Bonds Payable	10,695,000	-	-
IEPA Loans Payable	-	1,004,474	-
Unamortized Bond Premium/Discount	(12,312)	-	-
Total Long-Term Liabilities	10,779,879	1,043,573	344,637
Total Liabilities	14,499,984	2,395,912	892,700
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	-	-	-
Total Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	14,499,984	2,395,912	892,700
NET POSITION			
Net Investment in Capital Assets	22,247,002	30,180,445	856,106
Restricted for Debt Service	8,756,557	4,116,952	-
Unrestricted (Deficit)	13,262,239	2,040,400	(861,201)
TOTAL NET POSITION (DEFICIT)	\$ 44,265,798	\$ 36,337,797	\$ (5,095)

Business-Type Activities			Governmental
Technology	Nonmajor		Internal
Center	Enterprise	Total	Service
	Funds		Funds
\$ 5,655	\$ 230,529	\$ 2,673,713	\$ 96,915
-	-	482,163	-
1,616	324	30,806	3,352
146,425	10,640	433,694	-
-	-	141,282	-
-	-	53,011	-
-	-	524,210	-
200,000	30,000	230,000	-
-	-	1,255,000	-
-	-	251,490	-
4,331	3,682	178,340	20,930
358,027	275,175	6,253,709	121,197
803,433	388,667	1,524,637	-
5,161	3,792	157,343	-
3,915,000	615,000	4,530,000	-
-	-	10,695,000	-
-	-	1,004,474	-
-	-	(12,312)	-
4,723,594	1,007,459	17,899,142	-
5,081,621	1,282,634	24,152,851	121,197
-	60,758	60,758	-
-	60,758	60,758	-
5,081,621	1,343,392	24,213,609	121,197
745,501	3,655,813	57,684,867	-
-	-	12,873,509	-
(684,598)	2,289,521	16,046,361	1,360,640
\$ 60,903	\$ 5,945,334	\$ 86,604,737	\$ 1,360,640

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, 2014

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
OPERATING REVENUES			
Charges for Services	\$ 31,727,508	\$ 5,020,871	\$ 831,694
Miscellaneous	79,230	17,672	-
Total Operating Revenues	<u>31,806,738</u>	<u>5,038,543</u>	<u>831,694</u>
OPERATING EXPENSES			
Administration	-	-	-
Operations	28,175,220	2,694,448	762,255
Depreciation and Amortization	2,231,582	1,409,019	70,610
Total Operating Expenses	<u>30,406,802</u>	<u>4,103,467</u>	<u>832,865</u>
OPERATING INCOME (LOSS)	<u>1,399,936</u>	<u>935,076</u>	<u>(1,171)</u>
NON-OPERATING REVENUES (EXPENSES)			
Taxes	-	-	-
Investment Income	18,596	13,466	7
Interest Expense	(494,040)	(94,915)	(1,163)
Total Non-Operating Revenues (Expenses)	<u>(475,444)</u>	<u>(81,449)</u>	<u>(1,156)</u>
NET INCOME (LOSS) BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	<u>924,492</u>	<u>853,627</u>	<u>(2,327)</u>
TRANSFERS			
Transfers In	-	-	-
Transfers (Out)	(1,497,578)	(211,981)	-
Total Transfers	<u>(1,497,578)</u>	<u>(211,981)</u>	<u>-</u>
CAPITAL GRANTS AND CONTRIBUTIONS	909,643	672,024	-
CHANGE IN NET POSITION	<u>336,557</u>	<u>1,313,670</u>	<u>(2,327)</u>
NET POSITION (DEFICIT), MAY 1	43,929,241	34,822,349	(2,768)
Prior Period Adjustment	-	201,778	-
NET POSITION (DEFICIT), MAY 1, RESTATED	<u>43,929,241</u>	<u>35,024,127</u>	<u>(2,768)</u>
NET POSITION (DEFICIT), APRIL 30	<u>\$ 44,265,798</u>	<u>\$ 36,337,797</u>	<u>\$ (5,095)</u>

Business-Type Activities			Governmental
Technology	Nonmajor		Internal
Center	Enterprise	Total	Service
	Funds		Funds
\$ 1,127,944	\$ 1,641,492	\$ 40,349,509	\$ 1,953,139
-	-	96,902	-
1,127,944	1,641,492	40,446,411	1,953,139
-	-	-	1,482,657
475,693	1,080,646	33,188,262	-
143,380	129,128	3,983,719	-
619,073	1,209,774	37,171,981	1,482,657
508,871	431,718	3,274,430	470,482
-	58,912	58,912	-
344	2,641	35,054	1,365
(196,050)	(32,293)	(818,461)	-
(195,706)	29,260	(724,495)	1,365
313,165	460,978	2,549,935	471,847
-	280,000	280,000	-
-	(700,000)	(2,409,559)	-
-	(420,000)	(2,129,559)	-
-	254,369	1,836,036	-
313,165	295,347	2,256,412	471,847
(252,262)	5,649,987	84,146,547	888,793
-	-	201,778	-
(252,262)	5,649,987	84,348,325	888,793
\$ 60,903	\$ 5,945,334	\$ 86,604,737	\$ 1,360,640

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 31,823,026	\$ 4,800,572	\$ 291,791
Receipts from Interfund Services Transactions	-	-	540,442
Receipts from Employees and Retirees	-	-	-
Payments to Suppliers	(27,224,035)	(1,017,607)	(208,412)
Payments to Employees	(1,316,824)	(1,201,002)	(405,570)
Payments to Other Funds	(685,429)	(797,225)	(165,201)
Net Cash from Operating Activities	<u>2,596,738</u>	<u>1,784,738</u>	<u>53,050</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from Property Taxes	-	-	-
Receipts of Loans from Other Funds	2,779,126	-	221,957
Repayment of Loans from Other Funds	-	-	(54,808)
Interest Paid on Interfund Loans	-	-	(1,163)
Transfers In	-	-	-
Transfers (Out)	(1,497,578)	(211,981)	-
Net Cash from Noncapital Financing Activities	<u>1,281,548</u>	<u>(211,981)</u>	<u>165,986</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(3,075,678)	(1,211,163)	(222,385)
Principal Payments on Long-Term Debt	(570,000)	(889,482)	-
Interest Payments on Long-Term Debt	(504,638)	(84,812)	-
Grant Receipts	909,643	201,778	-
Net Cash from Capital and Related Financing Activities	<u>(3,240,673)</u>	<u>(1,983,679)</u>	<u>(222,385)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Investments	18,596	13,457	7
Net Cash from Investing Activities	<u>18,596</u>	<u>13,457</u>	<u>7</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	656,209	(397,465)	(3,342)
CASH AND CASH EQUIVALENTS, MAY 1	<u>15,190,823</u>	<u>4,739,461</u>	<u>3,342</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 15,847,032</u></u>	<u><u>\$ 4,341,996</u></u>	<u><u>\$ -</u></u>

Business-Type Activities			Governmental
Technology	Nonmajor		Activities
Center	Enterprise	Total	Internal
	Funds		Service
\$ 997,490	\$ 1,649,448	\$ 39,562,327	\$ -
131,679	-	672,121	1,743,777
-	-	-	197,672
(152,415)	(709,896)	(29,312,365)	(1,139,338)
(163,816)	(114,883)	(3,202,095)	(434,998)
(154,714)	(113,063)	(1,915,632)	-
658,224	711,606	5,804,356	367,113
-	58,912	58,912	-
-	-	3,001,083	-
(48,947)	(1,185,276)	(1,289,031)	-
(2,557)	-	(3,720)	-
-	280,000	280,000	-
-	(700,000)	(2,409,559)	-
(51,504)	(1,546,364)	(362,315)	-
(55,809)	(140,625)	(4,705,660)	-
(190,000)	(30,000)	(1,679,482)	-
(183,824)	(32,292)	(805,566)	-
-	687,469	1,798,890	-
(429,633)	484,552	(5,391,818)	-
344	2,641	35,045	1,365
344	2,641	35,045	1,365
177,431	(347,565)	85,268	368,478
97,109	2,588,285	22,619,020	1,057,706
\$ 274,540	\$ 2,240,720	\$ 22,704,288	\$ 1,426,184

(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, 2014

	Business-Type Activities		
	Electric Utility	Water and Water Reclamation	Communications
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,399,936	\$ 935,076	\$ (1,171)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	2,231,582	1,409,019	70,610
Changes in Assets and Liabilities			
Accounts Receivable	(513,017)	(21,844)	15,264
Other Receivables	33,545	(229,262)	(14,700)
Prepaid Expenses	(75,278)	(24,870)	5,747
Inventory	(616,429)	(350)	-
Deposits	502,382	-	-
Accounts Payable	(375,909)	(301,708)	(15,182)
Customer Advances	(6,622)	-	-
Accrued Payroll	7,655	1,510	(647)
Claims Payable	-	-	-
Other Payables	1,631	13,135	(25)
Compensated Absences	5,226	3,214	(7,100)
Net Pension Obligation	2,036	818	254
NET CASH FROM OPERATING ACTIVITIES	\$ 2,596,738	\$ 1,784,738	\$ 53,050
CASH AND INVESTMENTS			
Cash and Investments	\$ 7,721,113	\$ 922,045	\$ -
Restricted Cash and Investments	8,125,919	3,419,951	-
TOTAL CASH AND INVESTMENTS	\$ 15,847,032	\$ 4,341,996	\$ -
NONCASH TRANSACTIONS			
Contributions	\$ -	\$ 656,732	\$ -
TOTAL NONCASH TRANSACTIONS	\$ -	\$ 656,732	\$ -

Business-Type Activities			Governmental
Technology	Nonmajor		Activities
Center	Enterprise	Total	Internal
	Funds		Service
\$ 508,871	\$ 431,718	\$ 3,274,430	\$ 470,482
143,380	129,128	3,983,719	-
1,225	7,956	(510,416)	-
-	-	(210,417)	(11,690)
-	-	(94,401)	883
-	(24,358)	(641,137)	-
-	-	502,382	-
(1,307)	167,758	(526,348)	27,158
-	-	(6,622)	-
1,616	(237)	9,897	1,272
-	-	-	(126,511)
-	-	14,741	-
4,331	(438)	5,233	5,519
108	79	3,295	-
<u>\$ 658,224</u>	<u>\$ 711,606</u>	<u>\$ 5,804,356</u>	<u>\$ 367,113</u>
\$ 274,540	\$ 2,240,720	\$ 11,158,418	\$ 1,426,184
-	-	11,545,870	-
<u>\$ 274,540</u>	<u>\$ 2,240,720</u>	<u>\$ 22,704,288</u>	<u>\$ 1,426,184</u>
\$ -	\$ 180,395	\$ 837,127	\$ 837,127
\$ -	\$ 180,395	\$ 837,127	\$ 837,127

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

ASSETS

Cash and Short-Term Investments	\$ 822,356
Investments, at Fair Value	
U.S. Treasury Securities	2,652,493
U.S. Agency Securities	740,636
Certificates of Deposit	52,300
Equity Mutual Funds	5,239,075
Corporate Bonds	1,522,708
Municipal Bonds	1,861,813
Equities	5,322,256
Annuity Contracts	201,820
Receivables	
Accrued Interest	<u>64,848</u>
 Total Assets	 <u>18,480,305</u>

LIABILITIES

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

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

\$ 18,480,305

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, 2014

ADDITIONS

Contributions	
Employer Contributions	\$ 280,331
Employee Contributions	<u>220,499</u>
Total Contributions	<u>500,830</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	439,780
Interest	<u>545,786</u>
Total Investment Income	985,566
Less Investment Expense	<u>(99,868)</u>
Net Investment Income	<u>885,698</u>
Total Additions	<u>1,386,528</u>

DEDUCTIONS

Benefits and Refunds	1,240,264
Administrative Expenses	<u>31,173</u>
Total Deductions	<u>1,271,437</u>

NET INCREASE 115,091

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

May 1	<u>18,365,214</u>
April 30	<u><u>\$ 18,480,305</u></u>

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

April 30, 2014

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CITY OF ROCHELLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

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/deferred revenue and unavailable revenue on its financial statements. 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/deferred revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned/deferred 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/deferred and 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, 2014 for debt and equity securities and contract values for mutual funds.

F. Property Taxes

Property taxes for 2013 are levied in December 2013 and attach as an enforceable lien on the property on January 1, 2013. Tax bills are prepared by the County and issued on or about May 1, 2014 and August 1, 2014, and are due and collectible on or about June 1, 2014 and September 1, 2014. The County collects the taxes and remits them periodically to the City. Those 2013 taxes are intended to finance the 2015 fiscal year and are not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue. The 2014 tax levy has not been recorded as a receivable at April 30, 2014, as the tax attached as a lien on property as of January 1, 2014; however, the tax will not be levied until December 2014 and, accordingly, is not measurable at April 30, 2014.

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. These assets are reflected as restricted cash and investments and restrictions of net position. Restricted cash and investments in the governmental activities/governmental funds is a deposit from a developer for rail improvements.

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.

<u>Asset Class</u>	<u>Capitalization Threshold</u>
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.

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

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 Manager 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 long-term debt issued to acquire or construct the capital assets.

At April 30, 2014, the City had \$460,339 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.

The Police and Firefighters' Pension Funds can invest in the same securities as the City, plus the following: mutual funds, equity securities, corporate debt securities and variable annuities.

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 \$591,256 were exposed to custodial credit risk as of April 30, 2014.

City Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 32,209	\$ 21,769	\$ 10,440	\$ -	\$ -
TOTAL	\$ 32,209	\$ 21,769	\$ 10,440	\$ -	\$ -

2. CASH AND INVESTMENTS (Continued)

City Investments (Continued)

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.

Police and Firefighters' Pension Funds' 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 Police and Firefighters' Pension Funds' deposits may not be returned to them. The Police and Firefighters' Pension Funds' investment policies do not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police and Firefighters' Pension Funds' deposits with financial institutions.

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

2. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,172,083	\$ 95,310	\$ 774,096	\$ 72,906	\$ 229,771
U.S. Agency Obligations	699,042	-	-	-	699,042
Corporate Bonds	1,522,708	-	317,854	965,473	239,381
TOTAL	\$ 3,393,833	\$ 95,310	\$ 1,091,950	\$ 1,038,379	\$ 1,168,194

In accordance with its investment policy, the Police Pension 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.

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. 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 for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension 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 Police Pension 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.

Concentration of credit risk - The Police Pension Fund's investment policy specifies the following preferred asset allocations by investment type:

Diversification by Instrument	Percent of Portfolio
Equities	40%
Mutual Funds/Variable Annuities	5%
Fixed Income	55%

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

2. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

The aggregate of equities, mutual funds and variable annuities cannot exceed 55%. Securities in any one company should not exceed 5% of the total Police Pension Fund, and no more than 10% of the total Police Pension Fund should be invested in any one industry. Individual treasury securities may represent 100% of the total Police Pension Fund, while the total allocation to treasury bonds and notes may represent up to 100% of the Police Pension Fund's aggregate bond position.

Unless a specific type of derivative security is allowed in the investment policy, the Police Pension Fund may not invest in derivatives.

Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,480,410	\$ 90,656	\$ 1,128,470	\$ 261,284	\$ -
U.S. Agency Obligations	41,594	-	-	2,750	38,844
State and Local Obligations	1,861,813	-	-	552,494	1,309,319
Negotiable Certificates of Deposit	52,300	-	52,300	-	-
TOTAL	\$ 3,436,117	\$ 90,656	\$ 1,180,770	\$ 816,528	\$ 1,348,163

In accordance with its investment policy, the Firefighters' Pension 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 Firefighters' Pension Fund.

The Firefighters' 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. The agency securities are rated AA+ by Standard and Poor's, the current rating for federal debt securities. The state and local obligations are rated from AA to A-.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension 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 Firefighters' Pension Fund allows the broker purchasing the investment to also serve as custodian over the investment.

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

2. CASH AND INVESTMENTS (Continued)

Firefighters' Pension Fund Investments (Continued)

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.

The Firefighters' Pension Fund investment policy is silent on concentration of credit risk, except as follows.

The aggregate of equities, mutual funds and variable annuities cannot exceed 45%. Securities in any one company should not exceed 5% of the total Firefighters' Pension Fund and no more than 10% of the total Firefighters' Pension Fund should be invested in any one industry. Individual treasury securities may represent 100% of the total Firefighters' Pension Fund, while the total allocation to treasury bonds and notes may represent up to 100% of the Firefighters' Pension Fund's aggregate bond position.

Unless a specific type of derivative security is allowed in the investment policy, the Firefighters' Pension Fund may not invest in derivatives.

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 3,030,611	\$ 70,706	\$ -	\$ 3,101,317
Land Right of Way	2,338,881	-	-	2,338,881
Construction in Progress	-	287,397	-	287,397
Total Capital Assets not Being Depreciated	5,369,492	358,103	-	5,727,595
Capital Assets Being Depreciated				
Buildings	3,036,479	26,055	-	3,062,534
Machinery and Equipment	6,116,591	422,827	-	6,539,418
Bridges	9,328,117	-	-	9,328,117
Streets	28,390,704	1,039,187	-	29,429,891
Stormwater	4,552,223	-	-	4,552,223
Sidewalks	2,042,295	284,664	-	2,326,959
Railroad Spur	8,695,765	107,199	-	8,802,964
Street Lights	313,630	-	-	313,630
Total Capital Assets Being Depreciated	62,475,804	1,879,932	-	64,355,736

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

3. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Buildings	\$ 1,601,382	\$ 62,522	\$ -	\$ 1,663,904
Machinery and Equipment	4,467,387	336,553	-	4,803,940
Bridges	1,027,600	186,562	-	1,214,162
Streets	10,518,127	702,240	-	11,220,367
Stormwater	3,372,922	113,806	-	3,486,728
Sidewalks	700,740	58,174	-	758,914
Railroad Spur	435,302	176,325	-	611,627
Street Lights	69,142	10,455	-	79,597
Total Accumulated Depreciation	<u>22,192,602</u>	<u>1,646,637</u>	<u>-</u>	<u>23,839,239</u>
 Total Capital Assets Being Depreciated, Net	 <u>40,283,202</u>	 <u>233,295</u>	 <u>-</u>	 <u>40,516,497</u>
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	 <u><u>\$ 45,652,694</u></u>	 <u><u>\$ 591,398</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 46,244,092</u></u>

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

GOVERNMENTAL ACTIVITIES		
General Government		\$ 82,332
Public Safety		181,130
Public Works		1,366,709
Public Service Enterprises		<u>16,466</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		<u><u>\$ 1,646,637</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 3,397,940	\$ -	\$ -	\$ 3,397,940
Construction in Progress	1,004,572	5,548,147	5,095,898	1,456,821
Total Capital Assets not Being Depreciated	<u>4,402,512</u>	<u>5,548,147</u>	<u>5,095,898</u>	<u>4,854,761</u>
 Capital Assets Being Depreciated				
Infrastructure	44,385,012	1,703,345	-	46,088,357
Equipment	10,429,065	48,252	-	10,477,317
Other Tangible Assets	2,134,356	-	-	2,134,356
Structures and Improvements	1,951,090	73,330	-	2,024,420
Building	4,272,512	-	-	4,272,512
General	7,843,385	291,819	-	8,135,204
Generation	8,374,419	185,338	-	8,559,757
Transmission	10,379,271	29,933	-	10,409,204
Distribution	47,141,484	2,847,787	-	49,989,271
Total Capital Assets Being Depreciated	<u>136,910,594</u>	<u>5,179,804</u>	<u>-</u>	<u>142,090,398</u>

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

3. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Infrastructure	\$ 18,742,268	\$ 1,152,913	\$ -	\$ 19,895,181
Equipment	5,636,569	260,103	-	5,896,672
Other Tangible Assets	1,404,165	56,808	-	1,460,973
Structures and Improvements	639,727	68,324	-	708,051
Building	547,047	103,485	-	650,532
General	3,527,255	182,251	-	3,709,506
Generation	6,585,359	109,748	-	6,695,107
Transmission	7,085,638	376,847	-	7,462,485
Distribution	23,194,041	1,673,240	-	24,867,281
Total Accumulated Depreciation	67,362,069	3,983,719	-	71,345,788
 Total Capital Assets Being Depreciated, Net	 69,548,525	 1,196,085	 -	 70,744,610
 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	 \$ 73,951,037	 \$ 6,744,232	 \$ 5,095,898	 \$ 75,599,371

4. LONG-TERM DEBT

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

	May 1, Reclassified	Additions	Reductions/ Refundings	April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
GO TIF Bonds	\$ 2,940,000	\$ 2,955,000	\$ 3,000,000	\$ 2,895,000	\$ 90,000
Unamortized Bond Premium	-	66,933	3,941	62,992	-
Compensated Absences*	272,931	157,361	136,466	293,826	146,913
Net Pension Obligation - IMRF*	107,050	2,289	-	109,339	-
Net Pension Obligation - Police	115,798	99,421	-	215,219	-
Net Pension Asset/Obligation - Fire	(42,892)	186,268	-	143,376	-
Net Other Postemployment Benefit Obligation*	61,611	32,549	-	94,160	-
 TOTAL GOVERNMENTAL ACTIVITIES	 \$ 3,454,498	 \$ 3,499,821	 \$ 3,140,407	 \$ 3,813,912	 \$ 236,913

*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	2,420,000	-	570,000	1,850,000	590,000
2008 Refunding Bonds	1,310,000	-	645,000	665,000	665,000
 Total Revenue Bonds	 13,165,000	 -	 1,215,000	 11,950,000	 1,255,000

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

4. LONG-TERM DEBT (Continued)

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
(Continued)					
General Obligation Debt Certificates	\$ 4,305,000	\$ -	\$ 190,000	\$ 4,115,000	\$ 200,000
General Obligation Bonds	675,000	-	30,000	645,000	30,000
IEPA Revolving Loans	1,500,446	-	244,482	1,255,964	251,490
Unamortized Discount	(39,700)	-	(2,347)	(37,353)	-
Unamortized Premium	43,755	-	18,714	25,041	-
Compensated Absences	173,107	178,340	173,107	178,340	178,340
Net Pension Obligation	154,048	3,295	-	157,343	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 19,976,656	\$ 181,635	\$ 1,868,956	\$ 18,289,335	\$ 1,914,830

Bonds payable and other long-term obligations at April 30, 2014 are comprised of the following, excluding the refunded bonds that are defeased in-substance:

General Obligation Debt

	Total	Current Portion
\$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.	\$ 4,115,000	\$ 200,000
\$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.	645,000	30,000
TOTAL GENERAL OBLIGATION DEBT	\$ 4,760,000	\$ 230,000
\$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%.	\$ 2,895,000	\$ 90,000
TOTAL TIF FUND ALTERNATE REVENUE BONDS	\$ 2,895,000	\$ 90,000

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

4. LONG-TERM DEBT (Continued)

Revenue Bonds

	<u>Total</u>	<u>Current Portion</u>
\$9,435,000 Series 2005 Electric System Revenue Bonds, due in annual installments of \$505,000 to \$880,000, through May 1, 2030, interest from 4.00% to 4.75%.	\$ 9,435,000	\$ -
\$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%.	1,850,000	590,000
TOTAL ELECTRIC FUND REVENUE BONDS	\$ 11,285,000	\$ 590,000
\$3,685,000 Series 2008 Waterworks and Sewerage Refunding Revenue Bonds, due in annual installments of \$15,000 to \$645,000, through May 1, 2014, interest from 3.00% to 3.75%.	\$ 665,000	\$ 665,000
TOTAL WATER AND WATER RECLAMATION FUND REVENUE BONDS	\$ 665,000	\$ 665,000
<u>Revenue and Alternate Revenue Source Bonds Illinois</u>		
<u>EPA Loans</u>		
\$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%.	\$ 810,702	\$ 223,383
\$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%.	445,262	28,107
TOTAL WATER AND WATER RECLAMATION IEPA LOANS	\$ 1,255,964	\$ 251,490

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

4. LONG-TERM DEBT (Continued)

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, 2014, are as follows:

Fiscal Year Ending April 30,	General Obligation Debt		Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 230,000	\$ 206,459	\$ 1,255,000	\$ 484,304
2016	240,000	196,748	615,000	445,711
2017	255,000	186,612	645,000	417,611
2018	265,000	175,852	505,000	403,098
2019	275,000	164,667	530,000	382,898
2020-2024	1,565,000	672,192	2,985,000	1,579,690
2025-2029	1,930,000	277,000	3,695,000	909,808
2030-2031	-	-	1,720,000	123,500
TOTAL	\$ 4,760,000	\$ 1,879,530	\$ 11,950,000	\$ 4,746,620

Fiscal Year Ending April 30,	General Obligation Alternate Revenue Debt		Illinois EPA Loans	
	Principal	Interest	Principal	Interest
2015	\$ 90,000	\$ 89,480	\$ 251,490	\$ 32,424
2016	115,000	87,680	258,700	25,214
2017	125,000	85,380	266,118	17,797
2018	130,000	82,880	151,140	10,169
2019	135,000	80,280	31,045	7,659
2020-2024	765,000	347,255	167,335	26,185
2025-2029	1,030,000	217,887	130,136	5,508
2030-2031	505,000	30,600	-	-
TOTAL	\$ 2,895,000	\$ 1,021,442	\$ 1,255,964	\$ 124,956

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 are payable through 2015. The total principal and interest remaining to be paid on the bonds as of April 30, 2014 is \$677,469. Principal and interest paid for the current year was \$681,225 or 29.06% of total customer net revenues of \$2,344,095.

4. LONG-TERM DEBT (Continued)

Revenue Source Bonds (Continued)

The City issued the Series 2005 Electric Revenue Alternate Revenue Source Bonds and the Series 2008 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 2031. The total principal and interest remaining to be paid on the bonds as of April 30, 2014 is \$16,019,151. Principal and interest paid for the current year was \$1,066,236 or 26.53% of total customer net revenues of \$4,019,357.

Current Refunding

On June 6, 2013, the City issued \$2,955,000 General Obligation Refunding Bonds (Tax Increment Financing Alternate Revenue Source), Series 2013, to refund the Taxable General Obligation Bonds (Tax Increment Financing Alternate Revenue Source), Series 2010. As a result of the refunding, the City achieved cash flow savings of \$37,932 and an economic gain of \$28,645.

Advanced Refunding

Electric

On July 22, 2008, revenue bonds in the amount of \$5,755,000 were issued with an average interest rate of 4.14% to advance refund \$5,660,000 of outstanding bonds with an average interest rate of 4.75%. The net proceeds of \$5,749,424 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered to be defeased and the liability for the old bonds has been removed from the statement of net position. At April 30, 2014, \$1,880,000 of bonds outstanding are considered defeased.

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, 2014, there was one bond outstanding. The aggregate principal amount payable was \$5,600,000.

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 Fund and Water and Sewer 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, 2014. 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	\$ 1,549,339
Bond Reserve Account	4,006,201
Depreciation, Improvement and Extension Account	<u>7,317,969</u>
TOTAL	<u><u>\$ 12,873,509</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. 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. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained online at www.imrf.org.

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. 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 IMRF as specified by statute. The employer contribution rates for 2013 and 2014 were 12.83% and 12.61% of covered payroll, respectively.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan

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. At April 30, 2013 (most recent information available), the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	17
Current Employees	
Vested	12
Nonvested	9
	<hr/>
TOTAL	<u><u>38</u></u>

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 ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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 a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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).

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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 as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services cost for the Police Pension Plan. The City made a contribution of \$177,283 for the year ended April 30, 2014, which was approximately 12.73% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' 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 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2013 (most recent information available), the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	9
Current Employees	
Vested	5
Nonvested	8
	<hr/>
TOTAL	<u>22</u>

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.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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 of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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 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 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 ½ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services cost for the Firefighters' Pension Plan. The City made a contribution of \$103,048 for the year ended April 30, 2014 which was approximately 12.65% of covered payroll.

B. Significant Investments

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

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2011	April 30, 2012	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	30 Years, Open	20 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.5% Compounded Annually	7.25% Compounded Annually	6.5% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.0% Compounded Annually	2.25% Compounded Annually	5.5% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.4% to 10.0%	1.1% to 4.9%	Not Available

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

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 664,244	\$ 227,440	\$ 188,396
	2013	689,207	279,230	180,750
	2014	723,487	277,484	289,316
Actual Contributions	2012	\$ 579,351	\$ 119,932	\$ 91,222
	2013	664,684	172,117	151,275
	2014	717,902	177,283	103,048
Percentage of APC Contributed	2012	87.22%	52.73%	48.42%
	2013	96.44%	61.64%	83.69%
	2014	99.23%	63.89%	35.62%
NPO (Asset)	2012	\$ 236,574	\$ 8,685	\$ (72,367)
	2013	261,097	115,798	(42,892)
	2014	266,682	215,219	143,376

The NPO (asset) at April 30, 2014 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 717,902	\$ 276,314	\$ 289,936
Interest on Net Pension Obligation (Asset)	19,583	8,395	(3,217)
Adjustment to Annual Required Contribution	(13,998)	(8,105)	2,597
Annual Pension Cost	723,487	276,604	289,316
Contributions Made	717,902	177,283	103,048
(Increase) Decrease in Net Pension Obligation (Asset)	5,585	99,421	186,268
Net Pension Obligation (Asset), Beginning of Year	261,097	115,798	(42,892)
NET PENSION OBLIGATION, END OF YEAR	\$ 266,682	\$ 215,219	\$ 143,376

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

D. Funded Status

The funded status of the plans as of December 31, 2013 for IMRF and April 30, 2013 (most recent information available) for the Police and Firefighters' Pension Plans based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 7-C:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 17,196,413	\$ 13,178,253	\$ 10,167,636
Actuarial Value of Plan Assets	13,505,538	11,184,003	7,608,614
Unfunded Actuarial Accrued Liability (UAAL)	3,690,875	1,994,250	2,559,022
Funded Ratio (Actuarial Value of Plan Assets/AAL)	78.54%	84.87%	74.83%
Covered Payroll (Active Plan Members)	\$ 5,631,918	\$ 1,393,142	\$ 814,648
UAAL as a Percentage of Covered Payroll	65.53%	143.15%	314.13%

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.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
NET POSITION			
Cash and Short-Term Investments	\$ 318,043	\$ 504,313	\$ 822,356
Investments, at Fair Value			
U.S. Treasury Securities	1,172,083	1,480,410	2,652,493
U.S. Agency Securities	699,042	41,594	740,636
Certificates of Deposit	-	52,300	52,300
Equity Mutual Funds	5,239,075	-	5,239,075
Corporate Bonds	1,522,708	-	1,522,708
Municipal Bonds	-	1,861,813	1,861,813
Equities	1,852,342	3,469,914	5,322,256
Annuity Contracts	-	201,820	201,820
Receivables			
Accrued Interest	21,479	43,369	64,848
Total Assets	10,824,772	7,655,533	18,480,305
LIABILITIES			
None	-	-	-
Total Liabilities	-	-	-
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ 10,824,772	\$ 7,655,533	\$ 18,480,305

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 177,283	\$ 103,048	\$ 280,331
Employee Contributions	136,383	84,116	220,499
Total Contributions	313,666	187,164	500,830
Investment Income			
Net Appreciation in Fair Value of Investments	317,169	122,611	439,780
Interest	309,132	236,654	545,786
Total Investment Income	626,301	359,265	985,566
Less Investment Expense	(99,656)	(212)	(99,868)
Net Investment Income	526,645	359,053	885,698
Total Additions	840,311	546,217	1,386,528
DEDUCTIONS			
Benefits and Refunds	755,631	484,633	1,240,264
Administrative Expenses	16,508	14,665	31,173
Total Deductions	772,139	499,298	1,271,437
NET INCREASE	68,172	46,919	115,091
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	10,756,600	7,608,614	18,365,214
April 30	\$ 10,824,772	\$ 7,655,533	\$ 18,480,305

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 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 years ended April 30, 2014 and 2013 are as follows:

	2014	2013
CLAIMS PAYABLE, MAY 1	\$ 129,221	\$ 96,699
Add Claims Incurred and Claims Adjustment	1,097,900	1,937,574
Less Claims Paid	1,227,121	1,905,052
CLAIMS PAYABLE, APRIL 30	\$ -	\$ 129,221

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 \$510 million as of January 1, 2014 (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 postclosure 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 \$43,002 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 at April 30, 2014 consisted of the following:

	Due From	Due To
General	\$ 815,870	\$ -
Electric	12,739	-
Landfill	511,471	-
Communications	-	524,210
Nonmajor Governmental	-	815,870
TOTAL	\$ 1,340,080	\$ 1,340,080

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

10. INDIVIDUAL FUND DISCLOSURES (Continued)

A. (Continued)

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

B. Advances from/to other funds at April 30, 2014 consisted of the following:

	Advance To	Advance From
	<u> </u>	<u> </u>
Electric Utility	\$ 1,524,637	\$ -
Technology Center	-	803,433
Communications	-	332,537
Nonmajor Enterprise Funds	-	388,667
	<u> </u>	<u> </u>
TOTAL	<u>\$ 1,524,637</u>	<u>\$ 1,524,637</u>

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

- \$1,135,970 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.

C. Interfund transfers during the year ended April 30, 2014 consisted of the following:

	Transfer In	Transfer Out
	<u> </u>	<u> </u>
General	\$ 2,720,558	\$ 110,000
Water and Water Reclamation	-	211,981
Electric	-	1,497,578
Nonmajor Governmental	1,434,909	1,915,908
Nonmajor Enterprise	280,000	700,000
	<u> </u>	<u> </u>
TOTAL	<u>\$ 4,435,467</u>	<u>\$ 4,435,467</u>

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

10. INDIVIDUAL FUND DISCLOSURES (Continued)

C. (Continued)

The purposes of significant interfund transfers are as follows:

- \$2,720,558 transferred to the General Fund was made up of \$1,497,578 from the Electric Utility Fund, \$211,981 from the Water and Water Reclamation Fund, \$310,999 from the Nonmajor Governmental Funds and \$700,000 from the Nonmajor Enterprise Funds for annual transfers as permitted under bond ordinances and city policies. The transfers will not be repaid.
- \$1,324,909 transferred to the Nonmajor Governmental Funds (Capital Improvement Fund) from Nonmajor Governmental Funds (Utility Tax Fund \$309,191, Motor Fuel Tax Fund \$292,701 and Sales Tax Fund \$723,017) for annual sidewalk maintenance and miscellaneous street maintenance and CIP projects. These transfers will not be repaid.
- \$110,000 transferred to Nonmajor Governmental Funds (Ambulance Replacement Fund) from the General Fund for capital outlay. These transfers will not be repaid.
- \$280,000 transferred to the Nonmajor Enterprise Funds (Airport Fund) from the Nonmajor Governmental Funds (Railroad Fund) to provide funds for continued capital improvements. These transfers will not be repaid.

D. Fund Balance/Net Position Deficits

As of April 30, 2014, the Audit Fund, the Insurance Fund, the IMRF Fund, the Social Security Fund, the TIF Development Fund, the Railroad Fund and the Capital Improvement Fund had deficit fund balances of \$249, \$435,828, \$34,342, \$18,270, \$56,061, \$55,984 and \$260,954, respectively.

As of April 30, 2014, the Communications Fund had a deficit net position of \$5,095.

11. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at April 30, 2014:

GOVERNMENTAL ACTIVITIES	
Telecommunications Tax	\$ 103,576
Income Tax	146,559
Use Tax	39,704
Sales Tax	771,109
Auto Rental Tax	34
Video Gaming Tax	18,690
Grants Receivable	10,177
Motor Fuel Tax	17,649
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,107,498
	<hr/>

12. OTHER POSTEMPLOYMENT BENEFITS

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.

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.

Membership

At April 30, 2012 (most recent information available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	-
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>117</u>
TOTAL	<u><u>117</u></u>
 Participating Employers	 <u><u>1</u></u>

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)

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 2012, 2013 and 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2012	\$ 23,529	\$ 16,079	68.34%	\$ 29,596
April 30, 2013	50,988	18,973	37.21%	61,611
April 30, 2014	51,522	18,973	36.83%	94,160

The net OPEB obligation (NOPEBO) as April 30, 2014 was calculated as follows:

Annual Required Contribution	\$ 50,495
Interest on Net OPEB Obligation	3,081
Adjustment to Annual Required Contribution	<u>(2,054)</u>
Annual OPEB Cost	51,522
Contributions Made	<u>18,973</u>
Increase in Net OPEB Obligation	32,549
Net OPEB Obligation, Beginning of Year	<u>61,611</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 94,160</u></u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2012 (most recent information available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 461,198
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	461,198
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 8,044,646
UAAL as a Percentage of Covered Payroll	5.73%

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2012 (most recent information available) actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 5% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8% reduced to an ultimate healthcare cost trend rate of 6%. Both rates include a 3% inflation assumption. 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. RESTATEMENT

Net position of the Water and Water Reclamation Fund and Business-Type Activities has been restated by \$201,778 to correct the calculation of grant revenue in prior years. Fund balance of a Nonmajor Governmental Fund (Railroad Fund) and net position of Governmental Activities has been restated by \$665,436 to correct the calculation of grant revenue in prior years.

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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 4,053,500	\$ 4,076,804	\$ 23,304
Licenses and Permits	314,250	273,750	(40,500)
Intergovernmental	913,360	932,950	19,590
Charges for Services	996,772	666,739	(330,033)
Fines and Forfeitures	132,000	132,548	548
Investment Income	5,000	730	(4,270)
Miscellaneous	89,000	59,664	(29,336)
Total Revenues	6,503,882	6,143,185	(360,697)
EXPENDITURES			
Current			
General Government	2,268,435	1,864,053	(404,382)
Public Safety	5,135,435	4,794,217	(341,218)
Public Works	1,754,650	1,643,843	(110,807)
Public Service Enterprises	164,739	159,323	(5,416)
Conservation and Development	252,042	245,427	(6,615)
Total Expenditures	9,575,301	8,706,863	(868,438)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,071,419)	(2,563,678)	507,741
OTHER FINANCING SOURCES (USES)			
Transfers In	3,090,559	2,720,558	(370,001)
Transfers (Out)	-	(110,000)	(110,000)
Total Other Financing Sources (Uses)	3,090,559	2,610,558	(480,001)
NET CHANGE IN FUND BALANCE	\$ 19,140	46,880	\$ 27,740
FUND BALANCE, MAY 1		1,783,939	
FUND BALANCE, APRIL 30		\$ 1,830,819	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

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)
2008	\$ 11,875,370	\$ 15,034,490	78.99%	\$ 3,159,120	\$ 4,826,277	65.46%
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%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND**

April 30, 2014

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)
2009	\$ 9,480,687	\$ 10,765,768	88.06%	\$ 1,285,081	\$ 1,106,415	116.15%
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	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not available

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

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)
2009	\$ 6,028,558	\$ 7,557,237	79.77%	\$ 1,528,679	\$ 677,686	225.57%
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	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not available

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

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)
2009	\$ -	\$ 290,707	0.00%	\$ 290,707	\$ 6,948,284	4.18%
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	0.00%	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

N/A - Not available

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 471,292	\$ 471,292	100.00%
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%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

April 30, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 147,071	\$ 105,177	139.83%
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%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 139,398	\$ 126,405	110.28%
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%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 16,079	\$ 23,689	67.88%
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%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

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 Fund, TIF Development Fund and Overweight Truck Permit Fund. All annual appropriations lapse at fiscal year end. No supplemental appropriations were made for the current fiscal year.

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.

Budgets, as described above, are adopted on a basis consistent with generally accepted accounting principles.

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.

Budgetary authority lapses at year end.

2. INDIVIDUAL FUND DISCLOSURES

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

<u>Fund</u>	<u>Excess</u>
IMRF	\$ 18,123
Social Security	2,447

**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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property	\$ 1,242,500	\$ 1,135,162	\$ (107,338)
Road and Bridge	140,000	153,202	13,202
Local Use	156,000	167,972	11,972
Telecommunications	410,000	394,192	(15,808)
State Sales	1,850,000	1,949,844	99,844
Replacement	180,000	198,747	18,747
Video Gaming	75,000	77,685	2,685
Total Taxes	4,053,500	4,076,804	23,304
Licenses and Permits			
Licenses			
Amusement	2,500	2,250	(250)
Liquor	22,250	20,675	(1,575)
Franchise	112,000	115,244	3,244
Other	7,000	-	(7,000)
Permits			
Building	170,500	135,581	(34,919)
Total Licenses and Permits	314,250	273,750	(40,500)
Intergovernmental			
Shared Income Tax	913,360	932,950	19,590
Total Intergovernmental	913,360	932,950	19,590
Charges for Services			
Fire Protection	44,772	43,002	(1,770)
Ambulance Fees	561,000	226,390	(334,610)
Police Services	85,000	87,818	2,818
Planning/Zoning Fees	75,000	65,980	(9,020)
Grave Opening Fees	21,500	22,810	1,310
Brush Pick-Up Fees	85,500	85,500	-
Cemetery Lot Sales	15,000	19,524	4,524
Cemetery Receipts	4,000	3,040	(960)
Water Reclamation Solid Waste	105,000	112,675	7,675
Total Charges for Services	996,772	666,739	(330,033)

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Fines and Forfeitures			
Circuit Court	\$ 130,000	\$ 129,798	\$ (202)
Alarm	2,000	2,750	750
Total Fines and Forfeitures	132,000	132,548	548
Investment Income	5,000	730	(4,270)
Miscellaneous			
Refunds/Reimbursements	44,000	16,298	(27,702)
Miscellaneous	45,000	43,366	(1,634)
Total Miscellaneous	89,000	59,664	(29,336)
TOTAL REVENUES	\$ 6,503,882	\$ 6,143,185	\$ (360,697)

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT			
Mayor and Council			
Salaries	\$ 50,500	\$ 50,640	\$ 140
Travel Expenditures and Dues	5,000	1,907	(3,093)
Conferences	4,000	2,727	(1,273)
Supplies and Equipment	600	408	(192)
Other Professional Services	200	-	(200)
Printing	200	107	(93)
Publications	200	-	(200)
Community Relations	800	767	(33)
Equipment	2,000	800	(1,200)
Total Mayor and Council	63,500	57,356	(6,144)
City Clerk			
Salaries	112,300	112,626	326
Health Insurance	42,050	32,343	(9,707)
Postage	7,000	4,946	(2,054)
Data Processing Services	850	1,503	653
Publishing	750	86	(664)
Printing	750	4	(746)
Travel Expenditures and Dues	4,100	2,929	(1,171)
Tuition and Training	700	565	(135)
Publications	500	85	(415)
Conferences	1,500	1,287	(213)
Office Supplies	1,700	1,324	(376)
Microcomputer Software	300	-	(300)
Maintenance of Equipment	500	-	(500)
Equipment	3,000	380	(2,620)
Brush Grove Drainage	2,500	2,500	-
Miscellaneous Charges	14,000	13,571	(429)
Total City Clerk	192,500	174,149	(18,351)
Municipal Building			
Salaries	48,704	48,978	274
Health Insurance	29,150	9,933	(19,217)
Maintenance (Buildings)	6,000	9,396	3,396
Maintenance (Grounds)	1,600	373	(1,227)
Maintenance (Other)	1,850	916	(934)
Network Administration	205,343	204,624	(719)
Publishing	125	-	(125)
Other Professional Services	25,000	28,773	3,773
Utilities	65,000	56,828	(8,172)
Telephone	3,500	3,842	342
Travel Expenditures	-	113	113
Garbage Disposal/Recycling	500	506	6

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)			
Municipal Building (Continued)			
Other Contractual Services	\$ 1,000	\$ 1,834	\$ 834
Property Tax	2,750	4,774	2,024
Maintenance Supplies	21,200	22,578	1,378
Office Supplies	2,500	1,540	(960)
General Supplies	5,000	4,295	(705)
Building Improvements	225,000	21,722	(203,278)
Equipment	21,300	19,819	(1,481)
Other Improvements	20,000	19,314	(686)
Public Relations	25,000	26,155	1,155
Sales Tax Rebates	-	23,645	23,645
Administrative Services	249,313	249,313	-
Contingency	15,000	-	(15,000)
Total Municipal Building	974,835	759,271	(215,564)
City Attorney			
Legal	155,000	99,301	(55,699)
Conferences	250	-	(250)
Publications and Dues	100	70	(30)
Total City Attorney	155,350	99,371	(55,979)
City Manager			
Salaries	133,490	135,655	2,165
Health Insurance	27,475	21,354	(6,121)
Other Professional Services	5,000	10	(4,990)
Telephone	1,100	1,069	(31)
Dues	2,200	2,944	744
Travel	4,000	942	(3,058)
Publications	100	171	71
Conferences	2,500	3,786	1,286
Office Supplies	1,000	95	(905)
Public Relations	1,000	1,663	663
Equipment	1,000	-	(1,000)
Total City Manager	178,865	167,689	(11,176)
Building, Zoning and Engineering			
Salaries	390,080	378,659	(11,421)
Health Insurance	158,650	96,422	(62,228)
Maintenance (Building)	1,000	2,146	1,146
Maintenance (Equipment)	1,500	1,201	(299)
Maintenance (Vehicles)	2,500	4,968	2,468
Engineering	41,000	35,603	(5,397)
Legal Services	-	1,785	1,785
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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)			
Building, Zoning and Engineering (Continued)			
Other Professional Services	\$ 24,400	\$ 12,291	\$ (12,109)
Postage	550	257	(293)
Telephone	3,975	5,024	1,049
Printing	850	868	18
Dues	1,300	3,047	1,747
Travel	900	1,718	818
Training	1,200	663	(537)
Publications	4,650	1,845	(2,805)
Utilities	3,900	4,741	841
Supplies (Equipment)	2,100	4,296	2,196
Office Supplies	2,550	1,869	(681)
General Supplies	480	387	(93)
Small Tools	800	771	(29)
Gasoline and Oil	5,950	5,047	(903)
Capital Improvements	47,300	34,841	(12,459)
Software	5,100	6,085	985
Nuisance Abatement	2,000	1,171	(829)
Conference Expenditures	500	309	(191)
Miscellaneous	50	103	53
Total Building, Zoning and Engineering	703,385	606,217	(97,168)
Total General Government	2,268,435	1,864,053	(404,382)
PUBLIC SAFETY			
Police Department			
Salaries	2,155,525	2,005,510	(150,015)
Health Insurance	673,300	507,574	(165,726)
Pension Contribution	182,374	177,283	(5,091)
Uniform Allowance	22,000	14,233	(7,767)
Maintenance (Equipment)	33,500	38,094	4,594
Maintenance (Vehicles)	35,000	36,434	1,434
Medical Services	2,000	1,849	(151)
Data Processing Services	20,000	17,338	(2,662)
Other Professional Services	7,500	6,169	(1,331)
Postage	600	179	(421)
Telephone	18,000	16,963	(1,037)
Printing and Publishing	3,200	2,617	(583)
Dues	5,300	6,575	1,275
Travel	2,000	2,137	137
Training	11,000	10,379	(621)
Tuition Reimbursement	8,265	8,826	561
Utilities	1,252	1,208	(44)
Animal Control	5,000	3,048	(1,952)
Supplies (Equipment)	500	-	(500)
Supplies (Vehicles)	3,000	1,745	(1,255)
Office Supplies	10,000	11,269	1,269
Operating Supplies	14,000	18,151	4,151

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)			
Police Department (Continued)			
Gas and Oil	\$ 68,000	\$ 67,723	\$ (277)
K9 Supplies	500	2,497	1,997
Prisoner Supplies	1,000	402	(598)
Capital Improvements	136,031	153,375	17,344
Miscellaneous	3,500	6,832	3,332
	<hr/>	<hr/>	<hr/>
Total Police Department	3,422,347	3,118,410	(303,937)
Fire Department			
Salaries	1,111,000	1,182,555	71,555
Health Insurance	313,950	241,543	(72,407)
Pension Contribution	106,938	103,048	(3,890)
Uniform Allowance	12,000	11,403	(597)
Maintenance (Building)	8,000	6,190	(1,810)
Maintenance (Equipment)	8,500	6,426	(2,074)
Maintenance (Vehicles)	8,000	7,257	(743)
Medical Services	4,500	365	(4,135)
Other Professional Services	43,000	29,806	(13,194)
Postage	200	122	(78)
Telephone	9,500	9,140	(360)
Printing and Publishing	500	-	(500)
Dues	1,200	999	(201)
Travel	1,800	1,539	(261)
Training	7,000	5,744	(1,256)
Tuition Reimbursement	2,000	481	(1,519)
Publications	1,000	356	(644)
Utilities	18,000	18,074	74
General Insurance	3,500	-	(3,500)
Supplies (Building)	3,000	4,025	1,025
Supplies (Equipment)	5,000	5,474	474
Supplies (Vehicles)	5,000	1,700	(3,300)
Capital Outlay - Equipment	1,000	3,547	2,547
Office Supplies	2,500	1,426	(1,074)
Operating Supplies	13,000	12,973	(27)
Janitorial Supplies	3,500	4,387	887
Gas and Oil	19,500	17,227	(2,273)
	<hr/>	<hr/>	<hr/>
Total Fire Department	1,713,088	1,675,807	(37,281)
	<hr/>	<hr/>	<hr/>
Total Public Safety	5,135,435	4,794,217	(341,218)
PUBLIC WORKS			
Streets			
Salaries	735,700	686,259	(49,441)
Health Insurance	259,000	175,838	(83,162)
Uniform Allowance	3,000	2,726	(274)
Maintenance (Building)	7,000	6,396	(604)
Maintenance (Equipment)	32,500	89,088	56,588

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)			
Streets (Continued)			
Maintenance (Streets)	\$ 23,500	\$ 26,125	\$ 2,625
Maintenance (Snow Removal)	10,000	5,825	(4,175)
Maintenance (Service Vehicles)	15,000	10,271	(4,729)
Maintenance (Other)	5,000	5,965	965
Janitorial Services	3,000	2,291	(709)
Other Professional Services	15,000	16,963	1,963
Postage	100	6	(94)
Telephone	5,100	4,545	(555)
Printing and Publishing	300	107	(193)
Travel	300	304	4
Training	1,000	947	(53)
Utilities	15,000	16,797	1,797
Street Lighting	158,650	161,331	2,681
Lease or Rentals	5,000	3,000	(2,000)
Community Relations	300	125	(175)
Supplies (Vehicles)	35,000	35,821	821
Supplies (Streets)	52,000	48,596	(3,404)
Supplies (Snow Removal)	114,500	108,798	(5,702)
Supplies (Safety)	3,500	3,451	(49)
Supplies (Other)	34,200	28,632	(5,568)
Office Supplies	2,000	1,832	(168)
Operating Supplies	8,000	8,308	308
Gas and Oil	68,000	81,991	13,991
Capital Outlay	142,500	111,161	(31,339)
Miscellaneous	500	344	(156)
	<hr/>	<hr/>	<hr/>
Total Streets	1,754,650	1,643,843	(110,807)
	<hr/>	<hr/>	<hr/>
Total Public Works	1,754,650	1,643,843	(110,807)
	<hr/>	<hr/>	<hr/>
PUBLIC SERVICE ENTERPRISES			
Cemetery			
Salaries	72,914	73,181	267
Health Insurance	29,150	22,377	(6,773)
Uniform Allowance	500	468	(32)
Maintenance (Buildings)	800	927	127
Maintenance (Equipment)	1,700	966	(734)
Maintenance (Vehicles)	500	24	(476)
Other Professional Services	3,000	4,391	1,391
Telephone	1,175	1,123	(52)
Printing and Publishing	-	53	53
Travel	100	72	(28)
Training	100	60	(40)
Utilities	2,200	2,956	756
Supplies (Vehicles)	500	593	93
Supplies (Other)	2,400	1,757	(643)

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SERVICE ENTERPRISES (Continued)			
Cemetery (Continued)			
Operating Supplies	\$ 800	\$ 711	\$ (89)
Gas and Oil	6,200	5,106	(1,094)
Capital Outlay - Vehicles	42,500	43,670	1,170
Equipment	-	545	545
Miscellaneous	200	343	143
	<hr/>	<hr/>	<hr/>
Total Cemetery	164,739	159,323	(5,416)
	<hr/>	<hr/>	<hr/>
Total Public Service Enterprises	164,739	159,323	(5,416)
	<hr/>	<hr/>	<hr/>
CONSERVATION AND DEVELOPMENT			
Economic Development			
Salaries	190,592	199,422	8,830
Health Insurance	42,050	32,326	(9,724)
Other Professional Services	3,000	300	(2,700)
Postage	250	89	(161)
Telephone	2,500	1,955	(545)
Dues	650	275	(375)
Travel	5,000	3,460	(1,540)
Training	1,000	-	(1,000)
Publications	250	236	(14)
Office Supplies	2,000	2,203	203
Equipment	3,000	3,367	367
Miscellaneous	1,750	1,794	44
	<hr/>	<hr/>	<hr/>
Total Economic Development	252,042	245,427	(6,615)
	<hr/>	<hr/>	<hr/>
Total Conservation and Development	252,042	245,427	(6,615)
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 9,575,301	\$ 8,706,863	\$ (868,438)

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROCHELLE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	Special Revenue				
	Audit	Insurance	Motor Fuel Tax	Hotel/Motel Tax	IMRF Fund
ASSETS					
Cash and Investments	\$ -	\$ -	\$ 599,198	\$ 261,012	\$ -
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	34,509	134,499	-	-	239,989
Accounts	-	-	-	16,121	-
Prepaid Items	-	212,505	-	-	-
Due from Other Governments	-	-	17,649	-	-
Restricted Assets					
Cash and Investments	-	-	-	-	-
TOTAL ASSETS	\$ 34,509	\$ 347,004	\$ 616,847	\$ 277,133	\$ 239,989
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 7,047	\$ -
Accrued Payroll	-	-	-	545	-
Deposits Payable	-	-	-	-	-
Due to Other Funds	249	648,333	-	-	34,342
Total Liabilities	249	648,333	-	7,592	34,342
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	34,509	134,499	-	-	239,989
Total Deferred Inflows of Resources	34,509	134,499	-	-	239,989
Total Liabilities and Deferred Inflows of Resources	34,758	782,832	-	7,592	274,331
FUND BALANCES					
Nonspendable Prepaid Items	-	212,505	-	-	-
Restricted for Maintenance of Roadways	-	-	616,847	-	-
Restricted for Tourism	-	-	-	269,541	-
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)	(249)	(648,333)	-	-	(34,342)
Total Fund Balances (Deficit)	(249)	(435,828)	616,847	269,541	(34,342)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	\$ 34,509	\$ 347,004	\$ 616,847	\$ 277,133	\$ 239,989

Social Security	Special Revenue			Capital Projects				Utility Tax
	TIF	Foreign Fire Insurance	Overweight Truck Permits	Capital Improvement	Ambulance Replacement	Stormwater		
\$ -	\$ 2,961	\$ 25,883	\$ 66,707	\$ 65,642	\$ 478,307	\$ 209,408	\$ 357,745	
210,010	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	35,887	
-	-	-	-	10,177	-	-	-	
-	-	-	-	-	-	-	-	
<u>\$ 210,010</u>	<u>\$ 2,961</u>	<u>\$ 25,883</u>	<u>\$ 66,707</u>	<u>\$ 75,819</u>	<u>\$ 478,307</u>	<u>\$ 209,408</u>	<u>\$ 393,632</u>	
\$ -	\$ -	\$ -	\$ -	\$ 169,517	\$ -	\$ 65,711	\$ -	
-	-	-	-	-	-	-	-	
-	-	-	-	108,642	-	-	-	
18,271	-	-	-	58,614	-	-	-	
18,271	-	-	-	336,773	-	65,711	-	
210,010	-	-	-	-	-	-	-	
210,010	-	-	-	-	-	-	-	
228,281	-	-	-	336,773	-	65,711	-	
-	-	-	-	-	-	-	-	
-	-	-	66,707	-	-	-	-	
-	-	-	-	-	-	-	-	
-	2,961	-	-	-	-	-	393,632	
-	-	25,883	-	-	-	-	-	
-	-	-	-	-	478,307	-	-	
-	-	-	-	-	-	143,697	-	
-	-	-	-	-	-	-	-	
(18,271)	-	-	-	(260,954)	-	-	-	
(18,271)	2,961	25,883	66,707	(260,954)	478,307	143,697	393,632	
<u>\$ 210,010</u>	<u>\$ 2,961</u>	<u>\$ 25,883</u>	<u>\$ 66,707</u>	<u>\$ 75,819</u>	<u>\$ 478,307</u>	<u>\$ 209,408</u>	<u>\$ 393,632</u>	

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	Capital Projects				Total
	Sales Tax	TIF Development	Railroad	Technology Park	
ASSETS					
Cash and Investments	\$ 840,895	\$ -	\$ 450,565	\$ 37,470	\$ 3,395,793
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	-	-	-	-	619,007
Accounts	-	-	164,432	-	216,440
Prepaid Items	-	-	-	-	212,505
Due from Other Governments	270,310	-	-	-	298,136
Restricted Assets					
Cash and Investments	-	-	106,605	-	106,605
TOTAL ASSETS	\$ 1,111,205	\$ -	\$ 721,602	\$ 37,470	\$ 4,848,486
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 47,413	\$ -	\$ 289,688
Accrued Payroll	-	-	837	-	1,382
Deposits Payable	-	-	729,336	-	837,978
Due to Other Funds	-	56,061	-	-	815,870
Total Liabilities	-	56,061	777,586	-	1,944,918
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	-	-	-	-	619,007
Total Deferred Inflows of Resources	-	-	-	-	619,007
Total Liabilities and Deferred Inflows of Resources	-	56,061	777,586	-	2,563,925
FUND BALANCES					
Nonspendable Prepaid Items	-	-	-	-	212,505
Restricted for Maintenance of Roadways	-	-	-	-	683,554
Restricted for Tourism	-	-	-	-	269,541
Restricted for Capital Improvements	1,111,205	-	-	-	1,504,837
Restricted for Economic Development	-	-	-	-	2,961
Restricted for Public Safety	-	-	-	-	25,883
Unrestricted					
Assigned for Ambulance Replacement	-	-	-	-	478,307
Assigned for Stormwater	-	-	-	-	143,697
Assigned for Capital Purposes	-	-	-	37,470	37,470
Unassigned (Deficit)	-	(56,061)	(55,984)	-	(1,074,194)
Total Fund Balances (Deficit)	1,111,205	(56,061)	(55,984)	37,470	2,284,561
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	\$ 1,111,205	\$ -	\$ 721,602	\$ 37,470	\$ 4,848,486

(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, 2014

	Special Revenue				
	Audit	Insurance	Motor Fuel Tax	Hotel/Motel Tax	IMRF Fund
REVENUES					
Taxes	\$ 32,827	\$ 266,414	\$ -	\$ 199,768	\$ 278,920
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	351,766	-	-
Charges For Services	-	-	-	-	-
Investment Income	4	-	249	173	30
Miscellaneous	-	-	-	91,887	-
Total Revenues	32,831	266,414	352,015	291,828	278,950
EXPENDITURES					
Current					
General Government	32,787	53,938	-	-	48,047
Public Safety	-	151,921	-	-	46,767
Public Works	-	56,810	-	-	8,830
Public Service Enterprises	-	3,298	-	-	131,313
Conservation and Development	-	-	-	91,185	26,310
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	32,787	265,967	-	91,185	261,267
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	44	447	352,015	200,643	17,683
OTHER FINANCING SOURCES (USES)					
Bonds Issued	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	(292,701)	-	-
Total Other Financing Sources (Uses)	-	-	(292,701)	-	-
NET CHANGE IN FUND BALANCES	44	447	59,314	200,643	17,683
FUND BALANCES (DEFICIT), MAY 1	(293)	(436,275)	557,533	68,898	(52,025)
Prior period adjustment	-	-	-	-	-
FUND BALANCES (DEFICIT), MAY 1, RESTATED	(293)	(436,275)	557,533	68,898	(52,025)
FUND BALANCES (DEFICIT), APRIL 30	\$ (249)	\$ (435,828)	\$ 616,847	\$ 269,541	\$ (34,342)

		Special Revenue			Capital Projects			
Social Security	TIF	Foreign Fire Insurance	Overweight Truck Permits	Capital Improvement	Ambulance Replacement	Stormwater	Utility Tax	
\$ 201,715	\$ 338,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,945	
-	-	-	72,495	-	-	-	-	
-	35,774	-	-	49,011	-	-	-	
-	-	-	-	-	-	510	-	
41	36	25	47	-	180	281	623	
-	-	21,732	-	20,100	-	-	-	
201,756	374,635	21,757	72,542	69,111	180	791	379,568	
17,523	81,335	-	-	1,184	-	-	-	
114,702	-	8,384	-	-	-	-	-	
50,815	-	-	5,835	-	-	3,667	-	
3,025	-	-	-	-	-	-	-	
9,074	-	-	-	-	-	-	-	
-	-	20,523	-	1,423,360	-	154,444	-	
-	3,000,000	-	-	-	-	-	-	
-	212,008	-	-	-	-	-	-	
195,139	3,293,343	28,907	5,835	1,424,544	-	158,111	-	
6,617	(2,918,708)	(7,150)	66,707	(1,355,433)	180	(157,320)	379,568	
-	2,955,000	-	-	-	-	-	-	
-	66,933	-	-	-	-	-	-	
-	-	-	-	1,324,909	110,000	-	-	
-	-	-	-	-	-	-	(309,191)	
-	3,021,933	-	-	1,324,909	110,000	-	(309,191)	
6,617	103,225	(7,150)	66,707	(30,524)	110,180	(157,320)	70,377	
(24,888)	(100,264)	33,033	-	(230,430)	368,127	301,017	323,255	
-	-	-	-	-	-	-	-	
(24,888)	(100,264)	33,033	-	(230,430)	368,127	301,017	323,255	
\$ (18,271)	\$ 2,961	\$ 25,883	\$ 66,707	\$ (260,954)	\$ 478,307	\$ 143,697	\$ 393,632	

(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, 2014

	Capital Projects				Total
	Sales Tax	TIF Development	Railroad	Technology Park	
REVENUES					
Taxes	\$ 1,043,573	\$ -	\$ -	\$ -	\$ 2,740,987
Licenses and Permits	-	-	-	-	72,495
Intergovernmental	-	-	30,385	-	466,936
Charges For Services	-	-	384,233	-	384,743
Investment Income	248	-	775	41	2,753
Miscellaneous	-	-	8,049	-	141,768
Total Revenues	1,043,821	-	423,442	41	3,809,682
EXPENDITURES					
Current					
General Government	215	-	-	-	235,029
Public Safety	-	-	-	-	321,774
Public Works	-	-	40,891	5,004	171,852
Public Service Enterprises	-	-	-	-	137,636
Conservation and Development	-	-	-	-	126,569
Capital Outlay	-	-	199,717	-	1,798,044
Debt Service					
Principal	-	-	-	-	3,000,000
Interest and Fiscal Charges	-	-	-	-	212,008
Total Expenditures	215	-	240,608	5,004	6,002,912
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,043,606	-	182,834	(4,963)	(2,193,230)
OTHER FINANCING SOURCES (USES)					
Bonds Issued	-	-	-	-	2,955,000
Premium on Bonds Issued	-	-	-	-	66,933
Transfers In	-	-	-	-	1,434,909
Transfers (Out)	(953,016)	-	(361,000)	-	(1,915,908)
Total Other Financing Sources (Uses)	(953,016)	-	(361,000)	-	2,540,934
NET CHANGE IN FUND BALANCES	90,590	-	(178,166)	(4,963)	347,704
FUND BALANCES (DEFICIT), MAY 1	1,020,615	(56,061)	(543,254)	42,433	1,271,421
Prior period adjustment	-	-	665,436	-	665,436
FUND BALANCES (DEFICIT), MAY 1, RESTATED	1,020,615	(56,061)	122,182	42,433	1,936,857
FUND BALANCES (DEFICIT), APRIL 30	\$ 1,111,205	\$ (56,061)	\$ (55,984)	\$ 37,470	\$ 2,284,561

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 34,500	\$ 32,827	\$ (1,673)
Investment Income	-	4	4
	<hr/>		
Total Revenues	34,500	32,831	(1,669)
	<hr/>		
EXPENDITURES			
Current			
General Government			
Contractual Services	32,787	32,787	-
	<hr/>		
Total Expenditures	32,787	32,787	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 1,713</u>	44	<u>\$ (1,669)</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(293)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (249)</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 280,000	\$ 266,414	\$ (13,586)
Total Revenues	<u>280,000</u>	<u>266,414</u>	<u>(13,586)</u>
EXPENDITURES			
Current			
General Government			
Contractual Services	76,456	53,938	(22,518)
Public Safety			
Contractual Services	215,342	151,921	(63,421)
Public Works			
Contractual Services	80,527	56,810	(23,717)
Public Service Enterprises			
Contractual Services	4,675	3,298	(1,377)
Total Expenditures	<u>377,000</u>	<u>265,967</u>	<u>(111,033)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (97,000)</u>	447	<u>\$ 97,447</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(436,275)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (435,828)</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 231,000	\$ 277,286	\$ 46,286
Other Intergovernmental	860,000	74,480	(785,520)
Investment Income	600	249	(351)
	<hr/>	<hr/>	<hr/>
Total Revenues	1,091,600	352,015	(739,585)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	1,091,600	352,015	(739,585)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING (USES)			
Transfers (Out)	(1,311,000)	(292,701)	1,018,299
	<hr/>	<hr/>	<hr/>
Total Other Financing (Uses)	(1,311,000)	(292,701)	1,018,299
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (219,400)</u>	59,314	<u>\$ 278,714</u>
FUND BALANCE, MAY 1		<u>557,533</u>	
FUND BALANCE, APRIL 30		<u>\$ 616,847</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Hotel/Motel Tax	\$ 230,000	\$ 199,768	\$ (30,232)
Investment Income	100	173	73
Miscellaneous	-	91,887	91,887
Total Revenues	<u>230,100</u>	<u>291,828</u>	<u>61,728</u>
EXPENDITURES			
Current			
Conservation and Development			
Personal Services	-	7,894	7,894
Commodities	-	8,678	8,678
Contractual Services	197,050	54,100	(142,950)
Miscellaneous	13,500	10,861	(2,639)
Capital Outlay	-	9,652	9,652
Total Expenditures	<u>210,550</u>	<u>91,185</u>	<u>(119,365)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 19,550</u>	200,643	<u>\$ 181,093</u>
FUND BALANCE, MAY 1		<u>68,898</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 269,541</u></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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 238,000	\$ 226,453	\$ (11,547)
Replacement Taxes	52,467	52,467	-
Investment Income	50	30	(20)
	<hr/>	<hr/>	<hr/>
Total Revenues	290,517	278,950	(11,567)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Government			
Pension Contributions	44,714	48,047	3,333
Public Safety			
Pension Contributions	43,523	46,767	3,244
Public Works			
Pension Contributions	8,218	8,830	612
Public Service Enterprises			
Pension Contributions	122,204	131,313	9,109
Conservation and Development			
Pension Contributions	24,485	26,310	1,825
	<hr/>	<hr/>	<hr/>
Total Expenditures	243,144	261,267	18,123
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 47,373</u>	17,683	<u>\$ (29,690)</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(52,025)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u><u>\$ (34,342)</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 212,000	\$ 201,715	\$ (10,285)
Investment Income	75	41	(34)
	<hr/>	<hr/>	<hr/>
Total Revenues	212,075	201,756	(10,319)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Government			
Payroll Taxes	17,304	17,523	219
Public Safety			
Payroll Taxes	113,264	114,702	1,438
Public Works			
Payroll Taxes	50,177	50,815	638
Public Service Enterprises			
Payroll Taxes	2,987	3,025	38
Conservation and Development			
Payroll Taxes	8,960	9,074	114
	<hr/>	<hr/>	<hr/>
Total Expenditures	192,692	195,139	2,447
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 19,383</u>	6,617	<u>\$ (12,766)</u>
FUND BALANCE (DEFICIT), MAY 1		<hr/> (24,888)	
FUND BALANCE (DEFICIT), APRIL 30		<u><u>\$ (18,271)</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	\$ 60	\$ 25	\$ (35)
Miscellaneous	21,000	21,732	732
Total Revenues	<u>21,060</u>	<u>21,757</u>	<u>697</u>
EXPENDITURES			
Current			
Public Safety			
Contractual Services	15,000	8,384	(6,616)
Capital Outlay	15,000	20,523	5,523
Total Expenditures	<u>30,000</u>	<u>28,907</u>	<u>(1,093)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,940)</u>	<u>(7,150)</u>	<u>\$ 1,790</u>
FUND BALANCE, MAY 1		<u>33,033</u>	
FUND BALANCE, APRIL 30		<u>\$ 25,883</u>	

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	\$ 2,000	\$ 180	\$ (1,820)
Total Revenues	<u>2,000</u>	<u>180</u>	<u>(1,820)</u>
EXPENDITURES			
Capital Outlay	<u>5,100</u>	<u>-</u>	<u>(5,100)</u>
Total Expenditures	<u>5,100</u>	<u>-</u>	<u>(5,100)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,100)</u>	<u>180</u>	<u>3,280</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	110,000	110,000
Transfers (Out)	<u>(370,000)</u>	<u>-</u>	<u>370,000</u>
Total Other Financing Sources (Uses)	<u>(370,000)</u>	<u>110,000</u>	<u>480,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (373,100)</u>	<u>110,180</u>	<u>\$ 483,280</u>
FUND BALANCE, MAY 1		<u>368,127</u>	
FUND BALANCE, APRIL 30		<u>\$ 478,307</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
Federal Grants	\$ 356,000	\$ 49,011	\$ (306,989)
Investment Income	2,600	-	(2,600)
Miscellaneous	-	20,100	20,100
	<hr/>		
Total Revenues	358,600	69,111	(289,489)
	<hr/>		
EXPENDITURES			
Current			
General Government	-	1,184	1,184
Capital Outlay	4,511,000	1,423,360	(3,087,640)
	<hr/>		
Total Expenditures	4,511,000	1,424,544	(3,086,456)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,152,400)	(1,355,433)	2,796,967
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers In	3,874,000	1,324,909	(2,549,091)
	<hr/>		
Total Other Financing Sources (Uses)	3,874,000	1,324,909	(2,549,091)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (278,400)</u>	(30,524)	<u>\$ 247,876</u>
		<hr/>	
FUND BALANCE (DEFICIT), MAY 1		(230,430)	
		<hr/>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (260,954)</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Charges For Services	\$ 23,000	\$ 510	\$ (22,490)
Investment Income	500	281	(219)
Total Revenues	<u>23,500</u>	<u>791</u>	<u>(22,709)</u>
EXPENDITURES			
Current			
Public Works			
Contractual Services	7,000	3,667	(3,333)
Capital Outlay	305,000	154,444	(150,556)
Total Expenditures	<u>312,000</u>	<u>158,111</u>	<u>(153,889)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (288,500)</u>	<u>(157,320)</u>	<u>\$ 131,180</u>
FUND BALANCE, MAY 1		<u>301,017</u>	
FUND BALANCE, APRIL 30		<u>\$ 143,697</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Utility Taxes	\$ 344,400	\$ 378,945	\$ 34,545
Investment Income	600	623	23
Total Revenues	<u>345,000</u>	<u>379,568</u>	<u>34,568</u>
EXPENDITURES			
None	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>345,000</u>	<u>379,568</u>	<u>34,568</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	<u>(638,000)</u>	<u>(309,191)</u>	<u>328,809</u>
Total Other Financing Sources (Uses)	<u>(638,000)</u>	<u>(309,191)</u>	<u>328,809</u>
NET CHANGE IN FUND BALANCE	<u>\$ (293,000)</u>	<u>70,377</u>	<u>\$ 363,377</u>
FUND BALANCE, MAY 1		<u>323,255</u>	
FUND BALANCE, APRIL 30		<u>\$ 393,632</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Sales Tax	\$ 948,000	\$ 1,043,573	\$ 95,573
Investment Income	1,000	248	(752)
	<hr/>	<hr/>	<hr/>
Total Revenues	949,000	1,043,821	94,821
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Government	2,000	215	(1,785)
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,000	215	(1,785)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	947,000	1,043,606	96,606
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,155,000)	(953,016)	1,201,984
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(2,155,000)	(953,016)	1,201,984
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (1,208,000)</u>	90,590	<u>\$ 1,298,590</u>
FUND BALANCE, MAY 1		<u>1,020,615</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 1,111,205</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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	\$ -	\$ 30,385	\$ 30,385
Charges For Services	375,000	384,233	9,233
Investment Income	1,000	775	(225)
Miscellaneous	8,083	8,049	(34)
Total Revenues	384,083	423,442	39,359
EXPENDITURES			
Current			
Public Works			
Personal Services	21,530	963	(20,567)
Commodities	3,000	1,190	(1,810)
Contractual Services	5,050	14,857	9,807
Other Services	2,000	1,333	(667)
Contractual Services	76,000	22,548	(53,452)
Capital Outlay	204,000	199,717	(4,283)
Total Expenditures	311,580	240,608	(70,972)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	72,503	182,834	110,331
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(361,000)	(361,000)	-
Total Other Financing Sources (Uses)	(361,000)	(361,000)	-
NET CHANGE IN FUND BALANCE	\$ (288,497)	(178,166)	\$ 110,331
FUND BALANCE, MAY 1		(543,254)	
Prior Period Adjustment		665,436	
FUND BALANCE, MAY 1, RESTATED		122,182	
FUND BALANCE (DEFICIT), APRIL 30		\$ (55,984)	

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	\$ 100	\$ 41	\$ (59)
Total Revenues	100	41	(59)
EXPENDITURES			
Current			
Public Works			
Contractual Services	13,600	5,004	(8,596)
Capital Outlay	28,000	-	(28,000)
Total Expenditures	41,600	5,004	(36,596)
NET CHANGE IN FUND BALANCE	<u>\$ (41,500)</u>	(4,963)	<u>\$ 36,537</u>
FUND BALANCE, MAY 1		<u>42,433</u>	
FUND BALANCE, APRIL 30		<u>\$ 37,470</u>	

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

April 30, 2014

	<u>Landfill</u>	<u>Airport</u>	<u>Total Nonmajor Enterprise</u>
CURRENT ASSETS			
Cash and Investments	\$ 2,063,691	\$ 177,029	\$ 2,240,720
Receivables			
Property Taxes	-	60,758	60,758
Accounts	83,079	11,451	94,530
Grants	-	13,737	13,737
Due from Other Funds	511,471	-	511,471
Inventory	-	66,697	66,697
	<u>2,658,241</u>	<u>329,672</u>	<u>2,987,913</u>
CAPITAL ASSETS			
Nondepreciable	708,563	1,551,483	2,260,046
Depreciable	277,730	4,127,095	4,404,825
Accumulated Depreciation	<u>(277,730)</u>	<u>(2,086,328)</u>	<u>(2,364,058)</u>
	<u>708,563</u>	<u>3,592,250</u>	<u>4,300,813</u>
Total Capital Assets			
Total Assets	<u>3,366,804</u>	<u>3,921,922</u>	<u>7,288,726</u>
CURRENT LIABILITIES			
Accounts Payable	36,014	194,515	230,529
Accrued Payroll	150	174	324
Accrued Interest Payable	-	10,640	10,640
General Obligation Bonds Payable	-	30,000	30,000
Compensated Absences Payable	-	3,682	3,682
	<u>36,164</u>	<u>239,011</u>	<u>275,175</u>
Total Current Liabilities			
LONG-TERM LIABILITIES			
Net Pension Obligation	-	3,792	3,792
General Obligation Bonds Payable	-	615,000	615,000
Advances from other funds	<u>388,667</u>	<u>-</u>	<u>388,667</u>
	<u>388,667</u>	<u>618,792</u>	<u>1,007,459</u>
Total Long-Term Liabilities			
Total Liabilities	<u>424,831</u>	<u>857,803</u>	<u>1,282,634</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	-	60,758	60,758
	<u>-</u>	<u>60,758</u>	<u>60,758</u>
Total Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows of Resources	<u>424,831</u>	<u>918,561</u>	<u>1,343,392</u>
NET POSITION			
Net Investment in Capital Assets	708,563	2,947,250	3,655,813
Unrestricted	<u>2,233,410</u>	<u>56,111</u>	<u>2,289,521</u>
TOTAL NET POSITION	<u>\$ 2,941,973</u>	<u>\$ 3,003,361</u>	<u>\$ 5,945,334</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, 2014

	Landfill	Airport	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for Services	\$ 1,178,675	\$ 462,817	\$ 1,641,492
Total Operating Revenues	1,178,675	462,817	1,641,492
OPERATING EXPENSES			
Personal Services	859	113,428	114,287
Commodities	-	319,636	319,636
Contractual Services	502,077	93,549	595,626
Equipment and Improvements	-	51,097	51,097
Depreciation/Amortization	-	129,128	129,128
Total Operating Expenses	502,936	706,838	1,209,774
OPERATING INCOME (LOSS)	675,739	(244,021)	431,718
OTHER INCOME (EXPENSE)			
Taxes	-	58,912	58,912
Investment Income	2,618	23	2,641
Interest Expense	-	(32,293)	(32,293)
Total Other Income (Expense)	2,618	26,642	29,260
NET INCOME (LOSS) BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	678,357	(217,379)	460,978
TRANSFERS IN (OUT)			
Railroad Fund	-	280,000	280,000
General Fund	(700,000)	-	(700,000)
Total Transfers In (Out)	(700,000)	280,000	(420,000)
CAPITAL GRANTS AND CONTRIBUTIONS	-	254,369	254,369
CHANGE IN NET POSITION	(21,643)	316,990	295,347
NET POSITION, MAY 1	2,963,616	2,686,371	5,649,987
NET POSITION, APRIL 30	\$ 2,941,973	\$ 3,003,361	\$ 5,945,334

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

For the Year Ended April 30, 2014

	<u>Landfill</u>	<u>Airport</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,177,984	\$ 471,464	\$ 1,649,448
Payments to Suppliers	(407,239)	(302,657)	(709,896)
Payments to Employees	(786)	(114,097)	(114,883)
Payments to Other Funds	(85,500)	(27,563)	(113,063)
	<hr/>	<hr/>	<hr/>
Net Cash from Operating Activities	684,459	27,147	711,606
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from Property Taxes	-	58,912	58,912
Interfund Activity	(1,211,471)	(393,805)	(1,605,276)
	<hr/>	<hr/>	<hr/>
Net Cash from Noncapital Financing Activities	(1,211,471)	(334,893)	(1,546,364)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	-	(140,625)	(140,625)
Principal Payments on Long-Term Debt	-	(30,000)	(30,000)
Interest Payments on Long-Term Debt	-	(32,292)	(32,292)
Grant Receipts	-	687,469	687,469
	<hr/>	<hr/>	<hr/>
Net Cash from Capital and Related Financing Activities	-	484,552	484,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	2,618	23	2,641
	<hr/>	<hr/>	<hr/>
Net Cash from Investing Activities	2,618	23	2,641
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(524,394)	176,829	(347,565)
CASH AND CASH EQUIVALENTS, MAY 1			
	2,588,085	200	2,588,285
CASH AND CASH EQUIVALENTS, APRIL 30			
	<u>\$ 2,063,691</u>	<u>\$ 177,029</u>	<u>\$ 2,240,720</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 675,739	\$ (244,021)	\$ 431,718
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Depreciation and amortization	-	129,128	129,128
Changes in Assets and Liabilities			
Accounts Receivables	(691)	8,647	7,956
Inventory	-	(24,358)	(24,358)
Accounts Payable	9,338	158,420	167,758
Accrued Payroll	73	(310)	(237)
Compensated Absences	-	(438)	(438)
Net Pension Obligation	-	79	79
	<hr/>	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 684,459</u>	<u>\$ 27,147</u>	<u>\$ 711,606</u>
CASH AND INVESTMENTS			
Cash and Cash Equivalents	<u>\$ 2,063,691</u>	<u>\$ 177,029</u>	<u>\$ 2,240,720</u>
TOTAL CASH AND INVESTMENTS			
	<u>\$ 2,063,691</u>	<u>\$ 177,029</u>	<u>\$ 2,240,720</u>
NONCASH TRANSACTIONS			
Contributions	<u>\$ -</u>	<u>\$ 180,395</u>	<u>\$ -</u>
TOTAL NONCASH TRANSACTIONS			
	<u>\$ -</u>	<u>\$ 180,395</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, 2014

	Health Insurance	Administrative Services	Total
CURRENT ASSETS			
Cash and Investments	\$ 1,352,471	\$ 73,713	\$ 1,426,184
Receivables			
Other	-	54,275	54,275
Prepaid Expenses	-	1,378	1,378
	<hr/>		
Total Current Assets	1,352,471	129,366	1,481,837
	<hr/>		
CAPITAL ASSETS			
Depreciable Capital assets	-	116,880	116,880
Accumulated Depreciation	-	(116,880)	(116,880)
	<hr/>		
Total Capital Assets	-	-	-
	<hr/>		
Total Assets	1,352,471	129,366	1,481,837
	<hr/>		
CURRENT LIABILITIES			
Accounts Payable	2,710	94,205	96,915
Accrued Payroll	-	3,352	3,352
Compensated Absences Payable	-	20,930	20,930
	<hr/>		
Total Liabilities	2,710	118,487	121,197
	<hr/>		
NET POSITION			
Unrestricted	1,349,761	10,879	1,360,640
	<hr/>		
TOTAL NET POSITION	\$ 1,349,761	\$ 10,879	\$ 1,360,640
	<hr/> <hr/>		

(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, 2014

	Health Insurance	Administrative Services	Total
OPERATING REVENUES			
Charges for Services			
Contributions			
City	\$ 1,144,045	\$ 611,422	\$ 1,755,467
Employee	197,672	-	197,672
	<hr/>		
Total Operating Revenues	1,341,717	611,422	1,953,139
	<hr/>		
OPERATING EXPENSES			
Administration			
Personnel	-	441,789	441,789
Commodities	-	18,741	18,741
Contractual Services	-	91,330	91,330
Claims and Premiums	924,523	-	924,523
Other	-	6,274	6,274
	<hr/>		
Total Operating Expenses	924,523	558,134	1,482,657
	<hr/>		
OPERATING INCOME	417,194	53,288	470,482
	<hr/>		
NON-OPERATING REVENUES			
Investment Income	1,365	-	1,365
	<hr/>		
Total Non-Operating Revenues	1,365	-	1,365
	<hr/>		
CHANGE IN NET POSITION	418,559	53,288	471,847
	<hr/>		
NET POSITION (DEFICIT), MAY 1	931,202	(42,409)	888,793
	<hr/>		
NET POSITION, APRIL 30	\$ 1,349,761	\$ 10,879	\$ 1,360,640
	<hr/> <hr/>		

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended April 30, 2014

	Health Insurance	Administrative Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 1,144,921	\$ 598,856	\$ 1,743,777
Receipts from Employees and Retirees	197,672	-	197,672
Payments to Suppliers	(1,051,034)	(88,304)	(1,139,338)
Payments to Employees	-	(434,998)	(434,998)
Net Cash from Operating Activities	<u>291,559</u>	<u>75,554</u>	<u>367,113</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Activity	3,606	(3,606)	-
Net Cash from Noncapital Financing Activities	<u>3,606</u>	<u>(3,606)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Investments	1,365	-	1,365
Net Cash from Investing Activities	<u>1,365</u>	<u>-</u>	<u>1,365</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	296,530	71,948	368,478
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,055,941</u>	<u>1,765</u>	<u>1,057,706</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 1,352,471</u></u>	<u><u>\$ 73,713</u></u>	<u><u>\$ 1,426,184</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	\$ 417,194	\$ 53,288	\$ 470,482
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Other Receivables	876	(12,566)	(11,690)
Prepaid Expenses	-	883	883
Accounts Payable	-	27,158	27,158
Accrued Payroll	-	1,272	1,272
Compensated Absences	-	5,519	5,519
Claims Payable	(126,511)	-	(126,511)
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 291,559</u></u>	<u><u>\$ 75,554</u></u>	<u><u>\$ 367,113</u></u>
CASH AND INVESTMENTS			
Cash and Cash Equivalents	<u>\$ 1,352,471</u>	<u>\$ 73,713</u>	<u>\$ 1,426,184</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$ 1,352,471</u></u>	<u><u>\$ 73,713</u></u>	<u><u>\$ 1,426,184</u></u>

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF ROCHELLE, ILLINOIS

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

April 30, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 318,043	\$ 504,313	\$ 822,356
Investments, at Fair Value			
U.S. Treasury Securities	1,172,083	1,480,410	2,652,493
U.S. Agency Securities	699,042	41,594	740,636
Certificates of Deposit	-	52,300	52,300
Equity Mutual Funds	5,239,075	-	5,239,075
Corporate Bonds	1,522,708	-	1,522,708
Municipal Bonds	-	1,861,813	1,861,813
Equities	1,852,342	3,469,914	5,322,256
Annuity Contracts	-	201,820	201,820
Receivables			
Accrued Interest	21,479	43,369	64,848
Total Assets	10,824,772	7,655,533	18,480,305
LIABILITIES			
None	-	-	-
Total Liabilities	-	-	-
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ 10,824,772	\$ 7,655,533	\$ 18,480,305

(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, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 177,283	\$ 103,048	\$ 280,331
Employee Contributions	136,383	84,116	220,499
Total Contributions	313,666	187,164	500,830
Investment Income			
Net Appreciation in Fair Value of Investments	317,169	122,611	439,780
Interest	309,132	236,654	545,786
Total Investment Income	626,301	359,265	985,566
Less Investment Expense	(99,656)	(212)	(99,868)
Net Investment Income	526,645	359,053	885,698
Total Additions	840,311	546,217	1,386,528
DEDUCTIONS			
Benefits and Refunds	755,631	484,633	1,240,264
Administrative Expenses	16,508	14,665	31,173
Total Deductions	772,139	499,298	1,271,437
NET INCREASE	68,172	46,919	115,091
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	10,756,600	7,608,614	18,365,214
April 30	\$ 10,824,772	\$ 7,655,533	\$ 18,480,305

(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.	109-118
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.	119-122
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.	123-126
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.	127-128
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.	129-131

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	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 12,735,995	\$ 14,641,855	\$ 25,940,768	\$ 25,949,166
Restricted	622,604	865,752	1,077,029	1,036,904
Unrestricted	2,926,080	4,300,889	5,967,521	7,395,510
TOTAL GOVERNMENTAL ACTIVITIES	\$ 16,284,679	\$ 19,808,496	\$ 32,985,318	\$ 34,381,580
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 34,381,026	\$ 38,323,421	37,862,528	\$ 39,438,963
Restricted	11,763,363	12,183,344	11,101,991	11,469,672
Unrestricted	5,130,193	3,619,883	7,559,510	10,404,915
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 51,274,582	\$ 54,126,648	\$ 56,524,029	\$ 61,313,550
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 47,117,021	\$ 52,965,276	\$ 63,803,296	\$ 65,388,129
Restricted	12,385,967	13,049,096	12,179,020	12,506,576
Unrestricted	8,056,273	7,920,772	13,527,031	17,800,425
TOTAL PRIMARY GOVERNMENT	\$ 67,559,261	\$ 73,935,144	\$ 89,509,347	\$ 95,695,130

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 28,030,635	\$ 31,233,702	\$ 32,486,431	\$ 35,209,156	\$ 45,652,694	\$ 46,244,092
2,411,932	3,346,501	3,136,885	2,714,044	2,153,415	2,601,692
8,122,109	3,454,217	904,527	(397,013)	(1,720,909)	(955,731)
\$ 38,564,676	\$ 38,034,420	\$ 36,527,843	\$ 37,526,187	\$ 46,085,200	\$ 47,890,053
\$ 43,441,197	\$ 45,629,528	\$ 47,880,962	\$ 51,245,063	\$ 54,389,403	\$ 57,684,867
12,148,422	10,420,612.00	11,479,611	11,056,287	10,475,599	12,873,509
10,280,867	14,096,522	16,805,412	19,458,333	19,281,545	16,046,361
\$ 65,870,486	\$ 70,146,662	\$ 76,165,985	\$ 81,759,683	\$ 84,146,547	\$ 86,604,737
\$ 71,471,832	\$ 76,863,230	\$ 80,367,393	\$ 86,454,219	\$ 100,042,097	\$ 103,928,959
14,560,354	13,767,113	14,616,496	13,770,331	12,629,014	15,475,201
18,402,976	17,550,739	17,709,939	19,061,320	17,560,636	15,090,630
\$ 104,435,162	\$ 108,181,082	\$ 112,693,828	\$ 119,285,870	\$ 130,231,747	\$ 134,494,790

CITY OF ROCHELLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
EXPENSES				
Governmental Activities				
General Government	\$ 1,464,597	\$ 1,949,233	\$ 1,809,425	\$ 1,947,228
Public Safety	2,748,659	3,040,101	3,111,407	3,343,768
Public Works	1,679,468	2,219,645	2,943,385	2,713,935
Public Service Enterprises	149,150	162,030	166,394	183,626
Conservation and Development	226,082	326,948	395,805	1,188,500
Interest	3,988	2,900	1,450	-
Total Governmental Activities Expenses	<u>6,271,944</u>	<u>7,700,857</u>	<u>8,427,866</u>	<u>9,377,057</u>
BUSINESS-TYPE ACTIVITIES				
Electric	12,464,934	13,676,704	14,124,953	17,168,822
Water and Water Reclamation	3,431,579	3,886,739	3,848,738	3,794,004
Communications	1,199,948	1,224,942	1,196,404	1,358,233
Technology Center	-	-	-	-
Landfill	325,809	313,102	1,542,005	353,953
Airport	137,369	145,900	117,906	141,915
Total Business-Type Activities Expenses	<u>17,559,639</u>	<u>19,247,387</u>	<u>20,830,006</u>	<u>22,816,927</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 23,831,583</u>	<u>\$ 26,948,244</u>	<u>\$ 29,257,872</u>	<u>\$ 32,193,984</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 94,829	\$ 89,505	\$ 214,882	\$ 342,483
Public Safety	504,377	571,257	560,364	512,424
Public Works	399,752	391,178	1,897,854	780,942
Public Service Enterprises	36,873	29,492	49,027	34,847
Operating Grants and Contributions	476,097	345,053	373,037	287,411
Capital Grants and Contributions	310,800	3,791,097	1,940,898	76,226
Total Governmental Activities Program Revenues	<u>1,822,728</u>	<u>5,217,582</u>	<u>5,036,062</u>	<u>2,034,333</u>
Business-Type Activities				
Charges for Services				
Electric	14,699,271	16,617,354	17,099,445	20,746,634
Water and Water Reclamation	3,705,029	3,867,654	3,772,991	4,138,912
Communications	1,162,883	1,100,658	1,183,642	879,289
Technology Center	-	-	-	-
Landfill	600,363	661,848	882,685	1,079,860
Airport	47,939	44,883	53,209	52,541
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,374,674	335,488	354,977	926,079
Total Business-Type Activities Program Revenues	<u>\$21,590,159</u>	<u>\$22,627,885</u>	<u>\$23,346,949</u>	<u>\$27,823,315</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 23,412,887</u>	<u>\$ 27,845,467</u>	<u>\$ 28,383,011</u>	<u>\$ 29,857,648</u>

2009	2010	2011	2012	2013	2014
\$ 2,100,584	\$ 1,950,767	\$ 2,196,004	\$ 1,984,007	\$ 2,061,279	\$ 1,991,208
3,432,012	4,237,541	4,312,468	4,715,710	5,034,276	5,240,013
4,471,342	3,245,912	3,418,490	4,219,449	4,841,587	3,643,889
112,396	114,165	123,050	136,065	138,179	277,549
319,690	373,212	2,009,540	2,148,272	514,955	374,558
-	-	124,897	167,859	180,611	172,584
10,436,024	9,921,597	12,184,449	13,371,362	12,770,887	11,699,801
21,711,141	23,805,717	20,856,403	23,599,387	27,290,007	30,900,842
3,859,428	3,841,246	3,792,934	3,906,034	3,989,355	4,198,382
1,300,613	1,385,080	995,213	847,598	1,104,006	834,028
-	-	419,894	431,483	564,706	815,123
368,709	392,533	450,491	397,471	452,664	502,936
322,260	327,708	416,249	766,300	611,097	739,131
27,562,151	29,752,284	26,931,184	29,948,273	34,011,835	37,990,442
\$ 37,998,175	\$ 39,673,881	\$ 39,115,633	\$ 43,319,635	\$ 46,782,722	\$ 49,690,243
\$ 398,599	\$ 559,303	\$ 784,120	\$ 726,043	\$ 562,912	\$ 715,864
614,804	518,090	571,893	652,764	654,474	489,758
772,105	288,333	277,489	310,538	277,273	338,940
32,324	50,957	43,761	37,253	45,047	45,374
272,880	243,436	428,029	316,878	311,353	292,235
3,116,176	1,621,522	41,255	3,855,271	10,852,788	1,131,988
5,206,888	3,281,641	2,146,547	5,898,747	12,703,847	3,014,159
25,145,569	27,710,497	24,929,112	27,399,527	28,677,373	31,727,508
4,259,594	4,698,794	4,740,039	4,710,716	4,895,848	5,020,871
868,496	1,176,630	951,319	947,423	962,487	831,694
-	-	486,759	565,308	626,084	1,127,944
1,377,573	772,976	654,873	662,243	981,632	1,178,675
166,446	130,168	192,519	462,822	384,818	462,817
-	20,534	-	-	-	-
520,718	724,986	2,754,075	2,601,474	1,516,037	1,655,641
\$32,338,396	\$35,234,585	\$34,708,696	\$37,349,513	\$38,044,279	\$42,005,150
\$ 37,545,284	\$ 38,516,226	\$ 36,855,243	\$ 43,248,260	\$ 50,748,126	\$ 45,019,309

CITY OF ROCHELLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (4,449,216)	\$ (2,483,275)	\$ (3,391,804)	\$ (7,342,724)
Business-Type Activities	4,030,520	3,380,498	2,516,943	5,006,388
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	\$ (418,696)	\$ 897,223	\$ (874,861)	\$ (2,336,336)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property and Replacement	\$ 1,020,575	\$ 1,049,978	\$ 1,156,013	\$ 1,251,787
Sales and Use	1,823,011	2,020,609	2,022,908	2,824,081
Telecommunications	45,337	57,826	72,326	184,305
Hotel/Motel	143,511	157,675	158,998	159,115
Utility	236,765	281,129	275,254	336,659
Other	79,795	107,537	186,590	357,623
Shared Income Tax	656,672	728,691	812,824	887,895
Investment Income	98,439	105,018	186,360	237,815
Miscellaneous	205,875	277,725	343,346	1,488,656
Transfers In (Out)	839,083	929,800	975,350	1,011,050
Total Governmental Activities	5,149,063	5,715,988	6,189,969	8,738,986
Business-Type Activities				
Property and Replacement	-	-	-	-
Investment Income	335,991	868,747	874,365	834,321
Miscellaneous	84,283	17,250	(18,577)	7,713
Transfers	(839,083)	(929,800)	(975,350)	(1,011,050)
Total Business-Type Activities	(418,809)	(43,803)	(119,562)	(169,016)
TOTAL PRIMARY GOVERNMENT	\$ 4,730,254	\$ 5,672,185	\$ 6,070,407	\$ 8,569,970
CHANGE IN NET POSITION				
Governmental Activities	\$ 699,847	\$ 3,232,713	\$ 2,798,165	\$ 1,396,262
Business-Type Activities	3,611,711	3,336,695	2,397,381	4,837,372
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,311,558	\$ 6,569,408	\$ 5,195,546	\$ 6,233,634

* 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

	2009	2010	2011	2012	2013	2014
	\$ (5,229,136)	\$ (6,639,956)	\$ (10,037,902)	\$ (7,472,615)	\$ (67,040)	\$ (8,685,642)
	4,776,245	5,482,301	7,777,512	7,401,240	4,032,444	4,014,708
	\$ (452,891)	\$ (1,157,655)	\$ (2,260,390)	\$ (71,375)	\$ 3,965,404	\$ (4,670,934)
	\$ 1,403,627	\$ 1,889,327	\$ 1,974,363	\$ 1,968,013	\$ 2,160,763	\$ 2,605,811
	2,855,679	2,403,416	2,632,904	2,769,309	2,874,151	3,161,390
	297,346	348,392	427,963	350,589	419,475	394,192
	147,275	159,410	182,649	202,782	214,837	199,768
	344,422	343,304	366,631	362,786	350,293	378,945
	326,528	-	58,759	17,040	40,440	99,417
	829,930	748,490	734,758	778,540	862,814	932,950
	167,615	53,718	35,049	15,762	8,689	3,483
	1,582,260	49,611	70,095	43,903	27,949	99,939
	1,457,550	1,709,418	2,048,154	1,962,235	1,666,642	1,949,164
	9,412,232	7,705,086	8,531,325	8,470,959	8,626,053	9,825,059
	-	-	-	-	-	58,912
	634,594	290,761	195,532	45,097	37,417	35,054
	14,506	65,419	94,433	109,596	127,225	96,902
	(1,457,550)	(1,709,418)	(2,048,154)	(1,962,235)	(1,666,642)	(1,949,164)
	(808,450)	(1,353,238)	(1,758,189)	(1,807,542)	(1,502,000)	(1,758,296)
	\$ 8,603,782	\$ 6,351,848	\$ 6,773,136	\$ 6,663,417	\$ 7,124,053	\$ 8,066,763
	\$ 4,183,096	\$ 1,065,130	\$ (1,506,577)	\$ 998,344	\$ 8,559,013	\$ 1,139,417
	3,967,795	4,129,063	6,019,323	5,593,698	2,530,444	2,256,412
	\$ 8,150,891	\$ 5,194,193	\$ 4,512,746	\$ 6,592,042	\$ 11,089,457	\$ 3,395,829

CITY OF ROCHELLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
GENERAL FUND				
Restricted				
Cemetery	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Reserved				
Cemetery	96,947	100,605	105,849	110,093
Noncurrent interfunds	-	-	-	252,073
Unreserved				
Designated	968,640	521,255	-	-
Undesignated	1,043,574	684,704	1,255,443	1,101,816
TOTAL GENERAL FUND	\$ 2,109,161	\$ 1,306,564	\$ 1,361,292	\$ 1,463,982
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	85,542	87,227	100,117	111,814
Encumbrances	-	-	-	-
Maintenance of Roadways	-	-	-	-
Economic Development	45,313	24,693	-	-
Tourism	-	-	-	-
Stormwater	-	-	-	-
Railroad	-	-	-	-
Capital Improvements	-	-	-	-
Employee Retirement	-	-	-	-
Public Safety	-	-	-	-
Unreserved				
Designated - Special Revenue Funds	1,665,506	3,239,962	3,201,982	3,821,132
Designated - Capital Projects Funds	-	126,165	-	494,844
Undesignated - Special Revenue Funds	(128)	(23,084)	(62,284)	(113,853)
Undesignated - Capital Projects Funds	(689,848)	-	(177,130)	(63,775)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 1,106,385	\$ 3,454,963	\$ 3,062,685	\$ 4,250,162

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

Data Source

Audited Financial Statements

2009	2010	2011	2012*	2013	2014
\$ -	\$ -	\$ -	\$ 114,786	\$ 150,081	\$ 114,916
-	-	-	1,666,585	1,633,858	1,715,903
115,644	150,587	150,587	-	-	-
71,514	-	-	-	-	-
-	-	-	-	-	-
1,464,610	1,553,850	1,658,810	-	-	-
<u>\$ 1,651,768</u>	<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>
\$ -	\$ -	\$ -	\$ 231,445	\$ 85,262	\$ 212,505
-	-	-	572,821	557,533	683,554
-	-	-	80,970	68,898	269,541
-	-	-	1,831,206	1,343,870	1,504,837
-	-	-	49,480	-	2,961
-	-	-	1,099	-	-
-	-	-	-	33,033	25,883
-	-	-	139,702	-	-
-	-	-	521,931	368,127	478,307
-	-	-	332,081	301,017	143,697
-	-	-	231,580	-	-
-	-	-	45,430	42,433	37,470
-	-	-	(761,279)	(1,528,752)	(1,074,194)
115,357	174,436	160,533	-	-	-
3,873,358	-	-	-	-	-
-	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	-	-	-
3,261,871	-	-	-	-	-
-	-	-	-	-	-
(237,854)	662,414	394,871	-	-	-
(676,351)	531,410	92,660	-	-	-
<u>\$ 6,336,381</u>	<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>

CITY OF ROCHELLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2005	2006	2007	2008
REVENUES				
Taxes	\$ 4,309,126	\$ 4,678,218	\$ 4,967,133	\$ 6,269,295
Licenses and Permits	311,521	310,921	205,000	332,903
Intergovernmental	476,326	1,644,897	642,306	90,731
Charges for Services	630,282	692,160	656,493	607,761
Fines and Forfeitures	160,712	174,638	161,840	133,919
Investment Income	94,023	93,379	169,098	199,065
Miscellaneous	105,466	2,345,301	1,028,493	553,671
TOTAL REVENUES	6,087,456	9,939,514	7,830,363	8,187,345
EXPENDITURES				
Current				
General Government	1,950,109	2,663,715	2,152,213	2,248,586
Public Safety	2,671,798	3,049,461	2,979,996	3,247,958
Public Works	1,075,890	1,081,333	1,501,670	1,487,518
Public Service Enterprises	149,454	165,018	163,792	174,191
Conservation and Development	278,088	322,894	391,072	360,976
Capital Outlay	3,143,583	2,018,212	1,993,070	1,560,760
Debt Service				
Principal	15,000	20,000	85,000	-
Interest and Fiscal Charges	3,988	2,900	1,450	65,047
TOTAL EXPENDITURES	9,287,910	9,323,533	9,268,263	9,145,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,200,454)	615,981	(1,437,900)	(957,691)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,599,525	1,864,031	1,866,741	2,137,470
Transfers (Out)	(760,442)	(934,231)	(891,391)	(1,126,420)
Bonds Issued	-	-	125,000	-
Premium on Bonds Issued	-	-	-	-
Sale of Capital Assets	46	-	-	1,236,808
Total Other Financing Sources (Uses)	839,129	929,800	1,100,350	2,247,858
NET CHANGE IN FUND BALANCES	\$ (2,361,325)	\$ 1,545,781	\$ (337,550)	\$ 1,290,167
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	0.20%	0.25%	0.93%	0.71%

Note

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

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	6,456,562	\$ 5,902,149	\$ 6,378,028	\$ 5,653,479	\$ 6,038,257	\$ 6,817,791
	544,061	242,025	409,189	337,529	214,563	346,245
	2,937,116	1,648,868	313,884	4,324,922	5,771,389	1,399,886
	620,360	980,909	1,062,705	1,164,543	1,120,525	1,051,482
	163,509	136,744	126,109	118,596	140,596	132,548
	155,229	53,718	35,049	15,762	8,689	3,483
	939,856	91,144	299,288	792,640	110,898	201,432
	11,816,693	9,055,557	8,624,252	12,407,471	13,404,917	9,952,867
	2,421,142	1,844,546	1,978,377	1,878,005	1,975,333	2,099,082
	3,359,306	3,821,495	4,285,461	4,340,991	4,893,561	5,115,991
	1,809,495	1,676,185	1,890,401	1,976,169	2,208,093	1,815,695
	103,959	111,924	121,799	126,227	123,943	296,959
	317,624	373,495	2,005,648	463,174	507,463	371,996
	4,455,289	4,817,498	3,070,397	6,821,716	7,194,270	1,798,044
	-	-	-	-	-	3,000,000
	125,000	-	58,800	167,859	174,148	212,008
	12,591,815	12,645,143	13,410,883	15,774,141	17,076,811	14,709,775
	(775,122)	(3,589,586)	(4,786,631)	(3,366,670)	(3,671,894)	(4,756,908)
	3,320,497	5,178,633	4,331,074	3,857,182	4,083,047	4,155,467
	(1,862,947)	(3,469,215)	(2,282,920)	(1,894,947)	(2,416,405)	(2,025,908)
	-	-	2,940,000	-	-	2,955,000
	-	-	-	-	-	66,933
	1,607,414	5,637	5,466	-	2,775	-
	3,064,964	1,715,055	4,993,620	1,962,235	1,669,417	5,151,492
\$	2,289,842	\$ (1,874,531)	\$ 206,989	\$ (1,404,435)	\$ (2,002,477)	\$ 394,584
	1.54%	0.00%	0.54%	1.44%	1.55%	23.95%

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
2004	\$ 574,654	\$ 77,478,082	\$ 30,299,530	\$ 22,985,303	\$ 5,060,006	\$ 31,660	\$ 136,429,235	0.91010	\$ 409,328,638	33.33%
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%

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
DIRECT CITY RATE										
General Corporate	0.24153	0.24648	0.2415	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000
Bonds	0.01695	0.01370	-	-	-	0.03087	0.03183	0.02901	0.02891	0.02817
I.M.R.F.	0.06011	0.05369	0.06226	0.08943	0.06353	0.07047	0.09069	0.08782	0.11113	0.11127
Fire Protection	0.07246	0.07394	0.07245	0.07500	0.07500	0.07500	0.07500	0.07500	0.07500	0.07500
Fire Pension	0.11434	0.10421	0.06444	0.06139	0.04924	0.05100	0.03813	0.03601	0.03735	0.11015
Police Protection	0.07246	0.07394	0.07245	0.07500	0.07500	0.07500	0.07441	0.07500	0.07500	0.07500
Police Pension	0.09300	0.08667	0.06805	0.06477	0.03324	0.03443	0.05013	0.04735	0.04903	0.10951
Audit	0.01539	0.01525	0.02252	0.01457	0.01533	0.01609	0.01536	0.01517	0.01611	0.01600
Insurance	0.06597	0.05719	0.06886	0.02258	0.02472	0.07816	0.07494	0.10161	0.13074	0.06236
Street & Bridge	-	-	-	-	-	-	-	-	-	-
Street Lighting	0.04831	0.04930	0.0483	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000
Social Security	0.09235	0.08197	0.0774	0.09781	0.13124	0.08389	0.08986	0.08966	0.09899	0.09737
School Crossing Guard	0.01932	0.01972	0.01932	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000
City Share R&B	(0.00209)	-	-	-	-	-	-	-	-	-
Total Direct Tax Rate	0.91010	0.87606	0.81755	0.82055	0.78730	0.83491	0.86035	0.87663	0.94226	1.00483
OVERLAPPING RATES										
Ogle County	0.50597	0.58583	0.53990	0.54752	0.55172	0.55352	0.55378	0.54556	0.55358	0.55690
Ogle County Mental Health	0.06037	0.06415	0.05815	0.05531	0.05160	0.05324	0.05303	0.05301	0.05321	0.05377
Ogle County Extension	0.01032	0.01076	0.00975	-	0.01001	0.00989	0.00985	0.00982	0.00985	0.00929
Ogle County Veterans Assistance	0.00274	0.00383	0.00554	0.00518	0.00500	0.00445	0.00631	0.00628	0.00631	0.00498
Ogle County Senior Services	0.01536	0.01553	0.01439	-	0.01488	0.01493	0.01507	0.01473	0.01478	0.01407
Ogle County Pension	0.07039	0.09288	0.09158	0.09328	0.09339	0.09661	0.09623	0.09588	0.09920	0.12282
Rochelle High School 212	2.59199	2.55351	2.53929	2.52167	2.48689	2.50209	2.49890	2.46049	2.53074	2.54466
Rochelle High School 212 Pension	0.04537	0.04082	0.06002	0.06076	0.04550	0.05335	0.04072	0.04900	0.05085	0.04555
Rochelle Grade School 231	3.01742	3.09979	3.06467	3.01198	2.92436	2.96004	3.00536	3.00860	3.01011	3.00422
Rochelle Grade School 231 Pension	0.02655	0.02309	0.04489	0.04706	0.05021	0.07090	0.04611	0.06052	0.06343	0.06671
Kishwaukee College 523	0.55531	0.52796	0.54180	0.54816	0.54521	0.56208	0.55874	0.57423	0.64306	0.72368
Flagg Rochelle Library	0.24205	0.23420	0.22984	0.19719	0.16893	0.16574	0.16934	0.16809	0.17032	0.17025
Flagg Rochelle Library Pension	0.01057	0.01151	0.01289	0.01187	0.00939	0.01050	0.01145	0.01131	0.00977	0.00993
Flagg Rochelle Parks	0.32602	0.32500	0.30388	0.30698	0.68912	0.69766	0.69445	0.54898	0.56849	0.59249
Flagg Rochelle Park Pension	0.01007	0.00923	0.00905	0.00875	0.00893	0.00906	0.02145	0.01620	0.01781	0.01691
Flagg Road	0.30408	0.29800	0.29554	0.29046	0.29100	0.29684	0.30609	0.31393	0.32745	0.33521
Flagg Township	0.20453	0.17925	0.15506	0.14669	0.14734	0.13975	0.14081	0.14863	0.15385	0.15735
Flagg Township Pension	0.00879	0.00803	0.01000	0.01008	0.01010	0.02204	0.01930	0.02016	0.02344	0.02415

Data Source

Office of the County Clerk

CITY OF ROCHELLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND SEVEN YEARS AGO

Taxpayer	Type of Business	2013		2006*			
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Americold Logistics LLC	Distribution & Warehouse	\$ 14,043,096	1	6.23%			
Prologis Land LLC	Distribution and Warehouse	7,650,371	2	3.40%	\$ 5,912,056	1	3.39%
Illinois River Energy	Ethanol Plant	6,572,411	3	2.92%			
IndCor Properties	Land Development	6,124,502	4	2.72%			
Sara Lee Corporation	Distribution Center	4,518,537	5	2.01%	2,548,535	6	1.46%
Total Logistic Control LLC	Cold Storage	4,456,190	6	1.98%	3,009,693	4	1.73%
Nippon Sharyo	Manufacturing	3,956,942	7	1.76%			
Wal-Mart	Retail	3,843,355	8	1.71%			
Rochelle Development LLC	Land Development	3,828,171	9	1.70%	3,500,524	3	2.01%
Erie Foods International	Distribution	2,123,546	10	0.94%	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 and 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>\$ 57,117,121</u>		<u>25.37%</u>	<u>\$ 28,708,096</u>		<u>16.47%</u>

*Information for the period nine years ago is not available, therefore, information is presented for the period seven years ago.

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	Amount	Percentage of Levy
2004	\$ 1,241,642	\$ 1,223,010	98.50%	\$ -	\$ 1,223,010	98.50%	
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	N/A	N/A	N/A	N/A	N/A	

N/A - Information not available

* 2013 property taxes will not all be received until the end of fiscal year 2015.

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				
2005	\$ 40,000	\$ -	\$ -	\$ 14,195,000	\$ -	\$ -	\$ 2,557,235	\$ 16,792,235	12.31%	1,711.92	N/A
2006	20,000	-	-	19,500,000	-	-	2,384,692	21,904,692	13.92%	2,222.92	9.69%
2007	-	-	190,047	21,315,000	-	-	2,729,852	24,234,899	13.91%	2,457.65	10.71%
2008	-	-	125,000	20,065,000	-	-	2,624,391	22,814,391	11.87%	2,311.49	10.07%
2009	-	-	-	18,875,000	5,000,000	-	2,399,788	26,274,788	1.66%	2,665.33	11.62%
2010	-	-	-	17,380,000	4,835,000	750,000	2,206,107	25,171,107	12.07%	2,631.31	12.51%
2011	-	-	-	15,885,000	4,665,000	735,000	1,969,163	23,254,163	11.32%	2,422.56	11.52%
2012	-	2,940,000	-	14,330,000	4,490,000	705,000	1,738,116	24,203,116	11.04%	2,538.88	12.07%
2013	-	2,940,000	-	13,165,000	4,305,000	675,000	1,500,446	22,585,446	10.32%	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%

N/A - Information not available

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
2005	\$ 40,000	\$ -	\$ -	\$ 40,000	0.03%	\$ 4.08
2006	20,000	-	-	20,000	0.01%	2.03
2007	-	-	-	-	0.00%	-
2008	-	-	-	-	0.00%	-
2009	-	5,000,000	-	5,000,000	2.47%	507.20
2010	-	5,585,000	-	5,585,000	2.68%	583.84
2011	-	5,400,000	-	5,400,000	2.63%	562.56
2012	2,940,000	5,195,000	-	8,135,000	3.71%	853.35
2013	2,940,000	4,980,000	-	7,920,000	3.62%	827.24
2014	2,895,000	4,760,000	-	7,655,000	3.40%	799.56

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 119 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, 2014

ASSESSED VALUATION - 2013 TAX YEAR	<u>\$ 225,254,378</u>
Legal debt limit - 8.625% of assessed valuation	\$ 19,428,190
Amount of debt applicable to debt limit	<u>4,760,000</u>
LEGAL DEBT MARGIN	<u>\$ 14,668,190</u>

Data Source

City records

CITY OF ROCHELLE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Levy Years

Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Legal debt limit	\$ 11,767,022	\$ 13,573,361	\$ 15,031,162	\$ 16,578,295	\$ 17,444,624	\$ 17,990,087	\$ 17,718,309	\$ 18,903,766	\$ 18,869,036	\$ 19,428,190
Total net debt applicable to limit	-	-	-	-	5,000,000	5,585,000	5,400,000	5,195,000	4,980,000	4,760,000
LEGAL DEBT MARGIN	\$ 11,767,022	\$ 13,573,361	\$ 15,031,162	\$ 16,578,295	\$ 12,444,624	\$ 12,405,087	\$ 12,318,309	\$ 13,708,766	\$ 13,889,036	\$ 14,668,190
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	0.00%	0.00%	0.00%	0.00%	28.66%	31.04%	30.48%	27.48%	26.39%	24.50%

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
2005	9,809	N/A	N/A	N/A	2,850	7.0%
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	N/A

N/A - Information not available

Unemployment rate is the twelve month average.

Data Source

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

CITY OF ROCHELLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

Employer	2013			2005		
	Number of Employees	Rank	% of Total City Population	Number of Employees	Rank	% of Total City Population
Rochelle Foods	760	1	7.94%	760	1	7.94%
Nippon Sharyo	397	2	4.15%			
Rochelle Community Hospital	261	3	2.73%	168	4	1.75%
Americold	232	4	2.42%	100	8	1.04%
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 School District 212	155	9	1.62%			
DelMonte	140	10	1.46%	140	6	1.46%
Eaton Corporation				200	2	2.09%
J.W. Peters				200	3	2.09%
Rochelle High School				152	5	1.59%
City of Rochelle				116	7	1.21%
Erie Foods				65	9	0.68%
TOTAL	2,781		29.05%	1,141		19.85%

Notes: Information for the period ended nine years ago is not available.

Only the top 9 employers are available for 2005.

Data Source

Economic Development

CITY OF ROCHELLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	1	1.5	1.5	1.5	1.5	1.5
City Clerk	2	2	2	2	2	2	2	2	2	2
Cemetery	2	2	1	2	2	2	1	1	1	1
Community Development	-	4	4	3	5	5	4	4	4	3
Economic Development	2	2	2	2	2	2	3	3	3	3
Engineering	2	3	4	2	2	2	2	2	2	2
Fire	13	10	13	13	13	13	13	13	13	12
Police	19	20	21	18	19	19	18	20	20	20
Street	9	9	9	9	9	9	10	10	10	10
ENTERPRISE FUND										
Airport	-	-	-	-	1	1.5	1.5	1.5	1.5	1.5
Utilities - Technology Center	-	-	-	-	-	-	-	-	1	0.5
Utilities - Communications/Network Administration	5	7	7	6	7	7	6	6	5	6
Utilities - Electric	32	33	31	28	28	30	31	31	31	31
Utilities - Water	4	4	4	4	4	4	4	4	4	4
Utilities - Water Reclamation	8	8	8	8	8	8	9	9	8	8
INTERNAL FUND										
Administrative Services	5	5	4	4	5	5	6	6	6	6

Data Source

City Budget File

CITY OF ROCHELLE, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
COMMUNITY DEVELOPMENT										
New Construction Single Family Permits	33	16	9	15	1	-	11	-	-	-
Number of Permits Issued	N/A	N/A	N/A	462	456	440	483	454	467	364
Building and Engineering Inspections	N/A	N/A	N/A	1,386	1,368	1,320	1,449	1,362	1,401	1,092
POLICE										
DUI Arrests	31	49	55	73	58	64	61	79	55	55
Criminal Arrests	577	786	712	638	569	583	449	434	434	310
Accidents	522	502	443	463	402	364	332	314	333	374
Ordinance Enforcement	44	62	70	95	157	57	55	37	25	21
Total Tickets	1,413	1,741	1,814	1,370	1,772	1,698	1,332	1,376	1,373	1,244
Total Calls	11,626	11,693	11,626	10,611	10,677	9,735	10,925	10,990	*15,515	*22,371
FIRE										
Number of Fire Calls Answered	529	574	511	523	473	560	279	241	235	276
Number of EMS Calls Answered	1,458	1,616	1,470	1,574	1,529	1,589	1,476	1,554	1,649	1,741
PUBLIC WORKS										
Trees Planted	13	15	23	14	15	9	12	12	15	24
Trees Removed	22	15	23	20	36	21	25	27	32	47
Street Sweeping (Tons)	540	90	297	352	751	512	799	494	323	340
Street Sweeping (Hours)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Snow Removal (Hours)	826	657	1,917	2,199	1,962	1,312	1,755	739	1,217	1,929
Catch Basins/Inlets Cleaned	700	600	800	600	500	1,200	1,200	600	800	1,200
Sidewalk Replacement (Square Feet)	-	21,208	31,414	31,414	38,138	57,220	49,279	49,009	50,816	47,996
WATER AND SEWER										
Average Daily Water Usage (Gallons)	N/A	N/A	N/A	N/A	N/A	72,936,370	72,121,949	68,222,484	70,331,028	76,452,106
Average Daily Sewer Usage (Cubic Feet)	N/A	N/A	N/A	N/A	N/A	5,761,624	5,253,632	5,229,471	5,281,188	5,204,225
Water Meter Installations (New)	77	56	35	30	17	16	9	11	7	17
Water Meter Exchanges	241	291	192	219	159	248	173	199	260	290
Hydrants Flushed	600	600	620	620	620	630	630	640	640	640
ELECTRIC										
Pole Replacements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	44
Electric Meter Installations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	532

N/A - Not Available

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

Data Source

City Records

CITY OF ROCHELLE, ILLINOIS

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
General Government Buildings	N/A	N/A	N/A	N/A	N/A	48	48	49	46	48
PUBLIC SAFETY										
Police										
Number of Squad Cars	N/A	N/A	N/A	N/A	N/A	15	15	14	14	17
Fire										
Number of Vehicles	8	9	9	9	9	10	11	12	12	12
PUBLIC WORKS										
Number of Vehicles and Equipment	N/A	N/A	N/A	N/A	N/A	25	25	23	23	24
Streets (Lane Miles)	N/A	N/A	N/A	N/A	N/A	160	160	160	160	160
Alleys (Miles)	N/A	N/A	N/A	N/A	N/A	7	7	7	7	7
Bridges and Structures	N/A	N/A	N/A	N/A	N/A	20	20	20	20	20
WATER AND SEWER										
Number of Vehicles and Equipment	N/A	N/A	N/A	N/A	N/A	14	14	14	14	15
Water Mains (Miles)	N/A	N/A	N/A	N/A	N/A	63	63	63	63	63
Water Towers	N/A	N/A	N/A	N/A	N/A	4	4	4	4	4
Wells and Wellhouses	N/A	N/A	N/A	N/A	N/A	4	4	4	4	4
Sanitary Sewers (Miles)	N/A	N/A	N/A	N/A	N/A	74	74	74	74	74
Lift Stations	N/A	N/A	N/A	N/A	N/A	9	9	11	11	12
Number of Manholes	N/A	N/A	N/A	N/A	N/A	294	294	294	294	294
Number of Fire Hydrants	N/A	N/A	N/A	N/A	N/A	707	707	707	707	707
ELECTRIC										
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	16	16	18	19	19
Overhead Line (Miles)	N/A	N/A	N/A	N/A	N/A	150	150	150	150	150
Underground Line (Miles)	N/A	N/A	N/A	N/A	N/A	58	58	58	58	58
COMMUNICATIONS										
Fiber (Miles)	N/A	N/A	N/A	N/A	N/A	35	35	35	45	45

N/A - Information not available