



Comprehensive
Annual Financial Report
Year Ended
December 31, 2018

City of DeKalb, Illinois

CITY OF DEKALB, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2018

Prepared by the City of DeKalb Finance Department

CITY OF DEKALB, ILLINOIS

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INTRODUCTORY SECTION

CITY OF DEKALB, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2018

LEGISLATIVE

Jerry Smith, Mayor

Alderman David Jacobson, Ward One

Alderman Bill Finucane, Ward Two

Alderman Joyce Stupegia, Ward Three

Alderman Patrick Fagan, Ward Four

Alderman Katherine Noreiko, Ward Five

Alderman Mike Verbic, Ward Six

Alderman Anthony Faivre, Ward Seven

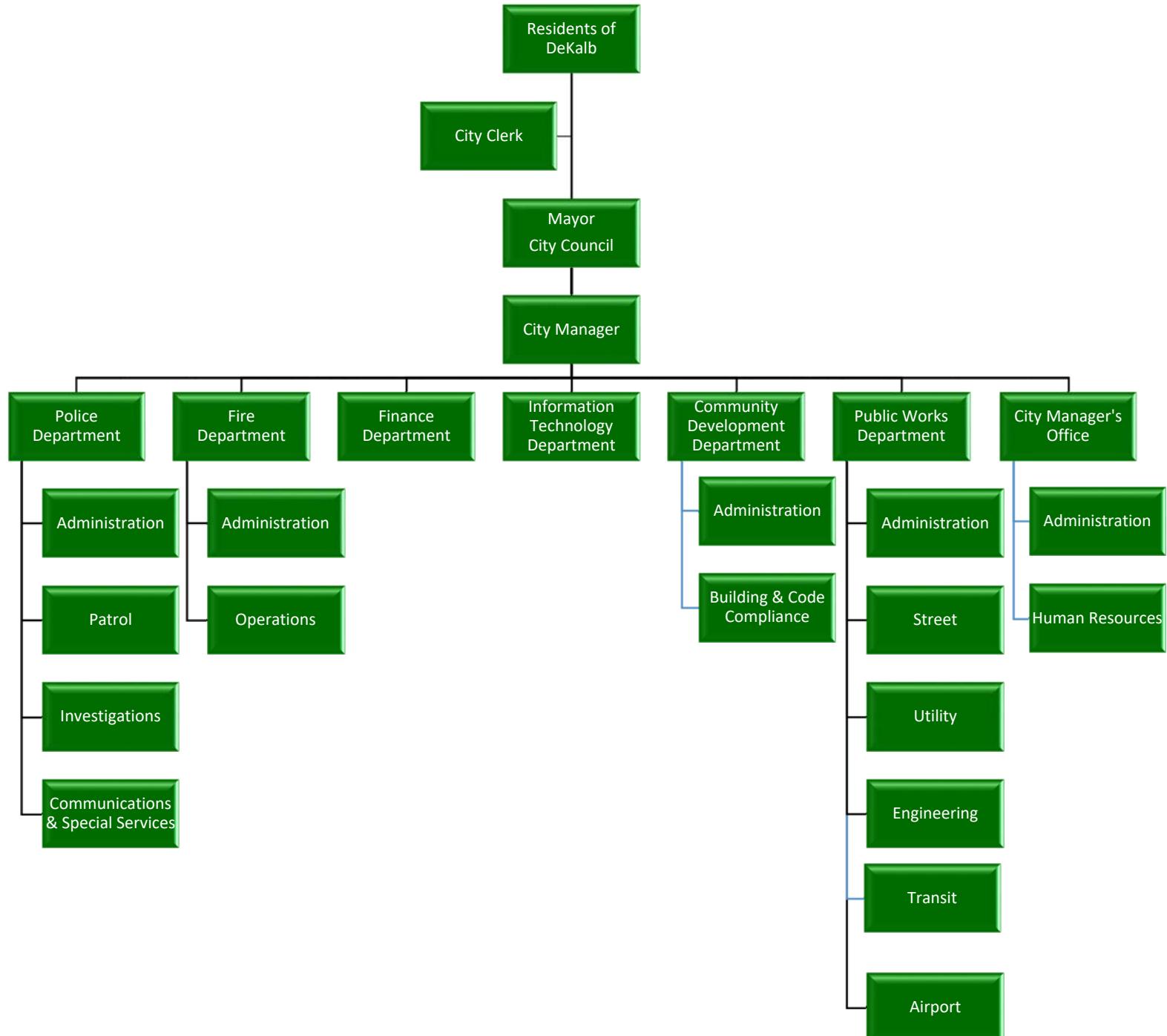
Lynn Fazekas, City Clerk

ADMINISTRATIVE

Raymond Munch, Interim City Manager

Robert Miller, Acting Finance Director

Organizational Chart





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of DeKalb
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



200 South Fourth Street

DeKalb, Illinois 60115

815.748.2000 • cityofdekalb.com

June 25, 2019

Residents of the City of DeKalb
Mayor Jerry Smith
Members of the DeKalb City Council
City Manager Bill Nicklas

The Comprehensive Annual Financial Report of the City of DeKalb for the fiscal year ended December 31, 2018, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of DeKalb issue annually a report of its financial position and activity, and that this report is audited by an independent firm of certified public accountants.

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

Sikich, LLP, has issued an unmodified ("clean") opinion on the City of DeKalb's financial statements for the year ended December 31, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the City of DeKalb

The City of DeKalb was incorporated in 1856 and is located in the center of DeKalb County, Illinois. Located 60 miles west of Chicago, the City of DeKalb's current land area is 15.55 square miles with approximately 130 miles of streets. Despite its proximity to the Chicago region, the City remains apart, maintaining its own unique character as a university community with both urban and rural roots. Many of its older neighborhoods have brick paved streets and well-kept historic homes while the edge of the City bustles with newer residential and commercial development. The City of DeKalb has a 2018 estimated population of 42,611 according to the U.S. Census Bureau. The City is a home rule community because its population exceeds 25,000. Home

rule communities in the State of Illinois have greater control of their finances because of additional revenue generating abilities afforded to them. As a home-rule unit of government under the 1970 Illinois Constitution, the City has no tax rate limit or debt limit, nor is it required to seek referendum approval to raise its tax rate or to issue debt.

In 1961, the Council-Manager form of government was adopted by the City of DeKalb. Seven aldermen are elected, one in each of the seven wards. Aldermanic elections are held every two years, at which time half of the City Council is elected. The Mayor is elected, at large, every four years. The City Manager is appointed by the City Council and all other employees are appointed by the City Manager. The elected officials establish policy while professional appointed officials and their staff implement policy.

The City provides a full range of services, including public safety (police and fire protection); the construction and maintenance of highways, streets, and infrastructure; municipal airport services; water production, treatment, and distribution; planning and zoning; and general administrative services.

The financial reporting entity (the City) includes all the funds of the primary government (i.e., the City of DeKalb, DeKalb County, Illinois), as well as all its component units. The DeKalb Public Library is considered a component unit of government which, although a legally separate entity, is in substance a part of the primary government's operations and included as part of the primary government. Therefore, in the CAFR, the Library's audited financial data is presented in a separate column in the entity-wide financial statements to differentiate their financial position and results of operations from those of the primary government.

The City Council is required to adopt a budget for each fiscal year by no later than the close of the prior fiscal year. This annual budget serves as the foundation for the City of DeKalb's financial planning and control. These controls are intended to ensure that there is compliance with the legal provisions of the annual budget approved by the Mayor and City Council. Activities of the governmental and proprietary funds are included in the approved annual budget. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Local Economy

The local economy continues to be impacted by regional, state and national economic conditions. However, the City's three largest sources of revenue have started to show signs of economic vitality. These three largest sources of revenue are property taxes received from the county, sales taxes, both municipal and home rule, and income tax. The EAV has shown an increase over the last several years and the unemployment rate has dropped as well. The City's total rate setting EAV increased by 5.1% compared to an increase from the previous year of 7.64%. While this year's increase was smaller than that of the previous year, it still showed modest signs of EAV growth. Prior to a small increase in 2015, the EAV dropped drastically for six years in a row due to the downturn in the economy.



The City's income tax revenue continues to trend upward with an increase of 4.26% from FY17. This per-capita revenue source is based more on the state's economy and unemployment rate rather than the local economy. The State of Illinois' unemployment rate peaked to 11.50% in December 2009 and has dropped to 4.00% in April 2019, which represents a decrease of 0.40% from March 2018.

The state portion of sales tax revenue has shown modest signs of improvement over the past two years. The home rule portion of sales tax has also shown modest improvement in addition to increases being seen in Local Use Tax. Combined these actual revenue dollars came in slightly below budgeted parameters, but still exceeded amounts collected in the previous year.

Overall, General Fund Revenues fell short of budgeted parameters by \$799,050. This shortfall can be attributed to several revenues that never materialized in 2018, including the sale of City-owned property and dissolution of a sales tax sharing agreement. Another factor included lower than expect building permit revenues. As a result, the General Fund unassigned fund balance ended at \$7,152,795 or 20.62% of annual expenditures, including transfers. This is \$1,118,998 lower than FY17.

Long-term Financial Planning

The following processes are utilized by the City to accomplish its long-term financial planning:

1. The City implemented a 10-year strategic plan in 2015 to ensure that its long-term goals are reviewed, updated and implemented to continue to address the City's mission to "Deliver high-quality municipal services to those who live, work, learn in, or visit our community." All elected officials, appointed board and commission chairpersons, executive team members, and DeKalb residents participated in the planning sessions that helped to create this final 2025 Strategic Plan Document.
2. The City has established several key written financial policies including a Budget policy, a Reserve & Fund Balance Policy, a Revenue & Expenditure policy, an Accounting, Auditing & Financial Reporting policy, a Debt Management policy and an Investment policy. The General Fund unassigned fund balance policy is currently 25% of the total General Fund annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls and possible delays and changes in state distribution of shared revenues.
3. The City's Purchasing Manual, adopted in 2015, establishes guidelines for City staff in procuring goods and services in a manner that is consistent with the highest standards of public service in obtaining quality goods and services at the lowest possible price.
4. The City adopted a 10-year capital improvement plan for the Water Fund and structured the necessary fees in order to maintain the Utility Division's capital equipment and infrastructure and maintain or enhance the current levels of service.



5. The City adopted a five-year Capital Improvement Plan during the FY17 budget process for general capital infrastructure of streets, fleet, and equipment. Funding sources necessary to implement this plan are reviewed as part of the annual budget process.
6. The City attempts to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. All fees and charges were reviewed, and several recommendations were implemented in FY16.5 and FY17. These were increases to the ambulance transport fees, an increase in the video gaming licensing fees, and an increase to the fuel surcharge. The City will continue to review revenues during the budget season each year.

Relevant Financial Policies

The City Council passed a resolution in 2015 to adopt certain financial management policies including a Budget Policy, a Fund Balance Policy, a Revenue and Expenditure Policy, an Accounting/Auditing and Financial Reporting Policy, a Capital Asset Policy, a Debt Management Policy, and an Investment Policy. Changes were made to these policies during the FY17 budget process to incorporate a Capital Equipment Replacement Funding Policy for the implementation of the City's five-year Capital Improvement Plan.

Excluding amounts restricted, committed, or assigned for various purposes, the unassigned fund balance in the General Fund was 20.62% of actual expenditures, including transfers, for FY18. This represents a decrease of 13.53% over the prior fiscal year.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and The Illinois Funds investment pool. The City's Investment Policy seeks to ensure the preservation of capital in the overall portfolio while mitigating credit and interest rate risks.

Major Initiatives

During FY18, the City was able to initiate and/or complete a variety of projects, programs, and activities designed to meet identified community needs. These included:

- Completed the Annie Glidden North Revitalization Plan, which will guide efforts to improve the City's most populous area.
- Implemented an expanded administrative hearing process to prosecute all general ordinance violations, including the use of new software to manage the significantly greater caseload.
- Oversaw the recruitment, selection, and hiring of a new City Manager.
- Improved the City's e-newsletter and substantially increased its subscriber base.
- Implemented Microsoft Office 365, a cloud-based platform for email and other productivity applications.
- Established a free-to-use Wi-Fi network covering downtown DeKalb.
- Converted from an outdated financial software system to a true an Enterprise Resource Planning (ERP) system, which will create efficiencies across the City.



- Continued to fund the Police and Fire Pension Funds at the higher funding methodology to help sustain the City's bond rating with Moody's.
- Achieved the Government Finance Officers Association Award "Excellence in Financial Reporting" for the 25th consecutive year.
- Achieved the Government Finance Officers Association Award for "Outstanding Achievement in Popular Annual Financial Reporting" for the 4th consecutive year.
- Continued partnership with the State of Illinois Comptroller's Office to collect outstanding debts owed to the City through the Illinois Debt Recovery Program.
- Implemented the Safe Streets Initiative, a comprehensive policing strategy that included enhanced parking restriction to deter crime and the establishment of safe walking routes near the NIU campus.
- Developed and implemented the COMPASS Program, a multi-disciplinary approach to reducing delinquent behavior in juveniles.
- The movement towards the consolidation of DeKalb County 911 public safety answering points (PSAP), which will result in the City's communications center serving as one of only two PSAPs in the county.
- Continued focus on community fire prevention and risk reduction programs.
- Standardized operating guidelines and Fire Department policies.
- Replaced approximately 11,000 feet of water main.
- Completed grant-funded infrastructure improvements to the airport's entrance road, parking lot, and t-hangar pavements.
- Coordinated transit services between NIU and the City of DeKalb.
- Completed the Kishwaukee-Kiwanis Multi-Use Path.
- Final construction of Cornerstone DeKalb, a mixed-use residential/commercial development, through the use of Tax Increment Financing (TIF) funds.
- Established a development agreement and initial construction of Plaza DeKalb, the second significant TIF-funded project in the downtown in as many years.
- Expansion of special events activity, including Music at the Mansion and an improved DeKalb Corn Classic 10K and Taste of DeKalb.
- Implemented SmartGov software to facilitate electronic permitting and contractor management.
- Completed the DeKalb Taylor Municipal Airport strategic plan.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of DeKalb for its Comprehensive Annual Financial Report for the year ended December 31, 2017. This was the 25th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's



requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of DeKalb for its Popular Annual Financial Report for the fiscal year ended December 31, 2017. This is the fourth year the City has received this award. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the City must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

The preparation of this Comprehensive Annual Financial Report was made possible by the hard work and dedication of the City's Finance Department staff. Each member of the department plays a significant role in the management and oversight of the City's finances and should be applauded for those efforts in addition to their contributions made in the preparation of this report. I also extend my appreciation to the Mayor, City Council, and all City staff for their dedication and support in maintaining the highest standards of professionalism in the management of the City of DeKalb's finances.

Respectfully submitted,



Raymond Munch
Assistant City Manager



FINANCIAL SECTION



1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois (the City), as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the DeKalb Public Library were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois as of December 31, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 14 to the basic financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental financial information, and statistical section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial

statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, supplemental financial information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 25, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DEKALB, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

As the management of the City of DeKalb (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal included earlier in this report.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, and community development. The business-type activities of the City include a water system, a municipal airport, and refuse services.

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

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, Mass Transit Fund, TIF #1 Fund, and TIF #2 Fund, which are considered to be "major" funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

The City adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 8 through 13 of this report.

Proprietary Funds. There are two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, the municipal airport, and refuse services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains two internal service funds to account for workers' compensation and liability insurance premiums, and health insurance premiums.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Airport Fund, and the Refuse Fund. Data from the other two internal service funds are combined into a single, aggregated presentation. Individual fund data for each of these internal service funds is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 14 through 18 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. Data from the two fiduciary funds are combined into a single, aggregated presentation. Individual fund data for each of these fiduciary funds is provided elsewhere in this report.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The basic fiduciary fund financial statements can be found on pages 19 and 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 82 of this report.

Financial Analysis of the City as a Whole

Beyond presenting current year financial information in the government-wide and major individual fund formats, the City also presents comparative information from the prior year in Management's Discussion and Analysis. By doing so, the City is providing the best means of analyzing its financial condition and position as of December 31, 2018.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of December 31, 2018

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>
Current and Other Assets \$	47,861,043	48,479,275	7,303,075	7,695,263	55,164,118	56,174,538
Capital Assets	123,304,372	126,729,342	57,348,199	57,284,038	180,652,571	184,013,380
Total Assets	171,165,415	175,208,617	64,651,274	64,979,301	235,816,689	240,187,918
Deferred Outflows	21,956,052	10,393,031	1,138,005	171,920	23,094,057	10,564,951
Total Assets and Deferred Outflows	193,121,467	185,601,648	65,789,279	65,151,221	258,910,746	250,752,869
Long-Term Liabilities	151,273,289	115,717,205	6,422,063	4,501,478	157,695,352	120,218,683
Other Liabilities	14,626,558	8,592,434	2,140,053	2,777,694	16,766,611	11,370,128
Total Liabilities	165,899,847	124,309,639	8,562,116	7,279,172	174,461,963	131,588,811
Deferred Inflows	17,699,693	20,554,896	217,383	1,256,841	17,917,076	21,811,737
Total Liabilities and Deferred Inflows	183,599,540	144,864,535	8,779,499	8,536,013	192,379,039	153,400,548
Net Position:						
Net Investment in Capital Assets	106,591,976	108,657,023	54,929,044	54,064,502	161,521,020	162,721,525
Restricted	8,135,923	13,672,932	-	-	8,135,923	13,672,932
Unrestricted	(105,205,972)	(81,592,842)	2,080,736	2,550,706	(103,125,236)	(79,042,136)
Total Net Position	9,521,927	40,737,113	57,009,780	56,615,208	66,531,707	97,352,321

The City's combined net position decreased from \$97,352,321 to \$66,531,707 for the fiscal year ending December 31, 2018.

Net position attributable to governmental activities decreased by \$31,215,186 due primarily to the new accounting methods required under GASB 75 rules for post-employment benefits.

For more detailed information, see the Statement of Net Position on pages 4-5.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Activities

The following table summarizes the revenue and expenses of the City's activities.

Table 2
Changes in Net Position
For the Fiscal Periods Ended December 31, 2017 and December 31, 2018

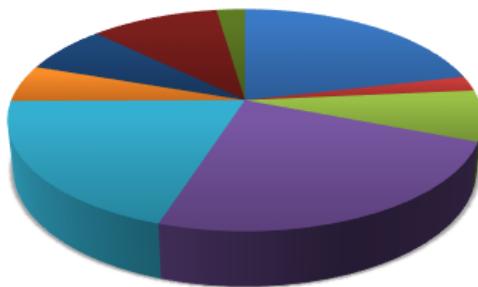
	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>
Revenues						
Program Revenues:						
Charges for Services	\$ 4,264,603	3,980,770	8,582,925	8,700,284	12,847,528	12,681,054
Operating Grants/Contributions	1,308,752	1,213,286	-	-	1,308,752	1,213,286
Capital Grants/Contributions	3,960,020	3,737,849	478,930	789,468	4,438,950	4,527,317
General Revenues						
Property Taxes	14,454,907	13,783,140	-	-	14,454,907	13,783,140
Sales Taxes	11,966,582	11,857,871	12,864	716	11,979,446	11,858,587
Utility Taxes	3,252,309	3,144,611	-	-	3,252,309	3,144,611
State Income Taxes	4,216,580	4,044,119	-	-	4,216,580	4,044,119
Other Taxes	5,966,613	5,648,898	284,299	267,120	6,250,912	5,916,018
Other	1,327,743	883,042	62,165	62,389	1,389,908	945,431
Total Revenues	50,718,109	48,293,586	9,421,183	9,819,977	60,139,292	58,113,563
Expenses						
General Government	8,430,414	8,247,776	-	-	8,430,414	8,247,776
Public Safety	30,080,212	26,862,629	-	-	30,080,212	26,862,629
Highways and Streets	8,903,634	4,887,066	-	-	8,903,634	4,887,066
Community Development	13,587,704	12,186,289	-	-	13,587,704	12,186,289
Interest on Long-Term Debt	695,210	777,001	-	-	695,210	777,001
Water	-	-	5,246,979	5,174,324	5,246,979	5,174,324
Airport	-	-	1,481,000	1,357,269	1,481,000	1,357,269
Refuse	-	-	2,086,409	2,132,643	2,086,409	2,132,643
Total Expenses	61,697,174	52,960,761	8,814,388	8,664,236	70,511,562	61,624,997
<i>Change in Net Position Before Transfers</i>						
Transfers	(10,979,065)	(4,667,175)	606,795	1,155,741	(10,372,270)	(3,511,434)
Transfers	(299,600)	168,003	299,600	(168,003)	-	-
Change in Net Position	(11,278,665)	(4,499,172)	906,395	987,738	(10,372,270)	(3,511,434)
Net Position, January 1	40,737,113	45,236,285	56,615,208	55,627,470	97,352,321	100,863,755
Restatement	(19,936,521)	-	(511,823)	-	(20,448,344)	-
Net Position, December 31	9,521,927	40,737,113	57,009,780	56,615,208	66,531,707	97,352,321

(See independent auditor's report)

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CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Total Primary Government Revenues for FY18



- | | |
|---------------------------------------|---|
| ■ Charges for Services - 21.4% | ■ Operating Grants/Contributions - 2.2% |
| ■ Capital Grants/Contributions - 7.4% | ■ Property Taxes - 24.0% |
| ■ Sales Taxes - 19.9% | ■ Utility Taxes - 5.4% |
| ■ State Income Taxes - 7.0% | ■ Other Taxes - 10.4% |
| ■ Other - 2.3% | |

For the fiscal year ended December 31, 2018, revenues totaled \$60,139,292. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$14,454,907 or 24.0% of total revenues, which includes levied property tax revenues and incremental property tax revenues related to the City's tax increment financing (TIF) districts. Property taxes, excluding TIF incremental revenues, are dedicated entirely to supporting the City's contribution to the Fire and Police Pension Funds. Property tax revenues increased over last fiscal year as the City continued to fund the Fire and Police Pension Funds based on the actuarial valuation, which continues to increase year over year. Property tax revenues collected in FY18 were based on the 2017 equalized assessed valuation (EAV) and property tax rate. The City's 2017 EAV increased by 5.11% to \$529,629,464 due to new commercial development and general reassessments. The EAV approximates 33 1/3% of the total market value of real estate within the corporate limits of the City. The property tax rate for 2017 was \$1.2268 per \$100 of EAV.

Sales taxes are typically the largest revenue source dedicated to governmental activities for the City. They are collected by the State of Illinois and remitted back to the City on a monthly basis. The general sales tax collected by the State for sales within the corporate boundaries of the City is 6.25%. However, only 1% of that total is remitted back to the City of DeKalb. The remainder goes to the State (5%) and DeKalb County (0.25%). In addition, a home rule sales tax of 1.75% is also collected by the State and remitted back to the City on a monthly basis. The home rule sales tax is not applicable to food, drugs, or licensed vehicle purchases.

For FY18, general sales tax revenues were \$5,425,742 compared to \$5,348,970 for FY17, while home rule sales tax revenues were \$6,540,840 compared to \$6,508,901 for FY17. Overall, sales tax revenues have been stable to marginally improving over the last four years and are projected to keep pace in the near future barring any unforeseen changes to general economic conditions.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Income taxes are shared with municipalities by the State on a per-capita basis. The City's income tax revenue was \$4,216,580 in FY18 compared to \$4,044,119 in FY17. This per-capita revenue source is based more on the state's economy and unemployment rate rather than the local economy. The State of Illinois' unemployment rate peaked to 11.50% in December 2009 and has dropped to 4.00% in April 2019.

Telecommunications taxes are collected by the State and remitted back to the City on a monthly basis. The City's telecommunications tax rate is 6%. A total of \$616,205 was collected in FY18 compared to \$672,303 that was collected in FY17. This revenue source is expected to decrease over the next several years as more residents convert to internet telephone service or cellular telephone service as their primary source of communication and eliminate landline service. Also, the option to package and bundle programs has brought down the consumer costs of cell phones and therefore has dropped this tax revenue source.

Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the City on a per-capita basis. For FY18, \$1,293,403 was collected compared to the \$1,138,904 collected in FY17. This revenue source is expected to continue to increase in the coming years due to the State's increased collection efforts along with the increase in taxable internet sales that contribute to use tax revenue.

The major revenue component of the "charges for services" classification is fees from the City's water utility. Water-related revenue was \$5,694,671 in FY18 compared to \$5,709,234 in FY17. In the case of the Water Fund, the economy is still having an impact on water revenue. Vacant properties and a tendency to conserve water are contributing factors that continue to drive down the City's water sales. In addition, the general trend towards using water-saving fixtures and toilets is reducing water consumption.

Capital grants and contributions revenue were \$4,438,950 in FY18 compared to \$4,527,317 in FY17. The City's Mass Transit Fund incorporates the majority of the FY18 capital grant revenue with \$3,778,010. Most of the grant revenue is paid to a third party to provide transit services for the City. Airport-related capital grants and contributions totaled \$478,930 in FY18. FY18 airport grant funds allowed for several airport projects to be completed, including pavement rehabilitation of T-hanger aprons, the main parking lot, and main driveway into the airport.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Total Primary Government Expenses for FY18



- | | |
|-------------------------------------|---------------------------------|
| ■ General Government - 12.0% | ■ Public Safety - 42.7% |
| ■ Highways and Streets - 12.6% | ■ Community Development - 19.3% |
| ■ Interest on Long-Term Debt - 1.0% | ■ Water - 7.4% |
| ■ Airport - 2.1% | ■ Refuse - 3.0% |

The City's expenses totaled \$70,511,562 in FY18 compared to \$61,624,997 million in FY17. General government expenses were 12.0% of the total or \$8,430,414. This represents a 2.2% increase from the FY17 total of \$8,247,776.

Public safety expenses related to the operations of both the Police Department and Fire Department accounted for the largest share of expenses at \$30,080,212 or 42.7% of the total. This represents an 11.9% increase from the FY17 total of \$26,862,629.

Highways and Streets related expenses were \$8,903,634 or 12.6% of the total. This represents an 82.1% increase from the FY17 total of \$4,887,066. This increase is primarily due to an increase in capital projects, such as street maintenance and water main replacement.

Community Development related expenses accounted for 19.3% of the total or \$13,587,704. This represents an 11.5% increase from the FY17 total of \$12,186,289. This increase can be attributed to the increased use of TIF funding for projects, including final payments on Cornerstone DeKalb, a new four-story mixed-use development with three commercial spaces and 51 high-end apartments, and Sundog IT relocation and expansion to 230 East Lincoln Highway.

Water-related expenses were \$5,246,979 or 7.4% of the total. This represents a 1.4% increase from the FY17 total of \$5,174,324.

Airport-related expenses were \$1,481,000 or 2.1% of the total. This represents a 9.1% increase from the FY17 total of \$1,357,269.

The Refuse Fund (\$2,086,409 or 3.0% of total expenses) and interest on long-term debt (\$695,210 or 1.0% of total expenses) account for the balance of the FY18 expenses.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At December 31, 2018, the governmental funds had a combined fund balance of \$16,177,467. This reflects a \$6,932,452 or 29.5% decrease from the prior fiscal year. The General Fund balance reflects \$7,402,857 of the combined fund balance, which is a decrease of \$1,670,942 or 18.4% from FY17. Originally the General Fund was budgeted to have a \$48,110 decrease in its fund balance for FY18. This difference between the budgeted and actual General Fund balance can be attributed to revenues coming in lower than budgeted. The Motor Fuel Tax Fund balance decreased by \$708,332 or 20.2%. The combined TIF District Funds fund balances decreased by \$4,801,661 or 48.9%. The TIF projects that were completed in 2018, that were mentioned earlier, and the surplus of funds to other taxing districts were the reason for the large fund balance decrease. Finally, the fund balances of non-major governmental funds increased by \$214,958. Funds typically are being spent on projects in the Foreign Fire Insurance Fund, Housing Rehabilitation Fund, Community Development Block Grant Fund, Special Service Area Funds, and the Capital Project Funds.

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2018

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>
Revenues			
Taxes	\$ 19,374,511	19,374,511	18,920,431
Licenses & Permits	976,811	976,811	539,473
Intergovernmental	11,619,125	11,619,125	11,756,755
Charges for Services	2,739,824	2,739,824	2,791,182
Fines & Forfeitures	874,178	874,178	679,760
Miscellaneous	578,200	578,200	675,998
Total Revenues	36,162,649	36,162,649	35,363,599
Expenditures and Transfers			
General Government	(4,511,897)	(5,132,415)	(5,174,108)
Public Safety	(24,788,313)	(24,788,313)	(24,643,856)
Highways and Streets	(3,575,399)	(3,575,399)	(3,306,333)
Community Development	(1,553,728)	(1,638,907)	(1,560,179)
Disposal of Capital Assets	130,000	130,000	1,362
Transfers In	310,400	310,400	310,400
Transfers Out	(2,221,822)	(2,471,822)	(2,661,827)
Total Expenditures and Transfers	(36,210,759)	(37,166,456)	(37,034,541)
Change in Fund Balance	(48,110)	(1,003,807)	(1,670,942)

(See independent auditor's report)

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CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The City had originally budgeted for a \$48,110 decrease to the General Fund unassigned balance. The City conducts periodic budget reviews throughout the fiscal year to identify revenue and expenditure line items that require amendments and, accordingly, the City Council approves amendments to the budget as needed throughout the year. Those amendments accounted for any unanticipated changes in revenues or expenditures that occurred since the initial budget was adopted. These budget amendments decreased the General Fund unassigned balance by an additional \$955,697. Actual results for FY18 indicated a decrease in fund balance of \$1,670,942. This decrease can be attributed to a number of factors, including lower than expected tax revenues.

With respect to the business-type activities, the Water Fund had a decrease in net position of \$550,150 due to higher other post-employment benefits and IMRF net pension liability for the year ending December 31, 2018. The Airport Fund showed an increase in Net Position at the end of FY18 of \$803,439. This is due, in part, to the fact that the City diverted one and one-half cents (\$0.015) per gallon of home rule motor fuel tax revenue to help support the Airport Fund starting in 2017. The City has established a fund balance policy for these funds to ensure reserves are available for operations first before committing any funds to capital projects.

Capital Assets

The following schedule reflects the City's capital asset balances as of December 31, 2018 and December 31, 2017.

Table 4
Capital Assets
As of December 31, 2017 and December 31, 2018

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>
Land	\$ 10,616,279	10,601,715	19,386,047	19,386,047	30,002,326	29,987,762
Land Right of Way	25,742,257	25,742,257	1,552,663	544,893	27,294,920	26,287,150
Construction in Progress	712,100	283,862	951,645	1,288,969	1,663,745	1,572,831
Buildings and Improvements	20,814,645	20,814,645	4,804,864	4,804,864	25,619,509	25,619,509
Equipment	3,024,702	3,024,702	658,640	658,640	3,683,342	3,683,342
Vehicles	9,420,595	9,256,617	969,314	995,496	10,389,909	10,252,113
Infrastructure	153,267,418	153,267,418	12,953,573	12,953,573	166,220,991	166,220,991
Water Distribution System	-	-	44,944,823	44,059,630	44,944,823	44,059,630
Less:						
Accumulated Depreciation	(100,293,624)	(96,261,874)	(28,873,370)	(27,408,074)	(129,166,994)	(123,669,948)
Total	123,304,372	126,729,342	57,348,199	57,284,038	180,652,571	184,013,380

At year-end, the City's investment in capital assets for both its governmental and business-type activities was \$180,652,571 (net of accumulated depreciation). This represents a decrease of \$3,360,809 million or 1.8% from FY17. This decrease is the result of the capitalization of new capital assets acquired or constructed during FY18 offset by the current year's depreciation expense for all depreciable capital assets. The largest increases were from land and right-of-way acquisitions and installation of new water mains.

See Note 4 to the financial statements for further information on capital assets.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-Term Debt

As of December 31, 2018, the City had a total of \$157,695,352 in long-term debt and obligations outstanding. The table below summarizes the City's bonded and similar indebtedness.

Table 5
Bonded and Similar Indebtedness
As of December 31, 2018

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>	<i>FY18</i>	<i>FY17</i>
General Obligation Bonds	\$ 19,710,000	22,025,000	1,030,000	1,370,000	20,740,000	23,395,000
Premium on Bonds	182,949	233,623	-	-	182,949	233,623
Discount on Bonds	(20,551)	(22,969)	-	-	(20,551)	(22,969)
Capital Leases	149,998	166,665	-	-	149,998	166,665
IEPA Loan	-	-	1,389,155	1,849,536	1,389,155	1,849,536
Compensated Absences	4,760,604	4,881,916	468,185	563,719	5,228,789	5,445,635
Net Pension Liability	100,475,865	80,709,653	2,488,437	289,268	102,964,302	80,998,921
Net OPEB Obligation	25,177,068	26,703,069	1,046,286	1,109,702	26,223,354	27,812,771
Claims Payable	837,356	591,129	-	-	837,356	591,129
Total	151,273,289	135,288,086	6,422,063	5,182,225	157,695,352	140,470,311

Regarding governmental activities, \$19,710,000 is outstanding from General Obligation Bonds and \$149,998 is outstanding for capital leases. Additionally, as of December 31, 2018, \$4,760,604 is outstanding for compensated absences payable, \$25,177,068 is outstanding for net other post-employment benefit obligations, \$100,475,865 is outstanding for net pension liabilities, \$837,356 is outstanding for claims payable, and \$182,949 in unamortized premium on bonds was outstanding. The increase of \$15,985,203 in long term debt is attributable mostly to an increase in net pension liability of \$19,766,212; however, a \$2,315,000 decrease in debt payments made on General Obligation Bonds helped offset the increase in Police and Fire Pension Fund liability.

Business-type activity debt includes \$1,030,000 outstanding from the General Obligation Refunding Bonds issued to advance refund the 2004 General Obligation Refunding Bonds issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. Another \$1,389,155 is outstanding IEPA loans. Outstanding business-type activity debt in the form of compensated absences payable as of December 31, 2018 totaled \$468,185, \$2,488,437 is outstanding for net pension liabilities, and \$1,046,286 is outstanding for net other post-employment benefit obligations. Once again, the \$1,239,838 increase is attributable to an increase in net pension liability.

The City's credit rating was affirmed in 2018 at A1 by Moody's Investors Service; however, a negative outlook was assigned on the rating citing credit challenges, including sizable unfunded pension liabilities and rising budgetary pressures impacting reserve balances.

See Note 5 to the financial statements beginning on page 35 for further information on long-term debt.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors

Although the City's property tax base is primarily residential, the commercial and industrial tax base continues to be an important component in the diversification of the City's tax base. In 2018, the equalized assessed valuation (EAV) for residential properties was \$316,779,699 or 57.81% of the total EAV. Commercial EAV was \$170,625,427 or 31.14% of the total EAV. Farm, industrial and other EAV was \$60,542,561 or 11.05% of the total EAV. EAV approximates 33 1/3% of the market value of real property within the City's corporate limits. Property taxes imposed on property within the City's corporate limits provide a stable revenue source. Because the City is a home rule municipality, it is not subject to the Property Tax Extension Limitation Law.

While the City receives revenue from a variety of sources, it closely monitors its sales tax revenue, income tax revenue, and development and construction related revenue such as building permits, water connection fees, and impact fees. In FY18, modest increases were seen across most tax revenue categories while noticeable decreases were seen in the area of building permits and impact fees. These revenues and all other revenue sources will continue to be monitored during 2019 to ensure that the City addresses any significant variations in revenues in a timely fashion.

The 2012-2016 American Community Survey released by the U.S. Census Bureau found that 85.3% of residential properties in the City had a value of \$100,000 or more. The median value was \$166,400 and the median income of families living in the City was \$59,285.

The 2010 census found that the City's population was 43,862 which is an increase of 12.4% over the 2000 census population of 39,018. The City's population estimate for 2018 is 42,611 according to the U.S. Census Bureau. Due to the increase in population over the years, the City has experienced increased per-capita revenue from the State of Illinois for income taxes, motor fuel taxes, and use taxes. The City will closely monitor future population trends that may impact shared revenues from the State.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Raymond Munch, Assistant City Manager, City of DeKalb, 200 S. Fourth Street, DeKalb, Illinois 60115.

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and Investments	\$ 24,845,068	\$ 5,369,292	\$ 30,214,360	\$ 2,668,995
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	14,822,226	-	14,822,226	1,634,418
Accounts Receivable	921,202	1,807,581	2,728,783	81,492
Accrued Interest	886	-	886	-
Other	1,713,308	44,686	1,757,994	-
Prepaid Items	60,510	2,586	63,096	-
Inventory	17,997	39,793	57,790	-
Due from Other Governments	5,479,846	39,137	5,518,983	-
Due from City	-	-	-	1,224
Capital Assets				
Not Depreciated	37,070,636	21,890,355	58,960,991	1,558,032
Depreciated (Net of Accumulated Depreciation)	86,233,736	35,457,844	121,691,580	23,237,713
Total Assets	171,165,415	64,651,274	235,816,689	29,181,874
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	3,180,365	1,138,005	4,318,370	559,491
Pension Items - Police Pension	8,948,079	-	8,948,079	-
Pension Items - Firefighters' Pension	9,827,608	-	9,827,608	-
Total Deferred Outflows of Resources	21,956,052	1,138,005	23,094,057	559,491
Total Assets and Deferred Outflows of Resources	193,121,467	65,789,279	258,910,746	29,741,365
LIABILITIES				
Accounts Payable	13,105,372	1,806,443	14,911,815	8,845
Accrued Payroll	750,278	85,256	835,534	45,188
Accrued Interest Payable	296,776	17,793	314,569	100,834
Unearned Revenue	472,908	190,093	663,001	-
Deposits Payable	-	40,468	40,468	-
Due to Library	1,224	-	1,224	-
Long-Term Liabilities				
Due Within One Year	4,961,789	953,046	5,914,835	681,263
Due in More than One Year	146,311,500	5,469,017	151,780,517	7,888,336
Total Liabilities	165,899,847	8,562,116	174,461,963	8,724,466
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	432,560	154,779	587,339	76,096
Pension Items - Firefighters' Pension	511,450	-	511,450	-
Pension Items - Police Pension	426,993	-	426,993	-
Pension Items - OPEB	1,506,464	62,604	1,569,068	22,913
Unavailable Property Taxes	14,822,226	-	14,822,226	1,634,418
Total Deferred Inflows of Resources	17,699,693	217,383	17,917,076	1,733,427
Total Liabilities and Deferred Inflows of Resources	183,599,540	8,779,499	192,379,039	10,457,893

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2018

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
NET POSITION				
Net Investment in Capital Assets	\$ 106,591,976	\$ 54,929,044	\$ 161,521,020	\$ 17,868,522
Restricted for				
Public Safety	233,837	-	233,837	-
Highways and Streets	2,797,303	-	2,797,303	-
Economic Development	5,104,783	-	5,104,783	-
Endowments	-	-	-	220,813
Unrestricted (Deficit)	(105,205,972)	2,080,736	(103,125,236)	1,194,137
TOTAL NET POSITION	\$ 9,521,927	\$ 57,009,780	\$ 66,531,707	\$ 19,283,472

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Operating	Capital	
		Charges for Services	Grants and Contributions	Grants and Contributions
Governmental Activities				
General Government	\$ 8,430,414	\$ 538,305	\$ -	\$ 3,778,010
Public Safety	30,080,212	3,266,797	12,500	25,338
Highways and Streets	8,903,634	-	1,296,252	156,672
Community Development	13,587,704	459,501	-	-
Interest	695,210	-	-	-
Total Governmental Activities	61,697,174	4,264,603	1,308,752	3,960,020
Business-Type Activities				
Water	5,246,979	5,686,158	-	-
Airport	1,481,000	837,997	-	478,930
Refuse	2,086,409	2,058,770	-	-
Total Business-Type Activities	8,814,388	8,582,925	-	478,930
TOTAL PRIMARY GOVERNMENT	\$ 70,511,562	\$ 12,847,528	\$ 1,308,752	\$ 4,438,950
COMPONENT UNIT				
Library	\$ 2,688,481	\$ 46,930	\$ -	\$ 261,709

Net (Expense) Revenue and Change in Net Position				
Primary Government				
Governmental Activities	Business-Type Activities	Total	Component Unit Library	
\$ (4,114,099)	\$ -	\$ (4,114,099)	\$ -	-
(26,775,577)	-	(26,775,577)	-	-
(7,450,710)	-	(7,450,710)	-	-
(13,128,203)	-	(13,128,203)	-	-
(695,210)	-	(695,210)	-	-
(52,163,799)	-	(52,163,799)	-	-
	439,179	439,179	-	-
-	(164,073)	(164,073)	-	-
-	(27,639)	(27,639)	-	-
-	247,467	247,467	-	-
(52,163,799)	247,467	(51,916,332)	-	-
				(2,379,842)
General Revenues				
Taxes				
Property	14,454,907	-	14,454,907	2,569,134
Home Rule Sales	6,540,840	8,138	6,548,978	-
Utility	3,252,309	-	3,252,309	-
Restaurant/Bar	1,944,235	-	1,944,235	-
Hotel/Motel	316,466	-	316,466	-
Other	1,738,370	284,299	2,022,669	-
Intergovernmental				
State Sales Taxes	5,425,742	4,726	5,430,468	-
Income Taxes	4,216,580	-	4,216,580	-
Local Use Taxes	1,293,403	-	1,293,403	-
Replacement Taxes	137,176	-	137,176	33,596
Other	536,963	-	536,963	-
Investment Income	547,273	739	548,012	581
Miscellaneous	765,685	61,426	827,111	10,680
Gain on Sale of Capital Asset	14,785	-	14,785	-
Transfers In (Out)	(299,600)	299,600	-	-
Total	40,885,134	658,928	41,544,062	2,613,991
CHANGE IN NET POSITION	(11,278,665)	906,395	(10,372,270)	234,149
NET POSITION, JANUARY 1	40,737,113	56,615,208	97,352,321	19,429,291
Change in accounting principle	(19,570,881)	(680,746)	(20,251,627)	(379,968)
Prior period adjustment	(365,640)	168,923	(196,717)	-
Total Restatement	(19,936,521)	(511,823)	(20,448,344)	(379,968)
NET POSITION, JANUARY 1, RESTATED	20,800,592	56,103,385	76,903,977	19,049,323
NET POSITION, DECEMBER 31	\$ 9,521,927	\$ 57,009,780	\$ 66,531,707	\$ 19,283,472

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2018

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
ASSETS			
Cash and Investments	\$ 3,708,272	\$ 3,290,879	\$ -
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	6,168,919	-	-
Accounts Receivable	849,966	71,236	-
Accrued Interest	886	-	-
Other	1,416,285	-	-
Prepaid Items	60,510	-	-
Inventory	17,997	-	-
Due from Other Governments	3,793,008	95,632	1,501,265
Due from Other Funds	194,656	-	-
TOTAL ASSETS	\$ 16,210,499	\$ 3,457,747	\$ 1,501,265
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,486,666	\$ 660,444	\$ 1,220,185
Accrued Payroll	733,665	-	16,613
Unearned Revenue	417,168	-	45,286
Due to Library	1,224	-	-
Due to Other Funds	-	-	185,656
Total Liabilities	2,638,723	660,444	1,467,740
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenues	6,168,919	-	-
Total Deferred Inflows of Resources	6,168,919	-	-
Total Liabilities and Deferred Inflows of Resources	8,807,642	660,444	1,467,740
FUND BALANCES			
Nonspendable			
Prepays	60,510	-	-
Inventory	17,997	-	-
Restricted			
Public Safety	171,555	-	-
Highways and Streets	-	2,797,303	-
Economic Development	-	-	-
Assigned for Capital Projects	-	-	-
Unassigned (Deficit)	7,152,795	-	33,525
Total Fund Balances	7,402,857	2,797,303	33,525
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 16,210,499	\$ 3,457,747	\$ 1,501,265

Special Revenue				
Tax Increment Financing	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds	
#1	#2			
\$ 8,064,611	\$ 6,364,957	\$ 995,909	\$ 22,424,628	
7,058,514	1,570,391	24,402	14,822,226	
-	-	-	921,202	
-	-	-	886	
-	-	95,986	1,512,271	
-	-	-	60,510	
-	-	-	17,997	
-	-	89,941	5,479,846	
-	-	-	194,656	
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\$ 15,123,125	\$ 7,935,348	\$ 1,206,238	\$ 45,434,222	
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\$ 3,691,296	\$ 5,711,869	\$ 247,065	\$ 13,017,525	
-	-	-	750,278	
-	-	8,392	470,846	
-	-	-	1,224	
-	-	9,000	194,656	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
3,691,296	5,711,869	264,457	14,434,529	
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7,058,514	1,570,391	24,402	14,822,226	
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7,058,514	1,570,391	24,402	14,822,226	
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10,749,810	7,282,260	288,859	29,256,755	
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-	-	-	60,510	
-	-	-	17,997	
-	-	62,282	233,837	
-	-	-	2,797,303	
4,373,315	653,088	78,380	5,104,783	
-	-	782,790	782,790	
-	-	(6,073)	7,180,247	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
4,373,315	653,088	917,379	16,177,467	
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\$ 15,123,125	\$ 7,935,348	\$ 1,206,238	\$ 45,434,222	
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See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

December 31, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 16,177,467
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	123,304,372
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	8,521,086
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	9,316,158
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	2,747,805
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the total OPEB Liability are recognized as deferred outflows and inflows of resources on the statement of net position	(1,506,464)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(19,710,000)
Capital leases	(149,998)
Net pension liability - Police Pension	(42,942,077)
Net pension liability - Firefighters' Pension	(50,579,390)
Net pension liability - IMRF	(6,954,398)
Premium on bonds payable	(182,949)
Discount on bonds payable	20,551
Compensated absences payable	(4,760,604)
Total OPEB liability	(25,177,068)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(296,776)
The net position of the Internal Service Funds is included in the governmental activities in the statement of net position	1,694,212
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 9,521,927</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
REVENUES			
Taxes	\$ 18,920,431	\$ -	\$ -
Licenses and Permits	539,473	-	-
Intergovernmental	11,756,755	1,187,198	3,778,010
Charges for Services	2,791,182	-	-
Fines and Forfeitures	679,760	-	-
Investment Income	221,919	64,266	-
Miscellaneous	454,079	71,236	605
Total Revenues	<u>35,363,599</u>	<u>1,322,700</u>	<u>3,778,615</u>
EXPENDITURES			
Current			
General Government	5,174,108	-	3,393,935
Public Safety	24,643,856	-	-
Highways and Streets	3,306,333	582,996	-
Community Development	1,560,179	-	-
Capital Outlay	-	1,448,036	351,155
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>34,684,476</u>	<u>2,031,032</u>	<u>3,745,090</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>679,123</u>	<u>(708,332)</u>	<u>33,525</u>
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	1,362	-	-
Transfers In	310,400	-	-
Transfers (Out)	<u>(2,661,827)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,350,065)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,670,942)</u>	<u>(708,332)</u>	<u>33,525</u>
FUND BALANCES, JANUARY 1	9,073,799	3,505,635	-
Prior Period Adjustment	-	-	-
FUND BALANCE, JANUARY 1 (RESTATED)	<u>9,073,799</u>	<u>3,505,635</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	\$ 7,402,857	\$ 2,797,303	\$ 33,525

Special Revenue					
Tax Increment Financing	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds		
#1	#2				
\$ 7,085,132	\$ 1,476,057	\$ 765,507	\$ 28,247,127		
-	-	-	539,473		
-	-	156,672	16,878,635		
-	-	209,716	3,000,898		
-	-	44,473	724,233		
258,751	2,043	294	547,273		
2,359	-	237,406	765,685		
7,346,242	1,478,100	1,414,068	50,703,324		
-	-	175,264	8,743,307		
-	-	31,263	24,675,119		
-	-	-	3,889,329		
208,465	5,718,971	-	7,487,615		
5,827,156	312,571	902,340	8,841,258		
-	-	2,331,667	2,331,667		
-	-	767,026	767,026		
6,035,621	6,031,542	4,207,560	56,735,321		
1,310,621	(4,553,442)	(2,793,492)	(6,031,997)		
-	-	13,423	14,785		
3,392,076	-	3,055,027	6,757,503		
(1,193,200)	(3,392,076)	(60,000)	(7,307,103)		
2,198,876	(3,392,076)	3,008,450	(534,815)		
3,509,497	(7,945,518)	214,958	(6,566,812)		
1,229,458	8,598,606	702,421	23,109,919		
(365,640)	-	-	(365,640)		
863,818	8,598,606	702,421	22,744,279		
\$ 4,373,315	\$ 653,088	\$ 917,379	\$ 16,177,467		

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

**NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS**

\$ (6,566,812)

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

Governmental funds report capital outlay as expenditures; however, they are capitalized on the statement of net position and depreciated on the statement of activities	776,515
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,201,485)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of net position	2,331,667
Amortization of premium on bonds is reported as a reduction of interest expense on the statement of activities	50,674
Amortization of discount on bonds is reported as a reduction of interest expense on the statement of activities	(2,418)
The change of accrued interest payable is reported as an expense on the statement of activities	23,560
The change in compensated absences payable does not require a current financial resource	121,312
The change in the total OPEB liability and deferred outflows/inflows of resources	19,537
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	(2,101,836)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(2,447,193)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	728,642
The change in net position of Internal Service Funds is reported in governmental activities	<u>(10,828)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (11,278,665)</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

December 31, 2018

	Business-Type Activities				Governmental Activities	
	Water	Airport	Nonmajor Enterprise Funds		Internal Service Funds	
			Refuse	Total		
CURRENT ASSETS						
Cash and Investments	\$ 4,759,202	\$ 229,337	\$ 380,753	\$ 5,369,292	\$ 2,420,440	
Receivables						
Accounts Receivable	1,664,746	-	142,835	1,807,581	-	
Other	38,544	6,142	-	44,686	201,037	
Prepaid Expenses	2,069	517	-	2,586	-	
Inventory	-	39,793	-	39,793	-	
Due from Other Governments	-	39,137	-	39,137	-	
Total Current Assets	6,464,561	314,926	523,588	7,303,075	2,621,477	
NONCURRENT ASSETS						
Capital Assets						
Nondepreciable	689,999	21,200,356	-	21,890,355	-	
Depreciable	48,606,921	15,724,293	-	64,331,214	-	
Accumulated Depreciation	(23,129,171)	(5,744,199)	-	(28,873,370)	-	
Total Noncurrent Assets	26,167,749	31,180,450	-	57,348,199	-	
Total Assets	32,632,310	31,495,376	523,588	64,651,274	2,621,477	
DEFERRED OUTFLOWS OF RESOURCES						
Pension Items - IMRF	1,051,179	86,826	-	1,138,005	-	
Total Assets and Deferred Outflows of Resources	33,683,489	31,582,202	523,588	65,789,279	2,621,477	
CURRENT LIABILITIES						
Accounts Payable	1,450,856	181,725	173,862	1,806,443	87,847	
Accrued Payroll	74,019	11,237	-	85,256	-	
Accrued Interest Payable	16,213	1,580	-	17,793	-	
Deposits Payable	15,450	25,018	-	40,468	-	
Unearned Revenue	21,549	24,013	144,531	190,093	2,062	
Claims Payable	-	-	-	-	418,678	
General Obligation Bonds Payable	275,500	69,500	-	345,000	-	
Total OPEB Liability	47,612	1,496	-	49,108	-	
IEPA Loans Payable	472,094	-	-	472,094	-	
Compensated Absences Payable	84,580	2,264	-	86,844	-	
Total Current Liabilities	2,457,873	316,833	318,393	3,093,099	508,587	
LONG-TERM LIABILITIES						
General Obligation Bonds Payable	549,875	135,125	-	685,000	-	
Net Pension Liability - IMRF	2,298,578	189,859	-	2,488,437	-	
Total OPEB Liability	967,553	29,625	-	997,178	-	
IEPA Loans Payable	917,061	-	-	917,061	-	
Compensated Absences Payable	338,322	43,019	-	381,341	-	
Claims Payable	-	-	-	-	418,678	
Total Long-Term Liabilities	5,071,389	397,628	-	5,469,017	418,678	
Total Liabilities	7,529,262	714,461	318,393	8,562,116	927,265	

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities				Governmental Activities	
			Nonmajor Enterprise Funds	Refuse	Total	Internal Service Funds
	Water	Airport	Refuse			
	DEFERRED INFLOWS OF RESOURCES					
Pension Items - IMRF	\$ 142,970	\$ 11,809	\$ -	\$ 154,779	\$ -	
Pension Items - OPEB	60,742	1,862	-	62,604	-	
Total Deferred Inflows of Resources	203,712	13,671	-	217,383	-	
Total Liabilities and Deferred Inflows of Resources	7,732,974	728,132	318,393	8,779,499	927,265	
NET POSITION						
Net Investment in Capital Assets	23,953,219	30,975,825	-	54,929,044	-	
Unrestricted (Deficit)	1,997,296	(121,755)	205,195	2,080,736	1,694,212	
TOTAL NET POSITION	\$ 25,950,515	\$ 30,854,070	\$ 205,195	\$ 57,009,780	\$ 1,694,212	

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Business-Type Activities				Governmental Activities	
	Water	Airport	Nonmajor Enterprise Funds		Internal Service Funds	
			Refuse	Total		
OPERATING REVENUES						
Charges for Services	\$ 5,686,158	\$ 837,997	\$ 2,058,770	\$ 8,582,925	\$ 7,050,737	
Miscellaneous	11,361	39,805	-	51,166	60,940	
Total Operating Revenues	5,697,519	877,802	2,058,770	8,634,091	7,111,677	
OPERATING EXPENSES						
Administration	-	-	-	-	7,380,028	
Operations	4,088,736	1,091,942	2,086,409	7,267,087	-	
Depreciation	1,105,571	385,907	-	1,491,478	-	
Total Operating Expenses	5,194,307	1,477,849	2,086,409	8,758,565	7,380,028	
OPERATING INCOME (LOSS)	503,212	(600,047)	(27,639)	(124,474)	(268,351)	
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	394	345	-	739	7,523	
State Sales Tax	-	4,726	-	4,726	-	
Home Rule Sales Tax	-	8,138	-	8,138	-	
Home Rule Motor Fuel Tax	-	284,299	-	284,299	-	
Gain on Sale of Capital Assets	9,350	910	-	10,260	-	
Interest Expense	(52,672)	(3,151)	-	(55,823)	-	
Total Non-Operating Revenues (Expenses)	(42,928)	295,267	-	252,339	7,523	
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	460,284	(304,780)	(27,639)	127,865	(260,828)	
CONTRIBUTIONS						
Capital Contributions	-	478,930	-	478,930	-	
Total Contributions	-	478,930	-	478,930	-	
TRANSFERS						
Transfers In	-	610,000	-	610,000	250,000	
Transfers (Out)	(310,400)	-	-	(310,400)	-	
Total Transfers	(310,400)	610,000	-	299,600	250,000	
CHANGE IN NET POSITION	149,884	784,150	(27,639)	906,395	(10,828)	
NET POSITION, JANUARY 1	26,500,665	30,050,632	63,911	56,615,208	1,705,040	
Change In Accounting Principle	(700,034)	19,288	-	(680,746)	-	
Prior Period Adjustment	-	-	168,923	168,923	-	
Total Restatements	(700,034)	19,288	168,923	(511,823)	-	
NET POSITION, JANUARY 1 (RESTATED)	25,800,631	30,069,920	232,834	56,103,385	1,705,040	
NET POSITION, DECEMBER 31	\$ 25,950,515	\$ 30,854,070	\$ 205,195	\$ 57,009,780	\$ 1,694,212	

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2018

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Refuse		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 5,775,332	\$ 886,136	\$ 2,060,466	\$ 8,721,934	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	5,548,728
Receipts from Employees and Others	-	-	-	-	1,559,791
Receipts from Miscellaneous Revenues	11,361	39,805	-	51,166	60,940
Payments to Other Funds	(786,622)	(84,031)	(124,000)	(994,653)	-
Payments to Suppliers	(1,157,772)	(684,029)	(2,126,828)	(3,968,629)	(7,060,444)
Payments to Employees	(2,376,436)	(332,796)	-	(2,709,232)	-
Net Cash from Operating Activities	1,465,863	(174,915)	(190,362)	1,100,586	109,015
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Non-Operating Revenues - Home Rule Fuel Tax	-	284,299	-	284,299	-
Non-Operating Revenues - Home Rule Sales Tax	-	8,138	-	8,138	-
Non-Operating Revenues - State Sales Tax	-	4,726	-	4,726	-
Transfers In	-	132,000	-	132,000	250,000
Transfers (Out)	(353,975)	-	-	(353,975)	-
Net Cash from Noncapital Financing Activities	(353,975)	429,163	-	75,188	250,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	(1,046,544)	(136,549)	-	(1,183,093)	-
Proceeds From Sale of Capital Assets	9,350	910	-	10,260	-
Proceeds Related to Future Development	-	106,384	-	106,384	-
Principal Payments on Long-Term Debt	(734,256)	(66,125)	-	(800,381)	-
Interest Payments on Long-Term Debt	(58,256)	(3,661)	-	(61,917)	-
Net Cash from Capital and Related Financing Activities	(1,829,706)	(99,041)	-	(1,928,747)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	1,175	345	-	1,520	7,523
Net Cash from Investing Activities	1,175	345	-	1,520	7,523
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(716,643)	155,552	(190,362)	(751,453)	366,538
CASH AND CASH EQUIVALENTS, JANUARY 1	5,475,845	73,785	571,115	6,120,745	2,053,902
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 4,759,202	\$ 229,337	\$ 380,753	\$ 5,369,292	\$ 2,420,440

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-Type Activities				Governmental Activities	
	Water	Airport	Nonmajor Enterprise Funds		Internal Service Funds	
			Refuse	Total		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 503,212	\$ (600,047)	\$ (27,639)	\$ (124,474)	\$ (268,351)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities						
Depreciation and Amortization	1,105,571	385,907	-	1,491,478	-	
Changes in Assets and Liabilities						
Accounts Receivable	116,459	46,922	23,543	186,924	-	
Other Receivables	(27,032)	-	-	(27,032)	68,880	
Prepaid Expenses	(41)	2,469	-	2,428	30,000	
Inventory	-	(791)	-	(791)	-	
Accounts Payable	(273,703)	(922)	(164,419)	(439,044)	43,357	
Accrued Payroll	(9,571)	1,627	-	(7,944)	-	
Claims Payable	-	-	-	-	246,227	
Other Payables	4,600	(144)	-	4,456	-	
Unearned Revenue	(253)	2,008	(21,847)	(20,092)	(11,098)	
Pension Items - IMRF	(1,918,433)	(149,714)	-	(2,068,147)	-	
Net Pension Liability - IMRF	2,061,703	137,466	-	2,199,169	-	
Pension Items - OPEB	60,742	1,862	-	62,604	-	
Total OPEB Liability	(61,529)	(1,886)	-	(63,415)	-	
Compensated Absences	(95,862)	328	-	(95,534)	-	
NET CASH FROM OPERATING ACTIVITIES	\$ 1,465,863	\$ (174,915)	\$ (190,362)	\$ 1,100,586	\$ 109,015	
NONCASH TRANSACTIONS						
Capital Contributions	\$ -	\$ 372,546	\$ -	\$ 372,546	\$ -	
TOTAL NONCASH TRANSACTIONS	\$ -	\$ 372,546	\$ -	\$ 372,546	\$ -	

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

December 31, 2018

ASSETS

Cash and Short-Term Investments	\$ 4,181,894
Investments	
U.S. Treasury Obligations	5,503,323
U.S. Agency Obligations	5,637,406
Corporate Bonds	7,819,816
Municipal Bonds	342,231
Mutual Funds	37,068,968
Receivables	
Accrued Interest	103,620
Prepaid Expenses	<u>3,583</u>
Total Assets	<u>60,660,841</u>

LIABILITIES

Accounts Payable	<u>14,447</u>
Total Liabilities	<u>14,447</u>

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 60,646,394

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended December 31, 2018

ADDITIONS

Contributions	
Employer Contributions	\$ 6,455,704
Employee Contributions	<u>1,149,562</u>
 Total Contributions	 <u>7,605,266</u>
 Investment Income	
Net Depreciation in Fair Value of Investments	(6,258,828)
Interest	<u>1,852,985</u>
 Total Investment Income	 (4,405,843)
Less Investment Expense	<u>(89,466)</u>
 Net Investment Income	 <u>(4,495,309)</u>
 Total Additions	 <u>3,109,957</u>
 DEDUCTIONS	
Administrative Expenses	91,632
Benefits and Refunds	<u>6,884,037</u>
 Total Deductions	 <u>6,975,669</u>
 NET DECREASE	 (3,865,712)

NET POSITION RESTRICTED FOR PENSIONS

January 1	<u>64,512,106</u>
December 31	<u>\$ 60,646,394</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of DeKalb (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and council. As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, the City has one component unit.

Discretely Presented Component Unit

The component unit column in the basic financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

The DeKalb Public Library

The DeKalb Public Library (the Library) operates and maintains the City's public library facilities. The Library's board is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The City uses funds to report on its financial position and the change in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

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

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

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

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

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

The Motor Fuel Tax Fund accounts for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes. The City has elected to report the Motor Fuel Tax Fund as major.

The Mass Transit Fund accounts for the restricted grant revenues for the two community mass transit services: Northern Illinois University's Huskies Line and Voluntary Action Center's Trans Vac Service. The City has elected to report the Mass Transit Fund as major.

The Tax Increment Financing #1 Fund accounts for the restricted property taxes for the redevelopment activities within a defined area of the community in order to eliminate blighted conditions in that area.

The Tax Increment Financing #2 Fund accounts for the restricted property taxes for the redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major proprietary funds:

The Water Fund accounts for the provision of water service to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

The Airport Fund is used to account for the operation of the Taylor Municipal Airport. Financing may be provided from a number of sources including user fees as well as property taxes.

Additionally, the City reports the following Internal Service Fund:

Internal Service Funds account for the City's self-insured property, casualty, workers' compensation, and health insurance programs provided to other departments or agencies of the City on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes and

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

telecommunication taxes which use 90 days. The City recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services, restaurant and bar taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

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

E. Cash and Investments

For purposes of the statement of cash flows, the City's proprietary funds considers cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments (Continued)

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. All investments of the pension trust funds, regardless of length of maturity, are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

F. Interfund Receivables/Payables

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

Advances are offset by nonspendable fund balance in applicable governmental funds.

Interfund service transactions are accounted for as revenues, expenditures, or expenses.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

G. Property Taxes

Property taxes for 2017 are levied in December 2017 and attach as an enforceable lien on the property on January 1, 2017. Tax bills are prepared by the County and issued on or about May 1, 2018 and August 1, 2018, and are due and collectible on or about June 1, 2018 and September 1, 2018. The County collects the taxes and remits them periodically to the City. Those 2017 taxes were intended to finance the fiscal year ending December 31, 2018. The 2018 levy, which attached as a lien on property as January 1, 2018, is intended to finance the 2019 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**H. Inventories and Prepaid Items/Expenses**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid items/expenses are recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	40-50
Equipment	10-20
Vehicles	3-20
Infrastructure	25-50
Water Distribution System	40-65

J. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount. Issuance costs are reported as expenses. The unamortized loss on refunding is reported as a deferred outflow of resources.

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

L. Deferred Outflows/Inflows of Resources

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

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

M. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance/Net Position (Continued)

constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager through the fund balance policy adopted by the City Council. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

The City has established a fund balance reserve policy for several of its funds. The policy requires unassigned fund balances to be maintained in the General Fund equivalent to 25% of the fund's annual operating expenditures. The Tax Increment Financing Funds should be self-supporting and should maintain a fund balance equivalent to meet the planned improvements identified in a multi-year capital schedule. The Capital Projects Fund should maintain a fund balance of the planned improvements for the current fiscal year. The Special Revenue Funds should maintain the least fund balance necessary to cover current fiscal year expenditures, plus an amount to pay for those expenditures of the subsequent fiscal year needed to avoid a cash deficit position. The Water Fund unrestricted net position will be maintained at a minimum level equal to 25% of the annual budgeted operating expenses, plus the budgeted capital improvements. The unrestricted net position of the Airport Fund will be maintained at a minimum level equal to 25% of annual budgeted operational expenses, plus the budgeted capital improvements for the current fiscal year. The Health Insurance Fund should maintain unrestricted net position of one month of IPBC premiums. The Workers' Compensation Fund should maintain unrestricted net position of \$1,000,000 collectively.

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

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

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and Illinois Metropolitan Investment Fund (IMET).

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an independent third party acting as the agent of the City.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured at fair value as of December 31, 2018.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring that deposits with financial institutions in excess of FDIC coverage be collateralized with collateral in excess of the uninsured deposits with the collateral held by a third party acting as the agent of the City. At the end of the year, the City's investments in The Illinois Funds were rated AAA by Standard and Poor's.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short-term and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. The Illinois Funds are not subject to custodial credit risk.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy limits the City's investments to the safest types of securities, pre-qualifies financial institutions, broker/dealers, intermediaries, and advisors with which the City does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized. At fiscal year end, the City's investment in negotiable certificates of deposit represents more than 5% of the total cash and investment portfolio.

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at December 31, 2018:

GOVERNMENTAL ACTIVITIES

Local Use Tax	\$ 528,561
Sales Tax - State	1,310,450
Sales Tax - City	1,750,522
Auto Rental Sales Tax	4,907
Video Gaming Tax	41,315
Telecommunication Tax	144,642
Grants	1,711,807
State Motor Fuel Tax	<u>95,632</u>

TOTAL GOVERNMENTAL ACTIVITIES

\$ 5,587,836

BUSINESS-TYPE ACTIVITIES

Airport Grants	\$ <u>39,137</u>
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TOTAL BUSINESS-TYPE ACTIVITIES

\$ 39,137

DISCRETELY PRESENTED COMPONENT UNIT

None	\$ _____ -
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TOTAL DISCRETELY PRESENTED COMPONENT UNIT

\$ _____ -

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 10,601,715	\$ 14,564	\$ -	\$ 10,616,279
Land Right of Way	25,742,257	-	-	25,742,257
Construction in Progress	283,862	428,238	-	712,100
Total Capital Assets Not Being Depreciated	<u>36,627,834</u>	<u>442,802</u>	<u>-</u>	<u>37,070,636</u>
Capital Assets being Depreciated				
Buildings and Improvements	20,814,645	-	-	20,814,645
Equipment	3,024,702	-	-	3,024,702
Vehicles	9,256,617	333,713	169,735	9,420,595
Infrastructure	153,267,418	-	-	153,267,418
Total Capital Assets Being Depreciated	<u>186,363,382</u>	<u>333,713</u>	<u>169,735</u>	<u>186,527,360</u>
Less Accumulated Depreciation for				
Buildings and Improvements	5,271,874	381,130	-	5,653,004
Equipment	2,064,507	156,465	-	2,220,972
Vehicles	5,906,354	589,851	169,735	6,326,470
Infrastructure	83,019,139	3,074,039	-	86,093,178
Total Accumulated Depreciation	<u>96,261,874</u>	<u>4,201,485</u>	<u>169,735</u>	<u>100,293,624</u>
Total Capital Assets Being Depreciated, Net	<u>90,101,508</u>	<u>(3,867,772)</u>	<u>-</u>	<u>86,233,736</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u><u>\$ 126,729,342</u></u>	<u><u>\$ (3,424,970)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 123,304,372</u></u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 19,386,047	\$ -	\$ -	\$ 19,386,047
Land Improvements	544,893	1,007,770	-	1,552,663
Construction in Progress	1,288,969	670,446	1,007,770	951,645
Total Capital Assets Not Being Depreciated	<u>21,219,909</u>	<u>1,678,216</u>	<u>1,007,770</u>	<u>21,890,355</u>
Capital Assets being Depreciated				
Buildings and Improvements	4,804,864	-	-	4,804,864
Equipment	658,640	-	-	658,640
Vehicles	995,496	-	26,182	969,314
Airport Infrastructure	12,953,573	-	-	12,953,573
Water Distribution System	44,059,630	885,193	-	44,944,823
Total Capital Assets Being Depreciated	<u>63,472,203</u>	<u>885,193</u>	<u>26,182</u>	<u>64,331,214</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
(Continued)				
Less Accumulated Depreciation for				
Building and Improvements	\$ 2,181,840	\$ 93,652	\$ -	\$ 2,275,492
Equipment	362,059	31,263	-	393,322
Vehicles	817,216	30,908	26,182	821,942
Airport Infrastructure	3,762,352	326,061	-	4,088,413
Water Distribution System	20,284,607	1,009,594	-	21,294,201
Total Accumulated Depreciation	<u>27,408,074</u>	<u>1,491,478</u>	<u>26,182</u>	<u>28,873,370</u>
Total Capital Assets Being Depreciated, Net	<u>36,064,129</u>	<u>(606,285)</u>	-	<u>35,457,844</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 57,284,038</u>	<u>\$ 1,071,931</u>	<u>\$ 1,007,770</u>	<u>\$ 57,348,199</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 78,078
Public Safety	546,621
Community Development	296,058
Highways and Streets	<u>3,280,728</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 4,201,485

BUSINESS-TYPE ACTIVITIES

Water	\$ 1,105,571
Airport	<u>385,907</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 1,491,478

Capital asset additions were charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 199,869
Public Safety	59,408
Community Development	343,834
Highways and Streets	<u>173,404</u>

TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES \$ 776,515

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT**A. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to fund noncapital Tax Increment Financing costs. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$10,800,000 2010A Series General Obligation Refunding Bonds, dated May 27, 2010, due in annual installments of \$755,000 to \$1,145,000, plus interest of 2% to 4% through December 2, 2021	TIF Debt Service	\$ 4,330,000	\$ -	\$ 1,020,000	\$ 3,310,000	\$ 1,060,000
\$3,905,000 2010B Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$150,000 to \$955,000, plus interest of 4.25% to 4.75% through January 1, 2028	General Debt Service	3,905,000	-	-	3,905,000	-
\$5,415,000 2010C Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$180,000 to \$755,000, plus interest of 1.90% to 5.90% through January 1, 2023	General Debt Service	4,065,000	-	620,000	3,445,000	650,000
\$9,905,000 2012A Series General Obligation Bonds, dated October 25, 2012, due in annual installments of \$505,000 to \$845,000, plus interest of 2.00% to 2.50% through January 1, 2030	General Debt Service	7,405,000	-	660,000	6,745,000	550,000

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$2,380,000 2013B Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$40,000 to \$745,000, plus interest of 0.80% to 3.00% through January 1, 2022	General Debt Service	\$ 2,320,000	\$ -	\$ 15,000	\$ 2,305,000	\$ 135,000
\$2,870,000 2014 Series General Obligation Refunding Bonds, dated November 3, 2014, due in annual installments of \$340,000 to \$750,000, plus interest of 1.54% through January 1, 2021	Water Airport	1,099,250 270,750	- -	273,875 66,125	825,375 204,625	275,500 69,500
TOTAL		\$ 23,395,000	\$ -	\$ 2,655,000	\$ 20,740,000	\$ 2,740,000

B. Illinois Environmental Protection Agency Loan Contracts Payable

The City, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of a water treatment facility. Loan contracts payable have been issued for business-type activities. IEPA loan contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$4,072,711 IEPA Loan #L17133700 Contract Payable of 1999, due in semiannual installments of \$133,239 including interest at 2.535% through January 8, 2021	Water	\$ 887,129	\$ -	\$ 245,535	\$ 641,594	\$ 251,799
\$3,344,932 IEPA Loan #L17161400 Contract Payable of 2000, due in semiannual installments of \$109,406 including interest at 2.535% through May 30, 2021	Water	728,443	-	201,615	526,828	206,759

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

5. LONG-TERM DEBT (Continued)

B. Illinois Environmental Protection Agency Loan Contracts Payable (Continued)

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$283,072 IEPA Loan #L174045 Contract Payable of 2012, due in semiannual installments of \$5,749 including interest at 2.295% through October 26, 2032	Water	\$ 233,964	\$ -	\$ 13,231	\$ 220,733	\$ 13,536
TOTAL		\$ 1,849,536	\$ -	\$ 460,381	\$ 1,389,155	\$ 472,094

C. Capital Leases

The City is committed under leases for various vehicle and equipment purchases as follows:

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Equipment	Capital Projects	\$ 166,665	\$ -	\$ 16,667	\$ 149,998	\$ 16,667
TOTAL		\$ 166,665	\$ -	\$ 16,667	\$ 149,998	\$ 16,667

D. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Principal	Interest		
2019	\$ 2,395,000	\$ 681,329	\$ 345,000	\$ 13,240		
2020	2,485,000	588,289	340,000	7,952		
2021	2,585,000	486,069	345,000	2,663		
2022	1,500,000	377,396	-	-		
2023	1,560,000	314,839	-	-		
2024	1,620,000	258,904	-	-		
2025	1,670,000	205,415	-	-		
2026	1,725,000	149,080	-	-		
2027	1,785,000	89,141	-	-		
2028	1,015,000	45,103	-	-		
2029	865,000	22,356	-	-		
2030	505,000	6,313	-	-		
TOTAL	\$ 19,710,000	\$ 3,224,234	\$ 1,030,000	\$ 23,855		

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

D. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	IEPA Loan Contracts			Capital Leases	
	Business Type Activities		Principal	Governmental Activities	
	Principal	Interest		Principal	Interest
2019	\$ 472,094	\$ 31,720	\$ 16,667	\$ -	-
2020	484,104	19,710	16,667	-	-
2021	253,776	7,394	16,667	-	-
2022	14,495	4,030	16,667	-	-
2023	14,830	3,695	16,667	-	-
2024	15,172	3,353	16,667	-	-
2025	15,522	3,002	16,667	-	-
2026	15,880	2,644	16,667	-	-
2027	16,247	2,278	16,662	-	-
2028	16,622	1,903	-	-	-
2029	17,006	1,519	-	-	-
2030	17,398	1,126	-	-	-
2031	17,800	725	-	-	-
2032	18,209	314	-	-	-
TOTAL	\$ 1,389,155	\$ 83,413	\$ 149,998	\$ -	-

E. Changes in Long-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1 Restated	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 22,025,000	\$ -	\$ 2,315,000	\$ 19,710,000	\$ 2,395,000
Premium on Bonds Payable	233,623	-	50,674	182,949	-
Discount on Bonds Payable	(22,969)	-	(2,418)	(20,551)	-
Capital Leases	166,665	-	16,667	149,998	16,667
Compensated Absences Payable	4,881,916	855,071	976,383	4,760,604	952,121
Net Pension Liability - IMRF	2,581,536	4,372,862	-	6,954,398	-
Net Pension Liability - Police Pension	35,609,637	7,332,440	-	42,942,077	-
Net Pension Liability - Firefighters' Pension	42,518,480	8,060,910	-	50,579,390	-
Total OPEB Liability	26,703,069	-	1,526,001	25,177,068	1,179,323
Claims Payable	591,129	598,354	352,127	837,356	418,678
TOTAL GOVERNMENTAL ACTIVITIES	\$ 135,288,086	\$ 21,219,637	\$ 5,234,434	\$ 151,273,289	\$ 4,961,789

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities (Continued)

For the governmental activities, the compensated absences, net pension liability, and the net other postemployment benefit obligation are generally liquidated by the General Fund. Claims payable are generally liquidated by the internal service funds.

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds					
Water	\$ 1,099,250	\$ -	\$ 273,875	\$ 825,375	\$ 275,500
Airport	270,750	-	66,125	204,625	69,500
Total General Obligation Bonds	<u>1,370,000</u>	<u>-</u>	<u>340,000</u>	<u>1,030,000</u>	<u>345,000</u>
IEPA Loans					
Water	1,849,536	-	460,381	1,389,155	472,094
Net Pension Liability - IMRF					
Water	236,875	2,061,703	-	2,298,578	-
Airport	52,393	137,466	-	189,859	-
Total Net Pension Liability - IMRF	<u>289,268</u>	<u>2,199,169</u>	<u>-</u>	<u>2,488,437</u>	<u>-</u>
Compensated Absences					
Water	518,764	7,891	103,753	422,902	84,580
Airport	44,955	2,576	2,248	45,283	2,264
Total Compensated Absences	<u>563,719</u>	<u>10,467</u>	<u>106,001</u>	<u>468,185</u>	<u>86,844</u>
Total OPEB Liability					
Water	1,076,695	-	61,530	1,015,165	47,612
Airport	33,007	-	1,886	31,121	1,496
Total OPEB Liability	<u>1,109,702</u>	<u>-</u>	<u>63,416</u>	<u>1,046,286</u>	<u>49,108</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 5,182,225</u>	<u>\$ 2,209,636</u>	<u>\$ 969,798</u>	<u>\$ 6,422,063</u>	<u>\$ 953,046</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

F. Legal Debt Margin

The City is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

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

To date, the General Assembly has set no limits for home rule municipalities.

G. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2018, there were four IDRBs outstanding totaling \$8,148,641.

6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. The City has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expense in appropriate funds.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative

Risks for medical and death benefits for employees and retirees are provided for through the City's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established in 1979 by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

IPBC also acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. Through IPBC, the City offers both a PPO plan and an HMO plan. For those employees enrolled in the PPO plan, the City is responsible for the first \$35,000 in claims for each individual employee participant every claim year. The members of IPBC share claims (for each individual employee) between \$35,000 and \$125,000.

IPBC maintains stop-loss insurance to cover claims in excess of \$125,000. Approximately 90% of the City's employees and retirees are PPO participants.

The HMO plan is also self-insured through a special arrangement. Members of IPBC pay for fixed costs of capitation and administration and then fund for claims not covered under the capitation fee. This plan is fully pooled and the City is not individually rated based on claims experience. All members of the IPBC pay the same rates based on plan design choices. Approximately 10% of the City's employees and retirees are HMO participants.

The City makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The City makes monthly payments to IPBC for administration of the plan. The City had terminal reserve net of deficit of other accounts as of December 31, 2018 of \$180,245. This amount was declared as a dividend to the City and, therefore, has been recorded as a receivable in the Health Insurance Fund of \$180,245 as of December 31, 2018.

The City has established the following internal service funds to account for these activities: workers' compensation, liability/property insurance, and health insurance. Each participating fund makes payments to the insurance funds. Such payments are displayed on the financial statements as revenues and expenditures/expenses to the extent that the charge to the other funds is based on the actual expenses of the funds plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as transfers.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (Continued)

The City has contracted with third party administrators (TPAs) to administer the workers' compensation program and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop-loss coverage to limit the City's exposure to losses. Prior to May 2012, the City was completely self-insured for workers' compensation with no specific or aggregate stop-loss policies; however, as of December 31, 2018, the City is self-insured up to \$600,000 in potential claims losses while any additional claims liabilities are covered by a policy purchased from a national insurance provider.

There have been no significant changes in coverage from the prior two years and settlements have not exceeded coverage in any of the prior three fiscal years.

A reconciliation of claims payable for the fiscal years ended December 31, 2017 and 2018 are as follows:

	Workers' Compensation and Liability/Property	
	2017	2018
CLAIMS PAYABLE, JANUARY 1	\$ 608,386	\$ 591,129
Add Claims Incurred	390,174	598,354
Less Claims Paid	(407,431)	(352,127)
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 591,129</u>	<u>\$ 837,356</u>

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

	Due From	Due To
General		
Mass Transit Fund	\$ 185,656	\$ -
Nonmajor Governmental	9,000	-
Total General	<u>194,656</u>	<u>-</u>
Mass Transit Fund		
General	-	185,656
Total Mass Transit Fund	<u>-</u>	<u>185,656</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)**A. Due From/To Other Funds (Continued)**

	Due From	Due To
Nonmajor Governmental		
General Debt Service Fund	\$ -	\$ 9,000
Total Nonmajor Governmental Funds	<u>-</u>	<u>9,000</u>
 TOTAL	 <u>\$ 194,656</u>	 <u>\$ 194,656</u>

The purpose of significant due from/to other funds is as follows:

- \$185,656 due to the General Fund from the Mass Transit Fund for bus services due to delay in grant disbursements from the state. Repayment is expected within one year.
- \$9,000 due to the General Fund from the General Debt Service Fund to cover fund cash overdraft. Repayment is expected within one year.

B. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2018 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ -	\$ 1,801,827
Water	310,400	-
Airport	-	610,000
Internal Service	-	250,000
Total General	310,400	2,661,827
 Tax Increment Financing #1		
Tax Increment Financing #2	3,392,076	-
Nonmajor Governmental	-	1,193,200
Total Tax Increment Financing #1	3,392,076	1,193,200
 Tax Increment Financing #2		
Tax Increment Financing #1	-	3,392,076
Total Tax Increment Financing #2	-	3,392,076

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)**B. Interfund Transfers (Continued)**

	Transfers In	Transfers Out
Nonmajor Governmental		
General	\$ 1,801,827	\$ -
Tax Increment Financing #1	1,193,200	-
Nonmajor Governmental	60,000	60,000
Total Nonmajor Governmental	<u>3,055,027</u>	<u>60,000</u>
Water		
General	-	310,400
Total Water	<u>-</u>	<u>310,400</u>
Airport		
General	610,000	-
Total Airport	<u>610,000</u>	<u>-</u>
Internal Service		
Internal Service	250,000	-
Total Internal Service	<u>250,000</u>	<u>-</u>
TOTAL	<u>\$ 7,617,503</u>	<u>\$ 7,617,503</u>

The purpose of significant transfers is as follows:

- \$1,801,827 transferred from the General Fund to the Nonmajor Governmental Fund (General Debt Service) to cover debt service payments. This transfer will not be repaid.
- \$310,400 transferred from the Water Fund to the General Fund to cover payment in lieu of taxes. This transfer will not be repaid.
- \$610,00 transferred from the General Fund to the Airport Fund to relieve advances to/from and any negative cash. This transfer will not be repaid.
- \$250,000 transferred from the General Fund to the Internal Service Fund to make supplemental payment to IPBC. This transfer will not be repaid.
- \$1,193,200 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Governmental Fund (TIF Debt Service Fund) to cover debt service payments. This transfer will not be repaid.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers (Continued)

- \$3,392,076 transferred from the Tax Increment Financing #2 Fund to the Tax Increment Financing #1 Fund to cover TIF project incentives. This transfer will not be repaid.
- \$60,000 transferred from the Nonmajor Governmental Fund (Capital Projects Fund) to the Nonmajor Governmental Fund (Capital Equipment Fund) to purchase equipment. This transfer will not be repaid.

8. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances/Net Position of Individual Funds

The following funds had deficit fund balances/net position as of December 31, 2018:

Fund	Deficit Balance
General Debt Service	\$ 6,073

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

C. Sales Tax Sharing

The City has entered into intergovernmental agreement with DeKalb County to share in the sales tax revenues generated from companies located within certain property developments through the fiscal year 2033. The total rebate expenditures incurred during the year ended December 31, 2018 was \$1,781,787 and the total rebate revenue earned during the year ended December 31, 2018 was \$173,995.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care and life insurance benefits (OPEB) for its eligible retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental and business-type activities.

B. Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. All health care benefits are provided through the City's health insurance plan with IPBC. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the City.

C. Membership

At December 31, 2018, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	180
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>205</u>
 TOTAL	 <u>342</u>
 Participating Employers	 <u>1</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**D. Total OPEB Liability**

The City's total OPEB liability of \$26,606,290 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2018, as determined by an actuarial valuation as of December 31, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	Market Value
Inflation	2.50%
Discount Rate	4.10%
Healthcare Cost Trend Rates	8.00% Initial to 4.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2018	<u>\$ 28,218,917</u>
Changes for the Period	
Service Cost	515,219
Interest	967,344
Changes in Assumptions	(1,857,311)
Benefit Payments	<u>(1,237,879)</u>
Net Changes	<u>(1,612,627)</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 26,606,290</u>

Changes in assumptions related to the discount rate were made since the prior measurement date.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**G. Rate Sensitivity**

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.10% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 29,503,289	\$ 26,606,290	\$ 24,142,061

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4% to 8% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3% to 7%) or 1 percentage point higher (5% to 9%) than the current rate:

	1% Decrease (3% to 7%)	Current Healthcare Rate (4% to 8%)	1% Increase (5% to 9%)
Total OPEB Liability	\$ 23,940,087	\$ 26,606,290	\$ 29,764,591

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$1,225,733. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience Changes in Assumptions	\$ -	\$ -
TOTAL	\$ -	\$ 1,591,981

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending <u>December 31,</u>	
2019	\$ (265,330)
2020	(265,330)
2021	(265,330)
2022	(265,330)
2023	(265,330)
Thereafter	<u>(265,331)</u>
 TOTAL	 <u>\$ (1,591,981)</u>

11. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org. The Police and Firefighters' Pension Plans do not issue separate reports.

A. Plan DescriptionsIllinois Municipal Retirement Fund*Plan Administration*

All employees (other than those covered by the Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2018, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	175
Inactive Employees Entitled to but not yet Receiving Benefits	96
Active Employees	<u>95</u>
 TOTAL	 <u>366</u>

Benefits Provided

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

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2018 was 14.71% of covered payroll.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)*Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2018
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	3.39% to 14.25%
Interest Rate	7.25%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2018 and 2017, respectively, was 7.25% and 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	<u>\$ 56,193,936</u>	<u>\$ 52,843,534</u>	<u>\$ 3,350,402</u>
Changes for the Period			
Service Cost	697,252	-	697,252
Interest	4,123,636	-	4,123,636
Difference Between Expected and Actual Experience	649,797	-	649,797
Changes in Assumptions	1,620,019	-	1,620,019
Employer Contributions	-	1,068,890	(1,068,890)
Employee Contributions	-	328,546	(328,546)
Net Investment Income	-	(2,996,024)	2,996,024
Benefit Payments and Refunds	(3,121,485)	(3,121,485)	-
Other (Net Transfer)	-	1,373,440	(1,373,440)
Net Changes	<u>3,969,219</u>	<u>(3,346,633)</u>	<u>7,315,852</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 60,163,155</u>	<u>\$ 49,496,901</u>	<u>\$ 10,666,254</u>

Changes in assumptions related to the discount rate were made since the prior measurement date.

	City	Library	Total
Beginning Net Pension Liability at January 1, 2018	\$ 2,870,804	\$ 479,598	\$ 3,350,402
Employer Contributions	971,907	96,983	1,068,890
Ending Net Pension Liability at December 31, 2018	9,442,835	1,223,419	10,666,254

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)*Changes in the Net Pension Liability (Continued)**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2018, the City recognized pension expense of \$301,858 and the Library recognized pension expense of \$11,739.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 429,534	\$ 48,610
Changes in Assumption	1,070,879	614,826
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>3,377,449</u>	-
 TOTAL	 <u>\$ 4,877,862</u>	 <u>\$ 663,436</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending
December 31,

2019	\$ 1,276,743
2020	1,134,183
2021	414,271
2022	1,389,229
2023	-
Thereafter	-
 TOTAL	 <u>\$ 4,214,426</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

	City	Library	Total
Share of Deferred Outflows	\$ 4,318,371	\$ 559,491	\$ 4,877,862
Share of Deferred Inflows	(587,340)	(76,096)	(663,436)
TOTAL	\$ 3,731,031	\$ 483,395	\$ 4,214,426

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability - City	\$ 15,944,742	\$ 9,442,835	\$ 4,098,904
Net Pension Liability - Library	2,065,810	1,223,419	531,057
TOTAL	\$ 18,010,552	\$ 10,666,254	\$ 4,629,961

Police Pension Plan*Plan Administration*

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

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

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Administration (Continued)

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits, and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2018, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet	
Receiving Benefits	3
Active Plan Members	<u>64</u>
 TOTAL	120

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

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

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2018, the City's contribution was 50.35% of covered payroll.

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The investment policy was not modified during the year ended December 31, 2018.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)*Investment Policy (Continued)*

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	3%	0.00%
Fixed Income	32%	
Aggregate Bonds		2.00%
Investment Grade Corporates		2.50%
Intermediate U.S. Treasuries		1.25%
High Yield		3.50%
Equities	65%	

Asset Class	Target	Long-Term Expected Real Rate of Return
-------------	--------	--

Further, the policy diversifies in the following equity categories:

Domestic Equities	57%	
Large Caps		3.25%
Mid Caps		3.75%
Small Caps		4.00%
Commodities		0.25%
International Equities	5%	
Developed Foreign		4.75%
Emerging Markets		6.50%
Real Estate	3%	4.25%

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The long-term expected real rates of return are net of a 2% factor for inflation and investment expense. The Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments.

The long-term expected rate of return on the Fund's investments was determined using the Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

Investment Concentrations

At December 31, 2018, the Fund had no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.92%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,928,258	\$ -	\$ 1,759,614	\$ 1,168,644	\$ -
U.S. Agency Obligations	2,965,773	-	2,965,773	-	-
Corporate Bonds	2,746,914	-	2,746,914	-	-
TOTAL	\$ 8,640,945	\$ -	\$ 7,472,301	\$ 1,168,644	\$ -

Interest Valuations

The Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Fund has the following recurring fair value measurements as of December 31, 2018: Mutual funds of \$21,693,825, are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations and corporate bonds of \$8,640,945 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government and corporate bonds in the top three investment classes by a national rating agency. The corporate bonds are rated AA- to AA+, and the U.S. agencies and treasuries are rated AA+ by Standard and Poor's.

Custodial Credit Risk

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2018 was 7%. The discount rate used to measure the total pension liability at December 31, 2017 was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	<u>\$ 70,815,865</u>	<u>\$ 35,206,228</u>	<u>\$ 35,609,637</u>
Changes for the Period			
Service Cost	1,277,570	-	1,277,570
Interest	4,929,583	-	4,929,583
Difference Between Expected and Actual Experience	171,947	-	171,947
Changes in Assumptions	2,467,482	-	2,467,482
Employer Contributions	-	2,989,632	(2,989,632)
Employee Contributions	-	653,454	(653,454)
Net Investment Income	-	(2,080,446)	2,080,446
Benefit Payments and Refunds	(3,341,647)	(3,341,647)	-
Administrative Expense	-	(48,498)	48,498
 Net Changes	 <u>5,504,935</u>	 <u>(1,827,505)</u>	 <u>7,332,440</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 76,320,800</u>	<u>\$ 33,378,723</u>	<u>\$ 42,942,077</u>

There was a change with respect to actuarial assumptions from the prior year related to updating the mortality rates to reflect the PubS-2010 tables.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2018
--------------------------	-------------------

Actuarial Cost Method	Entry-Age Normal
-----------------------	------------------

Assumptions

Inflation	2.50%
-----------	-------

Salary Increases	4.50%
------------------	-------

Interest Rate	7.00%
---------------	-------

Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
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Asset Valuation Method	Market
------------------------	--------

Mortality rates were based on the PubS-2010 Employee Mortality Table. There is no margin for future mortality improvement beyond the valuation date.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	Current		
	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 54,061,713	\$ 42,942,077	\$ 33,872,575

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2018, the City recognized pension expense of \$5,091,468 At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 358,644	\$ 426,993
Changes in Assumptions	5,693,869	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	<u>2,895,566</u>	<u>-</u>
 TOTAL	 <u>\$ 8,948,079</u>	 <u>\$ 426,993</u>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ 1,962,558
2020	1,748,141
2021	1,657,833
2022	1,953,742
2023	821,751
Thereafter	<u>377,061</u>
 TOTAL	 <u>\$ 8,521,086</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2018, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>55</u>
 TOTAL	 <u>116</u>

Benefits Provided

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2018, the City's contribution was 68.22% of covered payroll.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy

ILCS limits the Fund's investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment-grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities and real estate investment trusts. During the year, the following changes to the investment policy were approved by the Board of Trustees: target allocations across asset classes were adjusted.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	1%	0.40%
Fixed Income Intermediate	41%	2.00%
Equities		
Large Cap	6%	4.45%
Large Cap Value	6%	4.70%
Mid Cap Value	7%	5.20%
Small Cap	7%	5.60%
Small Cap Value	7%	6.50%
International Developed	5%	4.45%
International Value	5%	6.60%
International Small	5%	7.45%
Emerging Markets	7%	7.50%
U.S. Real Estate	3%	3.90%

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected real rates of return are net of a 3% factor for inflation and investment expense. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

Concentrations

At December 31, 2018, the Fund had no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (8.28%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,575,065	\$ 333,449	\$ 969,379	\$ 1,056,061	\$ 216,176
U.S. Agency Obligations	2,671,633	49,492	782,800	760,578	1,078,763
Corporate Bonds	5,072,902	-	3,905,356	979,456	188,090
Municipal Bonds	342,231	-	342,231	-	-
TOTAL	\$ 10,661,831	\$ 382,941	\$ 5,999,766	\$ 2,796,095	\$ 1,483,029

Investment Valuations

The Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Fund has the following recurring fair value measurements as of December 31, 2018: Mutual funds of \$15,375,143 are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations, corporate bonds and municipal bonds of \$10,661,831 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The U.S. agencies and treasuries are rated AA+ by Standard and Poor's. The corporate and municipal bonds are all rated BBB- to AA+ by Standard and Poor's.

Custodial Credit Risk

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

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 71,824,358	\$ 29,305,878	\$ 42,518,480
Changes for the Period			
Service Cost	1,205,485	-	1,205,485
Interest	4,988,105	-	4,988,105
Difference Between Expected and Actual Experience	404,229	-	404,229
Changes in Assumptions	2,967,274	-	2,967,274
Employer Contributions	-	3,466,072	(3,466,072)
Employee Contributions	-	496,108	(496,108)
Net Investment Income	-	(2,414,863)	2,414,863
Benefit Payments and Refunds	(3,542,390)	(3,542,390)	-
Administrative Expense	-	(43,134)	43,134
Net Changes	6,022,703	(2,038,207)	8,060,910
BALANCES AT DECEMBER 31, 2018	\$ 77,847,061	\$ 27,267,671	\$ 50,579,390

There was a change with respect to actuarial assumptions from the prior year related to updating the mortality rates to reflect the PubS-2010 tables.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2018
--------------------------	-------------------

Actuarial Cost Method	Entry-Age Normal
-----------------------	------------------

Assumptions

Inflation	2.50%
-----------	-------

Salary Increases	4.50%
------------------	-------

Interest Rate	7.00%
---------------	-------

Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
----------------------------	----------------------------------

Asset Valuation Method	Market
------------------------	--------

Mortality rates were based on the PubS-2010 Employee Mortality Table. There is no margin for future mortality improvement beyond the valuation date.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 61,586,355	\$ 50,579,390	\$ 41,583,582

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2018, the City recognized pension expense of \$5,913,265. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 362,055	\$ 511,450
Changes in Assumption	6,197,116	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	<u>3,268,437</u>	<u>-</u>
 TOTAL	 <u>\$ 9,827,608</u>	 <u>\$ 511,450</u>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

Year Ending
December 31,

2019	\$ 2,237,239
2020	2,015,986
2021	1,857,701
2022	1,925,260
2023	798,329
Thereafter	<u>481,643</u>
 TOTAL	 <u>\$ 9,316,158</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 3,014,597	\$ 1,167,297	\$ 4,181,894
Investments			
U.S. Treasury Obligations	2,928,258	2,575,065	5,503,323
U.S. Agency Obligations	2,965,773	2,671,633	5,637,406
Corporate Bonds	2,746,914	5,072,902	7,819,816
Municipal Bonds	-	342,231	342,231
Mutual Funds	21,693,825	15,375,143	37,068,968
Receivables			
Accrued Interest	38,574	65,046	103,620
Prepaid Expenses	3,583	-	3,583
Total Assets	<u>33,391,524</u>	<u>27,269,317</u>	<u>60,660,841</u>
LIABILITIES			
Accounts Payable	<u>12,801</u>	<u>1,646</u>	<u>14,447</u>
Total Liabilities	<u>12,801</u>	<u>1,646</u>	<u>14,447</u>
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 33,378,723</u>	<u>\$ 27,267,671</u>	<u>\$ 60,646,394</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,989,632	\$ 3,466,072	\$ 6,455,704
Employee	653,454	496,108	1,149,562
Total Contributions	<u>3,643,086</u>	<u>3,962,180</u>	<u>7,605,266</u>
 Investment Income			
Net Depreciation in Fair			
Value of Investments	(2,819,608)	(3,439,220)	(6,258,828)
Interest	784,227	1,068,758	1,852,985
Total Investment Income	<u>(2,035,381)</u>	<u>(2,370,462)</u>	<u>(4,405,843)</u>
Less Investment Expense	<u>(45,065)</u>	<u>(44,401)</u>	<u>(89,466)</u>
Net Investment Income	<u>(2,080,446)</u>	<u>(2,414,863)</u>	<u>(4,495,309)</u>
Total Additions	<u>1,562,640</u>	<u>1,547,317</u>	<u>3,109,957</u>
 DEDUCTIONS			
Administrative Expenses	48,498	43,134	91,632
Benefits and Refunds	<u>3,341,647</u>	<u>3,542,390</u>	<u>6,884,037</u>
Total Deductions	<u>3,390,145</u>	<u>3,585,524</u>	<u>6,975,669</u>
NET DECREASE	<u>(1,827,505)</u>	<u>(2,038,207)</u>	<u>(3,865,712)</u>
 NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>35,206,228</u>	<u>29,305,878</u>	<u>64,512,106</u>
December 31	<u>\$ 33,378,723</u>	<u>\$ 27,267,671</u>	<u>\$ 60,646,394</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY**A. Financial Information**

No separate financial statements are available for the DeKalb Public Library (the Library).

B. Deposits and Investments**Library Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral in excess of federal depository insurance with collateral held by the Library's agent in the Library's name.

Library Investments

The following table presents the investments and maturities of the Library's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 327,360	\$ 199,631	\$ 127,729	-	\$ -
TOTAL	\$ 327,360	\$ 199,631	\$ 127,729	-	\$ -

The Library categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Library has the following recurring fair value measurements as of December 31, 2018: negotiable certificates of deposit of \$327,360 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

**11. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY
(Continued)****B. Deposits and Investments (Continued)****Library Investments (Continued)**

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The Library limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities. Unless matched to a specific cash flow, the Library does not directly invest in securities maturing more than three years from the date of purchase.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in negotiable certificates of deposit. The negotiable certificates of deposit are not rated.

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

Concentration of credit risk is the risk that the Library has a high percentage of their investments invested in one type of investment. The Library attempts to diversify its investments appropriate to the nature of the funds, purpose for the funds, and the amount available to invest.

C. Receivables

Property taxes for 2017 are levied in December 2017 and attach as an enforceable lien on the property on January 1, 2017. Tax bills are prepared by the County and issued on or about May 1, 2018 and August 1, 2018, and are due and collectible on or about June 1, 2018 and September 1, 2018. The County collects the taxes and remits them periodically to the City. Those 2017 taxes were intended to finance the year ending December 31, 2018. The 2018 levy, which attached as a lien on property as January 1, 2018, is intended to finance the 2019 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

**12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY
(Continued)**
D. Capital Assets

The following is a summary of the capital asset activity for the year ended December 31, 2018:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 1,558,032	\$ -	\$ -	\$ 1,558,032
Total Capital Assets not Being Depreciated	<u>1,558,032</u>	<u>-</u>	<u>-</u>	<u>1,558,032</u>
Capital Assets Being Depreciated				
Buildings and Improvements	24,496,293	-	-	24,496,293
Equipment and Furniture	227,010	-	-	227,010
Total Capital Assets Being Depreciated	<u>24,723,303</u>	<u>-</u>	<u>-</u>	<u>24,723,303</u>
Less Accumulated Depreciation for				
Buildings and Improvements	683,772	607,597	-	1,291,369
Equipment and Furniture	177,589	16,632	-	194,221
Total Accumulated Depreciation	<u>861,361</u>	<u>624,229</u>	<u>-</u>	<u>1,485,590</u>
Total Capital Assets Being Depreciated, Net	<u>23,861,942</u>	<u>(624,229)</u>	<u>-</u>	<u>23,237,713</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 25,419,974</u>	<u>\$ (624,229)</u>	<u>-</u>	<u>\$ 24,795,745</u>

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

GOVERNMENTAL ACTIVITIES		
Culture and Recreation		<u>\$ 624,229</u>
TOTAL DEPRECIATION EXPENSE -		
GOVERNMENTAL ACTIVITIES		<u>\$ 624,229</u>

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

**12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY
(Continued)**
E. Long-Term Debt**General Obligation Bonds**

The City issues general obligation bonds on behalf of the Library to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$6,685,000 2013A Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$265,000 to \$470,000, plus interest of 3% to 4% through January 1, 2033	Library General	\$ 5,870,000	\$ -	\$ 285,000	\$ 5,585,000	\$ 295,000
TOTAL		\$ 5,870,000	\$ -	\$ 285,000	\$ 5,585,000	\$ 295,000

Loans Payable

The Library enters into loans payable for the acquisition of capital equipment. Loans payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$3,000,000 Loan Payable of 2015 dated June 5, 2015 matures on March 17, 2018, plus interest at prime rate (3.75%) at December 31, 2017	Library General	\$ 1,370,000	\$ -	\$ 250,000	\$ 1,120,000	\$ 250,000
TOTAL		\$ 1,370,000	\$ -	\$ 250,000	\$ 1,120,000	\$ 250,000

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

**12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY
(Continued)**

E. Long-Term Debt (Continued)

Debt Certificates

The City issues debt certificates on behalf of the Library to provide funds for the acquisition and construction of major capital facilities. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$1,000,000 2011 Series Debt Certificates, Dated December 16, 2011, due in annual installments of \$111,000, plus interest of 2.96% through July 1, 2020	Library General	\$ 333,334	\$ -	\$ 111,111	\$ 222,223	\$ 111,111
TOTAL		\$ 333,334	\$ -	\$ 111,111	\$ 222,223	\$ 111,111

Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds			Loans Payable	
	Principal	Interest		Principal	Interest
2019	\$ 295,000	\$ 188,650	\$ 250,000	\$ 60,126	
2020	305,000	179,650	250,000	46,318	
2021	315,000	170,350	250,000	32,244	
2022	325,000	160,750	250,000	18,303	
2023	335,000	150,850	120,000	5,573	
2024	345,000	140,650	-	-	
2025	355,000	130,150	-	-	
2026	365,000	118,894	-	-	
2027	375,000	106,400	-	-	
2028	390,000	93,013	-	-	
2029	405,000	78,594	-	-	
2030	420,000	62,600	-	-	
2031	435,000	45,500	-	-	
2032	450,000	27,800	-	-	
2033	470,000	9,400	-	-	
TOTAL	\$ 5,585,000	\$ 1,663,251	\$ 1,120,000	\$ 162,564	

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

**12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY
(Continued)**

E. Long-Term Debt (Continued)

Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Debt Certificates	
	Principal	Interest
2019	\$ 111,111	\$ 6,578
2020	111,112	3,289
TOTAL	\$ 222,223	\$ 9,867

Changes in Long-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in long-term liabilities for Library:

	Balances January 1, Restated	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 5,870,000	\$ -	\$ 285,000	\$ 5,585,000	\$ 295,000
Loans Payable	1,370,000	-	250,000	1,120,000	250,000
Debt Certificates Payable	333,334	-	111,111	222,223	111,111
Compensated Absences Payable	39,150	4,701	7,830	36,021	7,204
Net Pension Liability - IMRF	479,598	743,821	-	1,223,419	-
Total OPEB Liability	406,146	-	23,210	382,936	17,948
 TOTAL GOVERNMENTAL ACTIVITIES	 \$ 8,498,228	 \$ 748,522	 \$ 677,151	 \$ 8,569,599	 \$ 681,263

The compensated absences, net pension liability, and the total other postemployment benefit liability are generally liquidated by the General Fund.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

**12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY
(Continued)****F. Short-Term Debt****Changes in Short-Term Liabilities**

During the year ended December 31, 2018, the following changes occurred in short-term liabilities:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Line of Credit	\$ 4,091,659	\$ 17,301	\$ 4,108,960	\$ -	\$ -
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,091,659</u>	<u>\$ 17,301</u>	<u>\$ 4,108,960</u>	<u>\$ -</u>	<u>\$ -</u>

Line of Credit

On January 6, 2016, the Library entered into a line of credit. The maximum amount that can be drawn down is \$4,500,000. The line of credit matured on March 17, 2018.

13. TAX ABATEMENTS

The City rebates property taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

For the year ended December 31, 2018, the City rebated 90% of the City portion of the property tax levy for the 3M distribution center located at 1650 Macom Drive. This is the first year of the five-year abatement. The abatement for the year amounted to \$138,468. The City also rebated 50% of the City portion of the property tax levy for the Right Pointe development located at 2754 Wagner Court. This is the fourth year of the five-year abatement. The abatement for the year amounted to \$3,659.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

14. CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS

The City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes presented in the notes to financial statements and to the required supplementary information. The City additionally restated certain fund balances to record expense/expenditures in the proper period. The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance and corrections as follows:

	Discretely Presented Governmental Activities	Component Unit	TIF #1
FUND BALANCE/NET POSITION, DECEMBER 31	\$ 40,737,113	\$ 19,429,291	\$ 1,229,458
RESTATEMENTS			
To Implement GASB 75	(19,570,881)	(379,968)	-
To Record Expense/Expenditure in the Proper Period	(365,640)	-	(365,640)
Subtotal	(19,936,521)	(379,968)	(365,640)
FUND BALANCE/NET POSITION, DECEMBER 31 (RESTATED)	\$ 20,800,592	\$ 19,049,323	\$ 863,818

	Business-Type Activities	Water	Airport	Nonmajor Enterprise
FUND BALANCE/NET POSITION, DECEMBER 31	\$ 56,615,208	\$ 26,500,665	\$30,050,632	\$ 63,911
RESTATEMENTS				
To Implement GASB 75	(680,746)	(700,034)	19,288	-
To Record Expense/Expenditure in the Proper Period	168,923	-	-	168,923
Subtotal	(511,823)	(700,034)	19,288	168,923
FUND BALANCE/NET POSITION, DECEMBER 31 (RESTATED)	\$ 56,103,385	\$ 25,800,631	\$30,069,920	\$ 232,834

With the implementation of GASB Statement No. 75, the City is required to retroactively record the total OPEB liability.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

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

Last Five Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018
Actuarially Determined Contribution	\$ 1,234,927	\$ 1,106,410	\$ 610,585	\$ 1,120,679	\$ 1,068,890
Contribution in Relation to the Actuarially Determined Contribution	1,234,927	1,106,410	610,585	1,120,679	1,068,890
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,664,236	\$ 6,850,602	\$ 3,739,039	\$ 7,312,033	\$ 7,266,420
Contributions as a Percentage of Covered Payroll	21.80%	16.15%	16.33%	15.33%	14.71%

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 2.75% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016
Actuarially Determined Contribution	\$ 1,379,234	\$ 1,627,268	\$ 1,730,712
Contribution in Relation to the Actuarially Determined Contribution	1,352,291	1,448,949	1,622,105
CONTRIBUTION DEFICIENCY (Excess)	\$ 26,943	\$ 178,319	\$ 108,607
Covered Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291
Contributions as a Percentage of Covered Payroll	25.93%	26.04%	28.77%

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of December 31 of two years prior. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually and projected salary increase assumption of 4.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018
\$ 1,080,991	\$ 2,502,904	\$ 2,680,967
<hr/>	<hr/>	<hr/>
2,085,233	2,485,107	2,989,632
<hr/>	<hr/>	<hr/>
\$ (1,004,242)	\$ 17,797	\$ (308,665)
<hr/>	<hr/>	<hr/>
\$ 5,417,619	\$ 5,831,117	\$ 5,937,493
<hr/>	<hr/>	<hr/>
38.49%	42.62%	50.35%

(See independent auditor's report.)
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CITY OF DEKALB, ILLINOIS

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

Last Six Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016
Actuarially Determined Contribution	\$ 2,078,061	\$ 2,250,772	\$ 2,373,253
Contribution in Relation to the Actuarially Determined Contribution	2,037,490	2,024,522	2,158,166
CONTRIBUTION DEFICIENCY (Excess)	\$ 40,571	\$ 226,250	\$ 215,087
Covered Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381
Contributions as a Percentage of Covered Payroll	43.83%	41.77%	43.68%

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of December 31 of two years prior. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.50% annually and projected salary increase assumption of 4.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018
\$ 1,312,560	\$ 2,990,000	\$ 3,183,910
<hr/>	<hr/>	<hr/>
2,512,630	2,968,723	3,466,072
<hr/>	<hr/>	<hr/>
\$ (1,200,070)	\$ 21,277	\$ (282,162)
<hr/>	<hr/>	<hr/>
\$ 4,895,248	\$ 5,102,831	\$ 5,080,355
<hr/>	<hr/>	<hr/>
51.33%	58.18%	68.22%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE	DECEMBER 31, 2014	DECEMBER 31, 2015	DECEMBER 31, 2016
TOTAL PENSION LIABILITY			
Service Cost	\$ 708,539	\$ 681,650	\$ 744,857
Interest	3,499,944	3,822,530	4,008,711
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	940,811	459,522	(502,701)
Changes of Assumptions	1,655,050	66,340	(267,155)
Benefit Payments, Including Refunds of Member Contributions	(2,279,953)	(2,414,792)	(2,579,844)
Net Change in Total Pension Liability	4,524,391	2,615,250	1,403,868
Total Pension Liability - Beginning	<u>47,513,928</u>	<u>52,038,319</u>	<u>54,653,569</u>
TOTAL PENSION LIABILITY - ENDING			
	<u>\$ 52,038,319</u>	<u>\$ 54,653,569</u>	<u>\$ 56,057,437</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,417,780	\$ 1,122,559	\$ 1,190,069
Contributions - Member	292,711	351,553	332,849
Net Investment Income	2,586,081	223,883	3,018,640
Benefit Payments, Including Refunds of Member Contributions	(2,279,953)	(2,414,792)	(2,579,844)
Administrative Expense	550,760	162,122	(9,392)
Net Change in Plan Fiduciary Net Position	2,567,379	(554,675)	1,952,322
Plan Net Fiduciary Position - Beginning	<u>42,679,497</u>	<u>45,246,876</u>	<u>44,692,201</u>
PLAN NET FIDUCIARY POSITION - ENDING			
	<u>\$ 45,246,876</u>	<u>\$ 44,692,201</u>	<u>\$ 46,644,523</u>
EMPLOYER'S NET PENSION LIABILITY			
	<u>\$ 6,791,443</u>	<u>\$ 9,961,368</u>	<u>\$ 9,412,914</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.90%	81.80%	83.20%
Covered Payroll	\$ 6,138,945	\$ 6,850,602	\$ 7,288,918

Employer's Net Pension Liability as a Percentage of Covered Payroll	110.60%	145.40%	129.10%
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2014 - Changes in assumptions related to the investment rate of return, retirement age and mortality rates.

2015 - Changes in assumptions related to retirement age and mortality rates.

2016 - Changes in assumption related to the discount rate.

2017 - Changes in assumption related to the mortality rate.

2018 - Changes in assumption related to the investment rate of return.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

DECEMBER 31, DECEMBER 31,
2017 2018

\$	759,129	\$	697,252
	4,124,175		4,123,636
	-		-
	(135,610)		649,797
	(1,715,186)		1,620,019
	(2,896,009)		(3,121,485)
	<hr/>		<hr/>
	136,499		3,969,219
	<hr/>		<hr/>
	56,057,437		56,193,936
	<hr/>		<hr/>
\$	<u>56,193,936</u>	\$	<u>60,163,155</u>

\$	1,120,679	\$	1,068,890
	331,025		328,546
	8,294,534		(2,996,024)
	(2,896,009)		(3,121,485)
	(651,218)		1,373,440
	<hr/>		<hr/>
	6,199,011		(3,346,633)
	<hr/>		<hr/>
	46,644,523		52,843,534
	<hr/>		<hr/>
\$	<u>52,843,534</u>	\$	<u>49,496,901</u>
	<hr/>		<hr/>
\$	<u>3,350,402</u>	\$	<u>10,666,254</u>

94.00% 82.30%

\$ 7,312,033 \$ 7,266,420

45.80% 146.80%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016
TOTAL PENSION LIABILITY			
Service Cost	\$ 983,478	\$ 994,063	\$ 1,138,556
Interest	3,601,542	3,816,916	4,396,163
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	654,735	546,806	(981,619)
Changes of Assumptions*	-	3,756,869	-
Contributions - Buy Back	-	-	157,490
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)	(2,579,348)
Net Change in Total Pension Liability	2,984,029	6,634,167	2,131,242
Total Pension Liability - Beginning	49,148,427	52,132,456	58,766,623
TOTAL PENSION LIABILITY - ENDING			
	\$ 52,132,456	\$ 58,766,623	\$ 60,897,865
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,352,291	\$ 1,448,949	\$ 1,622,105
Contributions - Member	632,775	711,771	570,363
Contributions - Buy Back	-	-	157,490
Net Investment Income	3,240,785	312,398	17,314
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)	(2,579,348)
Administrative Expense	(39,544)	(44,531)	(44,990)
Net Change in Plan Fiduciary Net Position	2,930,581	(51,900)	(257,066)
Plan Net Fiduciary Position - Beginning	26,078,320	29,008,901	28,957,001
PLAN NET FIDUCIARY POSITION - ENDING			
	\$ 29,008,901	\$ 28,957,001	\$ 28,699,935
EMPLOYER'S NET PENSION LIABILITY			
	\$ 23,123,555	\$ 29,809,622	\$ 32,197,930
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.60%	49.30%	47.10%
Covered Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291
Employer's Net Pension Liability as a Percentage of Covered Payroll	443.30%	535.60%	571.10%

*The December 31, 2016 valuation had changes in the mortality rates. The December 31, 2017 valuation had changes to the investment rate of return (from 7.50% to 7.00%) and changes related to salary increases, retirement, disability, termination rates, and changes to the percentage of active deaths and disablements occurring in the line of duty. The December 31, 2018 valuation had changes to mortality rates.

**The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

DECEMBER 31, DECEMBER 31, DECEMBER 31,
2016 2017 2018**

\$ 581,851	\$ 1,128,282	\$ 1,277,570
2,278,348	4,836,434	4,929,583
(30,834)	295,761	171,947
2,685,767	2,817,069	2,467,482
11,240	-	-
(1,447,549)	(3,238,369)	(3,341,647)
<hr/>	<hr/>	<hr/>
4,078,823	5,839,177	5,504,935
<hr/>	<hr/>	<hr/>
60,897,865	64,976,688	70,815,865
<hr/>	<hr/>	<hr/>
\$ 64,976,688	\$ 70,815,865	\$ 76,320,800
<hr/>	<hr/>	<hr/>
\$ 2,085,233	\$ 2,485,107	\$ 2,989,632
282,997	579,016	653,454
11,240	-	-
1,516,374	4,291,762	(2,080,446)
(1,447,549)	(3,238,369)	(3,341,647)
(21,998)	(37,520)	(48,498)
<hr/>	<hr/>	<hr/>
2,426,297	4,079,996	(1,827,505)
<hr/>	<hr/>	<hr/>
28,699,935	31,126,232	35,206,228
<hr/>	<hr/>	<hr/>
\$ 31,126,232	\$ 35,206,228	\$ 33,378,723
<hr/>	<hr/>	<hr/>
\$ 33,850,456	\$ 35,609,637	\$ 42,942,077
<hr/>	<hr/>	<hr/>

47.90% 49.70% 43.70%

\$ 5,417,619 \$ 5,831,117 \$ 5,937,493

624.80% 610.70% 723.20%

CITY OF DEKALB, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,033,286	\$ 1,077,550	\$ 1,103,489
Interest	3,857,132	4,102,276	4,495,233
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,330,700	(477,382)	(102,841)
Changes of Assumptions*	-	2,460,941	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)	(3,072,413)
Net Change in Total Pension Liability	3,298,520	4,180,915	2,423,468
Total pension liability - beginning	52,889,722	56,188,242	60,369,157
TOTAL PENSION LIABILITY - ENDING			
	\$ 56,188,242	\$ 60,369,157	\$ 62,792,625
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 2,037,490	\$ 2,024,522	\$ 2,158,156
Contributions - Member	420,534	466,475	477,022
Contributions - Buy Back	-	-	-
Net Investment Income	3,075,655	126,661	(403,920)
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)	(3,072,413)
Administrative Expense	(34,562)	(43,547)	(41,613)
Net Change in Plan Fiduciary Net Position	2,576,519	(408,359)	(882,768)
Plan Net Fiduciary Position - Beginning	22,186,069	24,762,588	24,354,229
PLAN NET FIDUCIARY POSITION - ENDING			
	\$ 24,762,588	\$ 24,354,229	\$ 23,471,461
EMPLOYER'S NET PENSION LIABILITY			
	\$ 31,425,654	\$ 36,014,928	\$ 39,321,164
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.10%	40.30%	37.40%
Covered Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381
Employer's Net Pension Liability as a Percentage of Covered Payroll	676.00%	743.10%	795.80%

*The December 31, 2016 valuation had changes in the mortality rates. The December 31, 2017 valuation had changes in the interest rate assumption (from 7.50% to 7.00%) and changes related to salary increases, retirement, disability, termination rates, and changes to the percentage of active deaths and disablements occurring in the line of duty. The December 31, 2018 valuation had changes to Mortality

**The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

DECEMBER 31, DECEMBER 31, DECEMBER 31,
2016 2017 2018**

\$ 560,373	\$ 1,122,905	\$ 1,205,485
2,345,602	4,976,209	4,988,105
-	-	-
26,697	(656,039)	404,229
2,745,788	2,872,839	2,967,274
80,812	-	-
(1,607,243)	(3,436,210)	(3,542,390)

4,152,029	4,879,704	6,022,703
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<u>62,792,625</u>	<u>66,944,654</u>	<u>71,824,358</u>
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\$ 66,944,654	\$ 71,824,358	\$ 77,847,061
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\$ 2,512,630	\$ 2,968,723	\$ 3,466,072
257,245	521,427	496,108
80,812	-	-
1,447,151	3,139,804	(2,414,863)
(1,607,243)	(3,436,210)	(3,542,390)
(17,540)	(32,382)	(43,134)

2,673,055	3,161,362	(2,038,207)
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<u>23,471,461</u>	<u>26,144,516</u>	<u>29,305,878</u>
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\$ 26,144,516	\$ 29,305,878	\$ 27,267,671
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\$ 40,800,138	\$ 42,518,480	\$ 50,579,390
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39.10%	40.80%	35.00%
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\$ 4,895,248	\$ 5,102,831	\$ 5,080,355
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833.50%	833.20%	995.60%
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CITY OF DEKALB, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.36%	1.05%	(0.90%)	5.12%	14.21%	(5.92%)

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF DEKALB, ILLINOIS

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

Last Six Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.67%	0.73%	(1.53%)	5.93%	12.26%	(8.28%)

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF DEKALB, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Fiscal Year

MEASUREMENT DATE DECEMBER 31, 2018

TOTAL OPEB LIABILITY

Service cost	\$ 515,219
Interest	967,344
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,857,311)
Benefit payments, including refunds of member contributions	<u>(1,237,879)</u>
Net change in total OPEB liability	(1,612,627)
Total OPEB liability - beginning	<u>28,218,917</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 26,606,290</u>
Covered Payroll	\$ 16,439,764
Employer's total OPEB liability as a percentage of covered payroll	161.84%

Changes in assumptions related to the discount rate were made since the prior measurement date.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 19,374,511	\$ 19,374,511	\$ 18,920,431
Licenses and Permits	976,811	976,811	539,473
Intergovernmental	11,619,125	11,619,125	11,756,755
Charges for Services	2,739,824	2,739,824	2,791,182
Fines and Forfeitures	874,178	874,178	679,760
Investment Income	85,000	85,000	221,919
Miscellaneous	493,200	493,200	454,079
Total Revenues	<u>36,162,649</u>	<u>36,162,649</u>	<u>35,363,599</u>
EXPENDITURES			
General Government	4,511,897	5,132,415	5,174,108
Public Safety	24,788,313	24,788,313	24,643,856
Highways and Streets	3,575,399	3,575,399	3,306,333
Community Development	1,553,728	1,638,907	1,560,179
Total Expenditures	<u>34,429,337</u>	<u>35,135,034</u>	<u>34,684,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>1,733,312</u>	<u>1,027,615</u>	<u>679,123</u>
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	130,000	130,000	1,362
Transfers In	310,400	310,400	310,400
Transfers (Out)	<u>(2,221,822)</u>	<u>(2,471,822)</u>	<u>(2,661,827)</u>
Total Other Financing Sources (Uses)	<u>(1,781,422)</u>	<u>(2,031,422)</u>	<u>(2,350,065)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (48,110)</u>	<u>\$ (1,003,807)</u>	<u>(1,670,942)</u>
FUND BALANCE, JANUARY 1			<u>9,073,799</u>
FUND BALANCE, DECEMBER 31			<u>\$ 7,402,857</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,187,698	\$ 1,187,698	\$ 1,187,198
Federal Grants	83,311	83,311	-
Investment Income	10,000	10,000	64,266
Miscellaneous	-	-	71,236
	<hr/>	<hr/>	<hr/>
Total Revenues	1,281,009	1,281,009	1,322,700
EXPENDITURES			
Highways and Streets			
Commodities	100,000	100,000	99,999
Contractual Services	365,000	468,992	482,997
Capital Outlay	1,480,000	1,500,000	1,448,036
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,945,000	2,068,992	2,031,032
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			<hr/> <u>3,505,635</u>
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 2,797,303</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Intergovernmental			
Federal Grants	\$ 8,482,873	\$ 8,482,873	\$ 3,778,010
Miscellaneous	16,659	16,659	605
Total Revenues	<u>8,499,532</u>	<u>8,499,532</u>	<u>3,778,615</u>
EXPENDITURES			
General Government			
Personal Services	301,943	301,943	290,890
Commodities	64,026	64,026	5,966
Contractual Services	6,373,968	6,373,968	3,097,079
Capital Outlay	1,769,590	1,769,590	351,155
Total Expenditures	<u>8,509,527</u>	<u>8,509,527</u>	<u>3,745,090</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(9,995)</u>	<u>(9,995)</u>	<u>33,525</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>9,995</u>	<u>9,995</u>	-
Total Other Financing Sources (Uses)	<u>9,995</u>	<u>9,995</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>33,525</u>
FUND BALANCE, JANUARY 1			
			-
FUND BALANCE, DECEMBER 31			<u>\$ 33,525</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING #1 FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 7,042,813	\$ 7,042,813	\$ 7,085,132
Investment Income	24,800	24,800	258,751
Miscellaneous	-	-	2,359
 Total Revenues	 7,067,613	 7,067,613	 7,346,242
EXPENDITURES			
Community Development			
Contractual Services	1,477,276	243,084	208,465
Capital Outlay	8,036,407	6,236,892	5,827,156
 Total Expenditures	 9,513,683	 6,479,976	 6,035,621
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (2,446,070)	 587,637	 1,310,621
OTHER FINANCING SOURCES (USES)			
Transfers In	-	3,542,754	3,392,076
Transfers (Out)	(1,193,200)	(1,193,200)	(1,193,200)
 Total Other Financing Sources (Uses)	 (1,193,200)	 2,349,554	 2,198,876
 NET CHANGE IN FUND BALANCE	 \$ (3,639,270)	 \$ 2,937,191	 3,509,497
 FUND BALANCE, JANUARY 1			1,229,458
Prior Period Adjustment			(365,640)
 FUND BALANCE, JANUARY 1 (RESTATED)			 863,818
 FUND BALANCE, DECEMBER 31			 \$ 4,373,315

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING #2 FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,463,119	\$ 1,463,119	\$ 1,476,057
Investment Income	16,000	16,000	2,043
 Total Revenues	 1,479,119	 1,479,119	 1,478,100
EXPENDITURES			
Community Development			
Contractual Services	128,898	5,723,995	5,718,971
Capital Outlay	470,000	517,910	312,571
 Total Expenditures	 598,898	 6,241,905	 6,031,542
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	880,221	(4,762,786)	(4,553,442)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	(3,542,754)	(3,392,076)
 Total Other Financing Sources (Uses)	 -	 (3,542,754)	 (3,392,076)
NET CHANGE IN FUND BALANCE			
	\$ 880,221	\$ (8,305,540)	(7,945,518)
 FUND BALANCE, JANUARY 1			 8,598,606
 FUND BALANCE, DECEMBER 31			 \$ 653,088

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

1. BUDGETS

Annual budgets are adopted for all governmental and proprietary funds. Budgets are adopted on a basis consistent with GAAP. All annual appropriations lapse at fiscal year end. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental and proprietary funds. All outstanding encumbrances lapse at year end and do not carry forward into the subsequent fiscal year unless they are reappropriated.

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

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. The budget may be amended by the governing body.

The budget officer can transfer amounts between departments within a fund; however, transfers between funds must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, there were several budget transfers and amendments.

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The City reported no funds in excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year.

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

The Motor Fuel Tax Fund is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes.

The Mass Transit Fund is used to account for the two community mass transit services: Northern Illinois University Huskies Line and Voluntary Action Center's Trans Vac Service.

The Tax Increment Financing #1 Fund is used to account for redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area.

The Tax Increment Financing #2 Fund is used to account for redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 6,004,594	\$ 6,004,594	\$ 5,869,058
Home Rule Sales	6,707,185	6,707,185	6,540,840
Utilities	3,254,614	3,254,614	3,252,309
Franchise	498,000	498,000	468,895
Restaurant/Bar	2,043,668	2,043,668	1,944,235
Miscellaneous	866,450	866,450	845,094
Total Taxes	<u>19,374,511</u>	<u>19,374,511</u>	<u>18,920,431</u>
Licenses and Permits			
Licenses			
Amusement	4,600	4,600	2,350
Liquor	247,200	247,200	219,476
Rooming House	4,600	4,600	2,350
Other	110,300	110,300	128,464
Permits			
Building and Electrical	584,360	584,360	171,318
Parking	3,800	3,800	1,970
Other	21,951	21,951	13,545
Total Licenses and Permits	<u>976,811</u>	<u>976,811</u>	<u>539,473</u>
Intergovernmental			
State Sales	5,480,472	5,480,472	5,425,742
Income	3,940,685	3,940,685	4,216,580
Local Use	1,144,780	1,144,780	1,293,403
Replacement	137,188	137,188	137,176
Federal Grants	330,000	330,000	146,892
TIF Property Tax Surplus	236,000	236,000	257,651
TIF Sales Tax Surplus	350,000	350,000	279,311
Total Intergovernmental	<u>11,619,125</u>	<u>11,619,125</u>	<u>11,756,755</u>

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for Services			
Fire Services	\$ 1,004,000	\$ 1,004,000	\$ 1,032,778
Ambulance Fees	1,272,424	1,272,424	1,261,534
Police Services	10,000	10,000	33,326
Zoning Fees	12,000	12,000	16,125
Inspection Fees	5,000	5,000	1,500
Administration Fees	136,400	136,400	139,788
Fuel Sales	105,000	105,000	106,784
Rental Crime Free Registration	195,000	195,000	191,727
Plan Review Fees	-	-	6,120
Background Check Fee	-	-	1,500
Total Charges for Services	<u>2,739,824</u>	<u>2,739,824</u>	<u>2,791,182</u>
Fines and Forfeitures			
Circuit Court	325,000	325,000	224,516
Tow	227,200	227,200	147,544
Police	171,478	171,478	162,993
Abatement	5,000	5,000	2,350
False Fire Alarm	2,500	2,500	5,800
DUI	55,000	55,000	22,471
Other	88,000	88,000	114,086
Total Fines and Forfeitures	<u>874,178</u>	<u>874,178</u>	<u>679,760</u>
Investment Income	<u>85,000</u>	<u>85,000</u>	<u>221,919</u>
Miscellaneous			
Refunds/Reimbursements	388,200	388,200	387,890
Miscellaneous	105,000	105,000	66,189
Total Miscellaneous	<u>493,200</u>	<u>493,200</u>	<u>454,079</u>
TOTAL REVENUES	<u>\$ 36,162,649</u>	<u>\$ 36,162,649</u>	<u>\$ 35,363,599</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Elected Officials	\$ 114,709	\$ 114,709	\$ 102,557
Municipal Band	50,250	50,250	50,280
City Manager's Office Administration	1,044,383	1,033,127	880,939
Human Resources Division	451,713	451,713	343,108
General Fund Support Service	2,420,924	2,420,924	2,714,711
Finance Administration	541,835	541,835	536,775
Information and Technology	954,888	954,888	887,724
Less Administrative Costs Charged to Other Departments and Funds	(1,066,805)	(435,031)	(341,986)
Total General Government	4,511,897	5,132,415	5,174,108
PUBLIC SAFETY			
Police Protection	13,580,934	13,580,934	13,389,441
Fire Protection	11,207,379	11,207,379	11,254,415
Total Public Safety	24,788,313	24,788,313	24,643,856
HIGHWAYS AND STREETS			
Public Works Administration	168,556	168,556	147,904
Public Facilities and Fleet Maintenance	566,851	566,851	480,600
Streets	2,693,310	2,693,310	2,545,812
Engineering	146,682	146,682	132,017
Total Highways and Streets	3,575,399	3,575,399	3,306,333
COMMUNITY DEVELOPMENT			
Community Development Administration	974,490	1,059,669	1,041,325
Building and Code Enforcement	579,238	579,238	518,854
Total Community Development	1,553,728	1,638,907	1,560,179
TOTAL EXPENDITURES	\$ 34,429,337	\$ 35,135,034	\$ 34,684,476

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Elected Officials			
Personnel Services	\$ 69,849	\$ 69,849	\$ 68,695
Commodities	800	800	431
Contractual Services	<u>44,060</u>	<u>44,060</u>	<u>33,431</u>
Total Elected Officials	<u>114,709</u>	<u>114,709</u>	<u>102,557</u>
Municipal Band			
Commodities	2,300	2,300	-
Contractual Services	<u>47,950</u>	<u>47,950</u>	<u>50,280</u>
Total Municipal Band	<u>50,250</u>	<u>50,250</u>	<u>50,280</u>
City Manager's Office Administration			
Personnel Services	769,739	769,739	657,009
Commodities	7,796	7,796	3,349
Contractual Services	265,462	254,206	219,448
Capital Outlay	<u>1,386</u>	<u>1,386</u>	<u>1,133</u>
Total City Manager's Office Administration	<u>1,044,383</u>	<u>1,033,127</u>	<u>880,939</u>
Human Resources Division			
Personnel Services	328,598	328,598	273,428
Commodities	3,355	3,355	2,130
Contractual Services	119,260	119,260	67,183
Capital Outlay	<u>500</u>	<u>500</u>	<u>367</u>
Total Human Resource Division	<u>451,713</u>	<u>451,713</u>	<u>343,108</u>
General Fund Support Service			
Personnel Services	862,924	862,924	862,924
Contractual Services	<u>1,558,000</u>	<u>1,558,000</u>	<u>1,851,787</u>
Total General Fund Support Service	<u>2,420,924</u>	<u>2,420,924</u>	<u>2,714,711</u>

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance Administration			
Personnel Services	\$ 458,085	\$ 458,085	\$ 442,309
Commodities	17,300	17,300	7,791
Contractual Services	66,450	66,450	86,675
	<hr/>	<hr/>	<hr/>
Total Finance Administration	541,835	541,835	536,775
Information and Technology			
Personnel Services	481,962	481,962	459,092
Commodities	44,091	44,091	35,529
Contractual Services	380,535	380,535	375,552
Capital Outlay	48,300	48,300	17,551
	<hr/>	<hr/>	<hr/>
Total Information and Technology	954,888	954,888	887,724
Less Administrative Costs Charged to Other Departments and Funds	<hr/>	<hr/>	<hr/>
	(1,066,805)	(435,031)	(341,986)
Total General Government	<hr/>	<hr/>	<hr/>
	4,511,897	5,132,415	5,174,108
PUBLIC SAFETY			
Police Protection			
Police Department Administration			
Personnel Services	858,775	858,775	787,457
Commodities	122,471	122,471	95,824
Contractual Services	127,050	127,050	135,342
Capital Outlay	33,040	33,040	34,176
	<hr/>	<hr/>	<hr/>
Total Police Department Administration	1,141,336	1,141,336	1,052,799
Patrol Services			
Personnel Services	7,597,294	7,597,294	8,073,099
Commodities	120,424	120,424	120,006
Contractual Services	145,101	145,101	125,819
Capital Outlay	11,718	11,718	3,789
	<hr/>	<hr/>	<hr/>
Total Patrol Services	7,874,537	7,874,537	8,322,713

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police Protection (Continued)			
Communications			
Personnel Services	\$ 1,371,371	\$ 1,371,371	\$ 1,274,849
Commodities	2,656	2,656	1,880
Contractual Services	40,924	40,924	16,396
Capital Outlay	1,300	1,300	2,176
Total Communications	1,416,251	1,416,251	1,295,301
Criminal Investigations			
Personnel Services	2,350,896	2,350,896	1,984,696
Commodities	21,141	21,141	17,126
Contractual Services	29,360	29,360	13,613
Total Criminal Investigations	2,401,397	2,401,397	2,015,435
Police Department Special Services			
Personnel Services	720,521	720,521	674,223
Commodities	9,078	9,078	15,093
Contractual Services	17,556	17,556	13,577
Capital Outlay	258	258	300
Total Police Department Special Services	747,413	747,413	703,193
Total Police Protection	13,580,934	13,580,934	13,389,441
Fire Protection			
Fire Department Administration			
Personnel Services	819,882	819,882	901,353
Commodities	34,257	34,257	43,441
Contractual Services	84,562	84,562	82,767
Total Fire Department Administration	938,701	938,701	1,027,561

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire Protection (Continued)			
Fire Department Operations			
Personnel Services	\$ 9,978,052	\$ 9,978,052	\$ 9,968,813
Commodities	121,275	121,275	111,361
Contractual Services	164,193	164,193	141,886
Capital Outlay	5,158	5,158	4,794
Total Fire Department Operations	10,268,678	10,268,678	10,226,854
Total Fire Protection	11,207,379	11,207,379	11,254,415
Total Public Safety	24,788,313	24,788,313	24,643,856
HIGHWAYS AND STREETS			
Public Works Administration			
Personnel Services	156,772	156,772	136,343
Commodities	700	700	534
Contractual Services	11,084	11,084	11,027
Total Public Works Administration	168,556	168,556	147,904
Public Facilities and Fleet Maintenance			
Personnel Services	286,029	286,029	233,357
Commodities	40,150	40,150	24,536
Contractual Services	239,672	239,672	222,707
Capital Outlay	1,000	1,000	-
Total Public Facilities and Fleet Maintenance	566,851	566,851	480,600
Streets			
Personnel Services	1,854,237	1,854,237	1,915,161
Commodities	522,400	522,400	438,053
Contractual Services	303,173	303,173	180,319
Capital Outlay	13,500	13,500	12,279
Total Streets	2,693,310	2,693,310	2,545,812

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Engineering			
Personnel Services	\$ 104,759	\$ 104,759	\$ 24,320
Commodities	11,207	11,207	2,133
Contractual Services	<u>30,716</u>	<u>30,716</u>	<u>105,564</u>
Total Engineering	<u>146,682</u>	<u>146,682</u>	<u>132,017</u>
Total Highways and Streets	<u>3,575,399</u>	<u>3,575,399</u>	<u>3,306,333</u>
COMMUNITY DEVELOPMENT			
Community Development Administration			
Personnel Services	546,941	546,941	524,933
Commodities	21,500	21,500	4,610
Contractual Services	<u>406,049</u>	<u>491,228</u>	<u>511,782</u>
Total Community Development Administration	<u>974,490</u>	<u>1,059,669</u>	<u>1,041,325</u>
Building and Code Enforcement			
Personnel Services	559,680	559,680	504,653
Commodities	9,865	9,865	7,933
Contractual Services	9,493	9,493	6,078
Capital Outlay	<u>200</u>	<u>200</u>	<u>190</u>
Total Building and Code Enforcement	<u>579,238</u>	<u>579,238</u>	<u>518,854</u>
Total Community Development	<u>1,553,728</u>	<u>1,638,907</u>	<u>1,560,179</u>
TOTAL EXPENDITURES			
	<u>\$ 34,429,337</u>	<u>\$ 35,135,034</u>	<u>\$ 34,684,476</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Foreign Fire Insurance Tax Fund is used to account for certain fire department related expenditures. Financing is provided by taxes on out-of-state insurance companies.

The Housing Rehabilitation Fund is used to account for federal and state grants received through 1983 that were targeted for low interest housing rehabilitation loans to income qualified properties.

The Community Development Block Grant Fund is used to account for the receipts and disbursement of community development grant funds.

The Heritage Ridge Special Service Area #3 Fund is used to account for the accumulation of resources for improvements for Special Service Area #3.

The Knolls Special Service Area #4 Fund is used to account for the accumulation of resources for improvements for Special Service Area #4.

The Greek Row Special Service Area #6 Fund is used to account for the accumulation of resources for improvements for Special Service Area #6.

The Heartland Fields Special Service Area #14 Fund is used to account for the accumulation of resources for improvements for Special Service Area #14.

DEBT SERVICE FUNDS

The General Debt Service Fund is used to account for the accumulation of resources and payment of bond principal and interest on debt other than tax increment financing debt.

The TIF Debt Service Fund is used to account for the accumulation of resources and payment of bond principal and interest on the tax increment financing areas.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for the City's general infrastructure improvements including street (re)construction, storm water management, public buildings, street lighting, sidewalk repairs, as well as the purchase of vehicles and equipment.

The Equipment Fund is used to account for major equipment purchases which cost in excess of \$5,000 and have a useful life expectancy of three years or more.

CITY OF DEKALB, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 141,610	\$ 401	\$ 853,898	\$ 995,909
Receivables				
Property Taxes	24,402	-	-	24,402
Other	-	2,526	93,460	95,986
Due from Other Governments	34,007	-	55,934	89,941
TOTAL ASSETS	\$ 200,019	\$ 2,927	\$ 1,003,292	\$ 1,206,238
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES				
LIABILITIES				
Accounts Payable	\$ 34,955	\$ -	\$ 212,110	\$ 247,065
Unearned Revenue	-	-	8,392	8,392
Due to Other Funds	-	9,000	-	9,000
Total Liabilities	34,955	9,000	220,502	264,457
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	24,402	-	-	24,402
Total Liabilities and Deferred Inflows of Resources	59,357	9,000	220,502	288,859
FUND BALANCES				
Restricted				
Public Safety	62,282	-	-	62,282
Specific Purpose	78,380	-	-	78,380
Assigned for Capital Projects	-	-	782,790	782,790
Unassigned (Deficit)	-	(6,073)	-	(6,073)
Total Fund Balances (Deficit)	140,662	(6,073)	782,790	917,379
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 200,019	\$ 2,927	\$ 1,003,292	\$ 1,206,238

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 79,418	\$ 45,210	\$ 640,879	\$ 765,507
Intergovernmental	156,672	-	-	156,672
Charges for Services	-	-	209,716	209,716
Fines and Forfeitures	-	44,473	-	44,473
Investment Income	294	-	-	294
Miscellaneous	1,410	-	235,996	237,406
Total Revenues	237,794	89,683	1,086,591	1,414,068
EXPENDITURES				
General Government	125,039	-	50,225	175,264
Public Safety	31,263	-	-	31,263
Capital Outlay	64,218	-	838,122	902,340
Debt Service	-	2,315,000	16,667	2,331,667
Principal Retirement	-	767,026	-	767,026
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	220,520	3,082,026	905,014	4,207,560
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,274	(2,992,343)	181,577	(2,793,492)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,995,027	60,000	3,055,027
Transfers (Out)	-	-	(60,000)	(60,000)
Proceeds from Sale of Capital Assets	-	-	13,423	13,423
Total Other Financing Sources (Uses)	-	2,995,027	13,423	3,008,450
NET CHANGE IN FUND BALANCES	17,274	2,684	195,000	214,958
FUND BALANCES (DEFICIT), JANUARY 1	123,388	(8,757)	587,790	702,421
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 140,662	\$ (6,073)	\$ 782,790	\$ 917,379

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2018

	Foreign Insurance	Fire Tax	Housing Rehabilitation	Community Development Block Grant
ASSETS				
Cash and Investments	\$ 62,842	\$ 67,576	\$	38
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	-	-	-	-
Due from Other Governments	-	-		34,007
TOTAL ASSETS	\$ 62,842	\$ 67,576	\$ 34,045	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES				
LIABILITIES				
Accounts Payable	\$ 560	\$ -	\$ 34,045	
Total Liabilities	560	-	34,045	
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	560	-	34,045	
FUND BALANCES				
Restricted				
Public Safety	62,282	-	-	-
Specific Purpose	-	67,576	-	-
Total Fund Balances	62,282	67,576	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 62,842	\$ 67,576	\$ 34,045	

Heritage Ridge	Knolls	Greek Row	Heartland Fields	
Special Service	Special Service	Special Service	Special Service	
Area #3	Area #4	Area #6	Area #14	Total

\$ 3,154	\$ 2,360	\$ 14	\$ 5,626	\$ 141,610
-	5,502	16,400	2,500	24,402
-	-	-	-	34,007
\$ 3,154	\$ 7,862	\$ 16,414	\$ 8,126	\$ 200,019

\$ -	\$ 270	\$ -	\$ 80	\$ 34,955
-	270	-	80	34,955
-	5,502	16,400	2,500	24,402
-	5,772	16,400	2,580	59,357

-	-	-	-	62,282
3,154	2,090	14	5,546	78,380
3,154	2,090	14	5,546	140,662
\$ 3,154	\$ 7,862	\$ 16,414	\$ 8,126	\$ 200,019

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

	Foreign Insurance	Fire Tax	Housing Rehabilitation	Community Development Block Grant
REVENUES				
Taxes	\$ 54,758	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	156,672
Investment Income	-	274	-	-
Miscellaneous	-	1,410	-	-
 Total Revenues	 54,758	 1,684	 156,672	
EXPENDITURES				
General Government	-	338	119,170	
Public Safety	31,263	-	-	
Capital Outlay	16,480	-	37,502	
 Total Expenditures	 47,743	 338	 156,672	
NET CHANGE IN FUND BALANCES	7,015	1,346	-	
FUND BALANCES (DEFICIT), JANUARY 1	55,267	66,230	-	
 FUND BALANCES, DECEMBER 31	 \$ 62,282	 \$ 67,576	 \$ -	

Heritage Ridge Special Service	Knolls Special Service	Greek Row Special Service	Heartland Fields Special Service	
Area #3	Area #4	Area #6	Area #14	Total
\$ 1,000	\$ 5,489	\$ 15,671	\$ 2,500	\$ 79,418
-	-	-	-	156,672
-	5	13	2	294
-	-	-	-	1,410
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,000	5,494	15,684	2,502	237,794
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
814	3,119	499	1,099	125,039
-	-	-	-	31,263
-	-	10,236	-	64,218
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
814	3,119	10,735	1,099	220,520
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
186	2,375	4,949	1,403	17,274
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,968	(285)	(4,935)	4,143	123,388
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 3,154	\$ 2,090	\$ 14	\$ 5,546	\$ 140,662
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign Fire Insurance Tax	\$ 45,000	\$ 45,000	\$ 54,758
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>54,758</u>
EXPENDITURES			
Public Safety			
Commodities	16,000	20,185	28,786
Contractual Services	1,521	1,521	2,477
Capital Outlay	<u>16,700</u>	<u>26,037</u>	<u>16,480</u>
Total Expenditures	<u>34,221</u>	<u>47,743</u>	<u>47,743</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,779</u>	<u>\$ (2,743)</u>	<u>7,015</u>
FUND BALANCE, JANUARY 1			<u>55,267</u>
FUND BALANCE, DECEMBER 31			<u>\$ 62,282</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ 50	\$ 50	\$ 274
Miscellaneous	6,000	6,000	1,410
 Total Revenues	 6,050	 6,050	 1,684
EXPENDITURES			
Current			
General Government			
Contractual Services	1,838	1,838	338
Capital Outlay	24,000	24,000	-
 Total Expenditures	 25,838	 25,838	 338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	 (19,788)	 (19,788)	 1,346
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(9,482)	(9,482)	-
 Total Other Financing Sources (Uses)	 (9,482)	 (9,482)	 -
NET CHANGE IN FUND BALANCE			
	 \$ (29,270)	 \$ (29,270)	 1,346
FUND BALANCE, JANUARY 1			 66,230
FUND BALANCE, DECEMBER 31			 \$ 67,576

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 517,970	\$ 957,970	\$ 156,672
Total Revenues	<hr/> <hr/> 517,970	957,970	156,672
EXPENDITURES			
General Government Commodities	1,000	1,000	57
Contractual Services	195,684	195,684	119,113
Capital Outlay	161,286	601,286	37,502
Total Expenditures	<hr/> <hr/> 357,970	797,970	156,672
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<hr/> <hr/> 160,000	160,000	-
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(160,000)	(160,000)	-
Total Other Financing Sources (Uses)	<hr/> <hr/> (160,000)	(160,000)	-
NET CHANGE IN FUND BALANCE	<hr/> <hr/> \$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			<hr/> <hr/> \$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HERITAGE RIDGE SPECIAL SERVICE AREA #3 FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 1,000	\$ 1,000	\$ 1,000
Total Revenues	<hr/> 1,000	<hr/> 1,000	<hr/> 1,000
EXPENDITURES			
General Government			
Contractual Services	1,500	1,500	814
Total Expenditures	<hr/> 1,500	<hr/> 1,500	<hr/> 814
NET CHANGE IN FUND BALANCE	\$ (500)	\$ (500)	186
FUND BALANCE, JANUARY 1			<hr/> 2,968
FUND BALANCE, DECEMBER 31			\$ 3,154

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
KNOLLS SPECIAL SERVICE AREA #4 FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 5,500	\$ 5,500	\$ 5,489
Investment Income	-	-	5
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>5,494</u>
EXPENDITURES			
General Government			
Contractual Services	<u>4,500</u>	<u>4,500</u>	<u>3,119</u>
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>3,119</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>2,375</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(285)</u>
FUND BALANCE, DECEMBER 31			<u>\$ 2,090</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GREEK ROW SPECIAL SERVICE AREA #6 FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 18,000	\$ 18,000	\$ 15,671
Investment Income	-	-	13
Total Revenues	<hr/> 18,000	<hr/> 18,000	<hr/> 15,684
EXPENDITURES			
General Government			
Contractual Services	500	500	499
Capital Outlay	<hr/> 17,500	<hr/> 17,500	<hr/> 10,236
Total Expenditures	<hr/> 18,000	<hr/> 18,000	<hr/> 10,735
NET CHANGE IN FUND BALANCE	<hr/> \$ -	<hr/> \$ -	<hr/> 4,949
FUND BALANCE (DEFICIT), JANUARY 1			<hr/> (4,935)
FUND BALANCE, DECEMBER 31			<hr/> \$ 14

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HEARTLAND FIELDS SPECIAL SERVICE AREA #14 FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 2,500	\$ 2,500	\$ 2,500
Investment Income	-	-	2
 Total Revenues	 2,500	 2,500	 2,502
EXPENDITURES			
General Government			
Contractual Services	3,000	3,000	1,099
 Total Expenditures	 3,000	 3,000	 1,099
 NET CHANGE IN FUND BALANCE	 \$ (500)	 \$ (500)	 1,403
 FUND BALANCE, JANUARY 1			 4,143
 FUND BALANCE, DECEMBER 31			 \$ 5,546

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS**

December 31, 2018

	General Debt Service	TIF Debt Service	Total
ASSETS			
Cash and Investments	\$ 401	\$ -	\$ 401
Other Receivable	2,526	-	2,526
TOTAL ASSETS	\$ 2,927	\$ -	\$ 2,927
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Other Funds	\$ 9,000	\$ -	\$ 9,000
Total Liabilities	9,000	-	9,000
FUND BALANCES			
Unassigned (Deficit)	(6,073)	-	(6,073)
Total Fund Balances (Deficit)	(6,073)	-	(6,073)
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,927	\$ -	\$ 2,927

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2018

	General Debt Service	TIF Debt Service	Total
REVENUES			
Taxes	\$ 45,210	\$ -	\$ 45,210
Fines and Forfeitures	44,473	-	44,473
 Total Revenues	 89,683	 -	 89,683
EXPENDITURES			
Debt Service			
Principal	1,295,000	1,020,000	2,315,000
Interest and Fiscal Charges	593,826	173,200	767,026
 Total Expenditures	 1,888,826	 1,193,200	 3,082,026
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (1,799,143)	 (1,193,200)	 (2,992,343)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,801,827	1,193,200	2,995,027
 Total Other Financing Sources (Uses)	 1,801,827	 1,193,200	 2,995,027
 NET CHANGE IN FUND BALANCES	 2,684	 -	 2,684
 FUND BALANCES (DEFICIT), JANUARY 1	 (8,757)	 -	 (8,757)
 FUND BALANCES (DEFICIT), DECEMBER 31	 \$ (6,073)	 \$ -	 \$ (6,073)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 46,000	\$ 46,000	\$ 45,210
Fines and Forfeitures	41,000	41,000	44,473
 Total Revenues	 87,000	 87,000	 89,683
EXPENDITURES			
Debt Service			
Principal Retirement	1,295,000	1,295,000	1,295,000
Interest and Fiscal Charges	593,827	593,827	593,826
 Total Expenditures	 1,888,827	 1,888,827	 1,888,826
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (1,801,827)	 (1,801,827)	 (1,799,143)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,801,827	1,801,827	1,801,827
 Total Other Financing Sources (Uses)	 1,801,827	 1,801,827	 1,801,827
 NET CHANGE IN FUND BALANCE	 \$ -	 \$ -	 2,684
 FUND BALANCE (DEFICIT), JANUARY 1			 (8,757)
 FUND BALANCE (DEFICIT), DECEMBER 31			 \$ (6,073)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Debt Service			
Principal Retirement	1,020,000	1,020,000	1,020,000
Interest and Fiscal Charges	173,200	173,200	173,200
Total Expenditures	1,193,200	1,193,200	1,193,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,193,200)</u>	<u>(1,193,200)</u>	<u>(1,193,200)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,193,200	1,193,200	1,193,200
Total Other Financing Sources (Uses)	1,193,200	1,193,200	1,193,200
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			<u>\$ -</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

December 31, 2018

	Capital Projects	Equipment	Total
ASSETS			
Cash and Investments	\$ 585,167	\$ 268,731	\$ 853,898
Accounts Receivable	-	93,460	93,460
Due from Other Governments	55,934	-	55,934
TOTAL ASSETS	\$ 641,101	\$ 362,191	\$ 1,003,292
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 197,110	\$ 15,000	\$ 212,110
Unearned Revenue	-	8,392	8,392
Total Liabilities	197,110	23,392	220,502
FUND BALANCES			
Assigned for Capital Projects	443,991	338,799	782,790
Total Fund Balances	443,991	338,799	782,790
TOTAL LIABILITIES AND FUND BALANCES	\$ 641,101	\$ 362,191	\$ 1,003,292

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

For the Year Ended December 31, 2018

	Capital Projects	Equipment	Total
REVENUES			
Taxes	\$ 640,879	\$ -	\$ 640,879
Charges for Services	-	209,716	209,716
Miscellaneous Income	1,736	234,260	235,996
 Total Revenues	 642,615	 443,976	 1,086,591
EXPENDITURES			
General Government			
Contractual Services	-	50,225	50,225
Capital Outlay	317,832	520,290	838,122
Debt Service			
Principal	-	16,667	16,667
 Total Expenditures	 317,832	 587,182	 905,014
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 324,783	 (143,206)	 181,577
OTHER FINANCING SOURCES (USES)			
Transfers In	-	60,000	60,000
Transfers (Out)	(60,000)	-	(60,000)
Proceeds from Sale of Capital Assets	-	13,423	13,423
 Total Other Financing Sources (Uses)	 (60,000)	 73,423	 13,423
 NET CHANGE IN FUND BALANCES	 264,783	 (69,783)	 195,000
 FUND BALANCES, JANUARY 1	 179,208	 408,582	 587,790
 FUND BALANCES, DECEMBER 31	 \$ 443,991	 \$ 338,799	 \$ 782,790

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Local Motor Fuel Taxes	\$ 650,000	\$ 650,000	\$ 640,879
Miscellaneous	-	-	1,736
 Total Revenues	 650,000	 650,000	 642,615
EXPENDITURES			
General Government			
Contractual Services	50,000	50,000	-
Capital Outlay	222,400	394,069	317,832
 Total Expenditures	 272,400	 444,069	 317,832
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 377,600	 205,931	 324,783
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	(60,000)
 Total Other Financing Sources (Uses)	 -	 -	 (60,000)
 NET CHANGE IN FUND BALANCE	 \$ 377,600	 \$ 205,931	 264,783
 FUND BALANCE, JANUARY 1			 179,208
 FUND BALANCE, DECEMBER 31			 \$ 443,991

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Charges for Services			
Rental Income	\$ 154,477	\$ 154,477	\$ 209,716
Miscellaneous Income	210,000	210,000	234,260
 Total Revenues	 364,477	 364,477	 443,976
EXPENDITURES			
General Government			
Contractual Services	62,000	62,000	50,225
Capital Outlay	920,000	920,000	520,290
Debt Service			
Principal	16,667	16,667	16,667
 Total Expenditures	 998,667	 998,667	 587,182
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(634,190)	(634,190)	(143,206)
OTHER FINANCING SOURCES (USES)			
Transfers In	410,000	410,000	60,000
Proceeds from Sale of Capital Assets	5,000	5,000	13,423
 Total Other Financing Sources (Uses)	 415,000	 415,000	 73,423
 NET CHANGE IN FUND BALANCE	 \$ (219,190)	 \$ (219,190)	 \$ (69,783)
 FUND BALANCE, JANUARY 1			 408,582
 FUND BALANCE, DECEMBER 31			 \$ 338,799

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

The Water Fund is used to account for the provision of water service to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

The Airport Fund is used to account for the operations of the Taylor Municipal Airport. Financing may be provided from a number of sources including user fees as well as property taxes.

NONMAJOR ENTERPRISE FUNDS

The Refuse Fund is used to account for the billing, collection, and payment of refuse collection.

CITY OF DEKALB, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER FUND DEPARTMENT ACCOUNTS

For the Year Ended December 31, 2018

	Operations and Maintenance			System Construction		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Water Sales	\$ 5,589,112	\$ 5,589,112	\$ 5,353,927	\$ 75,000	\$ 75,000	\$ 5,472
Permits	20,000	20,000	18,795	-	-	-
Miscellaneous	24,000	24,000	11,361	-	-	-
Total Operating Revenues	5,633,112	5,633,112	5,384,083	75,000	75,000	5,472
OPERATING EXPENSES EXCLUDING DEPRECIATION						
Personal Services	2,846,031	2,846,031	2,721,794	-	-	-
Commodities	439,715	439,715	414,928	-	-	-
Contractual Services	951,590	951,590	770,714	-	-	-
Other Services/Expenses	40,000	40,000	31,910	-	-	-
Equipment	136,500	136,500	71,366	-	-	-
Total Operating Expenses	4,413,836	4,413,836	4,010,712	-	-	-
OPERATING INCOME (LOSS)	1,219,276	1,219,276	1,373,371	75,000	75,000	5,472
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	25,500	25,500	-	4,600	4,600	394
Gain on Sale of Capital Assets	2,000	2,000	9,350	-	-	-
Principal	(734,256)	(734,256)	(734,256)	-	-	-
Interest Expense	(58,290)	(58,290)	(52,672)	-	-	-
Total Non-Operating Revenues (Expenses)	(765,046)	(765,046)	(777,578)	4,600	4,600	394
NET INCOME (LOSS) BEFORE TRANSFERS	454,230	454,230	595,793	79,600	79,600	5,866
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers (Out)	(1,360,400)	(1,360,400)	(313,855)	-	-	-
Total Transfers	(1,360,400)	(1,360,400)	(313,855)	-	-	-
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ (906,170)	\$ (906,170)	\$ 281,938	\$ 79,600	\$ 79,600	\$ 5,866
ADJUSTMENTS TO GAAP BASIS						
Additions to Capital Assets	-	-	-	-	-	-
Principal Payments			734,256			-
Depreciation and Amortization			(1,105,571)			-
Total Adjustment to GAAP Basis			(371,315)			-
CHANGE IN NET POSITION - GAAP BASIS			(89,377)			5,866
NET POSITION, JANUARY 1			24,359,699			1,139,588
Change In Accounting Principle			(700,034)			-
NET POSITION, JANUARY 1 (RESTATED)			23,659,665			1,139,588
NET POSITION, DECEMBER 31	\$ 23,570,288			\$ 79,600		\$ 1,145,454

Capital				Total		
Original Budget	Final Budget	Actual	Eliminations	Original Budget	Final Budget	Actual
\$ 300,000	\$ 300,000	\$ 307,964	\$ -	\$ 5,964,112	\$ 5,964,112	\$ 5,667,363
-	-	-	-	20,000	20,000	18,795
-	-	-	-	24,000	24,000	11,361
<u>300,000</u>	<u>300,000</u>	<u>307,964</u>	<u>-</u>	<u>6,008,112</u>	<u>6,008,112</u>	<u>5,697,519</u>
-	-	-	-	2,846,031	2,846,031	2,721,794
-	-	-	-	439,715	439,715	414,928
-	-	-	-	951,590	951,590	770,714
-	-	-	-	40,000	40,000	31,910
<u>1,537,000</u>	<u>1,537,000</u>	<u>1,124,568</u>	<u>-</u>	<u>1,673,500</u>	<u>1,673,500</u>	<u>1,195,934</u>
<u>1,537,000</u>	<u>1,537,000</u>	<u>1,124,568</u>	<u>-</u>	<u>5,950,836</u>	<u>5,950,836</u>	<u>5,135,280</u>
<u>(1,237,000)</u>	<u>(1,237,000)</u>	<u>(816,604)</u>	<u>-</u>	<u>57,276</u>	<u>57,276</u>	<u>562,239</u>
-	-	-	-	30,100	30,100	394
-	-	-	-	2,000	2,000	9,350
-	-	-	-	(734,256)	(734,256)	(734,256)
-	-	-	-	(58,290)	(58,290)	(52,672)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(760,446)</u>	<u>(760,446)</u>	<u>(777,184)</u>
<u>(1,237,000)</u>	<u>(1,237,000)</u>	<u>(816,604)</u>	<u>-</u>	<u>(703,170)</u>	<u>(703,170)</u>	<u>(214,945)</u>
1,210,000	1,210,000	3,455	(3,455)	1,210,000	1,210,000	-
-	-	-	3,455	(1,360,400)	(1,360,400)	(310,400)
<u>1,210,000</u>	<u>1,210,000</u>	<u>3,455</u>	<u>-</u>	<u>(150,400)</u>	<u>(150,400)</u>	<u>(310,400)</u>
<u>\$ (27,000)</u>	<u>\$ (27,000)</u>	<u>(813,149)</u>	<u>\$ -</u>	<u>\$ (853,570)</u>	<u>\$ (853,570)</u>	<u>\$ (525,345)</u>
1,046,544				1,046,544		
-				734,256		
-				(1,105,571)		
<u>1,046,544</u>				<u>675,229</u>		
<u>233,395</u>				<u>149,884</u>		
1,001,378				26,500,665		
<u>-</u>				<u>(700,034)</u>		
<u>1,001,378</u>				<u>25,800,631</u>		
<u>\$ 1,234,773</u>				<u>\$ 25,950,515</u>		

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
AIRPORT FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Rents/Taxes	\$ 368,000	\$ 368,000	\$ 306,468
Fuel Sales	500,000	500,000	501,144
Airport Operations	20,000	20,000	30,385
Miscellaneous	7,000	7,000	39,805
Total Operating Revenues	<u>895,000</u>	<u>895,000</u>	<u>877,802</u>
OPERATING EXPENSES			
Personal Services	368,720	368,720	322,479
Commodities	419,600	530,731	460,855
Contractual Services	214,328	214,328	261,525
Other Services	36,300	36,300	38,578
Equipment	15,150	15,150	8,945
Permanent Improvements	36,550	36,550	136,109
Total Operating Expenses	<u>1,090,648</u>	<u>1,201,779</u>	<u>1,228,491</u>
OPERATING INCOME (LOSS)	<u>(195,648)</u>	<u>(306,779)</u>	<u>(350,689)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	100	100	345
State Sales Tax	-	-	4,726
Home Rule Sales Tax	-	-	8,138
Home Rule Motor Fuel Tax	269,956	269,956	284,299
Principal Expense	(66,125)	(66,125)	(66,125)
Interest Expense	(3,670)	(3,670)	(3,151)
Gain on Sale of Capital Assets	-	-	910
Total Non-Operating Revenues (Expenses)	<u>200,261</u>	<u>200,261</u>	<u>229,142</u>

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (Continued)
AIRPORT FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	<u>\$ 4,613</u>	<u>\$ (106,518)</u>	<u>\$ (121,547)</u>
TRANSFERS			
Transfers In	-	-	<u>610,000</u>
CONTRIBUTIONS			
Capital Contributions	<u>36,550</u>	<u>137,743</u>	<u>478,930</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ 41,163</u>	<u>\$ 31,225</u>	<u>967,383</u>
ADJUSTMENTS TO GAAP BASIS			
Additions to Capital Assets	136,549		
Principal Payments	66,125		
Depreciation and Amortization	<u>(385,907)</u>		
Total Adjustments to GAAP Basis			<u>(183,233)</u>
CHANGE IN NET POSITION			<u>784,150</u>
NET POSITION, JANUARY 1			<u>30,050,632</u>
Change In Accounting Principle			<u>19,288</u>
NET POSITION, JANUARY 1 (RESTATED)			<u>30,069,920</u>
NET POSITION, DECEMBER 31	<u>\$ 30,854,070</u>		

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
REFUSE FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 2,206,200	\$ 2,206,200	\$ 2,058,770
Total Operating Revenues	2,206,200	2,206,200	2,058,770
OPERATING EXPENSES			
Contractual Services	2,225,035	2,225,035	2,086,409
Total Operating Expenses	2,225,035	2,225,035	2,086,409
CHANGE IN NET POSITION	\$ (18,835)	\$ (18,835)	(27,639)
NET POSITION, JANUARY 1			63,911
Prior period adjustment			168,923
NET POSITION, JANUARY 1 (RESTATED)			232,834
NET POSITION, DECEMBER 31			\$ 205,195

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Workers' Compensation Fund - to account for payment of workers' compensation insurance premiums. Financing is provided by contributions from other funds.

Health Insurance Fund - to account for payment of health insurance premiums. Financing is provided by contributions from employees, retirees, and other funds.

CITY OF DEKALB, ILLINOIS

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

December 31, 2018

	Workers' Compensation	Health Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 2,089,789	\$ 330,651	\$ 2,420,440
Receivables			
Other	20,549	180,488	201,037
 Total Current Assets	 2,110,338	 511,139	 2,621,477
CURRENT LIABILITIES			
Accounts Payable	24,162	63,685	87,847
Claims Payable	418,678	-	418,678
Unearned Revenue	-	2,062	2,062
 Total Current Liabilities	 442,840	 65,747	 508,587
NONCURRENT LIABILITIES			
Claims Payable	418,678	-	418,678
 Total Noncurrent Liabilities	 418,678	 -	 418,678
 Total Liabilities	 861,518	 65,747	 927,265
NET POSITION			
Unrestricted	1,248,820	445,392	1,694,212
 TOTAL NET POSITION	 \$ 1,248,820	 \$ 445,392	 \$ 1,694,212

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2018

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Contributions	\$ 881,659	\$ 881,659	\$ 881,659	\$ 6,402,965	\$ 6,402,965	\$ 6,169,078
Miscellaneous	15,000	60,939	60,940	-	-	-
Total Operating Revenues	<u>896,659</u>	<u>942,598</u>	<u>942,599</u>	<u>6,402,965</u>	<u>6,402,965</u>	<u>6,169,078</u>
OPERATING EXPENSES						
Administration	580,205	580,205	533,304	6,360,409	6,360,409	6,248,369
Claims	500,000	551,454	598,355	-	-	-
Total Operating Expenses	<u>1,080,205</u>	<u>1,131,659</u>	<u>1,131,659</u>	<u>6,360,409</u>	<u>6,360,409</u>	<u>6,248,369</u>
OPERATING INCOME (LOSS)	<u>(183,546)</u>	<u>(189,061)</u>	<u>(189,060)</u>	<u>42,566</u>	<u>42,566</u>	<u>(79,291)</u>
NON-OPERATING REVENUES						
Investment Income	1,500	6,441	6,442	10	10	1,081
Total Non-Operating Revenues	<u>1,500</u>	<u>6,441</u>	<u>6,442</u>	<u>10</u>	<u>10</u>	<u>1,081</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(182,046)</u>	<u>(182,620)</u>	<u>(182,618)</u>	<u>42,566</u>	<u>42,566</u>	<u>(78,210)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	250,000	250,000
Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
CHANGE IN NET POSITION	<u>\$ (182,046)</u>	<u>\$ (182,620)</u>	<u>(182,618)</u>	<u>\$ 42,566</u>	<u>\$ 292,566</u>	<u>171,790</u>
NET POSITION, JANUARY 1			<u>1,431,438</u>			<u>273,602</u>
NET POSITION, DECEMBER 31			<u>\$ 1,248,820</u>			<u>\$ 445,392</u>

Total		
Original Budget	Final Budget	Actual
\$ 7,284,624	\$ 7,284,624	\$ 7,050,737
15,000	60,939	60,940
<u>7,299,624</u>	<u>7,345,563</u>	<u>7,111,677</u>
6,940,614	6,940,614	6,781,673
500,000	551,454	598,355
<u>7,440,614</u>	<u>7,492,068</u>	<u>7,380,028</u>
(140,990)	(146,505)	(268,351)
<u>1,510</u>	<u>6,451</u>	<u>7,523</u>
1,510	6,451	7,523
<u>(139,480)</u>	<u>(140,054)</u>	<u>(260,828)</u>
-	250,000	250,000
-	-	-
-	250,000	250,000
<u>\$ (139,480)</u>	<u>\$ 109,946</u>	<u>(10,828)</u>
		<u>1,705,040</u>
		<u>\$ 1,694,212</u>

(See independent auditor's report.)
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CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2018

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 884,323	\$ 4,664,405	\$ 5,548,728
Receipts from Employees and Others	-	1,559,791	1,559,791
Receipts from Miscellaneous Revenue	60,940	-	60,940
Payments to Suppliers	(834,034)	(6,226,410)	(7,060,444)
Net Cash from Operating Activities	<u>111,229</u>	<u>(2,214)</u>	<u>109,015</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	250,000	250,000
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>250,000</u>	<u>250,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	6,442	1,081	7,523
Net Cash from Investing Activities	<u>6,442</u>	<u>1,081</u>	<u>7,523</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
	117,671	248,867	366,538
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,972,118</u>	<u>81,784</u>	<u>2,053,902</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,089,789</u>	<u>\$ 330,651</u>	<u>\$ 2,420,440</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (189,060)	\$ (79,291)	\$ (268,351)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities			
Changes in Assets and Liabilities			
Receivables	2,664	66,216	68,880
Prepaid Expenses	30,000	-	30,000
Accounts Payable	21,398	21,959	43,357
Claims Payable	246,227	-	246,227
Unearned Revenue	-	(11,098)	(11,098)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 111,229</u>	<u>\$ (2,214)</u>	<u>\$ 109,015</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

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

CITY OF DEKALB, ILLINOIS

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

December 31, 2018

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 3,014,597	\$ 1,167,297	\$ 4,181,894
Investments			
U.S. Treasury Obligations	2,928,258	2,575,065	5,503,323
U.S. Agency Obligations	2,965,773	2,671,633	5,637,406
Corporate Bonds	2,746,914	5,072,902	7,819,816
Municipal Bonds	-	342,231	342,231
Mutual Funds	21,693,825	15,375,143	37,068,968
Receivables			
Accrued Interest	38,574	65,046	103,620
Prepaid Expenses	3,583	-	3,583
Total Assets	<u>33,391,524</u>	<u>27,269,317</u>	<u>60,660,841</u>
LIABILITIES			
Accounts Payable	<u>12,801</u>	<u>1,646</u>	<u>14,447</u>
Total Liabilities	<u>12,801</u>	<u>1,646</u>	<u>14,447</u>
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 33,378,723</u>	<u>\$ 27,267,671</u>	<u>\$ 60,646,394</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
PENSION TRUST FUNDS

For the Year Ended December 31, 2018

	Police Pension			Firefighters' Pension			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
ADDITIONS									
Contributions									
Employer Contributions	\$ 2,987,254	\$ 2,987,254	\$ 2,989,632	\$ 3,463,310	\$ 3,463,310	\$ 3,466,072	\$ 6,450,564	\$ 6,450,564	\$ 6,455,704
Employee Contributions	591,160	591,160	653,454	477,148	477,148	496,108	1,068,308	1,068,308	1,149,562
Total Contributions	3,578,414	3,578,414	3,643,086	3,940,458	3,940,458	3,962,180	7,518,872	7,518,872	7,605,266
Investment Income									
Net Appreciation in Fair Value of Investments	665,000	665,000	(2,819,608)	950,000	950,000	(3,439,220)	1,615,000	1,615,000	(6,258,828)
Interest	617,000	617,000	784,227	480,000	480,000	1,068,758	1,097,000	1,097,000	1,852,985
Total Investment Income	1,282,000	1,282,000	(2,035,381)	1,430,000	1,430,000	(2,370,462)	2,712,000	2,712,000	(4,405,843)
Less Investment Expense	(45,600)	(45,600)	(45,065)	(45,500)	(45,500)	(44,401)	(91,100)	(91,100)	(89,466)
Net Investment Income	1,236,400	1,236,400	(2,080,446)	1,384,500	1,384,500	(2,414,863)	2,620,900	2,620,900	(4,495,309)
Total Additions	4,814,814	4,814,814	1,562,640	5,324,958	5,324,958	1,547,317	10,139,772	10,139,772	3,109,957
DEDUCTIONS									
Administrative Expenses	51,000	51,000	48,498	46,800	46,800	43,134	97,800	97,800	91,632
Benefits and Refunds	3,406,500	3,406,500	3,341,647	3,775,000	3,775,000	3,542,390	7,181,500	7,181,500	6,884,037
Total Deductions	3,457,500	3,457,500	3,390,145	3,821,800	3,821,800	3,585,524	7,279,300	7,279,300	6,975,669
NET INCREASE (DECREASE)	\$ 1,357,314	\$ 1,357,314	(1,827,505)	\$ 1,503,158	\$ 1,503,158	(2,038,207)	\$ 2,860,472	\$ 2,860,472	(3,865,712)
NET POSITION RESTRICTED FOR PENSIONS									
January 1				35,206,228			29,305,878		64,512,106
December 31				\$ 33,378,723			\$ 27,267,671		\$ 60,646,394

(See independent auditor's report.)

**DISCRETELY PRESENTED
COMPONENT UNIT - DEKALB PUBLIC LIBRARY**

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET

December 31, 2018

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Investments	\$ 2,403,122	\$ 45,060	\$ 220,813	\$ 2,668,995	\$ -	\$ 2,668,995
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)	1,634,418	-	-	1,634,418	-	1,634,418
Property taxes	81,492	-	-	81,492	-	81,492
Accounts	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Due from City	1,224	-	-	1,224	-	1,224
Total Current Assets	<u>4,120,256</u>	<u>45,060</u>	<u>220,813</u>	<u>4,386,129</u>	<u>-</u>	<u>4,386,129</u>
NONCURRENT ASSETS						
Capital Assets	-	-	-	-	1,558,032	1,558,032
Not Depreciated	-	-	-	-	23,237,713	23,237,713
Depreciated (Net of Accumulated Depreciation)	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,795,745</u>	<u>24,795,745</u>
Total Assets	<u>4,120,256</u>	<u>45,060</u>	<u>220,813</u>	<u>4,386,129</u>	<u>24,795,745</u>	<u>29,181,874</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension Items - IMRF	-	-	-	-	-	559,491
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,120,256	\$ 45,060	\$ 220,813	\$ 4,386,129	\$ 25,355,236	\$ 29,741,365

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION						
LIABILITIES						
Accounts Payable	\$ 8,845	\$ -	\$ -	\$ 8,845	\$ -	\$ 8,845
Accrued Payroll	45,188	-	-	45,188	-	45,188
Accrued Interest Payable	-	-	-	-	100,834	100,834
Long-Term Liabilities						
Due Within One Year	-	-	-	-	681,263	681,263
Due in More than One Year	-	-	-	-	7,888,336	7,888,336
 Total Liabilities	 54,033	 -	 -	 54,033	 8,670,433	 8,724,466
DEFERRED INFLOWS OF RESOURCES						
Pension Items - IMRF	-	-	-	-	76,096	76,096
Pension Items - OPEB					22,913	22,913
Unavailable Property Taxes	1,634,418	-	-	1,634,418	-	1,634,418
 Total Deferred Inflows of Resources	 1,634,418	 -	 -	 1,634,418	 99,009	 1,733,427
 Total Liabilities and Deferred Inflows of Resources	 1,688,451	 -	 -	 1,688,451	 8,769,442	 10,457,893
FUND BALANCES/NET POSITION						
Net Investment in Capital Assets	-	-	-	-	17,868,522	17,868,522
Restricted - Endowments	-	-	220,813	220,813	-	220,813
Assigned	-	45,060	-	45,060	(45,060)	-
Unrestricted	2,431,805	-	-	2,431,805	(1,237,668)	1,194,137
 Total Fund Balances/Net Position	 2,431,805	 45,060	 220,813	 2,697,678	 16,585,794	 19,283,472
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION	\$ 4,120,256	\$ 45,060	\$ 220,813	\$ 4,386,129	\$ 25,355,236	\$ 29,741,365

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

STATEMENT OF ACTIVITIES AND COMBINING STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/NET POSITION

For the Year Ended December 31, 2018

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
REVENUES						
Taxes						
Property Taxes	\$ 2,487,807	\$ -	\$ -	\$ 2,487,807	\$ -	\$ 2,487,807
TIF Surplus	81,327	-	-	81,327	-	81,327
Replacement Taxes	33,596	-	-	33,596	-	33,596
Grants	261,709	-	-	261,709	-	261,709
Charges for Services	46,930	-	-	46,930	-	46,930
Investment Income	(2,329)	12	2,898	581	-	581
Miscellaneous	10,680	-	-	10,680	-	10,680
Total Revenues	<u>2,919,720</u>	<u>12</u>	<u>2,898</u>	<u>2,922,630</u>	<u>-</u>	<u>2,922,630</u>
EXPENDITURES						
Current						
Culture and Recreation	1,935,730	-	-	1,935,730	475,231	2,410,961
Debt Service						
Principal	646,111	-	-	646,111	(646,111)	-
Interest and Fiscal Charges	289,489	-	-	289,489	(11,969)	277,520
Total Expenditures	<u>2,871,330</u>	<u>-</u>	<u>-</u>	<u>2,871,330</u>	<u>(182,849)</u>	<u>2,688,481</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>48,390</u>	<u>12</u>	<u>2,898</u>	<u>51,300</u>	<u>182,849</u>	<u>234,149</u>

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (Out)	-	-	-	-	-	-
 Total Other Financing Sources (Uses)	 -	 -	 -	 -	 -	 -
 NET CHANGE IN FUND BALANCES/ NET POSITION	 48,390	 12	 2,898	 51,300	 182,849	 234,149
 FUND BALANCES/ NET POSITION, JANUARY 1	 2,383,415	 45,048	 217,915	 2,646,378	 16,782,913	 19,429,291
 Change in Accounting Principle	 -	 -	 -	 -	 (379,968)	 (379,968)
 FUND BALANCES/ NET POSITION, JANUARY 1	 2,383,415	 45,048	 217,915	 2,646,378	 16,402,945	 19,049,323
 FUND BALANCES/ NET POSITION, DECEMBER 31	 \$ 2,431,805	 \$ 45,060	 \$ 220,813	 \$ 2,697,678	 \$ 16,585,794	 \$ 19,283,472

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

CITY OF DEKALB, ILLINOIS
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended December 31, 2018

CSFA Number	Program Name	State	Federal	Other	Total
492-35-1161	State (ILCC) Tobacco Enforcement Program	\$ -	\$ -	\$ -	\$ -
494-00-0958	Truck Access Route Program	-	-	-	-
494-00-0967	High-Growth Cities Program	20,204	-	-	20,204
494-00-1009	Metropolitan Planning Program	57,631	230,524	-	288,155
494-00-1488	Motor Fuel Tax Program	879,984	-	-	879,984
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	23,070	-	23,070
494-42-0495	Local Surface Transportation Program	-	-	-	-
494-60-0327	Airport Improvement Program	-	-	-	-
494-80-1141	Transit Downstate Operating Assistance Program	1,975,973		1,063,985	3,039,958
All other costs not allocated		-	1,463,593	64,796,598	66,260,191
TOTALS		\$ 2,933,792	\$ 1,717,187	\$ 65,860,583	\$ 70,511,562

(See independent auditor's report.)

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2010A**

December 31, 2018

Date of Issue	May 27, 2010
Date of Maturity	December 1, 2021
Authorized Issue	\$10,800,000
Denomination of Notes	\$5,000
Interest Rates	2% to 4%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company, Chicago, Illinois
Purpose	TIF Downtown Improvements and Northland Plaza Roadwork

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2018	\$ 1,060,000	\$ 132,400	\$ 1,192,400	2019	\$ 66,200	2019	\$ 66,200
2019	1,105,000	90,000	1,195,000	2020	45,000	2020	45,000
2020	1,145,000	45,800	1,190,800	2021	22,900	2021	22,900
	<u>\$ 3,310,000</u>	<u>\$ 268,200</u>	<u>\$ 3,578,200</u>		<u>\$ 134,100</u>		<u>\$ 134,100</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2010B**

December 31, 2018

Date of Issue	December 1, 2010
Date of Maturity	January 1, 2028
Authorized Issue	\$3,905,000
Denomination of Notes	\$5,000
Interest Rates	4.25% to 4.75%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Northern Trust Company, Chicago, Illinois
Purpose	Refund the Series 1997A and 2002 Bonds

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ -	\$ 175,968	\$ 175,968	2019	\$ 87,984	2019	\$ 87,984
2019	-	175,968	175,968	2020	87,984	2020	87,984
2020	-	175,968	175,968	2021	87,984	2021	87,984
2021	-	175,968	175,968	2022	87,984	2022	87,984
2022	150,000	172,780	322,780	2023	87,984	2023	84,796
2023	840,000	151,322	991,322	2024	84,796	2024	66,526
2024	875,000	113,583	988,583	2025	66,526	2025	47,057
2025	915,000	73,298	988,298	2026	47,057	2026	26,241
2026	955,000	30,278	985,278	2027	26,241	2027	4,037
2027	170,000	4,037	174,037	2028	4,037	2028	-
	<u>\$ 3,905,000</u>	<u>\$ 1,249,170</u>	<u>\$ 5,154,170</u>		<u>\$ 668,577</u>		<u>\$ 580,593</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2010C**

December 31, 2018

Date of Issue	December 1, 2010
Date of Maturity	January 1, 2023
Authorized Issue	\$5,415,000
Denomination of Notes	\$5,000
Interest Rates	1.90% to 5.90%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Northern Trust Company, Chicago, Illinois
Purpose	Refund a portion of the Series 2014 and 2009 Bond Anticipation Notes

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ 650,000	\$ 169,655	\$ 819,655	2019	\$ 92,465	2019	\$ 77,190
2019	680,000	137,040	817,040	2020	77,190	2020	59,850
2020	715,000	100,395	815,395	2021	59,850	2021	40,545
2021	755,000	59,573	814,573	2022	40,545	2022	19,028
2022	645,000	19,028	664,028	2023	19,028	2023	-
	<u>\$ 3,445,000</u>	<u>\$ 485,691</u>	<u>\$ 3,930,691</u>		<u>\$ 289,078</u>		<u>\$ 196,613</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2012A**

December 31, 2018

Date of Issue	October 25, 2012
Date of Maturity	January 1, 2030
Authorized Issue	\$9,905,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 2.50%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Purpose	Police Station Construction

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ 550,000	\$ 136,181	\$ 686,181	2019	\$ 70,841	2019	\$ 65,340
2019	-	130,680	130,680	2020	65,340	2020	65,340
2020	-	130,680	130,680	2021	65,340	2021	65,340
2021	-	130,680	130,680	2022	65,340	2022	65,340
2022	765,000	123,031	888,031	2023	65,340	2023	57,691
2023	780,000	107,582	887,582	2024	57,691	2024	49,891
2024	795,000	91,832	886,832	2025	49,891	2025	41,941
2025	810,000	75,782	885,782	2026	41,941	2026	33,841
2026	830,000	58,863	888,863	2027	33,841	2027	25,022
2027	845,000	41,066	886,066	2028	25,022	2028	16,044
2028	865,000	22,356	887,356	2029	16,044	2029	6,312
2029	505,000	6,312	511,312	2030	6,312	2030	-
	<u>\$ 6,745,000</u>	<u>\$ 1,055,045</u>	<u>\$ 7,800,045</u>		<u>\$ 562,943</u>		<u>\$ 492,102</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013B**

December 31, 2018

Date of Issue	June 18, 2013
Date of Maturity	January 1, 2022
Authorized Issue	\$2,380,000
Denomination of Notes	\$5,000
Interest Rates	0.80% to 3.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Purpose	Police Station Construction

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ 135,000	\$ 67,125	\$ 202,125	2019	\$ 34,575	2019	\$ 32,550
2019	700,000	54,600	754,600	2020	32,550	2020	22,050
2020	725,000	33,225	758,225	2021	22,050	2021	11,175
2021	745,000	11,174	756,174	2022	11,174	2022	-
	<u>\$ 2,305,000</u>	<u>\$ 166,124</u>	<u>\$ 2,471,124</u>		<u>\$ 100,349</u>		<u>\$ 65,775</u>

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014 (TOTAL ISSUE)**

December 31, 2018

Date of Issue	November 3, 2014
Date of Maturity	January 1, 2021
Authorized Issue	\$28,700,000
Denomination of Notes	\$5,000
Interest Rates	1.54%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	JP Morgan Chase
Purpose	Storm Sewer, Street Reconstruction, Park Land Acquisition, Radium Remediation, and Airport Improvements

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ 345,000	\$ 13,240	\$ 358,240	2019	\$ 7,952	2019	\$ 5,288
2019	340,000	7,952	347,952	2020	5,288	2020	2,664
2020	345,000	2,664	347,664	2021	2,664	2021	-
	<u>\$ 1,030,000</u>	<u>\$ 23,856</u>	<u>\$ 1,053,856</u>		<u>\$ 15,904</u>		<u>\$ 7,952</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014 (WATER FUND SHARE)**

December 31, 2018

Date of Issue	November 3, 2014
Date of Maturity	January 1, 2021
Authorized Issue	\$28,700,000
Denomination of Notes	\$5,000
Interest Rates	1.54%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	JP Morgan Chase
Purpose	Storm Sewer, Street Reconstruction, Park Land Acquisition, Radium Remediation, and Airport Improvements

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ 275,500	\$ 10,617	\$ 286,117	2019	\$ 6,372	2019	\$ 4,245
2019	273,875	6,376	280,251	2020	4,245	2020	2,131
2020	276,000	2,131	278,131	2021	2,131	2021	-
	<u>\$ 825,375</u>	<u>\$ 19,124</u>	<u>\$ 844,499</u>		<u>\$ 12,748</u>		<u>\$ 6,376</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014 (AIRPORT FUND SHARE)**

December 31, 2018

Date of Issue	November 3, 2014
Date of Maturity	January 1, 2021
Authorized Issue	\$28,700,000
Denomination of Notes	\$5,000
Interest Rates	1.54%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	JP Morgan Chase
Purpose	Storm Sewer, Street Reconstruction, Park Land Acquisition, Radium Remediation, and Airport Improvements

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2018	\$ 69,500	\$ 2,623	\$ 72,123	2019	\$ 1,580	2019	\$ 1,043
2019	66,125	1,576	67,701	2020	1,043	2020	533
2020	69,000	533	69,533	2021	533	2021	-
	<u>\$ 204,625</u>	<u>\$ 4,732</u>	<u>\$ 209,357</u>		<u>\$ 3,156</u>		<u>\$ 1,576</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS IEPA LOAN #L17133700 CONTRACT PAYABLE OF 1999

December 31, 2018

Date of Issue	October 22, 1999
Date of Maturity	January 8, 2021
Authorized Issue	\$4,072,711
Interest Rates	2.535%
Interest Dates	Janauary 8 and July 8
Payable at	Illinois Environmental Protection Agency
Purpose	Radium Compliance

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2019	\$ 251,799	\$ 14,678	\$ 266,477
2020	258,223	8,255	266,478
2021	131,572	1,669	133,241
	\$ 641,594	\$ 24,602	\$ 666,196

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS IEPA LOAN #L17161400 CONTRACT PAYABLE OF 2000

December 31, 2018

Date of Issue	April 24, 2000
Date of Maturity	May 30, 2021
Authorized Issue	\$3,344,932
Interest Rates	2.535%
Interest Dates	May 30 and November 30
Payable at	Illinois Environmental Protection Agency
Purpose	Radium Compliance

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2019	\$ 206,759	\$ 12,053	\$ 218,812
2020	212,033	6,779	218,812
2021	108,036	1,369	109,405
	\$ 526,828	\$ 20,201	\$ 547,029

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS IEPA LOAN #L174045 CONTRACT PAYABLE OF 2012

December 31, 2018

Date of Issue	August 9, 2013
Date of Maturity	October 26, 2032
Authorized Issue	\$283,072
Interest Rates	2.295%
Interest Dates	April 26 and October 26
Payable at	Illinois Environmental Protection Agency
Purpose	Hollister Avenue Watermain Replacement

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2019	\$ 13,536	\$ 4,989	\$ 18,525
2020	13,849	4,677	18,526
2021	14,168	4,357	18,525
2022	14,495	4,029	18,524
2023	14,829	3,695	18,524
2024	15,172	3,353	18,525
2025	15,522	3,003	18,525
2026	15,880	2,644	18,524
2027	16,247	2,277	18,524
2028	16,622	1,903	18,525
2029	17,005	1,519	18,524
2030	17,398	1,127	18,525
2031	17,800	725	18,525
2032	18,210	312	18,522
	<hr/>	<hr/>	<hr/>
	\$ 220,733	\$ 38,610	\$ 259,343
	<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013A

December 31, 2018

Date of Issue	June 18, 2013
Date of Maturity	January 1, 2033
Authorized Issue	\$6,685,000
Denomination of Notes	\$5,000
Interest Rates	3% to 4%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Purpose	Library Expansion

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2019	\$ 295,000	\$ 188,650	\$ 483,650
2020	305,000	179,650	484,650
2021	315,000	170,350	485,350
2022	325,000	160,750	485,750
2023	335,000	150,850	485,850
2024	345,000	140,650	485,650
2025	355,000	130,150	485,150
2026	365,000	118,894	483,894
2027	375,000	106,400	481,400
2028	390,000	93,013	483,013
2029	405,000	78,594	483,594
2030	420,000	62,600	482,600
2031	435,000	45,500	480,500
2032	450,000	27,800	477,800
2033	470,000	9,400	479,400
	<hr/>	<hr/>	<hr/>
	\$ 5,585,000	\$ 1,663,251	\$ 7,248,251
	<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY**

LONG-TERM DEBT REQUIREMENTS LOAN PAYABLE OF 2015

December 31, 2018

Date of Issue	June 5, 2015
Date of Maturity	October 15, 2023
Authorized Issue	\$3,000,000
Interest Rates	3.25%
Interest Dates	December 18
Payable at	First National Bank of Omaha, Nebraska
Purpose	Library Expansion

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2019	\$ 250,000	\$ 60,126	\$ 310,126
2020	250,000	46,318	296,318
2021	250,000	32,244	282,244
2022	250,000	18,303	268,303
2023	120,000	5,573	125,573
	\$ 1,120,000	\$ 162,564	\$ 1,282,564

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
DEBT CERTIFICATES OF 2011

December 31, 2018

Date of Issue	December 1, 2011
Date of Maturity	July 1, 2012
Authorized Issue	\$1,000,000
Denomination of Notes	\$5,000
Interest Rates	2.96%
Interest Dates	July 1
Principal Maturity Date	July 1
Payable at	Castle Bank, DeKalb, Illinois
Purpose	Library Expansion

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 111,111	\$ 6,578	\$ 117,689
2020	111,112	3,289	114,401
	<hr/>	<hr/>	<hr/>
	\$ 222,223	\$ 9,867	\$ 232,090

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	162-171
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	172-179
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	180-184
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	185-186
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	187-191

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

CITY OF DEKALB, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 116,154,934	\$ 119,410,592	\$ 120,169,717	\$ 118,266,115
Restricted	15,569,514	11,857,498	12,358,010	12,182,850
Unrestricted (Deficit)	(20,131,463)	(17,715,142)	(15,138,497)	(13,241,757)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 111,592,985	\$ 113,552,948	\$ 117,389,230	\$ 117,207,208
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 48,482,070	\$ 48,222,651	\$ 48,123,532	\$ 47,928,816
Unrestricted (Deficit)	(463,724)	2,919,291	4,179,066	4,899,564
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 48,018,346	\$ 51,141,942	\$ 52,302,598	\$ 52,828,380
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 164,637,004	\$ 167,633,243	\$ 168,293,249	\$ 166,194,931
Restricted	15,569,514	11,857,498	12,358,010	12,182,850
Unrestricted (Deficit)	(20,595,187)	(14,795,851)	(10,959,431)	(8,342,193)
TOTAL PRIMARY GOVERNMENT	\$ 159,611,331	\$ 164,694,890	\$ 169,691,828	\$ 170,035,588

Note: The City implemented GASB Statement No. 68 for the fiscal year ending June 30, 2015 and GASB Statement No. 75 for the fiscal year ending December 31, 2018.

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

Audited Financial Statements

2014	2015	2016	2016*	2017	2018
\$ 116,047,087	\$ 113,826,017	\$ 111,898,622	\$ 109,971,927	\$ 108,657,023	\$ 106,591,976
11,764,636	12,897,923	13,365,048	13,940,693	13,672,932	8,135,923
(11,899,046)	(69,597,568)	(79,546,145)	(78,676,335)	(81,592,842)	(105,205,972)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 115,912,677	\$ 57,126,372	\$ 45,717,525	\$ 45,236,285	\$ 40,737,113	\$ 9,521,927
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 49,590,809	\$ 52,605,345	\$ 52,803,874	\$ 52,481,077	\$ 54,064,502	\$ 54,929,044
4,329,375	4,305,333	3,123,080	3,146,393	2,550,706	2,080,736
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 53,920,184	\$ 56,910,678	\$ 55,926,954	\$ 55,627,470	\$ 56,615,208	\$ 57,009,780
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 165,637,896	\$ 166,431,362	\$ 164,702,496	\$ 162,453,004	\$ 162,721,525	\$ 161,521,020
11,764,636	12,897,923	13,365,048	13,940,693	13,672,932	8,135,923
(7,569,671)	(65,292,235)	(76,423,065)	(75,529,942)	(79,042,136)	(103,125,236)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 169,832,861	\$ 114,037,050	\$ 101,644,479	\$ 100,863,755	\$ 97,352,321	\$ 66,531,707

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
EXPENSES				
Governmental Activities				
General Government	\$ 9,268,403	\$ 10,647,791	\$ 8,859,145	\$ 11,865,375
Public Safety	19,606,432	19,660,618	20,989,072	19,017,122
Highways and Streets	9,415,300	4,465,186	2,207,978	1,449,053
Community Development	5,083,380	7,929,922	10,738,364	13,208,902
Interest	723,651	857,764	1,016,815	1,080,709
Total Governmental Activities Expenses	<hr/> 44,097,166	<hr/> 43,561,281	<hr/> 43,811,374	<hr/> 46,621,161
Business-Type Activities				
Water and Sewer	4,222,070	4,438,481	4,159,836	4,081,382
Airport	914,295	1,154,982	1,318,730	1,641,540
Refuse	1,671,915	1,736,937	1,670,364	1,756,850
Developmental Services	380,574	-	-	-
Total Business-Type Activities Expenses	<hr/> 7,188,854	<hr/> 7,330,400	<hr/> 7,148,930	<hr/> 7,479,772
TOTAL PRIMARY GOVERNMENT EXPENSES	<hr/> \$ 51,286,020	<hr/> \$ 50,891,681	<hr/> \$ 50,960,304	<hr/> \$ 54,100,933
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 340,015	\$ 325,169	\$ 238,190	\$ 330,222
Public Safety	2,710,546	2,739,272	2,462,313	2,090,752
Highways and Streets	210,319	496,852	212,232	125,794
Community Development	402,209	395,147	237,838	422,991
Operating Grants and Contributions	2,488,211	3,257,775	1,143,618	1,131,494
Capital Grants and Contributions	2,471,003	4,144,333	6,075,050	4,843,630
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<hr/> 8,622,303	<hr/> 11,358,548	<hr/> 10,369,241	<hr/> 8,944,883
BUSINESS-TYPE ACTIVITIES				
Charges for Services				
Water and Sewer	5,136,193	5,454,296	5,367,480	5,503,049
Airport	247,364	405,332	846,375	1,094,127
Refuse	1,625,213	1,696,466	1,757,410	1,773,670
Developmental Services	38,835	-	-	-
Capital Grants and Contributions	760,930	392,373	562,770	130,658
Total Business-Type Activities Program Revenues	<hr/> 7,808,535	<hr/> 7,948,467	<hr/> 8,534,035	<hr/> 8,501,504
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<hr/> \$ 16,430,838	<hr/> \$ 19,307,015	<hr/> \$ 18,903,276	<hr/> \$ 17,446,387
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (35,474,863)	\$ (32,202,733)	\$ (33,442,133)	\$ (37,676,278)
Business-Type Activities	<hr/> 619,681	<hr/> 618,067	<hr/> 1,385,105	<hr/> 1,021,732
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<hr/> \$ (34,855,182)	<hr/> \$ (31,584,666)	<hr/> \$ (32,057,028)	<hr/> \$ (36,654,546)

	2014	2015	2016	2016*	2017	2018
\$	9,744,441	\$ 12,795,131	\$ 8,456,094	\$ 5,395,790	\$ 8,247,776	\$ 8,430,414
20,797,002	22,259,920	33,400,660	13,631,506	26,862,629	30,080,212	
5,016,398	4,158,954	8,086,082	4,480,747	4,887,066	8,903,634	
10,726,424	8,859,472	6,984,506	7,362,107	12,186,289	13,587,704	
1,209,191	987,476	1,057,938	433,303	777,001	695,210	
47,493,456	49,060,953	57,985,280	31,303,453	52,960,761	61,697,174	
4,080,350	4,288,137	5,354,514	2,766,772	5,174,324	5,246,979	
1,322,518	1,410,722	1,263,527	674,622	1,357,269	1,481,000	
1,844,724	1,920,958	2,110,657	1,024,302	2,132,643	2,086,409	
-	-	-	-	-	-	
7,247,592	7,619,817	8,728,698	4,465,696	8,664,236	8,814,388	
\$ 54,741,048	\$ 56,680,770	\$ 66,713,978	\$ 35,769,149	\$ 61,624,997	\$ 70,511,562	
\$	485,114	\$ 417,915	\$ 456,082	\$ 291,387	\$ 506,158	\$ 538,305
2,504,342	3,608,300	2,875,539	1,580,396	2,866,226	3,266,797	
144,137	107,317	-	-	-	-	
460,458	4,588,613	685,065	231,479	608,386	459,501	
1,166,973	1,114,773	1,218,315	672,466	1,213,286	1,308,752	
4,072,079	4,375,595	3,933,596	1,866,646	3,737,849	3,960,020	
8,833,103	14,212,513	9,168,597	4,642,374	8,931,905	9,533,375	
5,179,180	5,377,744	5,391,676	2,929,368	5,762,896	5,686,158	
772,805	658,557	468,110	328,053	776,906	837,997	
2,053,424	2,010,485	2,047,188	1,063,382	2,160,482	2,058,770	
-	-	-	-	-	-	
959,182	2,566,070	81,555	42,829	789,468	478,930	
8,964,591	10,612,856	7,988,529	4,363,632	9,489,752	9,061,855	
\$ 17,797,694	\$ 24,825,369	\$ 17,157,126	\$ 9,006,006	\$ 18,421,657	\$ 18,595,230	
\$	(38,660,353)	\$ (34,848,440)	\$ (48,816,683)	\$ (26,661,079)	\$ (44,028,856)	\$ (52,163,799)
1,716,999	2,993,039	(740,169)	(102,064)	825,516	247,467	
\$ (36,943,354)	\$ (31,855,401)	\$ (49,556,852)	\$ (26,763,143)	\$ (43,203,340)	\$ (51,916,332)	

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 13,371,039	\$ 13,405,653	\$ 12,733,599	\$ 12,673,310
Sales	11,413,254	11,426,292	11,132,604	11,078,544
Utility	3,739,824	4,449,288	3,788,953	3,534,755
Income	3,472,035	3,561,130	3,745,298	4,130,363
Other	2,484,759	3,426,431	4,775,612	4,835,868
Investment Income	75,779	71,691	37,782	124,029
Miscellaneous	188,830	157,306	839,167	623,137
Gain on Sale of Assets	-	-	-	-
Transfers In (Out)	296,836	(2,453,290)	225,400	494,250
Total Governmental Activities	<u>35,042,356</u>	<u>34,044,501</u>	<u>37,278,415</u>	<u>37,494,256</u>
Business-Type Activities				
Taxes	-	-	-	-
Sales	-	-	-	-
Other	-	-	-	-
Investment Income	16	16	380	4,338
Miscellaneous	42,707	28,384	571	(6,038)
Transfers In (Out)	(321,836)	2,453,290	(225,400)	(494,250)
Total Business-Type Activities	<u>(279,113)</u>	<u>2,481,690</u>	<u>(224,449)</u>	<u>(495,950)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 34,763,243</u>	<u>\$ 36,526,191</u>	<u>\$ 37,053,966</u>	<u>\$ 36,998,306</u>
CHANGE IN NET POSITION				
Governmental Activities	\$ (432,507)	\$ 1,841,768	\$ 3,836,282	\$ (182,022)
Business-Type Activities	340,568	3,099,757	1,160,656	525,782
TOTAL PRIMARY GOVERNMENT	<u>\$ (91,939)</u>	<u>\$ 4,941,525</u>	<u>\$ 4,996,938</u>	<u>\$ 343,760</u>
CHANGE IN NET POSITION				

Note: The City implemented GASB Statement No. 68 for the fiscal year ending June 30, 2015, and GASB Statement No. 75 for the fiscal year ending December 31, 2018.

The City correctly included Public Works General Fund expenses under Highway and Streets for fiscal year ended June 30, 2016.

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

Audited Financial Statements

	2014	2015	2016	2016*	2017	2018
\$	12,392,230	\$ 11,981,519	\$ 11,812,941	\$ 12,678,579	\$ 13,783,140	\$ 14,454,907
10,435,096	11,092,497	11,801,518	6,197,334	11,857,871	11,966,582	
3,600,059	3,433,879	3,202,384	1,513,310	3,144,611	3,252,309	
4,197,440	4,515,729	4,462,992	1,786,638	4,044,119	4,216,580	
4,994,817	5,340,751	5,585,744	3,279,118	5,648,898	5,966,613	
164,693	182,353	(257,706)	103,038	201,169	547,273	
953,687	1,258,401	598,730	344,060	671,129	765,685	
-	-	1,741	23,515	10,744	14,785	
627,800	(29,377)	(62,163)	254,247	168,003	(299,600)	
	<u>37,365,822</u>	<u>37,775,752</u>	<u>37,146,181</u>	<u>26,179,839</u>	<u>39,529,684</u>	<u>40,885,134</u>
	-	-	-	-	716	12,864
	-	-	-	-	267,120	284,299
113	27	38,672	18,951	10,557	739	
2,492	4,326	109,342	37,876	51,832	61,426	
(627,800)	29,337	62,163	(254,247)	(168,003)	299,600	
	<u>(625,195)</u>	<u>33,690</u>	<u>210,177</u>	<u>(197,420)</u>	<u>162,222</u>	<u>658,928</u>
\$	<u>36,740,627</u>	<u>\$ 37,809,442</u>	<u>\$ 37,356,358</u>	<u>\$ 25,982,419</u>	<u>\$ 39,691,906</u>	<u>\$ 41,544,062</u>
\$	(1,294,531)	\$ 2,927,312	\$ (11,670,502)	\$ (481,240)	\$ (4,499,172)	\$ (11,278,665)
	1,091,804	3,026,729	(529,992)	(299,484)	987,738	906,395
	<u>\$ (202,727)</u>	<u>\$ 5,954,041</u>	<u>\$ (12,200,494)</u>	<u>\$ (780,724)</u>	<u>\$ (3,511,434)</u>	<u>\$ (10,372,270)</u>

CITY OF DEKALB, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011**	2012	2013
GENERAL FUND				
Reserved	\$ 2,177,003	\$ 6,257	\$ -	\$ -
Unreserved	1,331,219	-	-	-
Nonspendable	-	50,934	61,660	37,161
Restricted	-	-	-	-
Committed	-	-	6,262	6,262
Unassigned	-	2,692,928	4,669,218	5,177,514
TOTAL GENERAL FUND	\$ 3,508,222	\$ 2,750,119	\$ 4,737,140	\$ 5,220,937
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 2,783,493	\$ -	\$ -	\$ -
Unreserved, Undesignated (Deficit) Reported in Special Revenue Funds	(383)	-	-	-
Capital Project Funds	13,352,510	-	-	-
Nonspendable	-	3,650	1,500	-
Restricted	-	11,725,897	12,537,031	12,176,588
Assigned	-	340,327	219,840	3,739,068
Unassigned (Deficit)	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 16,135,620	\$ 12,069,874	\$ 12,758,371	\$ 15,915,656

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

**The City implemented GASB Statement No. 54 in fiscal year 2011.

Data Source

Audited Financial Statements

2014	2015	2016	2016*	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
30,216	22,865	361,584	570,613	591,381	78,507
104,523	173,187	-	283,543	210,625	171,555
6,262	6,447	-	-	-	-
5,916,598	8,018,754	9,123,076	8,374,964	8,271,793	7,152,795
\$ 6,057,599	\$ 8,221,253	\$ 9,484,660	\$ 9,229,120	\$ 9,073,799	\$ 7,402,857
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	51	-	-
11,660,113	12,728,487	13,365,048	13,679,908	13,462,307	7,964,368
498,285	571,040	358,251	1,130,130	587,790	782,790
(205,934)	-	(23,787)	(1,583)	(13,977)	27,452
\$ 11,952,464	\$ 13,299,527	\$ 13,699,512	\$ 14,808,506	\$ 14,036,120	\$ 8,774,610

CITY OF DEKALB, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
REVENUES				
Taxes	\$ 34,111,071	\$ 36,266,887	\$ 24,753,767	\$ 24,330,856
Intergovernmental	5,344,122	6,576,584	18,750,569	17,863,890
Licenses, Permits, and Fees	346,229	499,938	396,095	483,375
Charges for Services	1,916,012	2,137,997	2,149,403	1,727,442
Fines and Forfeitures	647,913	639,450	605,075	758,942
Investment Income	75,779	71,691	37,681	120,520
Miscellaneous	549,695	517,485	839,167	623,137
Total Revenues	42,990,821	46,710,032	47,531,757	45,908,162
EXPENDITURES				
General Government	7,839,924	9,582,025	8,981,636	10,496,713
Public Safety	18,074,077	18,267,633	19,371,392	18,642,683
Highways and Streets	1,550,121	1,045,409	609,488	750,074
Community Development	3,730,883	2,933,330	3,185,002	4,083,703
Capital Outlay	13,281,421	12,011,245	10,359,355	18,631,978
Debt Service				
Principal Retirement	12,825,000	5,940,000	2,129,920	2,268,121
Interest and Fiscal Charges	775,771	808,239	938,679	835,209
Total Expenditures	58,077,197	50,587,881	45,575,472	55,708,481
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,086,376)	(3,877,849)	1,956,285	(9,800,319)
OTHER FINANCING SOURCES (USES)				
Transfers In	10,104,589	5,461,545	5,113,090	5,138,884
Transfers (Out)	(9,807,753)	(8,529,492)	(4,420,390)	(4,707,634)
Bonds Issued	19,183,291	9,320,000	-	12,910,969
Premium (Discount) on Bonds Issued	336,326	(41,304)	-	87,782
Payment to Bond Escrow Agent	-	(7,158,799)	-	-
Sale of Capital Assets	7,162	2,050	26,533	11,400
Total Other Financing Sources (Uses)	19,823,615	(946,000)	719,233	13,441,401
NET CHANGE IN FUND BALANCES	\$ 4,737,239	\$ (4,823,849)	\$ 2,675,518	\$ 3,641,082
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	8.70%	14.62%	7.38%	6.99%

Note: For fiscal year 2016, the City correctly included Public Works General Fund expenditures under Highway and Streets.

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

Audited Financial Statements

2014	2015	2016	2016*	2017	2018
\$ 24,430,463	\$ 24,733,924	\$ 25,403,303	\$ 19,709,294	\$ 27,155,993	\$ 28,247,127
16,384,065	18,199,099	16,614,186	8,284,796	16,273,781	16,878,635
554,740	713,565	876,788	308,697	707,768	539,473
1,961,818	2,003,002	2,285,408	1,447,496	2,578,224	3,000,898
1,077,493	1,005,578	854,491	347,070	694,778	724,233
163,453	182,313	(257,706)	103,038	201,169	547,273
953,687	1,258,401	600,698	344,060	671,129	765,685
45,525,719	48,095,882	46,377,168	30,544,451	48,282,842	50,703,324
 9,356,378	 11,547,939	 8,310,899	 5,067,474	 8,121,452	 8,743,307
19,942,140	20,479,288	21,418,254	13,881,369	23,393,464	24,675,119
800,879	537,655	3,773,836	2,317,801	4,107,314	3,889,329
4,015,770	8,500,421	3,588,312	1,432,478	2,278,250	7,487,615
10,892,511	1,547,500	4,835,430	6,213,218	8,636,195	8,841,258
 2,548,453	 2,296,031	 2,065,017	 861,667	 2,145,092	 2,331,667
1,054,116	988,529	911,606	437,752	837,529	767,026
48,610,247	45,897,363	44,903,354	30,211,759	49,519,296	56,735,321
 (3,084,528)	 2,198,519	 1,473,814	 332,692	 (1,236,454)	 (6,031,997)
 6,123,312	 5,655,359	 3,130,209	 2,193,115	 3,866,057	 6,757,503
(6,220,512)	(6,034,736)	(2,942,372)	(1,695,868)	(3,568,054)	(7,307,103)
-	776,775	-	-	-	-
-	-	-	-	-	-
-	(776,775)	-	-	-	-
55,198	6,920	1,741	23,515	10,744	14,785
 (42,002)	 (372,457)	 189,578	 520,762	 308,747	 (534,815)
 \$ (3,126,530)	 \$ 1,826,062	 \$ 1,663,392	 \$ 853,454	 \$ (927,707)	 \$ (6,566,812)

8.00%

7.35%

6.79%

4.32%

6.21%

5.54%

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Merchandise	\$ 154,138,547	\$ 161,257,806	\$ 129,818,177	\$ 149,564,784	\$ 145,091,378	\$ 145,331,012	\$ 142,983,051	\$ 137,420,731	\$ 134,043,552	\$ 137,457,526
Food	55,760,959	56,012,687	67,456,918	65,852,747	65,400,022	65,602,683	62,574,399	60,061,923	61,402,912	60,556,999
Drinking and Eating Places	64,478,308	66,461,264	66,649,641	68,587,766	67,411,032	72,375,099	73,690,804	75,136,564	78,199,389	77,415,911
Apparel	6,235,098	5,912,150	30,582,619	7,128,112	8,019,269	9,156,209	9,682,582	9,307,673	8,752,664	8,940,050
Furniture, H.H., and Radio	24,677,414	25,081,450	22,181,422	20,684,998	20,194,461	20,299,326	22,219,433	21,361,547	20,542,886	20,796,026
Lumber, Building Hardware	22,566,265	21,682,737	21,563,108	22,120,923	23,492,009	26,215,248	26,667,559	28,115,438	28,176,775	26,415,723
Automobile and Filling Stations	76,117,806	81,678,462	84,369,200	90,624,448	81,838,781	83,933,383	81,644,714	75,090,664	81,886,476	88,657,779
Drugs and Miscellaneous Retail	81,599,087	79,606,161	76,036,417	74,197,724	78,920,501	81,900,819	86,883,148	89,850,869	88,288,532	90,418,273
Agriculture and All Others	28,154,513	28,623,247	29,011,979	29,448,085	30,174,323	30,610,577	26,789,604	26,717,140	29,536,527	28,344,059
Manufacturers	13,889,966	15,507,914	7,289,300	1,546,592	3,116,244	3,392,915	1,455,793	3,703,355	4,092,447	4,035,268
TOTAL	\$ 527,617,963	\$ 541,823,878	\$ 534,958,781	\$ 529,756,179	\$ 523,658,020	\$ 538,817,271	\$ 534,591,087	\$ 526,765,904	\$ 534,922,160	\$ 543,037,614

CITY DIRECT SALES

TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Note: The data presents taxable sales subject to the Municipal Retailer's Occupation Tax.

Data Source

Illinois Department of Revenue

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY - HOME RULE

Last Ten Calendar Years

Calendar Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Merchandise	\$ 99,635,725	\$ 106,361,293	\$ 87,558,389	\$ 99,024,929	\$ 96,069,313	\$ 95,614,092	\$ 94,092,573	\$ 93,307,247	\$ 91,778,515	\$ 91,746,946
Food	16,039,202	18,341,512	30,104,054	29,741,123	28,856,277	28,086,495	24,719,290	23,139,941	24,029,142	23,108,895
Drinking and Eating Places	63,016,745	64,921,928	65,295,493	67,176,678	66,489,229	70,711,436	71,004,958	74,617,226	77,430,970	76,139,535
Apparel	6,230,748	5,911,746	19,317,301	7,046,287	7,946,743	9,091,595	9,583,535	9,213,771	8,675,507	8,888,619
Furniture, H.H. and Radio	24,555,874	24,340,125	21,984,344	20,503,154	20,039,027	20,419,645	22,061,903	21,256,310	20,441,189	20,702,497
Lumber, Building Hardware	22,394,973	21,589,323	21,526,692	22,070,597	23,431,577	26,161,570	26,623,933	28,061,982	28,122,673	26,358,482
Automobile and Filling Stations	36,573,132	42,992,984	46,695,364	47,519,288	48,575,366	46,268,699	38,844,447	33,810,004	37,358,062	45,233,786
Drugs and Miscellaneous Retail	58,394,357	57,668,525	56,027,770	56,447,398	58,367,979	59,423,173	59,678,688	59,042,749	57,463,105	57,367,783
Agriculture and All Others	26,970,847	27,405,131	28,250,729	28,487,957	28,584,214	29,168,574	25,247,798	25,269,254	27,645,407	26,141,655
Manufacturers	13,412,811	15,166,169	6,981,465	1,250,597	2,801,034	3,018,957	1,149,345	3,446,081	3,871,997	3,840,194
TOTAL	\$ 367,224,414	\$ 384,698,736	\$ 383,741,601	\$ 379,268,008	\$ 381,160,759	\$ 387,964,236	\$ 373,006,470	\$ 371,164,565	\$ 376,816,567	\$ 379,528,392

CITY DIRECT SALES

TAX RATE	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
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Note: The data presents taxable sales subject to the City's Home Rule Sales Tax.

Data Source

Illinois Department of Revenue

CITY OF DEKALB, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	City Home Rule Rate	Municipal Retailers Occupation Tax	County Rate	State Rate	Total
2009	1.75%	1.00%	0.25%	5.00%	8.00%
2010	1.75%	1.00%	0.25%	5.00%	8.00%
2011	1.75%	1.00%	0.25%	5.00%	8.00%
2012	1.75%	1.00%	0.25%	5.00%	8.00%
2013	1.75%	1.00%	0.25%	5.00%	8.00%
2014	1.75%	1.00%	0.25%	5.00%	8.00%
2015	1.75%	1.00%	0.25%	5.00%	8.00%
2016*	1.75%	1.00%	0.25%	5.00%	8.00%
2017	1.75%	1.00%	0.25%	5.00%	8.00%
2018	1.75%	1.00%	0.25%	5.00%	8.00%

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

City, County, and State Records

CITY OF DEKALB, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential	Commercial	Industrial	Farm	Railroad	Total	Total Direct Tax Rate*
2009	\$ 413,507,993	\$ 176,052,268	\$ 52,801,237	\$ 721,404	\$ 833,695	\$ 643,916,597	0.9293
2010	389,625,409	167,457,427	49,380,638	825,082	1,044,391	608,332,947	0.9856
2011	365,267,969	167,604,810	47,742,181	782,590	1,107,165	582,504,715	1.0293
2012	331,382,501	156,902,473	43,536,967	731,665	1,252,297	533,805,903	1.1321
2013	300,043,381	143,720,391	39,939,551	673,596	1,546,704	485,923,623	1.3511
2014	285,032,206	138,851,901	38,459,111	1,010,413	1,612,750	464,966,381	1.4113
2015	283,233,886	142,889,179	38,998,251	1,020,259	1,936,167	468,077,742	1.6853
2016**	298,748,883	154,031,848	48,012,868	1,098,215	1,970,015	503,861,829	1.6583
2017	305,785,673	164,843,724	55,827,547	1,162,643	2,009,877	529,629,464	1.6140
2018	316,779,699	170,625,427	57,198,687	1,184,329	2,159,545	547,947,687	1.3964

Note: The City only reports the rate setting EAV.

*This includes the City of DeKalb and the DeKalb Public Library.

**The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TAX RATES										
City of DeKalb	0.6500	0.6899	0.7205	0.7952	0.9809	1.0245	1.1942	1.2021	1.2268	1.1883
DeKalb Library	0.2793	0.2957	0.3088	0.3369	0.3701	0.3868	0.4911	0.4562	0.3872	0.2081
	0.9293	0.9856	1.0293	1.1321	1.3510	1.4113	1.6853	1.6583	1.6140	1.3964
DeKalb County	0.8539	0.9052	0.9694	1.0892	1.2013	1.2483	1.2364	1.1429	1.1201	1.0951
DeKalb Township	0.1149	0.1260	0.1350	0.1508	0.1687	0.1797	0.1820	0.1724	0.1709	0.1683
DeKalb Road & Bridge	0.1839	0.1477	0.1548	0.1768	0.1977	0.2106	0.2133	0.2020	0.2006	0.1961
Forest Preserve District	0.0663	0.0700	0.0740	0.0797	0.0852	0.0876	0.0853	0.0799	0.0783	0.0766
Sanitary District	0.0944	0.1036	0.1110	0.1244	0.1393	0.1486	0.1504	0.1425	0.1389	0.1375
DeKalb School District #428	5.2606	5.7414	6.2148	7.0275	7.8215	8.2714	8.2500	7.8132	7.7209	7.3854
Kishwaukee Community College	0.5638	0.5601	0.5758	0.6416	0.7294	0.7123	0.6972	0.6700	0.6669	0.6683
Park District	0.5208	0.5606	0.5987	0.6745	0.7519	0.7969	0.7960	0.7559	0.7450	0.7366
TOTAL TAX RATE PER \$100 EQUALIZED ASSESSED VALUATION										
	8.5879	9.2002	9.8628	11.0966	12.4460	13.0667	13.2959	12.6371	12.4556	11.8603
SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY										
	10.82%	10.71%	10.44%	10.20%	10.85%	10.80%	12.68%	13.12%	12.96%	11.77%

The rates are directly applied to the total rate setting EAV amounts listed in the schedule of EAV by property class.

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PRINCIPAL TAXPAYERS

Current Year and Nine Years Ago

Taxpayers	Type of Business	2018			2009		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
3M	Warehouse/Distribution	\$ 23,713,383	1	4.33%	\$ 5,421,007	6	0.84%
Target	Warehouse/Distribution	13,370,602	2	2.44%	14,799,511	1	2.30%
DeKalb Area Retirement Center	Retirement Center	8,092,174	3	1.48%	3,801,647	11	0.59%
Panduit	Manufacturing	7,346,728	4	1.34%	6,338,438	5	0.98%
ARC - Goodyear	Warehouse/Distribution	6,790,603	5	1.24%	8,214,864	2	1.28%
Nestle - LIT Industrial Limited Partnership	Warehouse/Distribution	6,305,108	6	1.15%	7,947,613	3	1.23%
DeKalb 1 Preservation -University Village I & II	Apartments	5,862,835	7	1.07%	5,066,371	7	0.79%
MCJ Investments LLC - Bedi, Virender & Sukhdsran	Apartments	4,444,415	8	0.81%			
Mason Properties	Apartments	4,221,011	9	0.77%			
Fairview MSFP II, LLC	Warehouse/Distribution	4,172,536	10	0.76%	4,905,099	8	0.76%
Suso Glidden LP	Retail	3,977,068	11	0.73%			
Northland Plaza	Retail	3,741,901	12	0.68%	6,620,344	4	1.03%
Dream Fund LLC	Apartments				4,793,503	9	0.74%
JLAR	Apartments/Retail				4,163,791	10	0.65%
TOTAL		\$ 92,038,364		16.80%	\$ 72,072,188		11.19%

Data Sources

County Assessors Office (not adjusted for unreported title transfers)

City of DeKalb

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, LEVIES, AND COLLECTIONS

Last Ten Levy Years

City of DeKalb										DeKalb Library									
Tax Levy Year	Rates per \$100	Collections within the Levy Year			Total Collections to Date			Rates per \$100	Collections within the Levy Year			Total Collections to Date			Amount	Percent of Levy Collected	Amount	Percent of Levy Collected	
		Total Tax Levy Requested	Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected		Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected						
2009	0.6500	\$ 4,185,332	\$ 4,160,967	99.42%	\$ -	\$ 4,160,967	99.42%	0.2793	\$ 1,798,500	\$ 1,796,093	99.87%	\$ -	\$ 1,796,093	\$ -	99.87%	\$ -	\$ 1,796,093	99.87%	
2010	0.6899	4,196,805	4,107,807	97.88%	-	4,107,807	97.88%	0.2957	1,798,523	1,760,288	97.87%	-	1,760,288	-	97.87%	-	1,760,288	97.87%	
2011	0.7205	4,196,890	4,127,590	98.35%	-	4,127,590	98.35%	0.3088	1,798,536	1,767,397	98.27%	-	1,767,397	-	98.27%	-	1,767,397	98.27%	
2012	0.7952	4,244,718	4,161,753	98.05%	-	4,161,753	98.05%	0.3369	1,798,552	1,762,669	98.00%	-	1,762,669	-	98.00%	-	1,762,669	98.00%	
2013	0.9809	4,270,457	4,203,106	98.42%	-	4,203,106	98.42%	0.3701	1,798,549	1,769,239	98.37%	-	1,769,239	-	98.37%	-	1,769,239	98.37%	
2014	1.0245	4,270,540	4,231,993	99.10%	-	4,231,993	99.10%	0.3868	2,289,658	2,257,413	98.59%	-	2,257,413	-	98.59%	-	2,257,413	98.59%	
2015	1.1942	5,094,730	5,049,737	99.12%	-	5,049,737	99.12%	0.4911	2,786,674	2,768,573	99.35%	-	2,768,573	-	99.35%	-	2,768,573	99.35%	
2016	1.2021	5,565,384	5,523,531	99.25%	-	5,523,531	99.25%	0.4562	2,748,500	2,770,128	100.79%	-	2,770,128	-	100.79%	-	2,770,128	100.79%	
2017	1.2268	6,004,594	5,869,058	97.74%	-	5,869,058	97.74%	0.3872	2,748,500	2,487,807	90.52%	-	2,487,807	-	90.52%	-	2,487,807	90.52%	
2018	1.1883	6,017,140	-	0.00%	-	-	0.00%	0.2081	2,621,799	-	0.00%	-	-	-	0.00%	-	-	0.00%	

Note: Amount reflects collection through December 31, 2018.

Data Sources

Office of the County Clerk
Office of the County Treasurer

Rates per \$100	Total		Collections within the Levy Year		Total Collections to Date	
	Total Tax Levy Requested	Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected
0.9293	\$ 5,983,832	\$ 5,957,060	99.55%	\$ -	\$ 5,957,060	99.55%
0.9856	5,995,328	5,868,095	97.88%	-	5,868,095	97.88%
1.0293	5,995,426	5,894,987	98.32%	-	5,894,987	98.32%
1.1321	6,043,270	5,924,422	98.03%	-	5,924,422	98.03%
1.3510	6,069,006	5,972,345	98.41%	-	5,972,345	98.41%
1.4113	6,560,198	6,489,406	98.92%	-	6,489,406	98.92%
1.6853	7,881,404	7,818,310	99.20%	-	7,818,310	99.20%
1.6583	8,313,884	8,293,659	99.76%	-	8,293,659	99.76%
1.6140	8,753,094	8,356,865	95.47%	-	8,356,865	95.47%
1.3964	8,638,939	-	0.00%	-	-	0.00%

CITY OF DEKALB, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities						Business-Type Activities				Percentage		
	G.O. Bonds	G.O. Bond Anticipation Notes	Due to Other Governments	Tax Increment Financing	Tax Increment Financing Revenue Bonds	Capital Leases	G.O. Bonds	G.O. Bond Anticipation Notes	IEPA Loan Payable	Capital Leases	Total Primary Government	of Personal Income*	Per Capita*
2010	\$ 20,952,108	\$ 4,000,000	\$ 1,337,055	\$ 1,430,000	\$ -	\$ 1,245,095	\$ 3,950,000	\$ -	\$ 4,633,118	\$ 128,674	\$ 37,676,050	4.84%	\$ 858.97
2011	22,377,250	-	-	655,000	-	892,257	3,710,000	-	4,262,947	66,093	31,963,547	4.11%	728.65
2012	20,828,534	-	-	345,000	-	578,302	3,537,172	-	3,883,332	25,516	29,197,856	3.59%	663.14
2013	31,587,600	-	-	-	-	851,150	3,269,269	-	3,673,988	13,786	39,395,793	4.68%	894.75
2014	29,313,530	-	-	-	-	527,697	2,996,366	-	3,370,464	7,038	36,215,095	4.23%	822.51
2015	27,274,168	-	-	-	-	216,666	2,093,225	-	2,951,138	-	32,535,197	3.86%	738.53
2016**	25,305,591	-	-	-	-	199,999	1,726,575	-	2,518,781	-	29,750,946	3.54%	675.70
2017	22,235,654	-	-	-	-	183,333	1,792,865	-	2,480,195	-	28,609,818	3.40%	649.78
2018	19,872,398	-	-	-	-	166,665	1,370,000	-	1,849,536	-	25,621,855	2.89%	581.92

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements. The City abates the entire property tax levied to pay general obligation bond debt each year.

*See the schedule of Demographic and Economic Statistics for personal income and population data.

**The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

CITY OF DEKALB, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds	Less Amounts Available in Debt Service Fund			Total	Percentage of Total Taxable Assessed Value of Property*			Per Capita**
		Fund	Total	Property*		Property*			
2010	\$ 24,902,108	\$ 578,835	\$ 24,323,273	3.77%	\$ 554.54				
2011	26,087,250	560,413	25,526,837	3.96%	581.91				
2012	24,365,706	231,049	24,134,657	3.97%	548.14				
2013	34,856,869	185,283	34,671,586	5.95%	787.45				
2014	32,309,896	-	32,309,896	6.05%	733.82				
2015	29,367,393	-	29,367,393	6.04%	666.62				
2016	27,032,166	-	27,032,166	5.81%	613.95				
2016***	25,946,290	-	25,946,290	5.54%	589.29				
2017	23,605,654	-	23,605,654	4.68%	536.13				
2018	20,902,398	-	20,902,398	3.95%	474.73				

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

*See the Schedule of Assessed Value and Actual Value of Taxable Property for property value

**See the Schedule of Demographics and Economic Statistics for population data.

***The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

CITY OF DEKALB, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2018

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to the City*	City's Share of Debt
City of DeKalb	\$ 20,902,398	100.00%	\$ 20,902,398
DeKalb County	44,220,000	26.48%	11,709,456
DeKalb School District #428	90,551,771	74.36%	67,334,297
Kishwaukee Community College #523	44,814,033	24.55%	11,001,845
Sycamore School District #427	59,061,946	0.57%	336,653
DeKalb Park District	-	99.28%	-
Total Overlapping	<u>\$ 238,647,750</u>		<u>\$ 90,382,251</u>
Total Direct and Overlapping	<u>\$ 259,550,148</u>		<u>\$ 111,284,649</u>

*Determined by ratio of assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in City.

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2018

The City is a home rule municipality.

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

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

To date the General Assembly has set no limits for home rule municipalities.

CITY OF DEKALB, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds and Notes							
	Incremental Property Taxes	Incremental Sales Tax	Less Excluded Contractual Obligations	Available for Debt Service	Debt Service			Coverage
					Principal	Interest		
2010	\$ 6,883,479	\$ 1,477,587	\$ (1,337,055)	\$ 7,024,011	\$ 715,000	\$ 76,212		8.88
2011	6,937,664	1,400,702	-	8,338,366	775,000	48,464		10.13
2012	6,691,097	1,368,512	-	8,059,609	310,000	9,831		25.20
2013**	6,679,893	1,330,744	-	8,010,637	345,000	9,212		22.62
2014	6,604,296	-	-	6,604,296	-	-		N/A
2015	6,439,568	-	-	6,439,568	-	-		N/A
2016	6,347,586	-	-	6,347,586	-	-		N/A
2016*	6,430,015	-	-	6,430,015	-	-		N/A
2017	6,845,389	-	-	6,845,389	-	-		N/A
2018	7,085,132	-	-	7,085,132	-	-		N/A

NA - Information Unavailable

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

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

**The City issued Tax Increment Financing Revenue Bonds in the amount of \$4,350,000 which were paid off in Fiscal Year 2013.

CITY OF DEKALB, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Per Capita Personal Income	Median Family Income	Unemployment Rate
2010	43,862	\$ 643,916,597	\$ 777,673,260	\$ 17,730	\$ 60,571	9.8%
2011	43,867	608,332,947	777,761,910	17,730	60,571	10.0%
2012	44,030	582,504,715	814,026,640	18,488	60,571	9.6%
2013	44,030	533,805,903	841,853,600	19,120	60,571	10.3%
2014	44,030	485,923,623	856,999,920	19,464	60,571	6.9%
2015	44,054	464,966,381	843,854,370	19,155	60,571	5.0%
2016	44,030	468,077,742	840,444,640	19,088	59,588	5.2%
2016*	44,030	503,861,829	840,444,640	19,088	59,588	5.2%
2017	44,030	529,629,464	886,588,080	20,136	61,164	4.5%
2018	44,030	547,947,687	924,057,610	20,987	59,671	4.4%

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Sources

City Records, U.S. Census Bureau, Illinois Department of Employment Security, and Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Rank	2018		2009		% of Total City Population
		Employees	% of Total City Population	Rank	Employees	
Northern Illinois University	1	3,344	7.59%	1	3,596	8.20%
KishHealth System	2	1,443	3.28%	2	1,291	2.94%
DeKalb School District	3	1,355	3.08%			
Target Distribution Center	4	1,300	2.95%	5	450	1.03%
3M	5	950	2.16%	3	572	1.30%
Sonoco Corp - Alloyd Brands	6	500	1.14%	4	525	1.20%
Wal-Mart Super Center	7	360	0.82%	7	271	0.62%
American Marketing & Publi	8	300	0.68%	10	125	0.28%
Nestle Distribution	9	250	0.57%	6	295	0.67%
Jewel/Osco	10	200	0.45%	8	265	0.60%
Ideal Industries Inc.				9	200	0.46%

Data Sources

Illinois Manufacturers Directory, Illinois Services Directory, DeKalb County Economic Development Corporation, City Records

CITY OF DEKALB, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
GENERAL GOVERNMENT				
Legislative	9.00	9.00	9.00	9.00
Administrative Services	23.00	17.50	16.50	20.00
City Clerk	1.50	0.50	0.50	-
Legal	4.50	3.50	2.00	-
	<hr/> 38.00	<hr/> 30.50	<hr/> 28.00	<hr/> 29.00
PUBLIC SAFETY				
Police				
Officers	61.00	60.00	61.00	63.00
Civilians	25.50	24.50	24.50	30.00
	<hr/> 86.50	<hr/> 84.50	<hr/> 85.50	<hr/> 93.00
Fire				
Firefighters	58.00	54.00	53.00	52.00
Staff	2.00	1.00	1.00	1.00
	<hr/> 60.00	<hr/> 55.00	<hr/> 54.00	<hr/> 53.00
COMMUNITY IMPROVEMENT				
Community Development	13.00	-	-	7.50
Engineering Services	8.00	-	-	-
Public Works				
Administration	1.00	2.00	2.00	2.00
Public Facilities	1.00	1.00	1.00	1.00
Engineering	1.00	-	-	0.50
Streets	19.00	20.00	20.00	21.00
	<hr/> 43.00	<hr/> 23.00	<hr/> 23.00	<hr/> 32.00
Water and Sewer	16.00	10.00	10.00	10.00
Airport Division	1.50	2.50	4.50	4.50
Development Services	-	6.50	6.00	-
Mass Transit	-	2.50	2.50	2.00
	<hr/> 245.00	<hr/> 214.50	<hr/> 213.50	<hr/> 223.50
TOTAL FULL-TIME EQUIVALENT EMPLOYEES				

Note: This schedule lists positions budgeted but not necessarily filled. These positions are part-time.

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

City Budget Records

2014	2015	2016	2016*	2017	2018
9.00	9.00	9.00	9.00	9.00	9.00
20.50	22.50	24.00	23.50	22.50	22.50
-	-	-	-	-	-
-	-	-	-	-	-
29.50	31.50	33.00	32.50	31.50	31.50
<hr/>					
65.00	65.00	65.00	65.00	65.00	63.00
30.50	34.00	34.00	34.00	34.00	24.50
95.50	99.00	99.00	99.00	99.00	87.50
<hr/>					
57.00	57.00	57.00	57.00	57.00	57.00
1.00	1.50	2.00	2.00	2.00	2.00
58.00	58.50	59.00	59.00	59.00	59.00
<hr/>					
8.00	6.50	6.00	7.50	10.00	11.00
-	-	-	-	-	-
<hr/>					
2.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	1.00	1.00	1.00	2.00
0.50	0.50	2.00	2.00	2.00	0.00
21.00	21.00	21.00	21.00	21.00	21.00
32.50	31.00	32.00	33.50	36.00	37.00
<hr/>					
10.50	10.50	10.50	10.50	10.00	10.00
6.00	6.00	6.00	6.00	6.00	6.00
-	-	-	-	-	-
2.00	3.50	3.50	3.50	3.50	4.00
<hr/>					
234.00	240.00	243.00	244.00	245.00	235.00

CITY OF DEKALB, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
GENERAL GOVERNMENT				
Community Development				
Building Permits Issued				
Residential Permits Issued				
New Construction	8	2	1	1
Remodel	69	55	63	67
Industrial/Commercial Permits Issued				
New Construction	10	20	16	15
Remodel	31	12	21	20
Other Permits	745	764	647	634
Total Number of Permits	863	853	748	737
Total Building Permit Valuation	\$ 8,455,270	\$ 30,110,627	\$ 11,637,858	\$ 11,611,226
PUBLIC SAFETY				
Police				
Physical Arrests	2,480	2,689	2,799	2,917
Traffic Violations	8,273	4,829	6,136	4,729
Parking Violations	13,965	13,967	12,211	9,733
Fire				
Fire Responses (Fire and Non-Fire)	3,129	3,199	3,516	3,437
Emergency Medical Services Responses	4,334	4,476	5,005	5,236
PUBLIC WORKS				
Vehicles Maintained by Department	131	128	124	133
Street Construction (Miles)	-	-	-	-
Street Reconstruction (Miles)	1.15	0.65	0.16	0.51
Street Resurfacing (Miles)	1.70	1.73	2.86	2.17
WATER				
Average Daily Consumption 12/31				
Industrial/Commercial	215,996	208,677	197,644	201,379
Residential	1,085,843	1,092,937	1,057,492	1,058,891
Government/Church/School	318,092	280,954	307,583	294,876
Water Billing Accounts on 12/31				
Industrial/Commercial	761	767	756	753
Residential	10,011	10,020	10,104	10,015
Government/Church/School	221	224	224	225

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

Various City Departments

2014	2015	2016	2016*	2017	2018
4 52	3 49	6 54	- 25	2 33	23 43
21 25 651 753	19 27 580 678	16 33 595 704	5 22 355 407	21 47 860 963	1 27 949 1,052
\$ 8,958,807	\$ 54,359,021	\$ 66,276,980	\$ 3,581,909	\$ 35,210,556	\$ 6,296,207
2,795 4,253 7,144	2,987 3,956 6,335	2,911 3,788 5,555	1,650 1,442 2,899	2,811 3,612 5,049	2,954 3,222 6,261
3,489 5,207	3,948 5,196	4,084 5,344	1,667 2,122	4,062 5,376	3,549 5,829
135 - 0.43 1.22	142 - - 1.66	144 - - 1.77	145 - - 1.14	142 - - 1.07	144 - - 1.56
200,651 1,062,330 281,486	200,225 998,511 256,770	218,893 961,306 251,341	222,383 979,803 305,061	187,775 986,419 272,898	180,052 967,315 236,905
731 9,960 222	717 9,963 211	682 10,030 217	749 9,964 217	751 9,968 218	745 9,990 216

CITY OF DEKALB, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2016*	2017	2018
PUBLIC SAFETY										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	27	27	26	28	28	29	29	28	28	31
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	6	7	6	6	6	6	6
Fire Trucks	4	4	4	4	4	5	5	5	6	6
PUBLIC WORKS										
Residential Streets (Miles)	128	128	128	128	128	128	128	128	128	128
Traffic Signals	22	23	24	24	24	24	24	24	24	24
WATER										
Water Towers	4	4	4	4	4	4	4	4	4	4
Storage capacity (MG)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Water Wells	9	9	9	9	9	9	9	9	9	9
Water Mains (miles)	175	175	177	177	177	177	178	178	178	178

*The City changed its fiscal year end from June 30 to December 31 effective December 31, 2016.

Data Source

Various City Departments