

CITY OF ROCKFORD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS, Continued

Annual pension cost. The annual required contributions were determined as part of the July 1, 2007 actuarial valuation using the aggregate actuarial cost funding method which does not identify or separate amortized unfunded actuarial liabilities. Under this method, no unfunded accrued liability is determined. The actuarial assumptions included (a) 7.0% investment rate of return and (b) projected salary increases of 4.00%. The actuarial value of assets is determined using a market approach.

The net pension liability at June 30, 2008 was \$408,714. It was comprised of the following:

Annual required contribution	\$ 451,675
Interest on net pension obligation (7%)	30,264
Adjustment to annual required contribution	<u>(84,770)</u>
Annual pension cost	397,169
Annual contribution made	<u>420,800</u>
Increase in net pension liability	(23,631)
Net pension liability, beginning of year	432,345
Net pension liability, end of year	<u><u>\$ 408,714</u></u>

Three-year trend information for RMTD:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	397,169	105.95	408,714
6/30/2007	365,190	115.20	432,345
6/30/2006	394,700	106.60	487,955

E. PLEDGES OF RECEIVABLES AND FUTURE REVENUES

The City has pledged a portion of future sales tax revenues to a local retailer. In order to increase its competitiveness in the marketplace by establishing a single-order acceptance point for all credit sales, the local retailer entered into a municipal sales tax incentive agreement with the City, where the City will pay the retailer, a portion of the municipal component of the sales tax revenue generated by the retailer as provided in the agreement. The agreement commenced August 2002 and terminates in calendar year 2022.

The terms of the agreement indicate that beginning in August 2002 the City shall rebate to the retailer on a monthly basis the Municipal Sales Tax resulting from taxable sales with order-acceptance at the Property and received by the City in the following amounts:

- Years 1-5 – 100% sales tax rebate of Incremental Municipal Sales Tax sourced to Rockford.
- Years 6-10 – 70% sales tax rebate of Incremental Municipal Sales Tax sourced to Rockford.
- Years 11-20 – 50% sales tax rebate of Incremental Municipal Sales Tax sourced to Rockford.

The total municipal sales tax revenue reported by the City for the year ended December 31, 2008, amounted to \$39,497,031, of which \$674,006 (or 1.7%) was remitted during the current year or was due to the retailer at the end of the current year, and reported as accounts payable on the statement of net assets.

CITY OF ROCKFORD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS, Continued

F. COMMUNITY DEVELOPMENT GRANTS

The City is entitled to receive Community Development grants only to the extent that expenditures and encumbrances have been made for approved programs. As of December 31, 2008, the City has \$1,636,182 available to be received in the future under these Community Development Grants in the event qualifying expenditures are made.

G. SUBSEQUENT EVENTS

In March 2009, the City Council approved the issuance of \$2,600,000 of general obligation bonds Series 2009. The obligations are due serially commencing on December 15, 2009 until maturity in 2029. Proceeds of the Series 2009A (\$1,650,000) will be used to finance improvements within the River North TIF District, and the Main Whitman TIF District. The proceeds of the 2009B Bonds (\$950,000) will be used to fund improvements in the Global Industrial Trade Park TIF District.

In the first six months of 2009 the City received an additional \$10,295,900 from the Illinois environmental Protection Agency to provide additional funding for a \$75 million water improvement program (initial funding was provided from the sale of the City's \$15 million Series 2006A Bonds in April of 2006, \$3.5 million Series 2007D in November of 2007 and \$9.0 million Series 2008A in April of 2008).

In May, 2009 the City announced a plan to review the Metro Centre Authority's finances and future funding, along with the current financing and funding of other Rockford cultural centers, venues and festivals. A final report has been presented but is still being discussed by the City in late June, 2009.

In the first six months of 2009 the City has loaned the Metro Centre \$600,000 at 0% interest for five years. In light of the ongoing review of the Authority's finances, the City has recorded this loan as an operating subsidy and has planned a structural refunding of the series 2007B taxable Metro Centre bonds. The refunding series with a maximum authorization of \$8.1 million is tentatively scheduled for the end of August. Proceeds from the new issue will pay the 2009 – 2014 payments due from the Redevelopment fund. This debt restructuring will alleviate deficits in the Redevelopment fund and provide for operating subsidies to the Metro Centre.

H. FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, is effective for the City beginning with its year ending December 31, 2010. This Statement establishes accounting and financial reporting requirements for intangible assets and reduces inconsistencies that have developed.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, is effective for the City beginning with its year ending December 31, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by endowments.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, is effective for the City beginning with its year ending December 31, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments.

CITY OF ROCKFORD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS, Continued

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued February 2009, is effective for the City beginning with its year ending December 31, 2011. The object of this statement is to enhance the usefulness of fund balance information by providing clearer classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MAJOR FUNDS
GENERAL FUND

For the Year Ended December 31, 2008
(Required Supplementary Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 69,150,696	\$ 69,150,696	\$ 66,853,016	\$ (2,297,680)
Licenses and permits	3,978,500	3,978,500	4,011,074	32,574
Intergovernmental	25,355,680	25,180,680	27,100,710	1,920,030
Charges for services	6,479,200	6,695,600	6,029,191	(666,409)
Fines	1,810,000	1,810,000	1,735,805	(74,195)
Interest	2,043,100	775,000	1,026,114	251,114
Miscellaneous	788,400	788,400	646,781	(141,619)
Total revenues	109,605,576	108,378,876	107,402,691	(976,185)
EXPENDITURES				
Current:				
General government:				
Mayor's office	968,447	978,247	987,200	(8,953)
City Council	465,994	491,794	425,006	66,788
Legal department	2,065,347	2,110,447	2,086,623	23,824
Finance office	5,037,890	5,162,190	4,986,941	175,249
Workforce investment board	493,176	493,176	406,417	86,759
Board of fire and police commission	206,705	206,705	205,312	1,393
Board of election	918,260	918,260	928,502	(10,242)
Personnel department	800,261	804,461	784,006	20,455
Mass transit subsidy	1,476,000	1,476,000	1,476,000	-
Total general government	12,432,080	12,641,280	12,286,007	355,273
Public safety				
Police department	43,872,516	44,529,216	44,699,806	(170,590)
Fire department	35,565,835	35,885,835	36,809,206	(923,371)
Public works - traffic	3,166,772	3,166,772	2,453,286	713,486
Building department	1,915,817	1,927,717	1,802,428	125,289
Total public safety	84,520,940	85,509,540	85,764,726	(255,186)
Streets, alleys and bridges				
Administration	648,521	652,021	491,169	160,852
Engineering	672,010	674,510	619,223	55,287
Street and sewer	6,558,433	9,446,503	11,231,360	(1,784,857)
Traffic - street lights	1,943,979	2,618,425	2,609,847	8,578
Total streets, alleys and bridges	9,822,943	13,391,459	14,951,599	(1,560,140)
Community development				
Administration	280,585	282,085	448,572	(166,487)
Code Enforcement	1,521,818	1,521,818	1,548,105	(26,287)
Planning and zoning	1,156,718	1,163,818	1,186,025	(22,207)
Total community development	2,959,121	2,967,721	3,182,702	(214,981)
Sanitation and sewers				
Public works - sewers	607,412	607,412	377,015	230,397
Total current expenditures	110,342,496	115,117,412	116,562,049	(1,444,637)
Capital Outlay:				
Public safety				
Police department	200,000	200,000	207,554	(7,554)
Fire department	1,332,337	1,365,337	1,219,015	146,322
Total public safety	1,532,337	1,565,337	1,426,569	138,768
Streets, alleys and bridges				
Street and sewer	210,000	210,000	226,602	(16,602)
Traffic - street lights	65,000	65,000	21,425	43,575
Total streets, alleys and bridges	275,000	275,000	248,027	26,973
Community development				
Code Enforcement	-	-	44,331	(44,331)
Total capital expenditures	1,807,337	1,840,337	1,718,927	121,410
Total expenditures	112,149,833	116,957,749	118,280,976	(1,323,227)
Excess of revenues over (under) expenditures	(2,544,257)	(8,578,873)	(10,878,285)	(2,299,412)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,168,110	4,701,710	4,701,710	-
Transfers out	(1,783,457)	(2,671,957)	(2,677,409)	(5,452)
Total other financing sources (uses)	2,384,653	2,029,753	2,024,301	(5,452)
Net change in fund balance	\$ (159,604)	\$ (6,549,120)	(8,853,984)	\$ (2,304,864)
Fund balance - beginning			33,206,482	
Fund balance - ending			\$ 24,352,498	

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MAJOR FUNDS
PUBLIC LIBRARY FUND

For the Year Ended December 31, 2008
(Required Supplementary Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 6,598,482	\$ 6,598,482	\$ 6,844,942	\$ 246,460
Intergovernmental	1,166,000	1,166,000	1,190,219	24,219
Charges for services	61,225	61,225	68,809	7,584
Fines	145,000	145,000	149,042	4,042
Interest	80,000	80,000	174,272	94,272
Miscellaneous	95,000	95,000	339,597	244,597
Total revenues	<u>8,145,707</u>	<u>8,145,707</u>	<u>8,766,881</u>	<u>621,174</u>
EXPENDITURES				
Current - Culture and recreation	7,925,861	8,080,824	7,616,007	464,817
Capital Outlay - Culture and recreation	174,319	4,572,299	3,890,876	681,423
Total expenditures	<u>8,100,180</u>	<u>12,653,123</u>	<u>11,506,883</u>	<u>1,146,240</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(265,065)	(265,065)	(228,868)	36,197
Total other financing sources (uses)	<u>(265,065)</u>	<u>(265,065)</u>	<u>(228,868)</u>	<u>36,197</u>
Net changes in fund balance	<u>\$ (219,538)</u>	<u>\$ (4,772,481)</u>	<u>\$ (2,968,870)</u>	<u>\$ 1,803,611</u>
Fund balance - beginning			6,363,843	
Fund balance - ending			<u>\$ 3,394,973</u>	

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MAJOR FUNDS
COMMUNITY DEVELOPMENT FUND

For the Year Ended December 31, 2008

(Required Supplementary Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,526,606	\$ 4,981,635	\$ 3,439,050	\$ (1,542,585)
Interest	-	-	46,787	46,787
Miscellaneous	155,000	155,000	56,982	(98,018)
Total revenues	<u>4,681,606</u>	<u>5,136,635</u>	<u>3,542,819</u>	<u>(1,593,816)</u>
EXPENDITURES				
Current - Community development	3,875,356	3,875,356	2,845,884	1,029,472
Debt service:				
Principal payments	-	-	85,000	(85,000)
Interest payments	-	-	87,787	(87,787)
Total expenditures	<u>3,875,356</u>	<u>3,875,356</u>	<u>3,018,671</u>	<u>856,685</u>
Excess of revenues over (under) expenditures	<u>806,250</u>	<u>1,261,279</u>	<u>524,148</u>	<u>(737,131)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	75,000	77,355	2,355
Transfers out	(881,250)	(881,250)	(882,853)	(1,603)
Total other financing sources (uses)	<u>(806,250)</u>	<u>(806,250)</u>	<u>(805,498)</u>	<u>752</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ 455,029</u>	<u>(281,350)</u>	<u>\$ (736,379)</u>
Fund balance - beginning			<u>1,998,062</u>	
Fund balance - ending			<u>\$ 1,716,712</u>	

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MAJOR FUNDS
HUMAN SERVICES FUND

For the Year Ended December 31, 2008
(Required Supplementary Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 12,263,301	\$ 12,263,301	\$ 14,898,324	\$ 2,635,023
Interest	-	-	19,998	19,998
Miscellaneous	-	-	142,488	142,488
Total revenues	<u>12,263,301</u>	<u>12,263,301</u>	<u>15,060,810</u>	<u>2,797,509</u>
EXPENDITURES				
Current - Public health and welfare	12,799,494	12,799,494	15,337,462	(2,537,968)
Debt service - Interest and service fees	-	-	93,443	(93,443)
Capital outlay - Public health and welfare	-	-	147,661	(147,661)
Total expenditures	<u>12,799,494</u>	<u>12,799,494</u>	<u>15,578,566</u>	<u>(2,779,072)</u>
Excess of revenues over (under) expenditures	(536,193)	(536,193)	(517,756)	18,437
OTHER FINANCING SOURCES				
Transfers in	268,824	268,824	326,556	57,732
Transfers out	0	-	(2,355)	(2,355)
Total other financing sources (uses)	<u>268,824</u>	<u>268,824</u>	<u>324,201</u>	<u>55,377</u>
Net changes in fund balance	<u>\$ (267,369)</u>	<u>\$ (267,369)</u>	<u>(193,555)</u>	<u>\$ 73,814</u>
Fund balance - beginning			664,548	
Fund balance - ending			<u>\$ 470,993</u>	

**CITY OF ROCKFORD, ILLINOIS
ANALYSIS OF FUNDING PROGRESS**

December 31, 2008

(Required Supplementary Information)

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2008	\$ 71,433,001	\$ 95,526,894	\$ 24,093,893	74.78 %	31,536,943	76.40 %
12/31/2007	82,879,833	87,968,864	5,089,031	94.21	29,485,908	17.26
12/31/2006	77,109,958	83,288,988	6,179,030	92.58	28,618,048	21.59
12/31/2005	70,939,034	78,089,106	7,150,072	90.84	27,600,567	25.91
12/31/2004	68,763,305	74,385,098	5,621,793	92.44	26,381,424	21.31
12/31/2003	69,726,850	71,498,112	1,771,262	97.52	25,564,102	6.93

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2007	\$ 161,674,221	\$ 197,484,179	\$ 35,809,958	81.87 %	\$ 18,760,525	190.88 %
12/31/2006	154,164,188	188,981,630	34,817,442	81.58	18,717,181	186.02
12/31/2005	145,902,806	177,921,892	32,019,086	82.00	17,860,671	179.27
12/31/2004	142,144,161	167,654,587	25,510,426	84.78	17,138,777	148.85
12/31/2003	132,305,996	158,863,419	26,557,423	83.28	16,689,987	159.12
12/31/2002	117,674,013	151,695,145	34,021,132	77.57	16,009,094	212.51

Firefighter's Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2007	\$ 144,587,141	\$ 201,841,057	\$ 57,253,916	71.63 %	\$ 18,485,822	309.72 %
12/31/2006	128,848,847	169,173,373	40,324,526	76.16	17,375,662	232.07
12/31/2005	131,735,470	180,654,684	48,919,214	72.92	16,162,884	302.66
12/31/2004	128,848,847	169,173,373	40,324,526	76.16	15,640,930	257.81
12/31/2003	122,168,665	162,795,071	40,626,406	75.04	14,935,320	272.02
12/31/2002	111,744,844	155,338,059	43,593,215	71.94	14,179,607	307.44
12/31/2001	116,527,581	149,538,123	33,010,542	77.92	13,437,280	245.66

Other Post-Employment Benefits

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2008	\$ -	\$ 9,062,800	\$ 9,062,800	- %	\$ 68,783,290	13.18 %
12/31/2007	-	9,062,800	9,062,800	-	65,578,751	13.82

**CITY OF ROCKFORD, ILLINOIS
EMPLOYER CONTRIBUTIONS**

December 31, 2008
(Required Supplementary Information)

Illinois Municipal Retirement Fund

Actuarial Valuation Date		Annual Required Contribution	Percentage Contributed
12/31/2008	\$	3,024,393	100.0 %
12/31/2007		2,927,951	100.0
12/31/2006		2,830,325	100.0
12/31/2005		2,481,291	100.0
12/31/2004		2,237,145	100.0
12/31/2003		1,740,915	100.0
12/31/2002		1,731,196	100.0

Police Pension Fund

Actuarial Valuation Date		Annual Required Contribution	Percentage Contributed
12/31/2007	\$	3,330,276	97.3 %
12/31/2006		2,803,802	90.1
12/31/2005		2,787,807	97.0
12/31/2004		3,062,182	100.5
12/31/2003		2,216,456	108.2
12/31/2002		1,633,417	101.0
12/31/2001		1,427,780	93.0

Firefighter's Pension Fund

Actuarial Valuation Date		Annual Required Contribution	Percentage Contributed
12/31/2007	\$	4,762,441	97.8 %
12/31/2006		4,144,105	92.5
12/31/2005		4,185,653	97.6
12/31/2004		4,185,653	100.4
12/31/2003		3,497,179	106.2
12/31/2002		3,689,953	92.0
12/31/2001		2,437,571	127.0

Other Post-Employment Benefits

Actuarial Valuation Date		Annual Required Contribution	Percentage Contributed
12/31/2008	\$	619,423	35.9 %
12/31/2007		589,926	37.7

CITY OF ROCKFORD, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

I. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The budget represents departmental appropriations, expenditures and other uses, as authorized by the City's appropriation ordinance and includes revisions authorized by the City Council to reflect changes in departmental programs. All annual appropriations lapse at fiscal year-end.

II. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

For the year ended December 31, 2008, the General Fund and Major Special Revenue funds had an excess of actual expenditures and financing uses over budget at the legal level of budgetary control (department level) as follows:

MAJOR FUNDS:

General Fund

Mayor's office	\$ (8,953)
Board of election	(10,242)
Police department	(178,144)
Fire Department	(923,371)
Public works - Street and sewer	(1,801,459)
Community Development - Administration	(166,487)
Community Development - Code Enforcement	(70,618)
Community Development - Planning and Zoning	(22,207)

Human Services Fund (2,781,427)

III. ILLINOIS MUNICIPAL RETIREMENT FUND

On a market value basis, the actual value of assets as of December 31, 2008 is \$50,409,574. On a market basis, the funded ratio would be 52.77%

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study. The principal changes were:

1. The 1994 Group Annuity Mortality implemented.
2. For regular members, fewer normal and early retirements are expected to occur.

IV. PENSION TRUST FUND

For the Police and Firefighter's pension funds, there were no changes with respect to plan provisions, actuarial methods or actuarial assumptions from the prior year.



OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Combining statements for all individual nonmajor special revenue funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements at B1 thru B8. Fund statements for major special revenue funds are reported on Pages 19 thru 24 of the basic financial statements.

ROCKFORD TUBERCULOSIS CARE CENTER

To account for services (i.e., tuberculosis shots and examinations) provided by the Health Department to patients. The Tuberculosis Care Center's primary revenue is property taxes.

GARBAGE AND REFUSE

To account for the collection and disposal of garbage and refuse, which are performed on a contractual basis. The two contracts, collection and use of landfill site, are financed by a specific property tax levy and charges for services provided.

MOTOR FUEL TAX

To record the receipt of the City's share of state gasoline taxes. These funds are then transferred to the Capital Improvement Program Fund and used for street maintenance and repairs. State of Illinois law requires separate accounting for such revenues and

REDEVELOPMENT

To account for monies deposited in accordance with an intergovernmental agreement between the City and the Rockford Metropolitan Exposition, Auditorium and Office Building Authority. Monies deposited are from a sales tax of one percent upon the retail purchase of food and beverages and the charge for renting a hotel or motel room. These monies are used to cover any debt which has been authorized by the City Council.

TOURISM

To account for revenues provided by the City's four percent motel and hotel tax and related expenditures. The ordinance provides that revenue from the tax shall be used to promote tourism, conventions and other special events within the municipality.

SPECIAL PROJECTS

To account for expenditures on special projects determined annually by the City Council. Financing is provided by the City's proceeds received from the off-track betting establishment located within the City.

UNDERGROUND STORAGE TANKS

To account for expenditures for the removal of underground storage tanks at the City's municipal yard complex. Financing is provided by a specific property tax levy and funding from the State of Illinois.

VETERAN'S SCHOLARSHIP

To account for receipt of investment earnings on original principal and payment of annual scholarships. The original principal was transferred from the War Memorial Fund.

SPECIAL REVENUE FUNDS, Continued

LOCAL LAW ENFORCEMENT BLOCK GRANT

To account for expenditures for crime prevention and public safety. Financing is provided by a grant from the Federal Government, General Fund, and two other local government

JUSTICE ASSISTANCE GRANT

To account for expenditures for crime prevention and public safety. Financing is provided by a grant from the Federal Government and General Fund.

FLEX CARE

To account for the collection and payment of City employee salaries to the Flexible benefit program, along with administration expenses of the fund.

CEASE FIRE

To account for expenditures by the City's Cease Fire Program relating to the education and awareness of violence prevention. Financing is provided by a State of Illinois grant and private donations.

EAST SIDE, WEST SIDE, SEVENTH STREET, SOUTHEAST, SOUTH ROCKFORD, LINCOLNWOOD ESTATES, SPRINGFIELD CORNERS, ROCKFORD GLOBAL TRADE PARK, NORTH MAIN, LINCOLNWOOD II, RIVER OAKS, GARRISON, HOPE SIX, KISHWAUKEE, JACKSON SCHOOL, PRESTON & CENTRAL, NORTH MAIN & AUBURN, EAST STATE, AND ALPINE, WEST STATE & CENTRAL, WEST STATE & KILBURN, WEST SIDE II, ROCKFORD GLOBAL TRADE PARK II, RIVER NORTH, MAIN & WHITMAN, ASSISTED LIVING, MIDTOWN, KISHWAUKEE/HARRISON, ROCKFORD GLOBAL TRADE PARK III TAX INCREMENT FINANCING AREAS.

To account for the redevelopment costs of each blighted area. Financing is provided from property taxes levied on property within each district, which will increase as a result of the redevelopment and the resulting increase in assessed valuation within the districts. The East Side and West Side areas also receive the resulting increase of sales tax from the City's sales tax and a share of the State of Illinois' sales tax resulting from increased sales as a result of redevelopment within each district.

CITY OF ROCKFORD, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008

	Special Revenue Funds			
	Tax Increment Financing Areas			
	Rockford Tuberculosis Care Center	Garbage and Refuse	Motor Fuel Tax	Redevelopment
ASSETS				
Cash and cash equivalents	\$ 83,168	\$ 2,511,571	\$ 6,376,361	\$ -
Property taxes receivable, net	160,083	2,087,774	-	-
Accounts receivable, net	-	556,913	-	340,949
Due from the State of Illinois	-	-	364,601	-
Due from other governmental units	-	-	-	-
Due from other funds	1,133	37,011	-	-
Total assets	<u>\$ 244,384</u>	<u>\$ 5,193,269</u>	<u>\$ 6,740,962</u>	<u>\$ 340,949</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts and contracts payable	\$ 39,004	\$ 499,835	\$ -	\$ 8,408
Accrued payroll and benefits	-	4,063	-	-
Due to other funds	-	-	397,986	5,472,919
Deferred revenue	160,083	2,087,774	-	-
Total liabilities	<u>199,087</u>	<u>2,591,672</u>	<u>397,986</u>	<u>5,481,327</u>
Fund balances (deficits):				
Reserved for:				
Encumbrances	-	-	-	8,408
Endowments	15,000	-	-	-
Unreserved - special revenue funds	30,297	2,601,597	6,342,976	(5,148,786)
Total fund balances (deficits)	<u>45,297</u>	<u>2,601,597</u>	<u>6,342,976</u>	<u>(5,140,378)</u>
Total liabilities and fund balances (deficits)	<u>\$ 244,384</u>	<u>\$ 5,193,269</u>	<u>\$ 6,740,962</u>	<u>\$ 340,949</u>

Special Revenue Funds
Tax Increment Financing Areas

Tourism	Special Projects	RKFD Metro Agency for Planning	Veteran's Scholarship	Justice Assistance Grant	Flex Care
\$ 90,409	\$ -	\$ 96,348	\$ 48,184	\$ -	\$ 227,195
146,537	8,457	-	-	-	-
-	-	307,211	-	-	-
-	-	-	-	156,545	-
922	-	330	668	-	3,491
\$ 237,868	\$ 8,457	\$ 403,889	\$ 48,852	\$ 156,545	\$ 230,686
\$ 144,548	\$ -	\$ 7,265	\$ -	\$ 143,742	\$ 68,305
-	-	23,325	-	-	-
-	161,018	-	-	12,630	-
-	-	307,211	-	173	-
144,548	161,018	337,801	-	156,545	68,305
-	-	-	-	-	-
-	-	-	-	-	-
93,320	(152,561)	66,088	48,852	-	162,381
93,320	(152,561)	66,088	48,852	-	162,381
\$ 237,868	\$ 8,457	\$ 403,889	\$ 48,852	\$ 156,545	\$ 230,686

CITY OF ROCKFORD, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2008

	Special Revenue Funds				
	Tax Increment Financing Areas				
	East Side	West Side	Seventh Street	Southeast	South Rockford
ASSETS					
Cash and cash equivalents	\$ 619,035	\$ -	\$ 1,317,523	\$ 456,487	\$ 81,440
Property taxes receivable, net	498,564	389,466	1,027,818	143,451	150,084
Accounts receivable, net	-	-	-	-	-
Due from the State of Illinois	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Due from other funds	11,686	-	34,948	6,346	3,169
Total assets	<u>\$ 1,129,285</u>	<u>\$ 389,466</u>	<u>\$ 2,380,289</u>	<u>\$ 606,284</u>	<u>\$ 234,693</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts and contracts payable	\$ 36,157	\$ -	\$ 12,500	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Due to other funds	-	922,675	-	-	-
Deferred revenue	498,564	389,466	1,027,818	143,451	150,084
Total liabilities	<u>534,721</u>	<u>1,312,141</u>	<u>1,040,318</u>	<u>143,451</u>	<u>150,084</u>
Fund balances (deficits):					
Reserved for:					
Encumbrances	-	-	-	-	-
Endowments	-	-	-	-	-
Undesignated	594,564	(922,675)	1,339,971	462,833	84,609
Total fund balances (deficits)	<u>594,564</u>	<u>(922,675)</u>	<u>1,339,971</u>	<u>462,833</u>	<u>84,609</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,129,285</u>	<u>\$ 389,466</u>	<u>\$ 2,380,289</u>	<u>\$ 606,284</u>	<u>\$ 234,693</u>

Special Revenue Funds

Tax Increment Financing Areas

Lincolwood Estates	Springfield Corners	Rockford Global Trade Park	North Main	Lincolwood II	River Oaks	Garrison	Hope Six	Kishwaukee
\$ 89,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,429
76,230	155,034	619,344	54,252	45,936	68,805	29,799	175,824	52,470
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,620	-	1,464	-	-	-	-	-	-
\$ 167,372	\$ 155,034	\$ 620,808	\$ 54,252	\$ 45,936	\$ 68,805	\$ 29,799	\$ 175,824	\$ 99,521
\$ -	\$ 97,889	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 30,786
-	-	-	-	-	-	-	-	-
-	459,682	340,751	300,637	46,761	424,178	241,571	240,301	-
76,230	155,034	619,344	54,252	45,936	68,805	29,799	175,824	52,470
76,230	712,605	960,095	354,889	93,697	492,983	271,370	416,125	83,256
-	-	2,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
91,142	(557,571)	(341,287)	(300,637)	(47,761)	(424,178)	(241,571)	(240,301)	16,265
91,142	(557,571)	(339,287)	(300,637)	(47,761)	(424,178)	(241,571)	(240,301)	16,265
\$ 167,372	\$ 155,034	\$ 620,808	\$ 54,252	\$ 45,936	\$ 68,805	\$ 29,799	\$ 175,824	\$ 99,521

CITY OF ROCKFORD, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2008

	Special Revenue Funds					
	Tax Increment Financing Areas					
	Jackson School	Preston/ Central	North Main & Auburn	East State & Alpine	West State & Central	West State & Kilburn
ASSETS						
Cash and cash equivalents	\$ 56,263	\$ -	\$ -	\$ 271,937	\$ 135,493	\$ -
Property taxes receivable, net	114,147	20,691	17,820	288,981	253,044	19,305
Accounts receivable, net	-	-	-	-	-	-
Due from the State of Illinois	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Due from other funds	912	-	-	3,751	1,827	-
Total assets	<u>\$ 171,322</u>	<u>\$ 20,691</u>	<u>\$ 17,820</u>	<u>\$ 564,669</u>	<u>\$ 390,364</u>	<u>\$ 19,305</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts and contracts payable	\$ -	\$ 371,562	\$ -	\$ 360	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Due to other funds	-	895,637	4,218	-	-	41,883
Deferred revenue	114,147	20,691	17,820	288,981	253,044	19,305
Total liabilities	<u>114,147</u>	<u>1,287,890</u>	<u>22,038</u>	<u>289,341</u>	<u>253,044</u>	<u>61,188</u>
Fund balances (deficits):						
Reserved for:						
Encumbrances	-	251	-	2,400	-	-
Endowments	-	-	-	-	-	-
Undesignated	57,175	(1,267,450)	(4,218)	272,928	137,320	(41,883)
Total fund balances (deficits)	<u>57,175</u>	<u>(1,267,199)</u>	<u>(4,218)</u>	<u>275,328</u>	<u>137,320</u>	<u>(41,883)</u>
Total liabilities and fund balances (deficits)	<u>\$ 171,322</u>	<u>\$ 20,691</u>	<u>\$ 17,820</u>	<u>\$ 564,669</u>	<u>\$ 390,364</u>	<u>\$ 19,305</u>

Special Revenue Funds

Tax Increment Financing Areas

West Side II	Rockford Global Trade Park II	River North	Main & Whitman	Assisted Living	Midtown	Kishwaukee Harrison	Rockford Global Trade Park III	Total
\$ -	\$ 7,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12,513,977
8,712	200,079	48,708	5,940	40	53,163	99	87,219	6,852,882
-	-	-	-	-	-	-	-	1,052,856
-	-	-	-	-	-	-	-	671,812
-	-	-	-	-	-	-	-	156,545
-	-	-	-	-	-	-	-	110,900
\$ 8,712	\$ 207,691	\$ 48,708	\$ 5,940	\$ 40	\$ 53,163	\$ 99	\$ 87,219	\$ 21,358,972
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,461,361
-	-	-	-	-	-	-	-	27,388
23,482	438	-	-	-	-	-	-	9,986,767
8,712	200,079	48,708	5,940	40	53,163	99	87,219	7,160,266
32,194	200,517	48,708	5,940	40	53,163	99	87,219	18,635,782
-	-	-	-	-	-	-	-	13,059
-	-	-	-	-	-	-	-	15,000
(23,482)	7,174	-	-	-	-	-	-	2,695,131
(23,482)	7,174	-	-	-	-	-	-	2,723,190
\$ 8,712	\$ 207,691	\$ 48,708	\$ 5,940	\$ 40	\$ 53,163	\$ 99	\$ 87,219	\$ 21,358,972

(Concluded)

CITY OF ROCKFORD, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

Special Revenue Funds

	Rockford Tuberculosis Care Center	Garbage and Refuse	Motor Fuel Tax	Redevelopment
REVENUES				
Taxes	\$ 141,759	\$ 2,045,537	\$ -	\$ 3,530,918
Licenses and permits	-	-	-	-
Intergovernmental	-	-	4,017,507	-
Charges for services	-	6,796,053	-	-
Interest	3,121	98,622	134,970	-
Miscellaneous	-	2,400	-	-
Total revenues	144,880	8,942,612	4,152,477	3,530,918
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	-	-	-	1,699,210
Sanitation and sewers	-	7,192,688	-	-
Public health and welfare	155,576	-	-	-
Total current expenditures	155,576	7,192,688	-	1,699,210
Debt service - interest and fiscal charges	-	-	-	182,884
Total expenditures	155,576	7,192,688	-	1,882,094
Excess of revenues over (under) expenditures	(10,696)	1,749,924	4,152,477	1,648,824
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation bonds	-	-	-	-
Discount on issue of general obligation bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(1,670,160)	(2,436,821)	(2,200,171)
Total other financing sources (uses)	-	(1,670,160)	(2,436,821)	(2,200,171)
Net change in fund balances	(10,696)	79,764	1,715,656	(551,347)
Fund balances (deficits) - beginning	55,993	2,521,833	4,627,320	(4,589,031)
Fund balances (deficits) - ending	\$ 45,297	\$ 2,601,597	\$ 6,342,976	\$ (5,140,378)

Special Revenue Funds

Tourism	Special Projects	Underground Storage Tanks	RKFD Metro Agency for Planning	Veteran's Scholarship	Justice Assistance Grant	Flex Care
\$ 1,787,553	\$ -	\$ -		\$ -	\$ -	\$ -
-	136,667	-	183,532	-	239,163	-
-	-	-	-	-	-	-
2,991	-	2,242	955	1,877	-	9,277
-	-	-	-	-	-	1,587,752
1,790,544	136,667	2,242	184,487	1,877	239,163	1,597,029
-	-	-	-	-	-	1,577,393
1,681,701	75,000	-	298,399	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	239,163	-
1,681,701	75,000	-	298,399	-	239,163	1,577,393
-	7,228	-	-	-	-	-
1,681,701	82,228	-	298,399	-	239,163	1,577,393
108,843	54,439	2,242	(113,912)	1,877	-	19,636
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	180,000	-	-	-
(92,400)	-	(89,409)	180,000	-	-	-
(92,400)	-	(89,409)	180,000	-	-	-
16,443	54,439	(87,167)	66,088	1,877	-	19,636
76,877	(207,000)	87,167	-	46,975	-	142,745
\$ 93,320	\$ (152,561)	\$ -	\$ 66,088	\$ 48,852	\$ -	\$ 162,381

CITY OF ROCKFORD, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

	Special Revenue Funds			
	Tax Increment Financing Areas			
	East Side	West Side	Seventh Street	Southeast
REVENUES				
Taxes	\$ 493,512	\$ 408,454	1,099,125	135,068
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	28,591	-	83,916	15,220
Miscellaneous	-	-	-	-
Total revenues	<u>522,103</u>	<u>408,454</u>	<u>1,183,041</u>	<u>150,288</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	245,055	194,838	196,164	-
Sanitation and sewers	-	-	-	-
Public health and welfare	-	-	-	-
Total current expenditures	<u>245,055</u>	<u>194,838</u>	<u>196,164</u>	<u>-</u>
Debt service - interest and service fees	-	30,418	-	-
Total expenditures	<u>245,055</u>	<u>225,256</u>	<u>196,164</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>277,048</u>	<u>183,198</u>	<u>986,877</u>	<u>150,288</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(274,552)	(274,552)	(873,445)	-
Total other financing sources (uses)	<u>(274,552)</u>	<u>(274,552)</u>	<u>(873,445)</u>	<u>-</u>
Net change in fund balances	2,496	(91,354)	113,432	150,288
Fund balances (deficits) - beginning	592,068	(831,321)	1,226,539	312,545
Fund balances (deficits) - ending	<u>\$ 594,564</u>	<u>\$ (922,675)</u>	<u>\$ 1,339,971</u>	<u>\$ 462,833</u>

Special Revenue Funds

Tax Increment Financing Areas

South Rockford	Lincolnwood Estates	Springfield Corners	Rockford Global Trade Park	North Main	Lincolnwood II	River Oaks	Garrison
151,199	72,972	131,857	494,454	46,844	42,336	41,256	22,401
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,181	3,240	-	-	-	-	-	-
-	-	-	-	-	-	-	-
158,380	76,212	131,857	494,454	46,844	42,336	41,256	22,401
-	-	-	-	-	-	-	-
10,967	-	-	1,156,322	-	2,800	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,967	-	-	1,156,322	-	2,800	-	-
-	-	8,002	8,397	9,924	1,238	9,150	7,000
10,967	-	8,002	1,164,719	9,924	4,038	9,150	7,000
-	-	-	-	-	-	-	-
147,413	76,212	123,855	(670,265)	36,920	38,298	32,106	15,401
-	-	-	1,100,000	-	-	-	-
-	-	-	(3,124)	-	-	-	-
-	-	-	-	-	-	-	-
(189,250)	(21,687)	(190,630)	(591,975)	(68,963)	(23,631)	(101,587)	(64,463)
(189,250)	(21,687)	(190,630)	504,901	(68,963)	(23,631)	(101,587)	(64,463)
(41,837)	54,525	(66,775)	(165,364)	(32,043)	14,667	(69,481)	(49,062)
126,446	36,617	(490,796)	(173,923)	(268,594)	(62,428)	(354,697)	(192,509)
\$ 84,609	\$ 91,142	\$ (557,571)	\$ (339,287)	\$ (300,637)	\$ (47,761)	\$ (424,178)	\$ (241,571)

CITY OF ROCKFORD, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004

	Hope Six	Kishwaukee Harrison	Jackson School	Preston/ Central
REVENUES				
Taxes	119,764	48,001	85,248	11,781
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	2,526	978	-
Miscellaneous	-	-	-	-
Total revenues	119,764	50,527	86,226	11,781
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development	30,240	30,786	200,000	1,881,169
Sanitation and sewers	-	-	-	-
Public health and welfare	-	-	-	-
Total current expenditures	30,240	30,786	200,000	1,881,169
Debt service - interest and fiscal charges	2,919	-	1,316	7,011
Total expenditures	33,159	30,786	201,316	1,888,180
Excess of revenues over (under) expenditures	86,605	19,741	(115,090)	(1,876,399)
OTHER FINANCING SOURCES (USES)				
	-	-	200,000	-
	-	-	(568)	-
Transfers in	-	-	-	89,409
Transfers out	(111,750)	-	(11,356)	(75,425)
Total other financing sources (uses)	(111,750)	-	188,076	13,984
Net change in fund balances	(25,145)	19,741	72,986	(1,862,415)
Fund balances - beginning	(215,156)	(3,476)	(15,811)	595,216
Fund balances - ending	\$ (240,301)	\$ 16,265	\$ 57,175	\$ (1,267,199)

North Main & Auburn	East State & Alpine	West State & Central	West State & Kilburn	West Side II	Rockford Global Trade Park II	Total
8,736	211,754	194,742	7,900	6,692	7,986	\$ 11,347,849
-	-	-	-	-	-	136,667
-	1,500	-	-	-	-	4,441,702
-	-	-	-	-	-	6,796,053
-	8,152	3,120	-	-	-	406,979
-	-	-	-	-	-	1,590,152
8,736	221,406	197,862	7,900	6,692	7,986	24,719,402
-	-	-	-	-	-	1,577,393
-	93,224	71,052	-	-	-	7,866,927
-	-	-	-	-	-	7,192,688
-	-	-	-	-	-	394,739
-	93,224	71,052	-	-	-	17,031,747
339	-	103	1,765	1,016	812	279,522
339	93,224	71,155	1,765	1,016	812	17,311,269
8,397	128,182	126,707	6,135	5,676	7,174	7,408,133
-	-	-	-	-	-	1,300,000
-	-	-	-	-	-	(3,692)
-	-	-	-	-	-	269,409
-	-	-	-	-	-	(9,362,227)
-	-	-	-	-	-	(7,796,510)
8,397	128,182	126,707	6,135	5,676	7,174	(388,377)
(12,615)	147,146	10,613	(48,018)	(29,158)	-	3,111,567
\$ (4,218)	\$ 275,328	\$ 137,320	\$ (41,883)	\$ (23,482)	\$ 7,174	\$ 2,723,190

(Concluded)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Rockford Tuberculosis Care Center Fund			Garbage and Refuse Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	Original Budget	Final Budget	
REVENUES							
Taxes - Property	\$ 158,600	\$ 158,600	\$ 141,759	\$ (16,841)	\$ 2,109,613	\$ 2,045,537	\$ (64,076)
Charges for services	-	-	-	-	6,856,360	6,796,053	(60,307)
Interest	1,600	1,600	3,121	1,521	56,800	98,622	41,822
Miscellaneous	-	-	-	-	-	2,400	2,400
Total revenues	160,200	160,200	144,880	(15,320)	9,022,773	8,942,612	(80,161)
EXPENDITURES							
Current:							
Sanitation and sewers	-	-	-	-	7,459,442	7,192,688	266,754
Public health and welfare	160,200	160,200	155,576	4,624	-	-	-
Total current expenditures	160,200	160,200	155,576	4,624	7,459,442	7,192,688	266,754
Excess of revenues over (under) expenditures	-	-	(10,696)	(10,696)	1,563,331	1,749,924	186,593
OTHER FINANCING (USES)							
Transfers out	-	-	-	-	(1,670,160)	(1,670,160)	-
Net change in fund balance	\$ -	\$ -	(10,696)	(10,696)	\$ (106,829)	\$ (106,829)	\$ 186,593
Fund balance - beginning			55,993				2,521,833
Fund balance - ending			<u>\$ 45,297</u>				<u>\$ 2,601,597</u>

(Continued)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Motor Fuel Tax Fund			Redevelopment Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Sales tax	\$ -	\$ -	\$ -	\$ 3,643,100	\$ 3,643,100	\$ 3,530,918	\$ (112,182)
Intergovernmental	4,250,000	4,250,000	4,017,507	-	-	-	(232,493)
Interest	114,000	114,000	134,970	-	-	-	20,970
Total revenues	4,364,000	4,364,000	4,152,477	3,643,100	3,643,100	3,530,918	(112,182)
EXPENDITURES							
Current:							
Community development	-	-	-	1,253,400	1,388,400	1,699,210	(310,810)
Debt service - interest and fiscal charges	-	-	-	148,700	148,700	182,884	(34,184)
Total current expenditures	-	-	-	1,402,100	1,537,100	1,882,094	(344,994)
Excess of revenues over (under) expenditures	4,364,000	4,364,000	4,152,477	2,241,000	2,106,000	1,648,824	(457,176)
OTHER FINANCING (USES)							
Transfers out	(4,500,000)	(5,200,000)	(2,436,821)	(2,200,171)	(2,200,171)	(2,200,171)	-
Net change in fund balance	\$ (136,000)	\$ (836,000)	1,715,656	\$ 40,829	\$ (94,171)	(551,347)	\$ (457,176)
Fund balance - beginning			4,627,320			(4,589,031)	
Fund balance - ending			<u>\$6,342,976</u>			<u>\$ (5,140,378)</u>	

(Continued)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tourism Fund			Special Projects Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Sales tax	\$ 1,853,500	\$ 1,853,500	\$ 1,787,553	\$ (65,947)	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	180,000	136,667	(43,333)
Interest	-	-	2,991	2,991	-	-	-
Total revenues	1,853,500	1,853,500	1,790,544	(62,956)	180,000	136,667	(43,333)
EXPENDITURES							
Current:							
Community development	1,761,100	1,761,100	1,681,701	79,399	75,000	75,000	-
Debt service - interest and fiscal charges	-	-	-	-	-	7,228	(7,228)
Total current expenditures	1,761,100	1,761,100	1,681,701	79,399	75,000	82,228	(7,228)
Excess of revenues over (under) expenditures	92,400	92,400	108,843	16,443	105,000	54,439	(50,561)
OTHER FINANCING (USES)							
Transfers out	(92,400)	(92,400)	(92,400)	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 16,443	\$ 16,443	\$ 105,000	\$ 54,439	\$ (50,561)
Fund balance (deficit) - beginning			76,877			(207,000)	
Fund balance (deficit) - ending			\$ 93,320			\$ (152,561)	

(Continued)

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Underground Storage Tanks Fund			RKFD Metro Agency for Planning Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 254,000	\$ 183,532	\$ (70,468)
Interest	-	-	2,242	-	-	955	(955)
Total revenues	-	-	2,242	-	254,000	184,487	(71,423)
EXPENDITURES							
Current:							
Community development	-	-	-	-	328,479	298,399	30,080
Public health and welfare	-	-	-	-	-	-	-
Total current expenditures	-	-	-	-	328,479	298,399	30,080
Excess of revenues over (under) expenditures	-	-	2,242	-	(74,479)	(113,912)	(41,343)
OTHER FINANCING SOURCES							
Transfers in	-	(80,000)	-	-	180,000	180,000	-
Transfers out	-	-	(89,409)	-	-	-	-
Net change in fund balance	\$ -	\$ (80,000)	\$ (87,167)	\$ 2,242	\$ -	\$ 66,088	\$ (41,343)
Fund balance - beginning			87,167				
Fund balance - ending						\$ 66,088	\$ (41,343)
			\$ -			\$ 66,088	

(Continued)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tax Increment Financing Area East Side Fund			Tax Increment Financing Area West Side Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 450,200	\$ 450,200	\$ 493,512	\$ 421,200	\$ 421,200	\$ 408,454	\$ (12,746)
Interest	14,500	14,500	28,591	-	-	-	-
Total revenues	464,700	464,700	522,103	421,200	421,200	408,454	(12,746)
EXPENDITURES							
Current:							
Community development	409,274	409,274	245,055	278,695	278,695	194,838	83,857
Debt service - interest and fiscal charges	-	-	-	11,900	11,900	30,418	(18,518)
Total expenditures	409,274	409,274	245,055	290,595	290,595	225,256	65,339
Excess of revenues over (under) expenditures	55,426	55,426	277,048	130,605	130,605	183,198	52,593
OTHER FINANCING (USES)							
Transfers out	(274,553)	(274,553)	(274,552)	(1)	(274,553)	(274,552)	1
Net change in fund balance	\$ (219,127)	\$ (219,127)	2,496	\$ 221,621	\$ (143,948)	\$ (91,354)	\$ 52,594
Fund balance (deficit) - beginning			592,068			(831,321)	
Fund balance (deficit) - ending			\$ 594,564			\$ (922,675)	

(Continued)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tax Increment Financing Area Seventh Street Fund			Tax Increment Financing Area Southeast Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 1,128,200	\$ 1,128,200	\$ 1,099,125	\$ 126,000	\$ 126,000	\$ 135,068	\$ 9,068
Interest	46,000	46,000	83,916	-	-	15,220	15,220
Total revenues	1,174,200	1,174,200	1,183,041	126,000	126,000	150,288	24,288
EXPENDITURES							
Current:							
Community development	421,543	421,543	196,164	126,000	126,000	-	126,000
Debt service - interest and fiscal charges	14,500	14,500	-	-	-	-	-
Total expenditures	436,043	436,043	196,164	-	-	-	-
Excess of revenues over (under) expenditures	738,157	738,157	986,877	126,000	126,000	150,288	24,288
OTHER FINANCING (USES)							
Transfers out	(873,445)	(873,445)	(873,445)	-	-	-	-
Net change in fund balance	\$ (135,288)	\$ (135,288)	113,432	\$ 248,720	\$ 126,000	150,288	\$ 24,288
Fund balance - beginning			1,226,539			312,545	
Fund balance (deficit) - ending			<u>\$ 1,339,971</u>			<u>\$ 462,833</u>	

(Continued)

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Tax Increment Financing Area South Rockford Fund			Tax Increment Financing Area Lincolnwood Estates Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 141,400	\$ 141,400	\$ 151,199	\$ 70,700	\$ 70,700	\$ 72,972	\$ 2,272
Interest	-	-	7,181	-	-	3,240	3,240
Total revenues	141,400	141,400	158,380	70,700	70,700	76,212	5,512
EXPENDITURES							
Current:							
Community development	30,000	30,000	10,967	-	-	-	-
Excess of revenues over (under) expenditures	111,400	111,400	147,413	70,700	70,700	76,212	5,512
OTHER FINANCING (USES)							
Transfers out	(189,250)	(189,250)	(189,250)	(21,688)	(21,688)	(21,687)	1
Net change in fund balance	\$ (77,850)	\$ (77,850)	(41,837)	\$ 49,012	\$ 49,012	\$ 54,525	\$ 5,513
Fund balance (deficit) - beginning			126,446			36,617	
Fund balance (deficit) - ending			<u>\$ 84,609</u>			<u>\$ 91,142</u>	

(Continued)

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2008

	Tax Increment Financing Area Springfield Corners Fund			Tax Increment Financing Area Rockford Global Trade Park Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 130,000	\$ 130,000	\$ 131,857	\$ 500,000	\$ 500,000	\$ 494,454	\$ (5,546)
Interest							
Total revenues	130,000	130,000	131,857	500,000	500,000	494,454	(5,546)
EXPENDITURES							
Current:							
Community development	-	-	-	150,600	1,250,600	1,156,322	94,278
Debt service - interest and fiscal charges	20,270	20,270	8,002	3,070	3,070	8,397	(5,327)
Total expenditures	20,270	20,270	8,002	153,670	1,253,670	1,164,719	88,951
Excess of revenues over (under) expenditures	109,730	109,730	123,855	346,330	(753,670)	(670,265)	83,405
OTHER FINANCING (USES)							
Issuance of general obligation bonds	-	-	-	-	1,100,000	1,100,000	-
Discount on issue of general obligation bonds	-	-	-	-	(3,124)	(3,124)	-
Transfers in							
Transfers out	(190,632)	(190,632)	(190,630)	(2)	(593,868)	(591,975)	1,893
Total other financing sources (uses)	(190,632)	(190,632)	(190,630)	(2)	(593,868)	504,901	1,893
Net change in fund balance	\$ (80,902)	\$ (80,902)	\$ (66,775)	\$ 14,123	\$ (247,538)	\$ (165,364)	\$ 85,298
Fund balance (deficit) - beginning			(490,796)			(173,923)	
Fund balance (deficit) - ending			\$ (557,571)			\$ (339,287)	

(Continued)

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Tax Increment Financing Area North Main Fund			Tax Increment Financing Area Lincolnwood II Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 31,500	\$ 31,500	\$ 46,844	\$ 40,000	\$ 40,000	\$ 42,336	\$ 2,336
Interest	-	-	-	-	-	-	-
Total revenues	31,500	31,500	46,844	40,000	40,000	42,336	2,336
EXPENDITURES							
Current:							
Community development	-	-	-	-	-	2,800	(2,800)
Debt service - interest and fiscal charges	10,000	10,000	9,924	1,439	1,439	1,238	201
Total expenditures	10,000	10,000	9,924	1,439	1,439	4,038	(2,599)
Excess of revenues over (under) expenditures	21,500	21,500	36,920	38,561	38,561	38,298	(263)
OTHER FINANCING (USES)							
Transfers out	(68,963)	(68,963)	(68,963)	(23,631)	(23,631)	(23,631)	-
Net change in fund balance	\$ (68,963)	\$ (68,963)	\$ (32,043)	\$ (23,631)	\$ (23,631)	\$ 14,667	\$ -
Fund balance (deficit) - beginning			(268,594)			(62,428)	
Fund balance (deficit) - ending			\$ (300,637)			\$ (47,761)	

(Continued)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tax Increment Financing Area River Oaks Fund			Tax Increment Financing Area Garrison Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 16,700	\$ 16,700	\$ 41,256	\$ 23,300	\$ 23,300	\$ 22,401	\$ (899)
Interest	-	-	-	-	-	-	-
Total revenues	16,700	16,700	41,256	23,300	23,300	22,401	(899)
EXPENDITURES							
Current:							
Community development	-	-	-	-	-	-	-
Debt service - interest and fiscal charges	13,230	13,230	9,150	5,210	5,210	7,000	(1,790)
Total expenditures	13,230	13,230	9,150	5,210	5,210	7,000	(1,790)
Excess of revenues over (under) expenditures	3,470	3,470	32,106	18,090	18,090	15,401	(2,689)
OTHER FINANCING (USES)							
Transfers out	(101,588)	(101,588)	(101,587)	(64,463)	(64,463)	(64,463)	-
Net change in fund balance	\$ (98,118)	\$ (98,118)	\$ (69,481)	\$ (46,373)	\$ (46,373)	\$ (49,062)	\$ (2,689)
Fund balance- beginning			(354,697)			(192,509)	
Fund balance (deficit) - ending			<u>\$ (424,178)</u>			<u>\$ (241,571)</u>	

(Concluded)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tax Increment Financing Area Hope Six Fund			Tax Increment Financing Area Kishwaukee/Harrison Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 157,708	\$ 157,708	\$ 119,764	\$ 33,005	\$ 33,005	\$ 48,001	\$ 14,996
Interest	-	-	-	-	2,526	2,526	-
Total revenues	157,708	157,708	119,764	33,005	35,531	50,527	14,996
EXPENDITURES							
Current:							
Community development	-	-	30,240	-	-	-	-
Debt service - interest and fiscal charges	10,300	10,300	2,919	31,754	31,754	30,786	968
Total expenditures	10,300	10,300	33,159	31,754	31,754	30,786	968
Excess of revenues over (under) expenditures	147,408	147,408	86,605	1,251	3,777	19,741	15,964
OTHER FINANCING (USES)							
Transfers out	(111,750)	(111,750)	(111,750)	-	-	-	-
Net change in fund balance	\$ 35,658	\$ 35,658	\$ (25,145)	\$ (60,803)	\$ 1,251	\$ 3,777	\$ 19,741
Fund balance- beginning			(215,156)			(3,476)	15,964
Fund balance (deficit) - ending			\$ (240,301)			\$ 16,265	

(Concluded)

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Tax Increment Financing Area Jackson School Fund			Tax Increment Financing Area Preston/Central Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 45,500	\$ 45,500	\$ 85,248	\$ 12,200	\$ 12,200	\$ 11,781	\$ (419)
Interest	-	-	978	45	-	-	-
Total revenues	45,500	45,500	86,226	12,245	12,200	11,781	(419)
EXPENDITURES							
Current:							
Community development	53,463	253,463	200,000	803,700	1,997,700	1,881,169	116,531
Debt service - interest and fiscal charges	670	670	1,316	3,000	3,000	7,011	(4,011)
Total expenditures	54,133	254,133	201,316	806,700	2,000,700	1,888,180	112,520
Excess of revenues over (under) expenditures	(8,633)	(208,633)	(115,090)	(794,455)	(1,988,500)	(1,876,399)	112,101
OTHER FINANCING (USES)							
Issuance of general obligation bonds	-	200,000	200,000	-	-	-	-
Discount on issue of general obligation bonds	-	(568)	(568)	-	-	-	-
Transfers in	-	-	-	-	80,000	89,409	9,409
Transfers out	(9,819)	(9,819)	(11,356)	(75,425)	(75,425)	(75,425)	-
Total other financing sources (uses)	(9,819)	189,613	188,076	(75,425)	4,575	13,984	9,409
Net change in fund balance	\$ (18,452)	\$ (19,020)	\$ 72,986	\$ (869,880)	\$ (1,983,925)	\$ (1,862,415)	\$ 121,510
Fund balance- beginning			(15,811)			595,216	
Fund balance (deficit) - ending			\$ 57,175			\$ (1,267,199)	

(Concluded)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tax Increment Financing Area North Main & Auburn Fund			Tax Increment Financing Area East State & Alpine Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 10,800	\$ 10,800	\$ 8,736	\$ 211,900	\$ 211,900	\$ 211,754	\$ (146)
Intergovernmental						1,500	(1,500)
Interest						8,152	8,152
Total revenues	10,800	10,800	8,736	211,900	211,900	221,406	8,006
EXPENDITURES							
Current:							
Community development				35,000	35,000	93,224	(58,224)
Debt service - interest and fiscal charges	560	560	339				
Total expenditures	560	560	339	35,000	35,000	93,224	(58,224)
Excess of revenues over (under) expenditures	10,240	10,240	8,397	176,900	176,900	128,182	(48,718)
Net change in fund balance	\$ 10,240	\$ 10,240	\$ 8,397	\$ (1,843)	\$ 176,900	\$ 128,182	\$ (48,718)
Fund balance- beginning			(12,615)			147,146	
Fund balance (deficit) - ending			\$ (4,218)			\$ 275,328	

(Concluded)

**CITY OF ROCKFORD, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2008

	Tax Increment Financing Area West State & Central Fund			Tax Increment Financing Area West State & Kilburn Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 112,500	\$ 112,500	\$ 194,742	\$ 8,400	\$ 8,400	\$ 7,900	\$ (500)
Interest			3,120				
Total revenues	112,500	112,500	197,862	8,400	8,400	7,900	(500)
EXPENDITURES							
Current:							
Community development	10,000	10,000	71,052	-	-	-	-
Debt service - interest and fiscal charges	570	570	103	-	-	1,765	(1,765)
Total expenditures	10,570	10,570	71,155	(60,585)		1,765	(1,765)
Excess of revenues over (under) expenditures	101,930	101,930	126,707	8,400	8,400	6,135	(2,265)
Net change in fund balance	\$ 101,930	\$ 101,930	\$ 126,707	\$ 8,400	\$ 8,400	\$ 6,135	\$ (2,265)
Fund balance- beginning			10,613			(48,018)	
Fund balance (deficit) - ending			\$ 137,320			\$ (41,883)	

(Concluded)

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2008

	Tax Increment Financing Area West Side II Fund			Tax Increment Financing Area Rockford Global Trade Park II Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
REVENUES							
Taxes - Property	\$ 3,100	\$ 3,100	\$ 6,692	\$ -	\$ -	\$ -	\$ 7,986
Interest	-	-	-	-	-	-	-
Total revenues	3,100	3,100	6,692	3,592	3,592	3,592	7,986
EXPENDITURES							
Current:							
Community development	-	-	-	-	-	-	-
Debt service - interest and fiscal charges	2,560	2,560	1,016	1,544	-	812	(812)
Total expenditures	2,560	2,560	1,016	1,544	-	812	(812)
Excess of revenues over (under) expenditures	540	540	5,676	5,136	-	7,174	7,174
Net change in fund balance	\$ 540	\$ 540	\$ 5,676	\$ 5,136	\$ -	\$ 7,174	\$ 7,174
Fund balance- beginning	-	-	(29,158)	-	-	-	-
Fund balance (deficit) - ending	-	-	\$ (23,482)	-	-	\$ 7,174	-

(Concluded)

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

CENTRAL GARAGE	To account for the costs of operating a maintenance facility for automotive equipment used by other City departments and other government agencies. Billings to other departments and agencies are based on actual costs, including depreciation on the garage building and improvements, machinery, and equipment used to provide the service. The automotive equipment itself is acquired by the user departments which are also responsible for financing replacement
BUILDING MAINTENANCE	To account for the costs of operating maintenance facilities, including depreciation, which provide maintenance services and repairs of City buildings and properties. Financing is provided by service charges to user funds.
CENTRAL STORES	To account for the costs of operating centralized inventory system for the Central Garage, Building Maintenance, and Water Utility Funds. Financing is provided by service charges to user
ILLINOIS MUNICIPAL RETIREMENT	To account for pension and social security costs of Governmental and Proprietary Funds. Financing is provided by service charges to user funds.
UNEMPLOYMENT	To account for unemployment costs relating to Governmental and Proprietary Funds. Financing is provided by service charges to user funds.
WORKMEN'S COMPENSATION	To account for workmen's compensation claims of Governmental and Proprietary Funds. Financing is provided by service charges to user funds.
AUDITING	To account for costs related to the audit of the City. Financing is provided by service charges to user funds.
HEALTH INSURANCE	To account for health insurance claims relating to City employees and retirees. Financing is provided by service charges to user funds.
911 COMMUNICATIONS	To account for the operating costs relating to the 911 communications center serving the City of Rockford and Winnebago County with emergency services. Financing is provided by the Police Department, Fire Department, and Winnebago County.
RISK MANAGEMENT	To account for all insurance, claims, and accidental property loss expenses of Governmental and Proprietary Funds. Financing is provided by service charges to user funds.
INFORMATION SYSTEMS	To account for the costs relating to the City's data processing functions, pertaining to mainframe and microcomputer network services. Financing is provided by service charges to user funds.

CITY OF ROCKFORD, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS (DEFICIT)
December 31, 2008

	Central Garage	Building Maintenance	Central Stores	Illinois Municipal Retirement	Unemployment
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 651,831	\$ 255,878	\$ 85,336	\$ 508,451	\$ 96,002
Accounts receivable	-	48,000	-	-	-
Due from other governmental units	16,463	-	-	-	-
Due from other funds	9,453	4,697	2,040	-	1,323
Inventories	272,441	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total current assets	950,188	308,575	87,376	508,451	97,325
Noncurrent assets:					
Capital assets:					
Land improvements	20,000	-	-	-	-
Buildings and improvements	178,080	1,261,800	11,642	-	-
Equipment	556,964	136,300	37,591	-	-
Improvements other than buildings	85,345	108,889	-	-	-
Less accumulated depreciation	(700,934)	(503,059)	(47,865)	-	-
Total capital assets, net	139,455	1,003,930	1,368	-	-
Total assets	1,089,643	1,312,505	88,744	508,451	97,325
LIABILITIES					
Current liabilities:					
Accounts payable	192,158	201,802	339	458,032	35,170
Accrued payroll and benefits	41,010	36,010	8,877	-	-
Due to other funds	-	442,140	-	-	-
Compensated absences	13,685	4,511	2,401	-	-
Claims and judgments payable	-	-	-	-	-
Total current liabilities	246,853	684,463	11,617	458,032	35,170
Noncurrent:					
Compensated absences	84,923	21,187	34,472	-	-
Deferred revenue	60,515	520,126	-	-	-
Claims and judgments payable	-	-	-	-	-
Total noncurrent liabilities	145,438	541,313	34,472	-	-
Total liabilities	392,291	1,225,776	46,089	458,032	35,170
NET ASSETS (DEFICIT)					
Invested in capital assets	139,455	1,003,930	1,368	-	-
Unrestricted	557,897	(917,201)	41,287	50,419	62,155
Total net assets (deficit)	\$ 697,352	\$ 86,729	\$ 42,655	\$ 50,419	\$ 62,155

Workmen's Compensation	Health Insurance	911 Communications	Risk Management	Information Systems	Total Internal Service Funds
\$ 923,717	\$ 2,892,092	\$ 155,262	\$ 343,937	\$ -	\$ 5,912,506
-	43,718	-	-	-	91,718
12,403	32,831	183,871	4,179	-	200,334
-	-	-	-	-	66,926
92,864	-	-	-	-	272,441
-	-	-	-	212,614	305,478
1,028,984	2,968,641	339,133	348,116	212,614	6,849,403
-	-	-	-	-	20,000
-	-	-	-	-	1,451,522
-	-	150,738	-	4,508,361	5,389,954
-	-	-	-	-	194,234
-	-	(150,738)	-	(3,104,121)	(4,506,717)
-	-	-	-	1,404,240	2,548,993
1,028,984	2,968,641	339,133	348,116	1,616,854	9,398,396
172,569	158,812	267	60,760	115,605	1,395,514
-	-	222,371	-	30,271	338,539
-	-	-	-	300,943	743,083
-	-	102,867	-	12,364	135,828
1,472,994	1,907,453	-	561,581	-	3,942,028
1,645,563	2,066,265	325,505	622,341	459,183	6,554,992
-	-	22,473	-	85,402	248,457
-	164,900	-	-	-	745,541
1,818,781	-	-	531,250	-	2,350,031
1,818,781	164,900	22,473	531,250	85,402	3,344,029
3,464,344	2,231,165	347,978	1,153,591	544,585	9,899,021
-	-	-	-	1,404,240	2,548,993
(2,435,360)	737,476	(8,845)	(805,475)	(331,971)	(3,049,618)
\$ (2,435,360)	\$ 737,476	\$ (8,845)	\$ (805,475)	\$ 1,072,269	\$ (500,625)

CITY OF ROCKFORD, ILLINOIS
INTERNAL SERVICE FUNDS
COMBING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS (DEFICIT)
For the Year Ended December 31, 2008

	Central Garage	Building Maintenance	Central Stores	Illinois Municipal Retirement	Unemployment
OPERATING REVENUES					
Charges for services	\$ 4,683,270	\$ 3,136,706	\$ 289,600	\$ 5,947,502	\$ 67,955
Miscellaneous	1,435	-	-	-	-
Total operating revenues	4,684,705	3,136,706	289,600	5,947,502	67,955
OPERATING EXPENSES					
Salaries and benefits	942,717	990,501	219,743	-	-
Services	1,158,788	1,796,947	33,927	5,947,850	77,143
Supplies and materials	2,403,132	236,809	4,474	-	-
Depreciation	11,863	78,049	2,188	-	-
Charges from General Fund	118,300	104,100	14,400	-	-
Miscellaneous	-	-	-	-	-
Total operating expenses	4,634,800	3,206,406	274,732	5,947,850	77,143
Operating income (loss)	49,905	(69,700)	14,868	(348)	(9,188)
NONOPERATING REVENUES (EXPENSES)					
Interest received	26,869	16,160	4,518	-	4,189
Interest expense	-	-	-	-	-
Total nonoperating revenues (expenses)	26,869	16,160	4,518	-	4,189
Income (loss) before transfers	76,774	(53,540)	19,386	(348)	(4,999)
TRANSFERS OUT					
	-	-	-	(125,000)	-
Change in net assets (deficit)	76,774	(53,540)	19,386	(125,348)	(4,999)
Total net assets (deficit) - beginning	620,578	140,269	23,269	175,767	67,154
Total net assets (deficit) - ending	\$ 697,352	\$ 86,729	\$ 42,655	\$ 50,419	\$ 62,155

Workmen's Compensation	Auditing	Health Insurance	911 Communications	Risk Management	Information Systems	Total Internal Service Funds
\$ 2,070,002	\$ 307,732	\$ 19,508,564	\$ 5,004,233	\$ 1,320,804	\$ 2,704,528	\$ 45,040,896
6,368	-	1,073,592	-	69,600	-	1,150,995
2,076,370	307,732	20,582,156	5,004,233	1,390,404	2,704,528	46,191,891
-	-	-	4,869,339	-	826,467	7,848,767
2,331,359	307,732	19,206,818	137,841	671,823	1,128,442	32,798,670
-	-	424	5,898	-	108,552	2,759,289
-	-	-	-	-	406,875	498,975
83,400	-	100,800	-	292,700	40,400	754,100
-	-	-	-	-	-	-
2,414,759	307,732	19,308,042	5,013,078	964,523	2,510,736	44,659,801
(338,389)	-	1,274,114	(8,845)	425,881	193,792	1,532,090
39,873	-	88,926	-	10,694	-	191,229
-	-	-	-	-	(4,073)	(4,073)
39,873	-	88,926	-	10,694	(4,073)	187,156
(298,516)	-	1,363,040	(8,845)	436,575	189,719	1,719,246
-	-	-	-	-	-	(125,000)
(298,516)	-	1,363,040	(8,845)	436,575	189,719	1,594,246
(2,136,844)	-	(625,564)	-	(1,242,050)	882,550	(2,094,871)
\$ (2,435,360)	\$ -	\$ 737,476	\$ (8,845)	\$ (805,475)	\$ 1,072,269	\$ (500,625)

CITY OF ROCKFORD, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2007

	Central Garage	Building Maintenance	Central Stores	Illinois Municipal Retirement	Unemployment
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 4,686,860	\$ 3,141,640	\$ 289,600	\$ 5,947,502	\$ 67,955
Payments to suppliers	(3,739,586)	(2,069,283)	(38,885)	(5,836,653)	(65,187)
Payments to employees	(903,310)	(984,755)	(221,785)	-	-
Payments for internal services used	(118,300)	(104,100)	(14,400)	-	-
Receipts from other funds	-	-	-	-	-
Payments to other funds	-	(24,563)	-	-	-
Net cash provided by (used for) operating activities	(74,336)	(41,061)	14,530	110,849	2,768
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	-	-	-	(125,000)	-
Net cash used for noncapital financing activities	-	-	-	(125,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(33,950)	(221,265)	-	-	-
Net cash (used for) capital and related financing activities	(33,950)	(221,265)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	20,438	14,350	3,000	4,406	3,656
Net increase (decrease) in cash and cash equivalents	(87,848)	(247,976)	17,530	(9,745)	6,424
Cash and cash equivalents, beginning	739,679	503,854	67,806	518,196	89,578
Cash and cash equivalents, ending	\$ 651,831	\$ 255,878	\$ 85,336	\$ 508,451	\$ 96,002
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 49,905	\$ (69,700)	\$ 14,868	\$ (348)	\$ (9,188)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	11,863	78,049	2,188	-	-
Increase (decrease) from changes in:					
Accounts receivable	-	(24,000)	-	-	-
Due from other governmental units	2,155	-	-	-	-
Inventories	8,072	-	-	-	-
Prepaid items	-	-	-	-	-
Accounts payable	(185,738)	(35,527)	(484)	111,197	11,956
Accrued payroll and benefits	6,604	959	(2,804)	-	-
Compensated absences	32,803	4,787	762	-	-
Due to other funds	-	(24,563)	-	-	-
Deferred revenue	-	28,934	-	-	-
Other liabilities	-	-	-	-	-
Total adjustments	(124,241)	28,639	(338)	111,197	11,956
Net cash provided by (used for) operating activities	\$ (74,336)	\$ (41,061)	\$ 14,530	\$ 110,849	\$ 2,768

Workmen's Compensation	Auditing	Health Insurance	911 Communications	Risk Management	Information Systems	Total Internal Service Funds
\$ 2,076,370	\$ -	\$ 20,569,083	\$ 5,013,273	\$ 1,390,404	\$ 2,704,528	\$ 45,887,215
(2,418,278)	(133,990)	(19,218,808)	(149,484)	(1,022,244)	(1,475,764)	(36,168,162)
-	-	-	(4,915,095)	-	(823,846)	(7,848,791)
(83,400)	-	(100,800)	-	(292,700)	(40,400)	(754,100)
-	307,732	-	-	-	300,943	608,675
-	(173,742)	-	-	-	-	(198,305)
(425,308)	-	1,249,475	(51,306)	75,460	665,461	1,526,532
-	-	-	-	-	-	(125,000)
-	-	-	-	-	-	(125,000)
-	-	-	-	-	(972,862)	(1,228,077)
-	-	-	-	-	(972,862)	(1,228,077)
39,832	-	68,499	-	7,689	(3,154)	158,716
(385,476)	-	1,317,974	(51,306)	83,149	(310,555)	332,171
1,309,193	-	1,574,118	206,568	260,788	310,555	5,580,335
\$ 923,717	\$ -	\$ 2,892,092	\$ 155,262	\$ 343,937	\$ -	\$ 5,912,506
\$ (338,389)	\$ -	\$ 1,274,114	\$ (8,845)	\$ 425,881	\$ 193,792	\$ 1,532,090
-	-	-	-	-	406,875	498,975
-	-	1,200	-	-	-	(22,800)
-	-	-	9,040	-	-	11,195
(92,864)	-	-	-	-	-	8,072
(129,117)	-	(80,439)	(5,745)	(67,972)	139,571	46,707
-	-	-	(45,756)	-	(378,341)	(760,210)
-	-	-	-	-	2,621	(38,376)
-	-	-	-	-	-	38,352
-	-	(14,274)	-	-	300,943	276,380
135,062	-	68,874	-	(282,449)	-	14,660
(86,919)	-	(24,639)	(42,461)	(350,421)	471,669	(78,513)
\$ (425,308)	\$ -	\$ 1,249,475	\$ (51,306)	\$ 75,460	\$ 665,461	\$ 1,526,532



FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police Pension
Firefighter's Pension

To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Administration costs are accounted for in each fund. Resources are contributed by employees at rates fixed by the State of Illinois and by the City at amounts determined by an annual actuarial evaluation.



CITY OF ROCKFORD, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2008

	Pension Trust Funds		
	Police Pension	Firefighter's Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,060,627	\$ 2,221,594	\$ 3,282,221
Investments			
U.S. Treasury Strips	-	2,420,902	2,420,902
U.S. Treasury Notes	-	13,733,755	13,733,755
U.S. Treasury Bonds	-	15,410,054	15,410,054
Government National Mortgage Association	-	13,959,492	13,959,492
Government Backed Corporate Bonds	-	1,480,935	1,480,935
Federal Home Loan Bank Bonds	-	5,032,423	5,032,423
Federal Home Loan Mortgage Corporation	-	10,241,369	10,241,369
Federal National Mortgage Association	-	20,935,342	20,935,342
Federal Farm Credit Bonds	-	2,497,366	2,497,366
State and Local Government Securities	-	256,503	256,503
Small Cap Equity Common Stocks	11,692,775	4,242,528	15,935,303
Mid Cap Equity Common Stocks	4,628,152	-	4,628,152
Large Cap Equity Common Stocks	-	14,499,709	14,499,709
NTGI Collective Trust	67,203,731	-	67,203,731
ABN AMRO Stable Value Funds	17,076,865	-	17,076,865
Domestic Mutual Funds	23,323,507	7,889,173	31,212,680
International Mutual Funds	10,027,225	8,542,315	18,569,540
Accrued interest receivable	71,600	613,826	685,426
Contributions receivable	2,488,547	3,742,621	6,231,168
Total assets	137,573,029	127,719,907	265,292,936
LIABILITIES			
Accrued liabilities	62,940	62,749	125,689
NET ASSETS			
Held in trust for pension benefits	<u>\$ 137,510,089</u>	<u>\$ 127,657,158</u>	<u>\$ 265,167,247</u>

CITY OF ROCKFORD, ILLINOIS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2008

	Pension Trust Funds		
	Police Pension	Firefighter's Pension	Total
ADDITIONS			
Contributions:			
Employer	\$ 3,490,341	\$ 4,929,765	\$ 8,420,106
Plan member	1,943,974	1,887,828	3,831,802
Total contributions	5,434,315	6,817,593	12,251,908
Investment income:			
Net appreciation (depreciation) in fair value of investments	(20,754,884)	(16,852,891)	(37,607,775)
Interest and dividend income	1,847,573	4,671,367	6,518,940
Less investment expense	(18,907,311)	(12,181,524)	(31,088,835)
	(295,805)	(377,142)	(672,947)
Net investment income	(19,203,116)	(12,558,666)	(31,761,782)
Total additions	(13,768,801)	(5,741,073)	(19,509,874)
DEDUCTIONS			
Pension benefits	10,228,437	11,027,696	21,256,133
Refunds of contributions	3,583	43,150	46,733
Administrative expense	179,855	126,566	306,421
Total deductions	10,411,875	11,197,412	21,609,287
Change in net assets	(24,180,676)	(16,938,485)	(41,119,161)
Total net assets - beginning	161,690,765	144,595,643	306,286,408
Total net assets - ending	\$ 137,510,089	\$ 127,657,158	\$ 265,167,247

CITY OF ROCKFORD, ILLINOIS
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE BY SOURCE

December 31, 2008

GOVERNMENTAL FUNDS CAPITAL ASSETS

Land and improvements	\$ 7,407,409
Buildings and improvements	54,197,579
Equipment	29,240,874
Infrastructure	816,785,745
Total governmental funds capital assets	<u>\$ 907,631,607</u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE

General Fund	\$ 72,446,303
Special Revenue Funds	188,511,682
Capital Projects Fund	410,193,869
Grants	236,479,753
Total investment in governmental funds capital assets	<u>\$ 907,631,607</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the Statement of Net Assets.

CITY OF ROCKFORD, ILLINOIS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2008

<u>FUNCTION AND ACTIVITY</u>	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$ 4,939,047	\$ 11,549,279	\$ 1,232,479	\$ -	\$ 17,720,805
Public safety	875,328	12,522,173	16,546,219	-	29,943,720
Streets, alleys and bridges	197,322	1,376,404	8,032,066	816,785,745	826,391,537
Community development	203,704	950,443	187,749	-	1,341,896
Sanitation and sewers	201,500	-	23,264	-	224,764
Culture and recreation	970,008	26,962,564	2,052,071	-	29,984,643
Public health and welfare	20,500	836,716	1,167,026	-	2,024,242
Total governmental funds capital assets	<u>\$ 7,407,409</u>	<u>\$ 54,197,579</u>	<u>\$ 29,240,874</u>	<u>\$ 816,785,745</u>	<u>\$ 907,631,607</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the Statement of Net Assets.

CITY OF ROCKFORD, ILLINOIS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2008

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets Restated			Governmental Funds Capital Assets December 31, 2008
	January 1, 2008	Additions	Deductions	
General government	\$ 17,720,805	\$ -	\$ -	\$ 17,720,805
Public safety	31,128,794	1,426,569	2,611,643	29,943,720
Streets, alleys and bridges	810,732,906	15,658,631	-	826,391,537
Community development	1,308,015	44,331	10,450	1,341,896
Sanitation and sewers	224,764	-	-	224,764
Culture and recreation	26,085,940	3,890,877	(7,826)	29,984,643
Public health and welfare	1,876,581	147,661	-	2,024,242
Total governmental funds capital assets	\$ 889,077,805	\$ 21,168,069	\$ 2,614,267	\$ 907,631,607

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the Statement of Net Assets.



Statistical Section

This part of the City of Rockford 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</u>
Financial Trends These schedules contain trend information to help the reader understand how the village's financial performance and well-being have changed over time.	F1-F7
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the village's ability to generate its property and sales taxes.	F8-F12
Debt Capacity These schedules present information to help the reader assess the affordability of the village's current levels of outstanding debt and the village's ability to issue additional debt in the future.	F13-F19
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the village's financial activities take place and to help make comparisons over time and with other governments.	F20-F21
Operating Information These schedules contain information about the village's operations and resources to help the reader understand how the village's financial information relates to the services the village provides and the activities it performs.	F22-F24

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented the infrastructure portion of Statement 34 in the 2006 fiscal year, schedules presenting government-wide information include information for the current and two previous fiscal years.



CITY OF ROCKFORD, ILLINOIS
NET ASSETS BY COMPONENT, LAST FOUR FISCAL YEARS

(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 439,881,835	\$ 457,172,437	\$ 460,914,982	\$ 471,473,879
Restricted				
Capital projects	17,919,997	10,764,755	18,841,311	9,453,077
Debt service	4,944,429	7,245,389	9,288,644	6,443,154
Other purposes	9,961,886	10,212,907	13,148,600	11,735,813
Unrestricted	14,647,406	18,259,325	(2,598,408)	(19,328,902)
Total governmental activities net assets	<u>\$ 487,355,553</u>	<u>\$ 503,654,813</u>	<u>\$ 499,595,129</u>	<u>\$ 479,777,021</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 95,612,984	\$ 107,986,680	\$ 116,111,150	\$ 127,460,090
Restricted				
Capital projects	8,258,356	1,000,000	1,000,000	1,000,000
Debt service	4,235,834	4,144,561	4,655,828	3,836,269
Unrestricted	3,734,380	5,001,310	4,663,251	653,493
Total business-type activities net assets	<u>\$ 111,841,554</u>	<u>\$ 118,132,551</u>	<u>\$ 126,430,229</u>	<u>\$ 132,949,852</u>
Total governmental activities net assets	<u>\$ 599,197,107</u>	<u>\$ 621,787,364</u>	<u>\$ 626,025,358</u>	<u>\$ 612,726,873</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 535,494,819	\$ 565,159,117	\$ 577,026,132	\$ 598,933,969
Restricted	45,320,502	33,367,612	46,934,383	32,468,313
Unrestricted	18,381,786	23,260,635	2,064,843	(18,675,409)
Total governmental activities net assets	<u>\$ 599,197,107</u>	<u>\$ 621,787,364</u>	<u>\$ 626,025,358</u>	<u>\$ 612,726,873</u>

CITY OF ROCKFORD, ILLINOIS
CHANGES IN NET ASSETS, LAST FOUR FISCAL YEARS

(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses				
Governmental activities:				
General government	\$ 13,392,590	\$ 13,297,717	\$ 14,392,429	\$ 15,005,594
Public safety	72,945,042	78,028,562	86,034,803	87,630,182
Streets, alleys and bridges	11,008,143	28,618,460	33,244,705	43,499,830
Community development	13,761,490	12,850,580	14,050,709	13,876,323
Sanitation and sewers	7,095,605	7,790,814	7,689,685	7,560,231
Culture and recreation	7,719,111	7,613,866	20,566,355	17,990,844
Public health and welfare	14,186,561	16,224,686	14,875,668	15,708,487
Interest and fiscal charges	4,507,875	5,087,266	5,477,961	5,689,763
Total governmental activities expenses	<u>144,616,417</u>	<u>169,511,951</u>	<u>196,332,315</u>	<u>206,961,254</u>
Business-type activities:				
Water	14,734,889	15,491,720	16,441,237	18,003,425
Parking	2,028,583	2,025,000	2,308,209	2,426,974
Total business-type activities	<u>16,763,472</u>	<u>17,516,720</u>	<u>18,749,446</u>	<u>20,430,399</u>
Total primary government expenses	<u>\$ 161,379,889</u>	<u>\$ 187,028,671</u>	<u>\$ 215,081,761</u>	<u>\$ 227,391,653</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 5,333,840	\$ 5,105,389	\$ 5,206,081	\$ 5,409,390
Public safety	5,944,017	7,055,847	8,221,830	7,917,191
Streets, alleys and bridges	5,775,581	6,053,144	5,908,625	4,255,227
Community development	561,929	475,309	524,515	552,012
Sanitation and sewers	6,725,442	6,813,361	6,840,386	6,796,053
Culture and recreation	164,971	200,290	201,187	217,851
Operating grants and contributions	21,335,383	22,360,354	21,438,527	21,562,828
Capital grants and contributions	6,872,910	6,601,783	11,420,360	763,307
Total governmental activities program revenues	<u>52,714,073</u>	<u>54,665,477</u>	<u>59,761,511</u>	<u>47,473,859</u>
Business-type activities:				
Charges for services:				
Water	18,605,553	20,318,020	22,093,309	22,767,988
Parking	1,573,703	1,529,800	1,487,703	1,558,661
Capital grants and contributions	4,887,660	790,231	2,031,876	936,237
Total business-type activities program revenues	<u>25,066,916</u>	<u>22,638,051</u>	<u>25,612,888</u>	<u>25,262,886</u>
Total primary government revenues	<u>\$ 77,780,989</u>	<u>\$ 77,303,528</u>	<u>\$ 85,374,399</u>	<u>\$ 72,736,745</u>
	(Continued)	(Continued)	(Continued)	(Continued)

CITY OF ROCKFORD, ILLINOIS
CHANGES IN NET ASSETS, LAST FOUR YEARS (CONTINUED)

(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net (Expense)/Revenue				
Governmental activities	\$ (91,902,344)	\$(114,846,474)	\$(136,570,804)	\$(159,487,395)
Business-type activities	<u>8,303,444</u>	<u>5,121,331</u>	<u>6,863,442</u>	<u>4,832,487</u>
Total primary government net expense	<u>\$ (83,598,900)</u>	<u>\$ (109,725,143)</u>	<u>\$ (129,707,362)</u>	<u>\$ (154,654,908)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 47,010,384	\$ 50,378,602	\$ 53,713,800	\$ 55,712,310
Sales taxes	23,378,788	25,171,445	33,450,584	39,497,031
Metro Centre sales tax	3,243,519	3,504,878	3,516,164	3,530,918
Motel and hotel tourism tax	1,527,358	1,733,131	1,792,348	1,839,367
Local use tax	1,821,123	1,963,229	2,015,444	2,189,685
Income tax	11,294,861	12,299,422	13,400,874	14,193,822
Replacement tax	6,920,944	7,251,586	8,803,431	8,181,027
Telecommunications tax	5,772,796	5,771,186	6,291,357	5,928,166
Utility tax	888,953	866,032	1,022,275	1,054,625
Franchise taxes	1,256,422	1,383,862	1,446,031	1,624,014
Unrestricted interest earnings	1,485,108	3,006,127	4,342,807	3,086,564
Miscellaneous	3,009,223	2,451,023	2,658,405	2,831,758
Transfers	<u>57,600</u>	<u>57,600</u>	<u>57,600</u>	<u>-</u>
Total governmental activities	<u>107,667,079</u>	<u>115,838,123</u>	<u>132,511,120</u>	<u>139,669,287</u>
Business-type activities:				
Unrestricted interest earnings	376,485	1,227,266	1,491,836	1,687,136
Transfers	<u>(57,600)</u>	<u>(57,600)</u>	<u>(57,600)</u>	<u>-</u>
Total business-type activities	<u>318,885</u>	<u>1,169,666</u>	<u>1,434,236</u>	<u>1,687,136</u>
Total primary government	<u>\$ 107,985,964</u>	<u>\$ 117,007,789</u>	<u>\$ 133,945,356</u>	<u>\$ 141,356,423</u>
Change in Net Assets				
Governmental activities	\$ 15,764,735	\$ 991,649	\$ (4,059,684)	\$ (19,818,108)
Business-type activities	<u>8,622,329</u>	<u>6,290,997</u>	<u>8,297,678</u>	<u>6,519,623</u>
Total primary government	<u>\$ 24,387,064</u>	<u>\$ 7,282,646</u>	<u>\$ 4,237,994</u>	<u>\$ (13,298,485)</u>

CITY OF ROCKFORD, ILLINOIS
FUND BALANCES, GOVERNMENTAL FUNDS, LAST SEVEN FISCAL YEARS

(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved	\$ 412,991	\$ 498,263	\$ 1,900,846	\$ 1,393,308
Unreserved	20,209,794	24,247,151	27,616,366	29,277,422
Total General Fund	<u>\$ 20,622,785</u>	<u>\$ 24,745,414</u>	<u>\$ 29,517,212</u>	<u>\$ 30,670,730</u>
All Other Governmental Funds				
Reserved	\$ 12,160,398	\$ 11,433,598	\$ 11,597,027	\$ 17,114,176
Unreserved, reported in				
Special Revenue Funds	9,932,707	9,867,477	8,408,609	7,315,179
Capital Project Funds	6,808,553	7,002,694	13,089,282	9,001,715
Debt Service Funds	(396,214)	(273,602)	(387,500)	(263,135)
Total all other governmental funds	<u>\$ 28,505,444</u>	<u>\$ 28,030,167</u>	<u>\$ 32,707,418</u>	<u>\$ 33,167,935</u>

Years prior to implementation of GASB 34 are not provided

<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 3,625,662	\$ 2,848,419	\$ 1,392,085
29,714,629	30,358,063	22,960,413
<u>\$ 33,340,291</u>	<u>\$ 33,206,482</u>	<u>\$ 24,352,498</u>
\$ 15,608,994	\$ 32,186,952	\$ 20,909,673
8,598,211	10,169,249	6,384,419
4,752,174	3,408,693	6,575,540
(76,529)	(6,859)	-
<u>\$ 28,882,850</u>	<u>\$ 45,758,035</u>	<u>\$ 33,869,632</u>

CITY OF ROCKFORD, ILLINOIS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS

(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
REVENUES			
Taxes	\$ 67,399,558	\$ 73,304,614	\$ 80,793,558
Licenses and permits	4,859,644	4,332,276	4,605,223
Intergovernmental	41,204,584	44,179,064	44,806,597
Charges for services	8,624,259	9,550,358	13,321,087
Fines	1,747,876	1,741,662	1,797,905
Interest	2,602,619	759,962	1,541,137
Miscellaneous	5,431,480	4,631,086	2,522,495
Total revenues	<u>131,870,020</u>	<u>138,499,022</u>	<u>149,388,002</u>
EXPENDITURES			
Current:			
General government	10,900,334	9,659,056	11,238,905
Public safety	62,873,892	62,427,635	66,605,199
Streets, alleys and bridges	31,579,429	8,582,025	8,046,183
Community development	9,495,404	9,243,483	11,978,122
Sanitation and sewers	8,002,666	6,901,965	7,134,786
Culture and recreation	7,395,603	5,668,082	8,249,917
Public health and welfare	10,387,812	12,329,817	10,370,029
Debt service:			
Principal payments	11,485,099	6,952,532	7,520,039
Interest and fiscal charges	4,247,318	3,990,435	4,186,878
Capital outlay:			
General government	-	2,072,685	1,046,169
Public safety	-	153,908	970,125
Streets, alleys and bridges	-	15,390,954	19,098,487
Community development	2,802,296	832,954	1,401,033
Sanitation and sewers	-	-	-
Culture and recreation	-	1,572,203	330,479
Public health and welfare	-	-	290,398
Total expenditures	<u>159,169,853</u>	<u>145,777,734</u>	<u>158,466,749</u>
Excess of revenues over (under) expenditures	<u>(27,299,833)</u>	<u>(7,278,712)</u>	<u>(9,078,747)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	703,710	4,490,000	7,535,000
Payment to escrow agent	(705,000)	(4,490,000)	(7,387,358)
Issuance of general obligation bonds	14,699,815	8,200,000	18,260,000
Discount on issue of general obligation bonds	-	(77,567)	(127,446)
Transfers in	10,907,508	12,882,634	13,181,910
Transfers out	<u>(11,000,708)</u>	<u>(12,807,384)</u>	<u>(12,934,310)</u>
Total other financing sources (uses)	<u>14,605,325</u>	<u>8,197,683</u>	<u>18,527,796</u>
Net change in fund balances	<u>(12,694,508)</u>	<u>918,971</u>	<u>9,449,049</u>
Debt service as a percentage of noncapital expenditures	10.1%	8.7%	8.7%

Years prior to implementation of GASB 34 are not provided

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	83,796,845	\$ 89,388,504	\$ 101,801,972	\$ 109,752,102
	5,314,798	5,203,117	5,057,545	4,147,741
	48,245,126	54,858,358	53,566,172	52,145,651
	12,881,071	12,786,424	13,627,943	12,988,688
	1,911,259	1,891,646	1,924,864	1,884,847
	1,398,874	2,856,189	4,115,605	2,895,335
	3,537,361	3,451,023	2,658,405	2,831,758
	<u>157,085,334</u>	<u>170,435,261</u>	<u>182,752,506</u>	<u>186,646,122</u>
	12,802,668	12,881,005	13,818,411	14,547,784
	72,060,997	76,643,710	82,646,977	85,764,726
	9,218,492	9,427,135	14,684,144	16,367,446
	13,855,963	12,855,383	14,098,653	13,926,337
	7,114,598	7,786,710	7,696,669	7,569,703
	6,843,800	6,829,540	19,751,044	17,124,098
	14,289,739	16,174,189	14,880,152	15,732,201
	7,880,000	8,845,284	10,293,026	11,110,852
	4,395,004	4,844,538	5,454,720	5,498,601
	554,991	1,097,418	21,102	-
	1,529,720	828,826	1,223,848	1,426,569
	18,388,101	15,711,225	9,089,592	15,658,632
	4,794,032	-	-	44,331
	149,997	-	-	-
	436,688	448,406	406,116	3,890,876
	66,510	215,016	69,494	147,661
	<u>174,381,300</u>	<u>174,588,385</u>	<u>194,133,948</u>	<u>208,809,817</u>
	<u>(17,295,966)</u>	<u>(4,153,124)</u>	<u>(11,381,442)</u>	<u>(22,163,695)</u>
	530,000	-	6,865,000	-
	(107,622)	-	(6,770,679)	-
	18,770,000	2,500,000	28,250,000	1,300,000
	(140,011)	(20,000)	(279,103)	(3,692)
	14,117,564	19,061,648	17,868,899	13,765,252
	<u>(14,259,930)</u>	<u>(19,004,048)</u>	<u>(17,811,299)</u>	<u>(13,640,252)</u>
	<u>18,910,001</u>	<u>2,537,600</u>	<u>28,122,818</u>	<u>1,421,308</u>
	1,614,035	(1,615,524)	16,741,376	(20,742,387)
	8.3%	8.8%	8.6%	8.9%

**CITY OF ROCKFORD, ILLINOIS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

(000's Omitted)

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Value
1999	1,023,889	406,639	187,929	1,620	172,426	1,447,651	2.45380	4,860,231	33.33%
2000	1,037,308	429,860	190,865	1,660	170,085	1,489,607	2.49250	4,979,077	33.33%
2001	1,074,584	455,832	201,051	1,733	173,678	1,559,522	2.47240	5,199,601	33.33%
2002	1,135,218	472,251	207,064	1,816	189,757	1,626,592	2.45880	5,449,048	33.33%
2003	1,218,259	482,742	197,658	1,901	204,113	1,696,447	2.49750	5,701,680	33.33%
2004	1,383,621	433,802	172,428	1,504	273,617	1,717,738	2.60190	5,974,065	33.33%
2005	1,479,310	453,997	170,341	1,487	286,152	1,818,983	2.62220	6,315,406	33.33%
2006	1,575,881	475,345	174,070	1,513	301,148	1,925,661	2.56830	6,681,095	33.33%
2007	1,644,576	519,318	193,768	2,077	327,097	2,032,642	2.51730	7,079,925	33.33%
2008	1,722,354	539,365	199,570	2,555	363,663	2,100,181	2.53180	7,392,271	33.33%

NOTE: (1) Assessed valuations are provided by Office of Winnebago County Clerk. Property is reassessed each year at 33% of actual value.



**CITY OF ROCKFORD, ILLINOIS
 DIRECT AND OVERLAPPING PROPERTY TAX RATES,
 LAST TEN FISCAL YEARS**

	City Direct Rates				
	General Fund	Library Special Revenue Fund	Debt Service Fund	Other Special Revenue Funds	Total Direct Tax Rate
1999	1.66220	0.32000	0.36400	0.10760	2.45380
2000	1.70280	0.32000	0.36270	0.10700	2.49250
2001	1.66440	0.32000	0.38220	0.10580	2.47240
2002	1.64390	0.31830	0.39370	0.10290	2.45880
2003	1.67131	0.32000	0.40610	0.10009	2.49750
2004	1.72430	0.32000	0.44970	0.10790	2.60190
2005	1.72480	0.31710	0.47310	0.10700	2.62200
2006	1.68990	0.31560	0.45540	0.10740	2.56830
2007	1.68750	0.31470	0.40810	0.10700	2.51730
2008	1.75100	0.32330	0.36540	0.09210	2.53180

NOTE:

Tax rates are provided by the office of the Winnebago County Clerk.

Overlapping rates are those of local and county governments that apply to property owners within the City of Rockford . Not all overlapping rates apply to all City property owners.

The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all urban consumers.

Overlapping Rates

Winnebago County	Rockford Township	Rockford Park District	Rock River Water Reclamation	Greater Rockford Airport	Rockford School Sistrict	Rock Valley Community College
0.87510	0.19580	0.81650	0.15770	0.32240	0.62113	0.41480
0.89550	0.19900	0.81410	0.15180	0.31760	5.53100	0.41440
0.89560	0.19910	0.80100	0.14420	0.30700	5.57930	0.40860
0.89700	0.16170	0.78070	0.14350	0.30760	5.52710	0.43510
0.89410	0.23310	0.76910	0.14030	0.30750	5.51800	0.45280
0.90040	0.20180	0.77660	0.14060	0.31210	5.53100	0.45300
0.88940	0.19920	0.75250	0.13420	0.26650	5.51070	0.44710
0.87800	0.19730	0.73600	0.12370	0.08930	5.41230	0.46600
0.86090	0.19660	0.71980	0.12210	0.08840	5.33810	0.44100
0.86940	0.19740	0.73190	0.12430	0.08900	5.45200	0.45780

**CITY OF ROCKFORD, ILLINOIS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2008			1999		
	Equalized Value	Rank	Percentage of Total Equalized Value	Equalized Value	Rank	Percentage of Total Equalized Value
Lowes Home Centers INC.	\$ 18,018,798	1	0.86%	\$ -		
Wal-Mart Stores Inc.	11,361,739	2	0.54%	-		
Simon Property Group	8,777,153	3	0.42%	5,355,454	3	0.37%
Greater Rockford Airport Authority	8,282,460	4	0.39%	6,463,272	2	0.45%
SwedishAmerican Hospital	6,312,774	5	0.30%	4,059,672	7	0.28%
United Parcel Service Inc.	6,130,923	6	0.29%	4,998,254	4	0.34%
Hamilton Sundstrand Corporation	4,914,526	7	0.23%	13,266,159	1	0.91%
MB Rockford State LLC.	4,695,778	8	0.22%	-		
WPH Rockford LLC.	4,505,010	9	0.21%	-		
Rock River Valley Industrial Park	4,201,558	10	0.20%	-		
Sunil Puri	-		-	4,890,640	5	0.34%
Fairhaven Christian Home	-		-	4,884,199	6	0.34%
United Realty	-		-	3,691,258	8	0.25%
Amcore	-		-	3,540,985	9	0.24%
Commonwealth Edison	-		-	3,465,528	10	0.24%
Total	\$ 77,200,719		3.67%	\$ 54,615,421		3.76%

Source: Winnebago County Collector's office.

**CITY OF ROCKFORD, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS**

Tax Levy Year	Tax Levy (1)	Collections (2)	Percent of Tax Levy Extension Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Collections as Percent of Current Tax Levy Extensions
1999	35,526,411	35,141,112	98.92%	30,089	35,171,201	99.00%
2000	36,460,556	35,851,425	98.33%	36,343	35,887,768	98.43%
2001	38,559,171	38,133,728	98.90%	16,117	38,149,845	98.94%
2002	39,978,160	39,841,304	99.66%	63,949	39,905,253	99.82%
2003	42,344,826	42,272,749	99.83%	95,968	42,368,717	100.06%
2004	44,595,473	44,388,203	99.54%	168,025	44,556,228	99.91%
2005	47,672,363	47,433,307	99.50%	33,119	47,466,426	99.57%
2006	50,305,082	50,112,235	99.62%	48,057	50,160,292	99.71%
2007	51,167,696	50,940,582	99.56%	-	50,940,582	99.56%
2008	53,172,394					

- NOTES:
- (1) The tax levy extensions do not include tax increment financing districts or special service tax areas.
 - (2) Current collections as shown above represent those collections made by Winnebago County on the current levy up to the date of tax sale (the date such taxes are determined to be delinquent). The current tax collection period normally is the calendar year immediately subsequent to the tax year, but may be extended beyond December 31, depending on the date of the tax sale.
 - (3) Delinquent property taxes collected by the County Treasurer are distributed to the taxing units by use of the current tax rate and cannot be applied to specific levy years. Thus, delinquent taxes collected during the year are applied to the year preceding the tax levy for which current taxes are being collected.
 - (4) The 2008 levy will be collected in 2009.

**CITY OF ROCKFORD, ILLINOIS
 RATIO OF OUTSTANDING DEBT BY TYPE,
 LAST TEN FISCAL YEARS**

Fiscal Year Ended	Governmental Activities				Business-Type	
	General Obligation Bonds	Section 108 Guaranteed Loans	EPA Water Pollution Obligation	Lines of Credit	Water General Obligation Alternate Bonds	Parking System General Obligation Alternate Bonds
1999	59,336,820	215,000	1,465,740		31,273,180	
2000	67,894,220	205,000	1,373,555		29,345,780	
2001	70,335,000	195,000	1,312,557		27,920,000	
2002	74,950,000	185,000	1,232,458		26,650,000	
2003	75,240,000	1,075,000	1,149,926		25,135,000	
2004	90,550,000	1,065,000	1,064,887		23,740,000	
2005	101,970,000	2,045,000	977,265		22,250,000	
2006	95,950,000	1,810,000	886,981		33,890,000	
2007	114,385,000	1,730,000	793,956		34,285,000	
2008	104,755,000	1,645,000	698,104	8,844,578	40,075,000	1,850,000

Activities

Water IEPA Loan	Water Instalment Purchase Agreement	Total Primary Government	Percentage of Personal Income	Per Capita
		92,290,740	2.40%	632
		98,818,555	2.42%	658
		99,762,557	2.50%	665
		103,017,458	2.55%	686
		102,599,926	2.48%	683
		116,419,887	2.82%	776
		127,242,265	2.99%	848
		132,536,981	2.96%	883
		151,193,956	3.22%	1,007
2,041,100	25,000,000	184,908,782	3.94%	1,232

**CITY OF ROCKFORD, ILLINOIS
RATIO OF NET GENERAL BONDED DEBT,
LAST TEN FISCAL YEARS**

Year	Population (1)	Equalized Value (3)	Bond Principal (2)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
1999	146,000	1,447,651,195	59,336,820	2,211,553	57,125,267	3.95%	391.27
2000	150,115	1,489,606,620	67,894,220	3,550,610	64,343,610	4.32%	428.63
2001	150,115	1,559,521,582	70,335,000	7,676,658	62,658,342	4.02%	417.40
2002	150,115	1,625,628,544	74,950,000	3,464,276	71,485,724	4.40%	476.21
2003	150,115	1,695,487,843	75,240,000	4,784,289	70,455,711	4.16%	469.34
2004	150,115	1,716,660,425	90,550,000	4,386,052	86,163,948	5.02%	573.99
2005	150,115	1,817,902,953	101,970,000	5,131,603	96,838,397	5.33%	645.09
2006	150,115	1,925,661,337	95,950,000	7,461,724	88,488,276	4.60%	589.47
2007	150,115	2,032,641,960	114,385,000	9,513,895	104,871,105	5.16%	698.61
2008	150,115	2,100,181,000	106,605,000	8,667,411	97,937,589	4.66%	652.42

- NOTES: (1) Per the United States Department of Commerce, Bureau of Statistics, Rockford Council of 100 and City of Rockford estimates.
- (2) Does not include general obligation bonds being funded by earnings of the Water Utility Fund or Water revenue bonds, and Water general obligation alternate bonds for long-term debt or amount included in general Landfill Obligation.
- (3) Does not include tax increment financing areas equalized value.

**CITY OF ROCKFORD, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2008

Name of Governmental Unit	Total Debt Outstanding	Percentage Applicable To City of Rockford	City of Rockford's Share of Debt
Direct:			
City of Rockford, Illinois (1)	<u>\$117,792,682</u>	100.0%	<u>\$ 117,792,682</u>
Overlapping:			
Schools:			
School District #205	99,364,936	73.1%	72,615,895
School District #122	26,348,193	2.9%	769,367
School District #321	13,990,000	8.2%	1,148,579
School District #323	5,565,000	4.1%	225,939
Community College #511	<u>43,468,595</u>	62.0%	<u>26,928,795</u>
	<u>188,736,724</u>		<u>101,688,575</u>
Other Units:			
Greater Rockford Airport Authority	8,200,000	57.7%	4,728,120
Rockford Park District	6,800,000	71.5%	4,863,360
Winnebago County Forest Preserve	<u>3,514,089</u>	44.7%	<u>1,571,852</u>
	<u>18,514,089</u>		<u>11,163,332</u>
Total Overlapping Debt	<u>207,250,813</u>		<u>112,851,907</u>
Total Direct and Overlapping Debt	<u>\$325,043,495</u>		<u>\$ 230,644,589</u>

NOTES:

(1) Total debt outstanding for the City of Rockford does not include general obligation bonds and water re the Water Utility Fund.

Source: Information on overlapping debt obtained from Winnebago County.

**CITY OF ROCKFORD, ILLINOIS
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 2,100,181,467
Debt limit - State (8.625% of assessed value)	181,140,652
Debt Limit - City (80% of the State limit)	144,912,521
Debt applicable to limit:	
General obligation bonds:	106,605,000
Less: Amount set aside for repayment of general obligation debt	<u>(16,257,329)</u>
Total amount of debt applicable to debt limit	<u>90,347,671</u>
Legal debt margin	<u>54,564,850</u>

	2008	2007	2006	2005
Debt limit	\$ 144,912,521	140,252,295	\$ 135,222,965	\$ 125,509,805
Total net debt applicable to limit	<u>90,347,671</u>	<u>96,664,956</u>	<u>79,806,507</u>	<u>88,070,924</u>
Legal debt margin	<u>\$ 54,564,850</u>	<u>43,587,339</u>	<u>\$ 55,416,458</u>	<u>\$ 37,438,881</u>
Total net debt applicable to the limit as a percentage of debt limit	62.35%	68.92%	59.02%	70.17%

2004	2003	2002	2001	2000	1999
\$ 118,449,569	\$ 116,988,661	\$ 112,168,370	\$ 107,606,989	\$ 102,782,857	\$ 99,887,933
78,338,260	64,765,501	63,960,907	56,721,645	59,589,862	51,862,761
\$ 40,111,309	\$ 52,223,160	\$ 48,207,463	\$ 50,885,344	\$ 43,192,995	\$ 48,025,172
66.14%	55.36%	57.02%	52.71%	57.98%	51.92%

**CITY OF ROCKFORD, ILLINOIS
 PLEDGED-REVENUE COVERAGE,
 LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Water Service Charges</u>	<u>Less: Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
Water Utility Fund (1)							
1999	14,992,980	10,305,020	4,687,960	3,886,520	1,693,377	5,579,897	0.84%
2000	15,047,175	10,862,301	4,184,874	4,127,400	1,609,674	5,737,074	0.73%
2001	16,151,821	11,494,239	4,657,582	3,717,300	1,501,298	5,218,598	0.89%
2002	17,062,256	12,252,983	4,809,273	3,495,000	1,331,841	4,826,841	1.00%
2003	16,465,260	12,832,977	3,632,283	3,715,000	1,179,547	4,894,547	0.74%
2004	16,353,453	12,967,309	3,386,144	3,695,000	1,092,484	4,787,484	0.71%
2005	18,510,339	13,618,993	4,891,346	3,690,000	971,322	4,661,322	1.05%
2006	20,130,357	14,021,767	6,108,590	3,360,000	1,338,489	4,698,489	1.30%
2007	21,991,102	14,955,551	7,035,551	3,105,000	1,389,810	4,494,810	1.57%
2008	22,528,255	15,829,814	6,698,441	2,905,000	1,710,304	4,615,304	1.45%

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or amortization expenses.

**CITY OF ROCKFORD, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC STATISTICS,
 LAST TEN FISCAL YEARS**

Year	Population (1)	Personal Income (Thousands of dollars) (3)	Per Capita Personal Income (2)	School Enrollment (4)	Unemployment Rate (5)
1999	146,000	3,843,304	26,324	27,361	4.90%
2000	150,115	4,077,274	27,161	27,441	4.70%
2001	150,115	3,990,807	26,585	27,704	6.50%
2002	150,115	4,045,899	26,952	28,362	7.80%
2003	150,115	4,134,317	27,541	28,685	8.30%
2004	150,115	4,122,308	27,461	28,887	6.50%
2005	150,115	4,253,509	28,335	29,145	6.40%
2006	150,115	4,479,432	29,840	29,601	5.30%
2007	150,115	4,688,392	31,232	29,637	6.30%
2008	150,115	4,688,392	31,232	28,844	9.10%

- NOTES:
- (1) U.S. Department of Commerce, Bureau of Statistics and Rockford Council of 100.
 - (2) U.S. Department of Commerce, Bureau of Statistics, the amount presented is for the Rockford MSA.
 - (3) Per Capita Personal Income multiplied by the population.
 - (4) Annual school census by Rockford Board of Education. Students in community colleges are not included.
 - (5) Figures are provided by State of Illinois Department of Employment Security. The rate presented is the average unemployment for the year, Rockford MSA.

**CITY OF ROCKFORD, ILLINOIS
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2008			1999		
	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Rockford School District No. 205	4,800	1	2.99%	3,800	1	2.23%
Swedish American Health Systems (2)	2,600	2	1.62%	2,590	5	1.52%
Chrysler, LLC	2,600	3	1.62%	3,285	4	1.93%
Rockford Health Systems	2,500	4	1.56%	3,600	2	2.11%
Hamilton Sundstrand Corporation	2,200	5	1.37%	3,500	3	2.06%
OSF St. Anthony's Medical Center (3)	2,000	6	1.25%	1,660	8	0.97%
United Parcel Service	2,000	7	1.25%	2,000	7	1.17%
County of Winnebago	1,602	8	1.00%			0.00%
Amcore Financial	1,600	9	1.00%			0.00%
City of Rockford	1,210	10	0.75%			0.00%
Ingersol Milling Machine Company	-		-	2,100	6	1.23%
Elco Textron	-		-	1,500	10	0.88%
Camcar Textron	-		-	1,600	9	0.94%
Total	23,112		14.41%	25,635		15.05%
Total employment in the Rockford MSA	160,400			170,284		

(1) Based on March 2008 telephone canvass of employers

(2) Full-time equivalents

(3) Includes part-time employees

**CITY OF ROCKFORD, ILLINOIS
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS**

Function/Program	Full-time Equivalent Employees									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government:										
Mayor's office	8	8	8	8	6	6	7	7	6	6
Legal department	20	19	17	17	16	16	18	18	17	17
Finance office	33	33	33	34	33	34	37	36	36	36
Information Services	10	10	10	10	9	8	8	9	8	7
Personnel department	7	7	7	7	7	7	7	7	7	7
Public safety										
Police department										
Officers	305	305	305	299	299	300	301	296	295	293
Civilians	33	33	33	33	33	33	33	32	32	33
Fire department	282	282	280	282	277	277	277	268	268	262
###	53	53	61	61	61	61	61	61	61	61
Public works - traffic	18	18	18	18	18	18	19	19	18	16
Building department	19	21	20	20	20	20	21	21	20	20
Streets, alleys and bridges										
Administration	6.5	7	6	6	6	6	6	6	6	6
Engineering	4.5	5	5	5	5	5	5	5	5	4
Capital Projects	16	16	16	13	13	13	13	13	13	13
Street and sewer maintenance	39.5	40	40	40	41	41	49	49	48	48
Property and equipment	28	28	24	28	28	26	24	24	25	25
Community development										
Administration	2	2	2	2	2	2	2	2	2	2
Development	9	17	18	19	18	18	18	17	17	17
Planning	11	15	12	12	12	14	16	15	15	16
Code enforcement	13	13	-	-	-	-	-	-	-	-
Sanitation and sewers										
Public works - sewers	3	3	3	3	3	3	3	3	3	1
Culture and recreation										
Library	109	103	102	98	97	104	108	108	108	108
Public health and welfare	92.5	93	96	92	93	92	105	108	103	105
Parking	9	9	9	9	9	9	9	9	9	9
Water	76	75	76	75	76	76	74	74	73	73
Total	1,207	1,215	1,201	1,191	1,182	1,189	1,221	1,207	1,195	1,185

Source: City Finance Office

**CITY OF ROCKFORD, ILLINOIS
OPERATING INDICATORS BY FUNCTION/PROGRAM,
LAST FOUR FISCAL YEARS**

Function/Program	Fiscal Year				
	(1) 2008	2007	2006	2005	2004
Police department					
Total calls for service	193,126	188,840	200,874	190,747	190,097
Total part I crimes	25,028	28,441	12,415	11,394	12,190
Number of alarms	5,833	5,802	5,696	6,155	5,980
Arrests	16,512	16,320	17,247	16,497	16,545
Clearance Rate	36.49%	36.38%	23.33%	24.00%	24.00%
Fire department					
Total call for service	23,000	22,864	20,915	19,498	18,634
Number of fire investigations	350	355	364	373	382
Total number of fire calls	800	781	671	715	732
Total number of ambulance runs	17,500	17,372	15,390	15,281	15,837
911 Center					
Total non-emergency calls	126,500	125,202	293,012	290,133	291,427
Total emergency calls	156,000	153,559	182,076	172,070	182,564
Total police dispatches	195,000	192,399	342,008	336,068	328,295
Total fire dispatches	30,000	27,669	30,213	29,575	27,976
Building department					
Residential permits	1,200	1,471	1,340	1,288	1,229
Commercial permits	425	445	413	401	345
Plan reviews	850	874	974	1,015	995
Total inspections	17,000	17,780	18,786	19,112	17,688
Project over \$1million/total value	5/10M	29/92.4M	23/\$61.8M	19/\$129.5M	8/\$24.5M
Planning and zoning					
Total acres annexed	-	848	200	526	152
Assessed valuation in annexed areas	\$ -	\$ 5,800,000	\$ 3,500,000	\$ 1,130,000	\$ 666,063
Human services					
Households receiving energy assistance	9,000	9,906	9,886	9,100	8,300
Head Start program enrollment	600	669	649	665	653
Homeless prevention clients served	1,800	1,870	1,496	1,049	1,494
Summer Food program	2,500	2,500	2,985	2,190	1,800
Sanitation Division					
Regular tonnage	57,340	57,340	56,436	54,466	55,370
Composting tonnage	14,920	14,920	15,378	13,563	15,819
Recycling tonnage	7,170	7,170	7,006	7,178	7,171
Library					
Total collection	501,309	501,309	517,302	513,428	N/A
Total circulation	1,650,419	1,650,419	1,544,064	1,351,836	N/A
Total program attendance	60,341	60,341	55,656	45,257	N/A
Parking division					
Total parking spaces	4,619	4,329	4,303	3,593	3,971
Number of tickets issued	27,000	26,869	44,009	38,055	40,000
Water division					
Number of users	53,221	53,221	53,100	52,902	52,423
Annual water production (billion gallons)	8.00	8.34	8.40	9.36	8.48

(1) Numbers for 2008 are estimates.

Source: City finance department

**CITY OF ROCKFORD, ILLINOIS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM,
 LAST THREE FISCAL YEARS**

Function/Program	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
Police department			
Stations	1	1	1
Substations	4	4	4
Squad cars	130	130	127
Vans (including trucks and mobile units)	38	38	38
Fire department			
Stations	11	11	11
Companies:			
Engine	8	8	8
Quints	3	3	3
Ladder	2	2	2
Ambulances	5	5	5
Library			
Main facility	1	1	1
Branch facilities	5	5	5
Public works			
Streets (miles)			
Bridges			
Street lights			
Traffic signals			
Parking division			
Surface lots	30	30	30
Garages	4	4	4
Water division			
Water mains (miles)	770	770	751
Wells	39	39	39
Production capacity (gal per day)	76,500,000	76,500,000	76,500,000

Source: City finance department

