



Comprehensive  
Annual Financial Report  
Six Months Ended  
December 31, 2016

City of DeKalb, Illinois

**CITY OF DEKALB, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Six Months Ended  
December 31, 2016

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, 2016

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LEGISLATIVE

John Rey, Mayor

Alderman David Jacobson, Ward One

Alderman Bill Finucane, Ward Two

Alderman Michael Marquardt, Ward Three

Alderman Bob Snow, Ward Four

Alderman Katherine Noreiko, Ward Five

Alderman David Baker, Ward Six

Alderman Anthony Faivre, Ward Seven

Jennifer Jeep Johnson, City Clerk

ADMINISTRATIVE

Anne Marie Gaura, City Manager

Patty Hoppenstedt, Assistant City Manager

Gene Lowery, Police Chief

Eric Hicks, Fire Chief

Cathy Haley, Finance Director

Tim Holdeman, Public Works Director

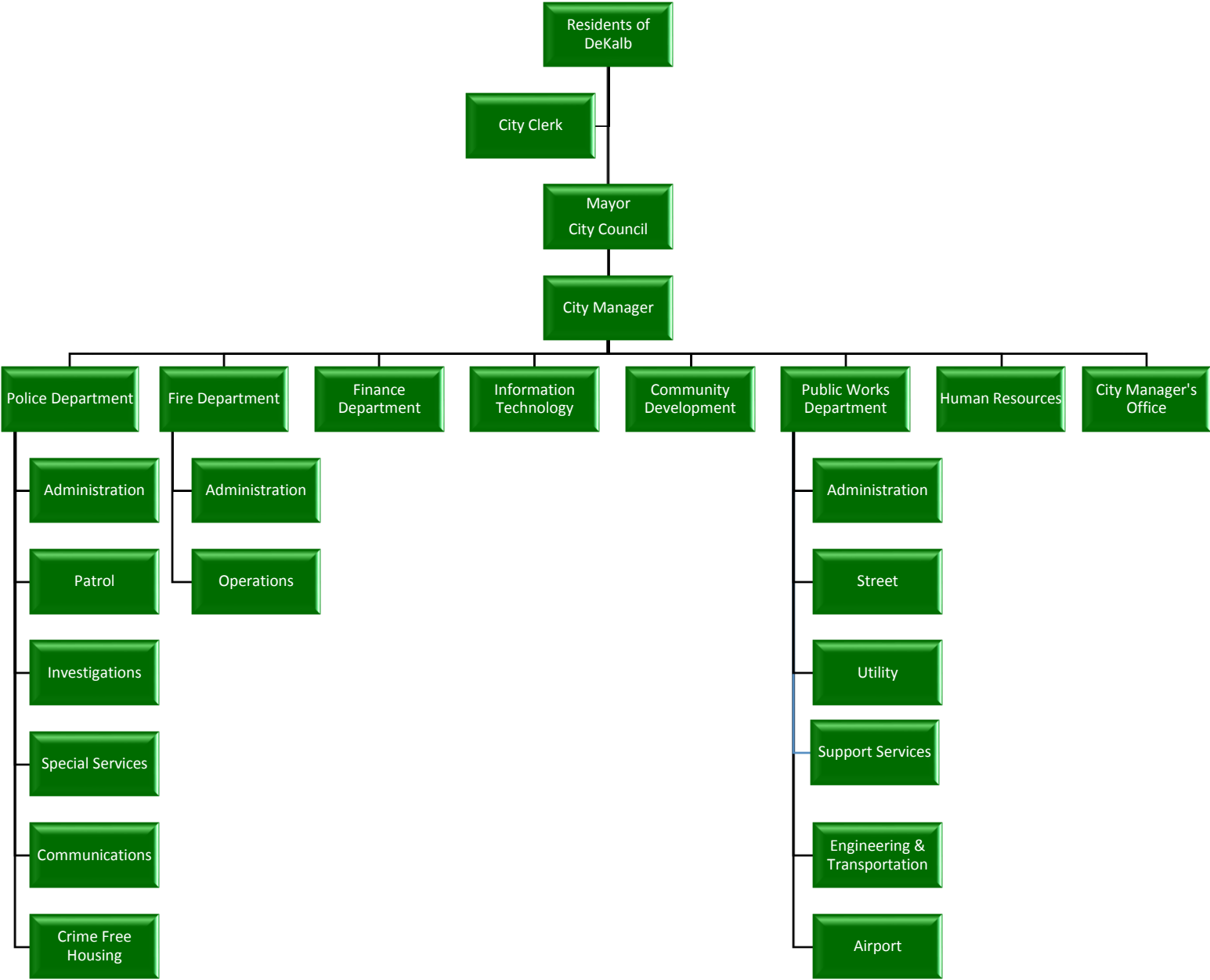
Jo Ellen Charlton, Community Development Director

Cris Randall, HR Director

Marc Thorson, IT Director

# Organizational Chart

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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

**June 30, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Executive Director/CEO

June 26, 2017

Mayor Jerry Smith  
Members of the DeKalb City Council  
City Manager Anne Marie Gaura  
Residents of the City of DeKalb

The Comprehensive Annual Financial Report of the City of DeKalb for the fiscal year ended December 31, 2016 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 be 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, have issued an unmodified ("clean") opinion on the City of DeKalb's financial statements for the year ended December 31, 2016. 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 and approximately 130 miles of streets. In spite of its proximity to the Chicago region, the City remains apart, maintaining its own unique character as a rapidly growing 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 new residential and commercial development. The City of DeKalb has a 2016 population estimate of 44,030, therefore 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 home rule communities. 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, a Council-Manager form of government was adopted by the City of DeKalb. Seven aldermen are elected, one in each of the seven wards, and 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 determine policy while professional appointed officials 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 of 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 is still being 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 decline has slowed and the unemployment rate has dropped. The City's total EAV increased by 7.64% compared to the small increase from the previous year of .67%. Prior to the small increase in 2015 the EAV dropped drastically for six years in a row.

The City's income tax revenue has trended downward slightly from FY16. 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 4.70% in April 2017.

The state portion of sales tax revenue continues to show signs of a slight decrease from the comparable six-months of FY16 but still an increase over FY14. The home rule portion continues to show a downward trend which could be offset by the increase being seen in Local Use Tax. Combined these actual revenue dollars came in below budgeted parameters by over \$51,086 or 0.76%. However, signs of economic vitality for the City are Local Use Tax and Restaurant & Bar Tax as both came in above budgeted parameters.

As a result, the General Fund unrestricted fund balance ended at \$8,374,964 or 41.32% of annual expenditures. This is \$748,112 lower than FY16, yet continues to be the strongest the General Fund balance reserves have been in the last twelve years.

### **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 of "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 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 adopted a new Purchasing Manual to establish guidelines for City staff in procuring goods and materials 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 Water Divisions capital equipment and infrastructure, and maintain or enhance the current levels of service.
5. The City Adopted a 5-year Capital Improvement Plan during the FY17 budget process for the General Capital Infrastructure of Streets, Fleet and Equipment. Funding to implement this plan is being reviewed during the FY18 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 five



recommendations will be implemented in FY16.5 and FY17. These were increases to the ambulance transport fees, increase in the video gaming licensing fees, increase to the fuel surcharge, adding a treat non-transport to the ambulance fees and adding a fee for the leasing of our records management software fee. The City will continue to make this review an annual process 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 5-year Capital Improvement Plan.

Excluding amounts restricted, committed, or assigned for various purposes, the unassigned fund balance in the General Fund was 41.32% of actual expenditures for FY16.5. Because of the City's changed from a twelve-month to a six-month reporting period, this was a 13.06% increase over last 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 FY 2016.5, 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 STEAM Learning Center Feasibility Study.
- Completed the Egyptian Theatre Business Planning Feasibility Assessment.
- Monthly meetings being held with the NIU Student Leaders Group will provide a productive outlet for NIU student voices.
- Implementation of the City of DeKalb Core Values Logo. This imagery will serve as a constant reminder of the beliefs and convictions that will guide and direct behavior and support the City's mission and visions.
- Increased content levels on the City's Facebook page.
- Launched a City Twitter and Instagram accounts to further communicate important updates and to reach more community members.
- Launched the DeKalb e-News, an electronic newsletter dedicated to sharing information and resources with the community.
- Development of a Benefits Handbook for non-bargaining unit employees and a Personnel Manual for all employees.
- The City launched an online applicant tracking system, NeoGov, which allows the City to automate the hiring process.





- Initiated the City's performance management process.
- Attained 25% General Fund Balance reserve level.
- Switched fiscal year end date from June 30<sup>th</sup> to December 31<sup>st</sup>.
- Completed an RFP on Liability Insurance carriers and reduced the City's insurance premium.
- Implemented internal control procedures.
- 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 23<sup>rd</sup> consecutive year.
- Achieved the Government Finance Officers Association "Distinguished Budget Presentation Award for the 2<sup>nd</sup> consecutive year
- Achieved the Government Finance Officers Association Award for "Outstanding Achievement in Popular Annual Financial Reporting" for the 2<sup>nd</sup> consecutive year.
- Installed a payment kiosk in the City Hall lobby to better serve the citizens of the City.
- Updated the City Hall phone tree to provide better direction for the citizens who call the City.
- Upgraded the Channel 14 broadcasting system.
- Outfitted the City ambulances with new internet devices to securely and seamlessly manage the multiple network connections.
- The "20/20: A Clear Vision for the Future", a strategic plan for 20 new crime reduction and community partnership initiatives in 20 months was completely implemented.
- Expanded the Camp Power program into the Pleasant Street neighborhood.
- Provided training that focused on how to embrace cultural diversity, how to de-escalate situations before they escalate into violent encounters and how to implement the four pillars of procedural justice which are fairness, impartiality, giving voice and transparency. The goal of these training initiatives is to enhance the trust and build better a relationship between the community and the police.
- Implemented a co-policing program that is designed to enhance community safety on campus and within neighborhoods adjacent to the university. From attending each other's roll calls, riding and training together and working collaboratively to implement proactive policing measures to reduce crime, both departments have developed a strong working relationship and continue to seek other ways to collaborate.
- Continued reduction in crime in rental properties through the City's Crime Free Housing program. The goal of the Crime Free Housing program has been to change criminal behavior, lessen crime and to decrease the calls for service at our rental units. The partnership between the Police Department's Crime Free Housing program and our rental property owners has demonstrated the value of partnering with our community. There was a 16% decline in cases where crimes were committed by tenants or their guests.
- Cardiac monitor replacement.
- Purchased two new ambulances.
- Replaced a 26 year-old aerial ladder truck with a 2008 model.
- Re-instituted fire safety public education into five elementary schools, two middle schools, and the high school.
- Updated operational response plans, which now include a disaster and aviation plan. These plans revisited mutual aid agreements with surrounding communities. The disaster



response plan activates response assistance to DeKalb of equipment and personnel from 54 different fire departments, as well as personnel and equipment from six technical rescue teams and six hazardous materials teams.

- Developed a five-year capital improvement program.
- Constructed a rear entrance at City Hall that is compliant with the American Disabilities Act (ADA).
- Refurbished the front reception area of City Hall.
- Changed the billing of water, sewer, and refuse from a quarterly billing cycle to a bi-monthly billing cycle.
- Coordinated Economic Incentive Agreements with Bemis Toyota, Dairy Queen and Thai Pavilion to encourage continued reinvestment in DeKalb, specifically the Sycamore Road corridor and the downtown.
- Assisted 3M in the coordination of their construction of a one million square foot facility in Park 88 in less than one year. This guarantee on the tight timeline was critical in ensuring 3M stayed in DeKalb instead of locating this facility and moving these jobs to Atlanta, Georgia.

## **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 fiscal year ended June 30, 2016. This was the twenty-third 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 only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 June 30, 2015. This is the second 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.

Finally, the GFOA has presented to the City of DeKalb the Distinguished Budget Presentation Award for the FY16 Budget document. This is the second year the City has received this award.



The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

The preparation of this Comprehensive Annual Financial Report was made possible by the efficient and dedicated service of the entire staff of the City's Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. My appreciation is also expressed to the Mayor, City Council, the City Manager's Office, and all other City Departments for their dedication and support in maintaining the highest standards of professionalism in the management of the City of DeKalb's finances.

Respectfully submitted,

*Robert H Miller*

Robert H. Miller  
Assistant Finance Director



## **FINANCIAL SECTION**



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Naperville, Illinois 60563

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

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor  
Members of the City Council  
City of 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 six months ended December 31, 2016, 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. 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, 2016, and the respective changes in financial position and cash flows, where applicable, thereof, for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 12, 2017 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 12, 2017

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**



# **CITY OF DEKALB, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2016**

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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, 2016. The City converted to a calendar year as of January 1, 2017 and therefore had a six month transition period. This should be considered when reading and understanding this document. 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 6 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 of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

(See independent auditor's report)

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

***Governmental Funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 seventeen 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 twelve governmental funds are combined into a single, aggregate 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 7 through 12 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 three internal service funds to account for workers’ compensation insurance premiums, health insurance premiums, and liability 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 three internal service funds are combined into a single, aggregate 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 13 through 17 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.

(See independent auditor’s report)

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

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, aggregate presentation. Individual fund data for each of these fiduciary funds is provided elsewhere in this report.

The basic fiduciary fund financial statements can be found on pages 18 and 19 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 20 through 85 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, 2016. That being said, with the FY16.5 fiscal year only covering the six months ending with December 31, 2016, some year to year comparisons will not offer a good means for analysis.

**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, 2016**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>FY16.5</b>	<b>FY16</b>	<b>FY16.5</b>	<b>FY16</b>	<b>FY16.5</b>	<b>FY16</b>
Current and Other Assets \$	51,059,664	40,578,668	7,619,474	7,296,702	58,679,138	47,875,370
Capital Assets	129,363,259	131,309,223	56,506,148	57,049,230	185,869,407	188,358,453
Total Assets	180,422,923	171,887,891	64,125,622	64,345,932	244,548,545	236,233,823
Deferred Outflows	8,990,269	6,699,392	398,930	871,223	9,389,199	7,570,615
<b>Total Assets and Deferred Outflows</b>	<b>189,413,192</b>	<b>178,587,283</b>	<b>64,524,552</b>	<b>65,217,155</b>	<b>253,937,744</b>	<b>243,804,438</b>
Long-Term Liabilities	118,384,298	116,676,411	6,730,081	7,122,869	125,114,379	123,799,280
Other Liabilities	10,630,253	4,253,617	2,051,777	2,167,332	12,682,030	6,420,949
Total Liabilities	129,014,551	120,930,028	8,781,858	9,290,201	137,796,409	130,220,229
Deferred Inflows	15,162,356	11,939,730	115,224	-	15,277,580	11,939,730
<b>Total Liabilities and Deferred Inflows</b>	<b>144,176,907</b>	<b>132,869,758</b>	<b>8,897,082</b>	<b>9,290,201</b>	<b>153,073,989</b>	<b>142,159,959</b>
Net Position:						
Net Investment in						
Capital Assets	109,971,927	111,898,622	52,481,077	52,803,874	162,453,004	164,702,496
Restricted	13,940,693	13,365,048	-	-	13,940,693	13,365,048
Unrestricted	(78,676,335)	(79,546,145)	3,146,393	3,123,080	(75,529,942)	(76,423,065)
<b>Total Net Position</b>	<b>45,236,285</b>	<b>45,717,525</b>	<b>55,627,470</b>	<b>55,926,954</b>	<b>100,863,755</b>	<b>101,644,479</b>

The City's combined net position decreased from \$101.6 million to \$100.8 million for the six months ending December 31, 2016.

Net position attributable to governmental activities decreased by \$481,240 due primarily to the increase in net pension liability for the police and fire pension funds. While the City is in the process of funding both pensions at the entry age normal cost method, investment rate of returns were much lower than the actuarial assumption of 7.5%, which created a larger net pension liability. Net position attributable to business-type activities decreased by \$299,484 due mainly to a reduction in deferred outflows for the six months ending December 31, 2016.

For more detailed information, see the Statement of Net Position on page 4.

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

**Activities**

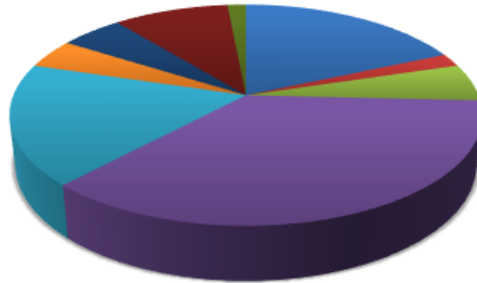
The following table summarizes the revenue and expenses of the City's activities.

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Periods Ended June 30, 2016 and December 31, 2016**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>FY16.5</b>	<b>FY16</b>	<b>FY16.5</b>	<b>FY16</b>	<b>FY16.5</b>	<b>FY16</b>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 2,103,262	4,016,686	4,320,803	7,906,974	6,424,065	11,923,660
Operating Grants/Contributions	672,466	1,218,315	-	-	672,466	1,218,315
Capital Grants/Contributions	1,866,646	3,933,596	42,829	81,555	1,909,475	4,015,151
General Revenues						
Property Taxes	12,678,579	11,812,941	-	-	12,678,579	11,812,941
Sales Taxes	6,197,334	11,801,518	-	-	6,197,334	11,801,518
Utility Taxes	1,513,310	3,202,384	-	-	1,513,310	3,202,384
State Income Taxes	1,786,638	4,462,992	-	-	1,786,638	4,462,992
Other Taxes	3,279,118	5,585,744	-	-	3,279,118	5,585,744
Other	470,613	342,765	56,827	148,014	527,440	490,779
<b>Total Revenues</b>	<b>30,567,966</b>	<b>46,376,941</b>	<b>4,420,459</b>	<b>8,136,543</b>	<b>34,988,425</b>	<b>54,513,484</b>
<b>Expenses</b>						
General Government	5,395,790	8,456,094	-	-	5,395,790	8,456,094
Public Safety	13,631,506	33,400,660	-	-	13,631,506	33,400,660
Highways and Streets	4,480,747	8,086,082	-	-	4,480,747	8,086,082
Community Development	7,362,107	6,984,506	-	-	7,362,107	6,984,506
Interest on Long-Term Debt	433,303	1,057,938	-	-	433,303	1,057,938
Water	-	-	2,766,772	5,354,514	2,766,772	5,354,514
Airport	-	-	674,622	1,263,527	674,622	1,263,527
Refuse	-	-	1,024,302	2,110,657	1,024,302	2,110,657
<b>Total Expenses</b>	<b>31,303,453</b>	<b>57,985,280</b>	<b>4,465,696</b>	<b>8,728,698</b>	<b>35,769,149</b>	<b>66,713,978</b>
<i>Change in Net Position Before Transfers</i>	(735,487)	(11,608,339)	(45,237)	(592,155)	(780,724)	(12,200,494)
<i>Transfers</i>	254,247	(62,163)	(254,247)	62,163	-	-
<b>Change in Net Position</b>	<b>(481,240)</b>	<b>(11,670,502)</b>	<b>(299,484)</b>	<b>(529,992)</b>	<b>(780,724)</b>	<b>(12,200,494)</b>
<b>Net Position, July 1</b>	<b>45,717,525</b>	<b>57,126,372</b>	<b>55,926,954</b>	<b>56,910,678</b>	<b>101,644,479</b>	<b>114,037,050</b>
<b>Restatement</b>	-	261,655	-	(453,732)	-	(192,077)
<b>Net Position, December 31</b>	<b>45,236,285</b>	<b>45,717,525</b>	<b>55,627,470</b>	<b>55,926,954</b>	<b>100,863,755</b>	<b>101,644,479</b>

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

**Total Primary Government Revenues for FY16.5**



■ Charges for Services - 18.4%	■ Operating Grants/Contributions - 1.9%
■ Capital Grants/Contributions - 5.5%	■ Property Taxes - 36.2%
■ Sales Taxes - 17.7%	■ Utility Taxes - 4.3%
■ State Income Taxes - 5.1%	■ Other Taxes - 9.4%
■ Other - 1.5%	

For the six months ended December 31, 2016, revenues totaled \$34.9 million. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$12.6 million or 36.2% of total revenues. Property taxes support governmental activities including the City’s contribution to the Police and Fire 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 came in higher than in years past. Property tax revenues collected in Fiscal Year 2016.5 were based on the 2015 Equalized Assessed Valuation (EAV) and property tax rate. The City’s 2015 EAV increased by 0.6% to \$468,077,742 due primarily to the slow recovery in the economy. 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 2015 was \$1.1942 per \$100 of EAV.

Sales taxes are typically the highest revenue source 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 (.25%). In addition, a home rule sales tax of 1.75% is also collected by the State of Illinois 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 FY16.5, general sales tax revenues were \$2,748,303 compared to \$5,289,536 for FY16, while home rule sales tax revenues were \$3,449,031 compared to \$6,511,982 for FY16. Even though it may appear that sales taxes in the six month fiscal year should result in a sizable decrease, we need to keep in mind that the FY16.5 fiscal year included the month of December, which is typically the highest sales month and therefore skews the six month numbers. Overall, sales tax revenues have been stable over the last four years and are projected to keep at the pace in the near future.

(See independent auditor’s report)

**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 \$1,786,638 in FY16.5 compared to \$4,462,992 in FY16. 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 4.70% in April 2017.

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 \$373,735 was collected in FY16.5 compared to \$849,837 that was collected in FY16. This revenue source is expected to decrease slightly 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.

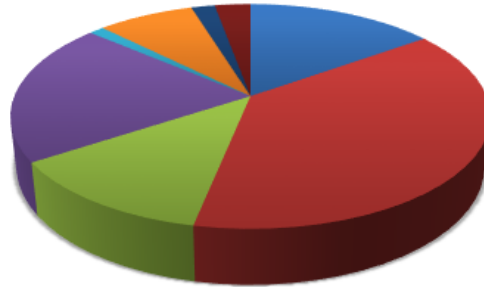
Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the City on a per capita basis. For FY16.5, \$564,630 was collected compared to the \$1,040,616 collected in FY16. This revenue source is expected to increase further next year due to the state’s increased collection efforts which include a separate line for use taxes on the state income tax return form along with the increase in internet sales that are considered use tax revenue depending on the purchase

The major revenue component of the “charges for services” classification is fees from the City’s water utility. Water related revenue was \$2,929,368 in FY16.5 compared to \$5,391,676 in FY16. In the case of the Water Fund, the economy is still having an impact on water revenue. Foreclosures, closed businesses, and a tendency to conserve water are still 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 \$1,909,475 in FY16.5 and \$4,015,151 in FY16. Streets, storm sewers, right-of-ways, water mains, etc. are recorded on the City’s general ledger as contributions of capital assets upon acceptance of the public improvements from the developer by the City Council. Airport related capital grants and contributions decreased from \$81,555 in FY16 to \$42,829 in FY16.5.

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

**Total Primary Government Expenses for FY16.5**



General Government - 15.1%	Public Safety - 38.1%
Highways and Streets - 12.5%	Community Development - 20.6%
Interest on Long-Term Debt - 1.2%	Water - 7.7%
Airport - 1.9%	Refuse - 2.9%

The City’s expenses totaled \$35.7 million in FY16.5 compared to \$66.7 million in FY16. General government expenses were 15.1% of the total or \$5,395,790. This represents a 36.2% decrease from the FY16 total of \$8,456,094. This decrease is primarily due to the change from a twelve-month to a six-month fiscal reporting period.

Public safety expenses related to the operations of both the Police Department and Fire Department accounted for the largest share of expenses at \$13,631,506 or 38.1% of the total. This represents a 59.2% decrease from the FY16 total of \$33,400,660. This decrease is primarily due to the change from a twelve-month to a six-month fiscal reporting period.

Highways and Streets related expenses were \$4,480,747 or 12.5% of the total. This represents a 44.6% decrease from the FY16 total of \$8,086,082. Once again, this decrease is primarily due to the change from a twelve-month to a six-month fiscal reporting period.

Community Development related expenses accounted for 20.6% of the total or \$7,362,107. This represents a 5.4% increase from the FY16 total of \$6,984,506. This increase was due to paying the DeKalb Community School District #428 \$1.8 million out of the TIF funds for facility maintenance.

Water related expenses were \$2,766,772 or 7.7% of the total. This represents a 48.3% decrease from the FY16 total of \$5,354,514. This decrease is primarily due to the change from a twelve-month to a six-month fiscal reporting period.

Airport related expenses were \$674,622 or 1.9% of the total. This represents a 46.6% decrease from the FY16 total of \$1,263,527.



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

The Refuse Fund (\$1,024,302 or 2.9% of total expenses) and interest on long-term debt (\$433,303 or 1.2% of total expenses) account for the balance of the FY16.5 expenses.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

At December 31, 2016, the governmental funds had a combined fund balance of \$24,037,626. This reflects an \$853,454 or 3.7% increase from the prior fiscal year. The General Fund fund balance decreased by \$255,540 or 2.7%. Originally the General Fund was budgeted to have a \$454,734 decrease in its fund balance for FY16.5. This difference between the budgeted and actual General Fund fund balance can be attributed to revenues coming in higher than budgeted parameters and expenditures coming in below budgeted parameters. The Motor Fuel Tax Fund fund balance increased by \$139,397 or 4.5%. The TIF District Funds fund balances increased by \$126,650 or 1.2%. A TIF phase out committee has been formed to plan out the remaining expenditures for the remaining years of these two TIF's. Finally, the fund balances of non-major governmental funds increased by \$842,947 or 295.3%. 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. With the shortened fiscal year, several equipment items that were budgeted for in FY16.5 did not get purchased until 2017, which increased year-end fund balance in the Equipment Fund.

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

**Table 3**  
**General Fund Budgetary Highlights**  
**For the Six Months Ended December 31, 2016**

	<i><b>Original Budget</b></i>	<i><b>Final Budget</b></i>	<i><b>Actual</b></i>
<b>Revenues</b>			
Taxes	\$ 11,760,730	11,760,730	11,683,183
Licenses & Permits	328,650	328,650	308,697
Intergovernmental	6,220,995	6,220,995	5,796,506
Charges for Services	1,123,750	1,123,750	1,349,663
Fines & Forfeitures	474,487	474,487	333,018
Miscellaneous	249,400	249,400	270,422
<b>Total Revenues</b>	<b>20,158,012</b>	<b>20,158,012</b>	<b>19,741,489</b>
<b>Expenditures and Transfers</b>			
General Government	(2,909,258)	(2,909,258)	(3,099,567)
Public Safety	(14,552,052)	(14,552,052)	(13,863,123)
Highways and Streets	(1,980,322)	(1,980,322)	(1,976,052)
Community Development	(829,645)	(829,645)	(777,116)
Disposal of Capital Assets	-	-	-
Transfers In	271,100	271,100	271,100
Transfers Out	(612,569)	(612,569)	(552,271)
<b>Total Expenditures and Transfers</b>	<b>(20,612,746)</b>	<b>(20,612,746)</b>	<b>(19,997,029)</b>
<b>Change in Fund Balance</b>	<b>(454,734)</b>	<b>(454,734)</b>	<b>(255,540)</b>

The City had originally budgeted for a \$454,734 decrease to the General Fund fund 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 approved three budget amendments during the year. The amendments accounted for any unanticipated changes in revenues or expenditures that occurred since the initial budget was adopted. The budget amendments had no impact on the General Fund fund balance. Actual results for FY16.5 indicated a decrease in fund balance of \$255,540. The better than expected General Fund results for FY16.5 were attributable to increased revenues due to the improving local economy, and to the City being able to contain expenditures and not exceed the budgeted level for any department.

With respect to the business-type activities, the Water Fund had a decrease in Net Position due to the GASB 68 IMRF pension obligation expense being recorded. The Municipal Airport Fund showed a decrease in Net Position at the end of FY16.5 due to lower than anticipated revenues. 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.

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

**Capital Assets**

The following schedule reflects the City's capital asset balances as of December 31, 2016 and June 30, 2016

**Table 4**  
**Capital Assets**  
**As of June 30, 2016 and December 31, 2016**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>FY16.5</i>	<i>FY16</i>	<i>FY16.5</i>	<i>FY16</i>	<i>FY16.5</i>	<i>FY16</i>
Land	\$ 10,409,215	10,358,605	19,386,047	19,386,047	29,795,262	29,744,652
Land Right of Way	25,742,257	25,742,257	544,893	544,893	26,287,150	26,287,150
Construction in Progress	255,667	198,864	684,427	640,086	940,094	838,950
Buildings and Improvements	20,814,645	20,814,645	4,804,864	4,804,864	25,619,509	25,619,509
Equipment	2,832,248	2,832,248	658,640	688,715	3,490,888	3,520,963
Vehicles	8,451,624	8,460,549	966,936	966,936	9,418,560	9,427,485
Infrastructure	153,207,659	153,207,659	12,797,766	12,797,766	166,005,425	166,005,425
Water Distribution System	-	-	42,614,946	42,614,946	42,614,946	42,614,946
Less:						
Accumulated Depreciateion	(92,350,056)	(90,305,604)	(25,952,371)	(25,395,023)	(118,302,427)	(115,700,627)
<b>Total</b>	<b>129,363,259</b>	<b>131,309,223</b>	<b>56,506,148</b>	<b>57,049,230</b>	<b>185,869,407</b>	<b>188,358,453</b>

At year-end, the City's investment in capital assets for both its governmental and business-type activities was \$185.9 million (net of accumulated depreciation). This represents a decrease of \$2.5 million or 1.3% from June 30, 2016. This decrease is the result of the capitalization of new capital assets acquired or constructed during FY16.5 offset by the current year's depreciation expense for all depreciable capital assets.

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, 2016, the City had a total of \$125,114,379 in long-term debt outstanding. The table below summarizes the City's bonded and similar indebtedness.

**Table 5**  
**Bonded and Similar Indebtedness**  
**As of December 31, 2016**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>FY16.5</b>	<b>FY16</b>	<b>FY16.5</b>	<b>FY16</b>	<b>FY16.5</b>	<b>FY16</b>
General Obligation Bonds	\$ 24,153,425	24,998,425	1,726,575	1,726,575	25,880,000	26,725,000
Premium on Bonds	258,910	307,166	-	-	258,910	307,166
Capital Leases	183,332	199,999	-	-	183,332	199,999
IEPA Loan	-	-	2,298,496	2,518,781	2,298,496	2,518,781
Compensated Absences	4,937,879	5,243,538	575,318	628,691	5,513,197	5,872,229
Net Pension Liability	81,184,888	78,413,065	1,703,652	1,828,480	82,888,540	80,241,545
Net OPEB Obligation	7,057,478	6,915,527	426,040	420,342	7,483,518	7,335,869
Claims Payable	608,386	598,691	-	-	608,386	598,691
<b>Total</b>	<b>118,384,298</b>	<b>116,676,411</b>	<b>6,730,081</b>	<b>7,122,869</b>	<b>125,114,379</b>	<b>123,799,280</b>

In regards to governmental activities, \$24,153,425 is outstanding from General Obligation Bonds and \$183,332 is outstanding for capital leases. Additionally, as of December 31, 2016, \$4,937,879 is outstanding for compensated absences payable, \$7,057,478 is outstanding for net other postemployment benefit obligations, \$81,184,888 is outstanding for net pension liabilities, \$608,386 is outstanding for claims payable, and \$258,910 in unamortized premium on bonds was outstanding.

Business-type activity debt includes \$1,726,575 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 \$2,298,496 is outstanding IEPA loans. \$575,318 is outstanding in business-type activity debt in the form of compensated absences payable as of December 31, 2016, \$1,703,652 is outstanding for net pension liabilities, and \$426,040 is outstanding for net other postemployment benefit obligations.

The City received a credit rating of Aa2 by Moody's Investors Service in connection with the issuance of its 2014 General Obligation Refunding Bonds.

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

**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 2016, the equalized assessed valuation (EAV) for residential properties was \$298,748,883 or 59.3% of the total EAV. Commercial EAV was \$154,031,848 or 30.6% of the total EAV. Farm, industrial and other EAV was \$51,081,098 or 10.1% of the total EAV. EAV approximates 33 1/3% of the

(See independent auditor's report)

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

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 FY16.5, most revenue sources decreased from the previous fiscal year due to the change from a twelve-month to a six-month reporting period. These revenues and all other revenue sources will continue to be monitored during 2017 to ensure that the City addresses any significant variations in revenues in a timely fashion.

The 2011-2015 American Community Survey released by the U.S. Census Bureau found that 81.2% of residential properties in the City had a value of \$100,000 or more and 52.8% had a value of \$150,000 or more. The median value was \$154,100 and the median income of families living in the City was \$59,588.

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 2016 is 44,030. 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.

**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 Finance Director, City of DeKalb, 200 S Fourth St, DeKalb, Illinois 60115.

## CITY OF DEKALB, ILLINOIS

## STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
<b>ASSETS</b>				
Cash and Investments	\$ 29,347,845	\$ 6,188,498	\$ 35,536,343	\$ 1,861,029
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	13,988,743	-	13,988,743	2,790,084
Accounts Receivable	700,499	1,746,724	2,447,223	92,675
Accrued Interest	45,125	10,330	55,455	122
Other	1,293,656	72,598	1,366,254	-
Prepaid Items	249,326	9,863	259,189	-
Inventory	19,437	40,501	59,938	-
Advance To/From Other Funds	478,000	(478,000)	-	-
Due from Other Governments	4,937,033	28,960	4,965,993	-
Capital Assets				
Not Depreciated	36,407,139	20,615,367	57,022,506	25,287,312
Depreciated (Net of Accumulated Depreciation)	92,956,120	35,890,781	128,846,901	285,252
Total Assets	180,422,923	64,125,622	244,548,545	30,316,474
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Items - IMRF	1,803,191	398,930	2,202,121	325,906
Pension Items - Police Pension	3,582,114	-	3,582,114	-
Pension Items - Firefighters' Pension	3,600,629	-	3,600,629	-
Loss on Refunding	4,335	-	4,335	-
Total Deferred Outflows of Resources	8,990,269	398,930	9,389,199	325,906
Total Assets and Deferred Outflows of Resources	189,413,192	64,524,552	253,937,744	30,642,380
<b>LIABILITIES</b>				
Accounts Payable	8,655,925	1,672,822	10,328,747	411,488
Accrued Payroll	752,221	89,193	841,414	34,379
Accrued Interest Payable	336,943	30,023	366,966	118,849
Line of Credit	-	-	-	3,830,331
Unearned Revenue	68,313	212,573	280,886	-
Deposits Payable	-	47,166	47,166	-
Due to Fiduciary Funds	816,851	-	816,851	-
Long-Term Liabilities				
Due Within One Year	3,436,861	914,195	4,351,056	1,962,185
Due in More than One Year	114,947,437	5,815,886	120,763,323	7,407,751
Total Liabilities	129,014,551	8,781,858	137,796,409	13,764,983
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Items - IMRF	332,006	115,224	447,230	59,030
Pension Items - Firefighters' Pension	764,477	-	764,477	-
Pension Items - Police Pension	77,130	-	77,130	-
Unavailable Property Taxes	13,988,743	-	13,988,743	2,790,084
Total Deferred Inflows of Resources	15,162,356	115,224	15,277,580	2,849,114
Total Liabilities and Deferred Inflows of Resources	144,176,907	8,897,082	153,073,989	16,614,097
<b>NET POSITION</b>				
Net Investment in Capital Assets	109,971,927	52,481,077	162,453,004	13,577,788
Restricted for				
Public Safety	332,684	-	332,684	-
Highways and Streets	3,236,896	-	3,236,896	-
Economic Development	10,371,113	-	10,371,113	-
Endowments	-	-	-	223,662
Unrestricted (Deficit)	(78,676,335)	3,146,393	(75,529,942)	226,833
<b>TOTAL NET POSITION</b>	<b>\$ 45,236,285</b>	<b>\$ 55,627,470</b>	<b>\$ 100,863,755</b>	<b>\$ 14,028,283</b>

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Six Months Ended December 31, 2016

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 5,395,790	\$ 291,387	\$ -	\$ 1,812,615
Public Safety	13,631,506	1,580,396	28,527	2,000
Highways and Streets	4,480,747	-	643,939	52,031
Community Development	7,362,107	231,479	-	-
Interest	433,303	-	-	-
Total Governmental Activities	31,303,453	2,103,262	672,466	1,866,646
Business-Type Activities				
Water	2,766,772	2,929,368	-	-
Airport	674,622	328,053	-	42,829
Refuse	1,024,302	1,063,382	-	-
Total Business-Type Activities	4,465,696	4,320,803	-	42,829
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 35,769,149</b>	<b>\$ 6,424,065</b>	<b>\$ 672,466</b>	<b>\$ 1,909,475</b>
<b>COMPONENT UNIT</b>				
Library	\$ 1,298,581	\$ 28,452	\$ -	\$ 285,300

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Library	
\$ (3,291,788)	\$ -	\$ (3,291,788)	\$ -	
(12,020,583)	-	(12,020,583)	-	
(3,784,777)	-	(3,784,777)	-	
(7,130,628)	-	(7,130,628)	-	
(433,303)	-	(433,303)	-	
(26,661,079)	-	(26,661,079)	-	
-	162,596	162,596	-	
-	(303,740)	(303,740)	-	
-	39,080	39,080	-	
-	(102,064)	(102,064)	-	
(26,661,079)	(102,064)	(26,763,143)	-	
-	-	-	(984,829)	
General Revenues				
Taxes				
Property	12,678,579	-	12,678,579	2,859,340
Home Rule Sales	3,449,031	-	3,449,031	-
Utility	1,513,310	-	1,513,310	-
Restaurant/Bar	963,756	-	963,756	-
Hotel/Motel	158,910	-	158,910	-
Other	945,709	-	945,709	-
Intergovernmental				
State Sales Taxes	2,748,303	-	2,748,303	-
Income Taxes	1,786,638	-	1,786,638	-
Local Use Taxes	564,630	-	564,630	-
Replacement Taxes	71,305	-	71,305	14,583
Other	574,808	-	574,808	-
Investment Income	103,038	18,951	121,989	2,228
Miscellaneous	344,060	37,876	381,936	5,846
Gain on Sale of Capital Asset	23,515	-	23,515	-
Transfers In (Out)	254,247	(254,247)	-	-
Total	26,179,839	(197,420)	25,982,419	2,881,997
CHANGE IN NET POSITION	(481,240)	(299,484)	(780,724)	1,897,168
NET POSITION, JULY 1	45,717,525	55,926,954	101,644,479	12,131,115
NET POSITION, DECEMBER 31	\$ 45,236,285	\$ 55,627,470	\$ 100,863,755	\$ 14,028,283

See accompanying notes to financial statements.



## CITY OF DEKALB, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2016

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
<b>ASSETS</b>			
Cash and Investments	\$ 5,671,025	\$ 3,217,698	\$ 757,464
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	5,708,863	-	-
Accounts Receivable	700,499	-	-
Accrued Interest	17,799	-	-
Other	1,101,757	-	-
Prepaid Items	73,176	-	-
Inventory	19,437	-	-
Advances to Other Funds	478,000	-	-
Due from Other Governments	4,451,360	104,451	323,785
Due from Other Funds	98,753	-	-
<b>TOTAL ASSETS</b>	<b>\$ 18,320,669</b>	<b>\$ 3,322,149</b>	<b>\$ 1,081,249</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,809,115	\$ 85,253	\$ 1,028,340
Accrued Payroll	744,598	-	7,623
Unearned Revenue	11,949	-	45,286
Due to Other Funds	817,024	-	-
Total Liabilities	3,382,686	85,253	1,081,249
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Tax Revenues	5,708,863	-	-
Total Deferred Inflows of Resources	5,708,863	-	-
Total Liabilities and Deferred Inflows of Resources	9,091,549	85,253	1,081,249
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	73,176	-	-
Inventory	19,437	-	-
Advances to Other Funds	478,000	-	-
Restricted			
Public Safety	283,543	-	-
Debt Service	-	-	-
Highways and Streets	-	3,236,896	-
Economic Development	-	-	-
Assigned for Capital Projects	-	-	-
Unassigned (Deficit)	8,374,964	-	-
Total Fund Balances	9,229,120	3,236,896	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 18,320,669</b>	<b>\$ 3,322,149</b>	<b>\$ 1,081,249</b>

<b>Special Revenue</b>		<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Tax Increment Financing #1</b>	<b>Tax Increment Financing #2</b>		
\$ 6,766,932	\$ 9,186,570	\$ 1,295,140	\$ 26,894,829
6,866,742	1,391,138	22,000	13,988,743
-	-	-	700,499
6,743	16,489	-	41,031
-	-	25,077	1,126,834
-	-	51	73,227
-	-	-	19,437
-	-	-	478,000
-	-	57,437	4,937,033
-	173	14,288	113,214
<b>\$ 13,640,417</b>	<b>\$ 10,594,370</b>	<b>\$ 1,413,993</b>	<b>\$ 48,372,847</b>

\$ 4,260,201	\$ 1,350,187	\$ 73,861	\$ 8,606,957
-	-	-	752,221
-	-	-	57,235
61,411	7,980	43,650	930,065
4,321,612	1,358,167	117,511	10,346,478

6,866,742	1,391,138	22,000	13,988,743
6,866,742	1,391,138	22,000	13,988,743
11,188,354	2,749,305	139,511	24,335,221

-	-	51	73,227
-	-	-	19,437
-	-	-	478,000
-	-	49,141	332,684
-	-	22,758	22,758
-	-	-	3,236,896
2,452,063	7,845,065	73,985	10,371,113
-	-	1,130,130	1,130,130
-	-	(1,583)	8,373,381
2,452,063	7,845,065	1,274,482	24,037,626

<b>\$ 13,640,417</b>	<b>\$ 10,594,370</b>	<b>\$ 1,413,993</b>	<b>\$ 48,372,847</b>
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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, 2016

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 24,037,626</b>
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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	129,363,259
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The loss on refunding of bonds is capitalized and amortized over the life of the bonds on the statement of net position	4,335
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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	3,504,984
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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	2,836,152
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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	1,471,185
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(24,153,425)
Capital leases	(183,332)
Net pension liability - Police Pension	(33,850,456)
Net pension liability - Firefighters' Pension	(40,800,138)
Net pension liability - IMRF	(6,534,294)
Premium on bonds payable	(284,297)
Discount on bonds payable	25,387
Compensated absences payable	(4,937,879)
Other postemployment benefit obligation	(7,057,478)

Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(336,943)
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The net position of the Internal Service Funds is included in the governmental activities in the statement of net position	<u>2,131,599</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 45,236,285</u></u></b>
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See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

		<b>Special Revenue</b>		
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Mass Transit</b>	
<b>REVENUES</b>				
Taxes	\$ 11,683,183	\$ -	\$ -	
Licenses and Permits	308,697	-	-	
Intergovernmental	5,796,506	623,644	1,812,615	
Charges for Services	1,349,663	-	-	
Fines and Forfeitures	333,018	-	-	
Investment Income	47,426	4,155	-	
Miscellaneous	222,996	-	-	
Total Revenues	19,741,489	627,799	1,812,615	
<b>EXPENDITURES</b>				
Current				
General Government	3,099,567	-	1,801,379	
Public Safety	13,863,123	-	-	
Highways and Streets	1,976,052	341,749	-	
Community Development	777,116	-	-	
Capital Outlay	-	146,653	11,236	
Debt Service				
Principal Retirement	-	-	-	
Interest and Fiscal Charges	-	-	-	
Total Expenditures	19,715,858	488,402	1,812,615	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	25,631	139,397	-	
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds on Sale of Capital Assets	-	-	-	
Transfers In	271,100	-	-	
Transfers (Out)	(552,271)	-	-	
Total Other Financing Sources (Uses)	(281,171)	-	-	
<b>NET CHANGE IN FUND BALANCES</b>	(255,540)	139,397	-	
<b>FUND BALANCES, JULY 1</b>	9,484,660	3,097,499	-	
<b>FUND BALANCES, DECEMBER 31</b>	\$ 9,229,120	\$ 3,236,896	\$ -	

<b>Special Revenue</b>		<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Tax Increment Financing #1</b>	<b>Tax Increment Financing #2</b>		
\$ 6,430,015	\$ 1,181,326	\$ 414,770	\$ 19,709,294
-	-	-	308,697
-	-	52,031	8,284,796
-	-	97,833	1,447,496
-	-	14,052	347,070
20,272	31,152	33	103,038
-	-	121,064	344,060
6,450,287	1,212,478	699,783	30,544,451
-	-	166,528	5,067,474
-	-	18,246	13,881,369
-	-	-	2,317,801
412,119	243,243	-	1,432,478
4,343,392	1,575,686	136,251	6,213,218
-	-	861,667	861,667
-	-	437,752	437,752
4,755,511	1,818,929	1,620,444	30,211,759
1,694,776	(606,451)	(920,661)	332,692
-	-	23,515	23,515
-	-	1,922,015	2,193,115
(961,675)	-	(181,922)	(1,695,868)
(961,675)	-	1,763,608	520,762
733,101	(606,451)	842,947	853,454
1,718,962	8,451,516	431,535	23,184,172
\$ 2,452,063	\$ 7,845,065	\$ 1,274,482	\$ 24,037,626

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 Six Months Ended December 31, 2016

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<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	\$ 853,454
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	107,413
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,053,377)
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	861,667
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)
Amortization of the loss on refunding is reported as interest expense on the statement of activities	(45,654)
The decrease of accrued interest payable is shown as an decrease of expense on the statement of activities	1,847
The decrease in compensated absences payable is shown as an decrease of the statement of activities	305,659
The change in the other postemployment benefit obligation	(141,951)
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	222,821
The change in the Firefighters' Pension Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	405,169
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	(1,333,181)
The change in net position of Internal Service Funds is reported in governmental activities	<u>286,637</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (481,240)</u></u>

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2016

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>	
			<b>Nonmajor Enterprise Funds</b>		<b>Internal Service Funds</b>
	<b>Water</b>	<b>Airport</b>	<b>Refuse</b>	<b>Total</b>	
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 5,949,971	\$ 77,066	\$ 161,461	\$ 6,188,498	\$ 2,453,016
Receivables					
Accounts Receivable	1,586,043	-	160,681	1,746,724	-
Accrued Interest	10,330	-	-	10,330	4,094
Other	13,008	17,710	41,880	72,598	166,822
Prepaid Expenses	2,442	7,421	-	9,863	176,099
Inventory	-	40,501	-	40,501	-
Due from Other Governments	-	28,960	-	28,960	-
<b>Total Current Assets</b>	<b>7,561,794</b>	<b>171,658</b>	<b>364,022</b>	<b>8,097,474</b>	<b>2,800,031</b>
<b>NONCURRENT ASSETS</b>					
Capital Assets					
Nondepreciable	528,648	20,086,719	-	20,615,367	-
Depreciable	46,248,484	15,594,668	-	61,843,152	-
Accumulated Depreciation	(20,956,372)	(4,995,999)	-	(25,952,371)	-
<b>Total Noncurrent Assets</b>	<b>25,820,760</b>	<b>30,685,388</b>	<b>-</b>	<b>56,506,148</b>	<b>-</b>
<b>Total Assets</b>	<b>33,382,554</b>	<b>30,857,046</b>	<b>364,022</b>	<b>64,603,622</b>	<b>2,800,031</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Items - IMRF	359,233	39,697	-	398,930	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>33,741,787</b>	<b>30,896,743</b>	<b>364,022</b>	<b>65,002,552</b>	<b>2,800,031</b>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,323,075	184,416	165,331	1,672,822	48,968
Accrued Payroll	79,412	9,781	-	89,193	-
Accrued Interest Payable	27,390	2,633	-	30,023	-
Deposits Payable	13,435	33,731	-	47,166	-
Unearned Revenue	27,987	21,967	162,619	212,573	11,078
Claims Payable	-	-	-	-	304,193
General Obligation Bonds Payable	286,325	70,250	-	356,575	-
IEPA Loans Payable	448,960	-	-	448,960	-
Compensated Absences Payable	106,525	2,135	-	108,660	-
<b>Total Current Liabilities</b>	<b>2,313,109</b>	<b>324,913</b>	<b>327,950</b>	<b>2,965,972</b>	<b>364,239</b>
<b>LONG-TERM LIABILITIES</b>					
General Obligation Bonds Payable	1,099,250	270,750	-	1,370,000	-
Net Pension Liability - IMRF	1,543,346	160,306	-	1,703,652	-
Net Other Postemployment Benefit Payable	374,030	52,010	-	426,040	-
IEPA Loans Payable	1,849,536	-	-	1,849,536	-
Advances from Other Funds	-	478,000	-	478,000	-
Compensated Absences Payable	426,098	40,560	-	466,658	-
Claims Payable	-	-	-	-	304,193
<b>Total Long-Term Liabilities</b>	<b>5,292,260</b>	<b>1,001,626</b>	<b>-</b>	<b>6,293,886</b>	<b>304,193</b>
<b>Total Liabilities</b>	<b>7,605,369</b>	<b>1,326,539</b>	<b>327,950</b>	<b>9,259,858</b>	<b>668,432</b>

(This statement is continued on the following page.)

**CITY OF DEKALB, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities				Governmental
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Refuse		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Items - IMRF	\$ 105,251	\$ 9,973	\$ -	\$ 115,224	\$ -
Total Deferred Inflows of Resources	105,251	9,973	-	115,224	-
Total Liabilities Deferred Inflows of Resources	7,710,620	1,336,512	327,950	9,375,082	668,432
<b>NET POSITION</b>					
Net Investment in Capital Assets	22,136,689	30,344,388	-	52,481,077	-
Unrestricted (Deficit)	3,894,478	(784,157)	36,072	3,146,393	2,131,599
<b>TOTAL NET POSITION</b>	<u>\$ 26,031,167</u>	<u>\$ 29,560,231</u>	<u>\$ 36,072</u>	<u>\$ 55,627,470</u>	<u>\$ 2,131,599</u>

See accompanying notes to financial statements.



**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>	
			<b>Nonmajor Enterprise Funds</b>		<b>Internal Service Funds</b>
	<b>Water</b>	<b>Airport</b>	<b>Refuse</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 2,929,368	\$ 328,053	\$ 1,063,382	\$ 4,320,803	\$ 3,694,237
Miscellaneous	15,075	7,342	-	22,417	(1,223)
Total Operating Revenues	2,944,443	335,395	1,063,382	4,343,220	3,693,014
<b>OPERATING EXPENSES</b>					
Administration	-	-	-	-	3,170,803
Operations	2,196,533	478,378	1,024,302	3,699,213	-
Depreciation	529,348	193,575	-	722,923	-
Total Operating Expenses	2,725,881	671,953	1,024,302	4,422,136	3,170,803
OPERATING INCOME (LOSS)	218,562	(336,558)	39,080	(78,916)	522,211
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment Income	18,948	3	-	18,951	7,425
Gain on Sale of Capital Assets	5,459	10,000	-	15,459	-
Interest Expense	(40,891)	(2,669)	-	(43,560)	-
Total Non-Operating Revenues (Expenses)	(16,484)	7,334	-	(9,150)	7,425
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	202,078	(329,224)	39,080	(88,066)	529,636
<b>CONTRIBUTIONS</b>					
Contributions - Capital Grant Revenue	-	42,829	-	42,829	-
Total Contributions	-	42,829	-	42,829	-
<b>TRANSFERS</b>					
Transfers In	-	16,853	-	16,853	151,274
Transfers (Out)	(271,100)	-	-	(271,100)	(394,274)
Total Transfers	(271,100)	16,853	-	(254,247)	(243,000)
CHANGE IN NET POSITION	(69,022)	(269,542)	39,080	(299,484)	286,636
NET POSITION, JULY 1	26,100,189	29,829,773	(3,008)	55,926,954	1,844,963
<b>NET POSITION, DECEMBER 31</b>	\$ 26,031,167	\$ 29,560,231	\$ 36,072	\$ 55,627,470	\$ 2,131,599

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Six Months Ended December 31, 2016

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
			<b>Nonmajor Enterprise Funds</b>		<b>Internal Service Funds</b>
	<b>Water</b>	<b>Airport</b>	<b>Refuse</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 2,783,885	\$ 282,135	\$ 1,070,460	\$ 4,136,480	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	2,930,498
Receipts from Employees and Others	-	-	-	-	665,665
Receipts from Miscellaneous Revenues	15,075	7,342	-	22,417	(1,223)
Payments to Other Funds	(252,779)	(43,312)	(35,350)	(331,441)	-
Payments to Suppliers	(1,209,504)	(103,878)	(1,143,982)	(2,457,364)	(2,920,105)
Payments to Employees	(322,111)	(236,707)	-	(558,818)	-
Net Cash from Operating Activities	1,014,566	(94,420)	(108,872)	811,274	674,835
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund Advances	-	144,000	-	144,000	-
Transfers In	-	16,853	-	16,853	151,274
Transfers (Out)	(271,100)	-	-	(271,100)	(394,274)
Net Cash from Noncapital Financing Activities	(271,100)	160,853	-	(110,247)	(243,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Grants	-	41,587	-	41,587	-
Purchase of Capital Assets	(135,500)	(44,341)	-	(179,841)	-
Proceeds From Sale of Capital Assets	5,459	10,000	-	15,459	-
Principal Payments on Long-Term Debt	(220,285)	-	-	(220,285)	-
Interest Payments on Long-Term Debt	(42,466)	(2,669)	-	(45,135)	-
Net Cash from Capital and Related Financing Activities	(392,792)	4,577	-	(388,215)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received on Investments	16,668	3	-	16,671	7,425
Net Cash from Investing Activities	16,668	3	-	16,671	7,425
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	367,342	71,013	(108,872)	329,483	439,260
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	5,582,629	6,053	270,333	5,859,015	2,013,756
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 5,949,971	\$ 77,066	\$ 161,461	\$ 6,188,498	\$ 2,453,016

(This statement is continued on the following page.)

**CITY OF DEKALB, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Six Months Ended December 31, 2016

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Refuse		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 218,562	\$ (336,558)	\$ 39,080	\$ (78,916)	\$ 522,211
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	529,348	193,575	-	722,923	-
Changes in Assets and Liabilities					
Accounts Receivable	(136,778)	2,294	(2,030)	(136,514)	-
Other Receivables	(8,718)	-	5,140	(3,578)	(108,251)
Prepaid Expenses	7,087	3,128	-	10,215	219,150
Inventory	-	(3,891)	-	(3,891)	-
Accounts Payable	17,801	50,617	(155,030)	(86,612)	21,854
Accrued Payroll	10,296	374	-	10,670	-
Claims Payable	-	-	-	-	9,694
Other Payables	285	2,018	-	2,303	-
Unearned Revenue	13	(44,321)	3,968	(40,340)	10,177
Pension Items - IMRF	536,665	50,852	-	587,517	-
Net Pension Liability - IMRF	(114,023)	(10,805)	-	(124,828)	-
Other Postemployment Benefit	5,103	595	-	5,698	-
Compensated Absences	(51,075)	(2,298)	-	(53,373)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,014,566</b>	<b>\$ (94,420)</b>	<b>\$ (108,872)</b>	<b>\$ 811,274</b>	<b>\$ 674,835</b>

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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**ASSETS**

Cash and Short-Term Investments	\$ 1,416,414
Investments	
U.S. Treasury Obligations	8,651,173
U.S. Agency Obligations	7,353,693
Corporate Bonds	2,801,220
Mutual Funds	36,006,024
Common Stock	161,406
Receivables	
Accrued Interest	85,565
Due From City	816,851
Prepaid Expenses	<u>2,208</u>
 Total Assets	 <u>57,294,554</u>

**LIABILITIES**

Accounts Payable	<u>23,806</u>
 Total Liabilities	 <u>23,806</u>

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 57,270,748

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

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**ADDITIONS**

Contributions

Employer Contributions	\$ 4,597,863
Employee Contributions	<u>632,294</u>

Total Contributions	<u>5,230,157</u>
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Investment Income

Net Appreciation in Fair Value of Investments	2,057,132
Interest	<u>949,631</u>

Total Investment Income	3,006,763
Less Investment Expense	<u>(43,238)</u>

Net Investment Income	<u>2,963,525</u>
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Total Additions	<u>8,193,682</u>
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**DEDUCTIONS**

Administrative Expenses	39,538
Benefits and Refunds	<u>3,054,792</u>

Total Deductions	<u>3,094,330</u>
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NET INCREASE	5,099,352
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**NET POSITION RESTRICTED  
FOR PENSIONS**

July 1	<u>52,171,396</u>
December 31	<u><u>\$ 57,270,748</u></u>

See accompanying notes to financial statements.

# **CITY OF DEKALB, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

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### **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.

**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.

**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 required to be 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.



**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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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, income taxes, and 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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 generally accepted accounting principles. 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Property Taxes

Property taxes for 2015 are levied in December 2015 and attach as an enforceable lien on the property on January 1, 2015. Tax bills are prepared by the County and issued on or about May 1, 2016 and August 1, 2016, and are due and collectible on or about June 1, 2016 and September 1, 2016. The County collects the taxes and remits them periodically to the City. Those 2015 taxes were intended to finance the six month period ending December 31, 2016. The 2016 levy, which attached as a lien on property as January 1, 2016, is intended to finance the 2017 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Capital Assets (Continued)

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.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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 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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Fund Balance/Net Position (Continued)

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 Liability/Property Insurance Fund should maintain unrestricted net position of approximately 25% of annual budgeted expenses. The Fleet Replacement Fund should maintain unrestricted net position of the planned replacements for the current fiscal year. The Equipment Fund should maintain unrestricted net position of the planned replacements for the current fiscal year.

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.

n. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows 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.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

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 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.

**Investments**

The following table presents the investments and maturities of the City's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 13,192,161	\$ 11,637,020	\$ 1,555,141	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 13,192,161</b>	<b>\$ 11,637,020</b>	<b>\$ 1,555,141</b>	<b>\$ -</b>	<b>\$ -</b>



**2. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. 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 has the following recurring fair value measurements as of December 31, 2016: negotiable certificates of deposit of \$13,192,161 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 market value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term securities.

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 Illinois Funds were rated AAA by Standard and Poor's.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the City's investment in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The pool had a Standard and Poor's AAAM rating as December 31, 2016. The relationship between the City and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

**2. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

IMET is a governmental investment fund created under the Illinois Municipal Code. IMET actively manages two investment funds for municipal treasurers, official custodians of municipal funds and other public agencies in the State. IMET's offerings consist of the 1-3 Year Series and the Convenience Series. The 1-3 Year Series invests exclusively in United States Government backed securities (Treasury and agencies) and has a fluctuating net asset value and an average portfolio maturity of one to three years. The 1-3 Year Series is rated Aaa/MR1 by Moody's Investors Services. The Convenience Series is a short-term money market instrument collateralized via FDIC Insurance, the FHLB LOC Program, United States Government securities at 110% on bank deposits and United States Government securities in the repurchase agreement program. The relationship between the City and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

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. Illinois Funds are not subject to custodial credit risk.

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 the six months ended, the City's investment in negotiable certificates of deposit represents more than 5% of the total cash and investment portfolio.

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

**3. RECEIVABLES**

The following receivables are included in due from other governments on the statement of net position at December 31, 2016:

**GOVERNMENTAL ACTIVITIES**

Local Use Tax	\$ 321,727
Sales Tax - State	1,406,065
Income Tax	492,644
Sales Tax - City	1,776,915
Auto Rental Sales Tax	4,944
Video Gaming Tax	31,687
Telecommunication Tax	185,200
Grants	392,669
TIF Surplus	220,731
Motor Fuel Tax	104,451

**TOTAL GOVERNMENTAL ACTIVITIES** \$ 4,937,033

**BUSINESS-TYPE ACTIVITIES**

Airport Grants	<u>\$ 28,960</u>
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**TOTAL BUSINESS-TYPE ACTIVITIES** \$ 28,960

**4. CAPITAL ASSETS**

Capital asset activity for the six months ended December 31, 2016 was as follows:

	Beginning Balances, Restated	Increases	Transfers	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital Assets not Being Depreciated					
Land	\$ 10,358,605	\$ 50,610	\$ -	\$ -	\$ 10,409,215
Land Right of Way	25,742,257	-	-	-	25,742,257
Construction in Progress	198,864	56,803	-	-	255,667
Total Capital Assets not Being Depreciated	36,299,726	107,413	-	-	36,407,139
Capital Assets being Depreciated					
Buildings and Improvements	20,814,645	-	-	-	20,814,645
Equipment	2,832,248	-	-	-	2,832,248
Vehicles	8,460,549	-	55,575	64,500	8,451,624
Infrastructure	153,207,659	-	-	-	153,207,659
Total Capital Assets Being Depreciated	185,315,101	-	55,575	64,500	185,306,176

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances, Restated	Increases	Transfers	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>					
(Continued)					
Less Accumulated Depreciation for					
Buildings and Improvements	\$ 4,681,053	\$ 200,128	\$ -	\$ -	\$ 4,881,181
Equipment	1,836,962	74,037	-	-	1,910,999
Vehicles	5,451,814	209,472	55,575	64,500	5,652,361
Infrastructure	78,335,775	1,569,740	-	-	79,905,515
Total Accumulated Depreciation	90,305,604	2,053,377	55,575	64,500	92,350,056
Total Capital Assets Being Depreciated, Net	95,009,497	(2,053,377)	-	-	92,956,120
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 131,309,223</b>	<b>\$ (1,945,964)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,363,259</b>
	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>					
Capital Assets not Being Depreciated					
Land	\$ 19,386,047	\$ -	\$ -	\$ -	\$ 19,386,047
Land Improvements	544,893	-	-	-	544,893
Construction in Progress	640,086	44,341	-	-	684,427
Total Capital Assets not Being Depreciated	20,571,026	44,341	-	-	20,615,367
Capital Assets being Depreciated					
Buildings and Improvements	4,804,864	-	-	-	4,804,864
Equipment	688,715	135,500	(55,575)	110,000	658,640
Vehicles	966,936	-	-	-	966,936
Airport Infrastructure	12,797,766	-	-	-	12,797,766
Water Distribution System	42,614,946	-	-	-	42,614,946
Total Capital Assets Being Depreciated	61,873,227	135,500	(55,575)	110,000	61,843,152
Less Accumulated Depreciation for					
Building and Improvements	2,041,362	46,826	-	-	2,088,188
Equipment	479,127	14,744	(55,575)	110,000	328,296
Vehicles	774,050	14,094	-	-	788,144
Airport Infrastructure	3,275,208	161,083	-	-	3,436,291
Water Distribution System	18,825,276	486,176	-	-	19,311,452
Total Accumulated Depreciation	25,395,023	722,923	(55,575)	110,000	25,952,371
Total Capital Assets Being Depreciated, Net	36,478,204	(587,423)	-	-	35,890,781
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 57,049,230</b>	<b>\$ (543,082)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,506,148</b>

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

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**4. CAPITAL ASSETS (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

General Government	\$ 52,916
Public Safety	242,294
Community Development	87,257
Highways and Streets	<u>1,670,910</u>

<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,053,377</u></b>
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**BUSINESS-TYPE ACTIVITIES**

Water	\$ 529,348
Airport	<u>193,575</u>

<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 722,923</u></b>
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Capital asset additions were charged to functions/programs of the primary government as follows:

**GOVERNMENTAL ACTIVITIES**

Public Safety	\$ -
Community Development	50,610
Highways and Streets	<u>56,803</u>

<b>TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 107,413</u></b>
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**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:

**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 July 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	\$ 6,045,000	\$ -	\$ 845,000	\$ 5,200,000	\$ 870,000
\$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 1.9% to 5.9% through January 1, 2023	General Debt Service	4,270,000	-	-	4,270,000	205,000
\$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 2.0% to 2.5% through January 1, 2030	General Debt Service	8,055,000	-	-	8,055,000	650,000

**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 July 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 0.8% to 3.0% through January 1, 2022	General Debt Service	\$ 2,330,000	\$ -	\$ -	\$ 2,330,000	\$ 10,000
\$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	1,385,575	-	-	1,385,575	286,325
	Airport	341,000	-	-	341,000	70,250
	General Debt Service	393,425	-	-	393,425	393,425
<b>TOTAL</b>		<b>\$ 26,725,000</b>	<b>\$ -</b>	<b>\$ 845,000</b>	<b>\$ 25,880,000</b>	<b>\$ 2,485,000</b>

**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 July 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	\$ 1,244,028	\$ -	\$ 117,471	\$ 1,126,557	\$ 239,428
\$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	1,021,502	-	96,459	925,043	196,600

**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 July 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	\$ 253,251	\$ -	\$ 6,355	\$ 246,896	\$ 12,932
<b>TOTAL</b>		<b>\$ 2,518,781</b>	<b>\$ -</b>	<b>\$ 220,285</b>	<b>\$ 2,298,496</b>	<b>\$ 448,960</b>

**c. Capital Leases**

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances December 31	Current Portion
Equipment	Capital Projects	\$ 199,999	\$ -	\$ 16,667	\$ 183,332	\$ 16,667
<b>TOTAL</b>		<b>\$ 199,999</b>	<b>\$ -</b>	<b>\$ 16,667</b>	<b>\$ 183,332</b>	<b>\$ 16,667</b>

**d. Debt Service Requirements to Maturity**

Year Ending December 31,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 2,128,425	\$ 833,672	\$ 356,575	\$ 23,906
2018	2,315,000	765,126	340,000	18,528
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	-	-
<b>TOTAL</b>	<b>\$ 24,153,425</b>	<b>\$ 4,823,032</b>	<b>\$ 1,726,575</b>	<b>\$ 66,289</b>



**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		Governmental	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2017	\$ 448,960	\$ 54,855	\$ 16,667	\$ -
2018	460,381	43,433	16,667	-
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	-	-
<b>TOTAL</b>	<b>\$ 2,298,496</b>	<b>\$ 181,701</b>	<b>\$ 183,332</b>	<b>\$ -</b>

e. Changes in Long-Term Liabilities

During the six months ended December 31, 2016 the following changes occurred in liabilities reported in the governmental activities:

	Balances July 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 24,998,425	\$ -	\$ 845,000	\$ 24,153,425	\$ 2,128,425
Premium on Bonds Payable	334,971	-	50,674	284,297	-
Discount on Bonds Payable	(27,805)	-	(2,418)	(25,387)	-
Capital Leases	199,999	-	16,667	183,332	16,667
Compensated Absences Payable	5,243,538	743,049	1,048,708	4,937,879	987,576
Net Pension Liability - IMRF	6,893,971	-	359,677	6,534,294	-
Net Pension Liability - Police Pension	32,197,930	1,652,526	-	33,850,456	-
Net Pension Liability - Firefighters' Pension	39,321,164	1,478,974	-	40,800,138	-
Net Other Postemployment Benefit Obligation	6,915,527	141,951	-	7,057,478	-
Claims Payable	598,691	160,547	150,852	608,386	304,193
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 116,676,411</b>	<b>\$ 4,177,047</b>	<b>\$ 2,469,160</b>	<b>\$ 118,384,298</b>	<b>\$ 3,436,861</b>

**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 July 1	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
General Obligation Bonds					
Water	\$ 1,385,575	\$ -	\$ -	\$ 1,385,575	\$ 286,325
Airport	341,000	-	-	341,000	70,250
Total General Obligation Bonds	1,726,575	-	-	1,726,575	356,575
IEPA Loans					
Water	2,518,781	-	220,285	2,298,496	448,960
Net Pension Liability - IMRF					
Water	1,657,369	-	114,023	1,543,346	-
Airport	171,111	-	10,805	160,306	-
Total Net Pension Liability - IMRF	1,828,480	-	124,828	1,703,652	-
Compensated Absences					
Water	583,698	65,665	116,740	532,623	106,525
Airport	44,993	-	2,298	42,695	2,135
Total Compensated Absences	628,691	65,665	119,038	575,318	108,660
Other Postemployment Benefit Obligation					
Water	368,927	5,103	-	374,030	-
Airport	51,415	595	-	52,010	-
Total Other Postemployment Benefit Obligation	420,342	5,698	-	426,040	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 7,122,869</b>	<b>\$ 71,363</b>	<b>\$ 464,151</b>	<b>\$ 6,730,081</b>	<b>\$ 914,195</b>

**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, 2016, there were four IDRBs outstanding totaling \$8,670,076.

**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 displaced as expenditures/expense in appropriate funds.

**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 94% 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 6% 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, 2016 of \$144,758. This amount was declared as a dividend to the City and, therefore, has been recorded as a receivable in the Health Insurance Fund of \$144,758 as of December 31, 2016.

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, 2016, 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 June 30, 2016 and December 31, 2016 are as follows:

	Workers' Compensation		Liability/Property	
	2016	2016*	2016	2016*
CLAIMS PAYABLE, JULY 1	\$ 656,610	\$ 522,038	\$ 60,953	\$ 76,653
Add Claims Incurred	229,847	120,871	44,182	39,676
Less Claims Paid	(364,419)	(113,437)	(28,482)	(37,415)
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 522,038</u>	<u>\$ 529,472</u>	<u>\$ 76,653</u>	<u>\$ 78,914</u>

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

**7. INDIVIDUAL FUND DISCLOSURES**

a. Due From/To Other Funds

	Due From	Due To
General		
Tax Increment Financing #1	\$ 47,123	\$ -
Tax Increment Financing #2	7,980	173
Police Pension Fund	-	462,811
Firefighters' Pension Fund	-	354,040
Nonmajor Governmental	43,650	-
Total General	<u>98,753</u>	<u>817,024</u>

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

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**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

a. Due From/To Other Funds (Continued)

	Due From	Due To
Tax Increment Financing #1		
General	\$ -	\$ 47,123
Nonmajor Governmental	-	14,288
Total Tax Increment Financing #1	-	61,411
Tax Increment Financing #2		
General	173	7,980
Total Tax Increment Financing #2	173	7,980
Police Pension Fund		
General	462,811	-
Total Police Pension Fund	462,811	-
Firefighters' Pension Fund		
General	354,040	-
Total Firefighters' Pension Fund	354,040	-
Nonmajor Governmental		
General	-	43,650
Tax Increment Financing #1	14,288	-
Total Nonmajor Governmental	14,288	43,650
<b>TOTAL</b>	<b>\$ 930,065</b>	<b>\$ 930,065</b>

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

- \$47,123 due to the General Fund from the Tax Increment Financing #1 Fund to cover a budgeted transfer that did not occur within City banking until 2017. Repayment is expected within one year.
- \$43,650 due to the General Fund from the Nonmajor Governmental Funds (i.e. SSA#4 Fund, SSA#6 Fund, and Debt Service Fund) to cover negative cash deficits. Repayment is expected within one year.
- \$462,811 due to the Police Pension Fund from the General Fund to make an additional employer contribution after year end. Repayment is expected within one year.

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

**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

a. Due From/To Other Funds (Continued)

- \$354,040 due to the Firefighters' Pension Fund from the General Fund to make an additional employer contribution after year end. Repayment is expected within one year.

b. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Airport	\$ 478,000
<b>TOTAL</b>		<b>\$ 478,000</b>

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

- \$478,000 advance to the Airport Fund from the General Fund as a result of cash overdrafts. Repayment is not expected within one year.

c. Interfund Transfers

Interfund transfers between funds for the six months ended December 31, 2016 were as follows:

	Transfers In	Transfers Out
General		
Airport	\$ -	\$ 16,853
Water	271,100	-
Nonmajor Governmental	-	535,418
Total General	271,100	552,271
Tax Increment Financing #1		
Nonmajor Governmental	-	961,675
Total Tax Increment Financing #1	-	961,675
Nonmajor Governmental		
General	535,418	-
Tax Increment Financing #1	961,675	-
Internal Service	243,000	-
Nonmajor Governmental	181,922	181,922
Total Nonmajor Governmental	1,922,015	181,922

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

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**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

c. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Water		
General	\$ -	\$ 271,100
Total Water	-	271,100
Airport		
General	16,853	-
Total Airport	16,853	-
Internal Service		
Internal Service	151,274	151,274
Nonmajor Governmental	-	243,000
Total Internal Service	151,274	394,274
TOTAL	\$ 2,361,242	\$ 2,361,242

The purpose of significant transfers is as follows:

- \$243,000 transferred from the Internal Service Fund (Workers' Compensation Fund) to the Equipment Fund to fund a street sweeper purchase. This transfer will not be repaid.
- \$271,100 transferred from the Water Fund to the General Fund to cover payment in lieu of taxes. This transfer will not be repaid.
- \$180,000 transferred from the General Fund to the Nonmajor Governmental Fund (General Debt Service Fund) to cover debt service payments. This transfer will not be repaid.
- \$961,675 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.
- \$355,418 transferred from the General Fund to the Nonmajor Governmental Fund (i.e., Equipment Fund, Fleet Replacement Fund, and Capital Projects Fund) to fund capital purchases. This transfer will not be repaid.



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

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**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

c. Interfund Transfers (Continued)

- \$151,274 transferred from the Internal Service Fund (Property/Liability) to the Internal Service Fund (Workers' Compensation) to effectively close the Property Liability Fund. This transfer will not be repaid.
- \$181,922 transferred from the Nonmajor Governmental Fund (Fleet Replacement) to the Nonmajor Governmental Fund (Equipment) to effectively close the Fleet Replacement Fund. 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, 2016:

<u>Fund</u>	<u>Deficit Balance</u>
Knolls Special Service Area #4	\$ 1,129
Greek Row Special Service Area #6	454
DeKalb Public Library	
General Fund	2,596,609

**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.

**9. CONTINGENT LIABILITIES (Continued)**

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 six months ended December 31, 2016 was \$898,550 and the total rebate revenue earned during the six months ended December 31, 2016 was \$84,881

d. Property Tax Rebates

The City has entered into a development agreement whereby it has committed to abate 90%, 80%, 70%, 60%, and 50%, respectively, of a certain company's TIF and non-TIF property taxes for years 1 through 5 after the issuance of occupancy permits. In addition, the company is entitled to property tax rebates of 50% for the TIF property for years 6 through 10 after the issuance of occupancy permits but no later than December 31, 2017. As of December 31, 2016, the City has incurred \$1,665,063 in rebates in total to date.

**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. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's 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.

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At June 30, 2016 (most recent information available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	166
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>209</u>
<b>TOTAL</b>	<b><u>375</u></b>
 Participating Employers	 <u><u>1</u></u>

d. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Retirees contribute a percentage of the actuarially determined premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees. For the six months ended December 31, 2016, the City contributed \$556,630. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the prior two years was as follows:

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 906,540	\$ 988,408	109.03%	\$ 7,467,143
2016	900,810	1,007,982	111.90%	7,359,971
2016**	705,328	556,630	78.92%	7,508,669

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The net OPEB obligation (NOPEBO) as December 31, 2016 was calculated as follows:

Annual Required Contribution	\$ 685,700
Interest on Net OPEB Obligation	147,200
Adjustment to Annual Required Contribution	<u>(127,572)</u>
Annual OPEB Cost	705,328
Contributions Made	<u>(556,630)</u>
Increase in Net OPEB Obligation	148,698
Net OPEB Obligation, Beginning of Period	<u>7,359,971</u>
NET OPEB OBLIGATION, END OF PERIOD*	<u><u>\$ 7,508,669</u></u>

\*The Library's portion of \$25,151 is included.

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

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2016 (most recent information available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 23,904,376
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	23,904,376
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 16,649,799
UAAL as a Percentage of Covered Payroll	143.57%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

Actuarial methods and assumptions involve the projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuation (most recent available information), the entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 4.0%. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

**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](http://www.imrf.org). The Police and Firefighters' Pension Plans do not issue separate reports.

a. Plan Descriptions

Illinois 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.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2016, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	158
Inactive Employees Entitled to but not yet Receiving Benefits	89
Active Employees	<u>104</u>
 TOTAL	 <u><u>351</u></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, 2016 was 16.23% of covered payroll.

**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, 2016 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, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	3.50%
Salary Increases	3.75% to 14.50%
Interest Rate	7.50%
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-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2016 was 7.50%. The discount rate used to measure the total pension liability at December 31, 2015 was 7.46%. 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.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 54,653,569	\$ 44,692,201	\$ 9,961,368
Changes for the Period			
Service Cost	744,857	-	744,857
Interest	4,008,711	-	4,008,711
Difference Between Expected and Actual Experience	(502,701)	-	(502,701)
Changes in Assumptions	(267,155)	-	(267,155)
Employer Contributions	-	1,190,069	(1,190,069)
Employee Contributions	-	332,849	(332,849)
Net Investment Income	-	3,018,640	(3,018,640)
Benefit Payments and Refunds	(2,579,844)	(2,579,844)	-
Other (Net Transfer)	-	(9,392)	9,392
Net Changes	1,403,868	1,952,322	(548,454)
BALANCES AT DECEMBER 31, 2016	\$ 56,057,437	\$ 46,644,523	\$ 9,412,914



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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

	City	Library	Total
Beginning Net Pension			
Liability at January 1, 2016	\$ 8,722,450	\$ 1,238,918	\$ 9,961,368
Employer Contributions	552,863	57,722	610,585
Ending Net Pension Liability			
at December 31, 2016	8,237,946	1,174,968	9,412,914

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the six months ended December 31, 2016, the City recognized pension expense of \$2,406,455.

At December 31, 2016, 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	\$ 142,840	\$ 330,578
Changes in Assumption	20,622	175,682
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,364,565	-
TOTAL	\$ 2,528,027	\$ 506,260

**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)*

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

<u>Year Ending December 31,</u>	
2017	\$ 709,447
2018	566,917
2019	686,747
2020	58,656
2021	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 2,021,767</b>

	<u>City</u>	<u>Library</u>	<u>Total</u>
Share of Deferred Outflows	\$ 2,202,121	\$ 325,906	\$ 2,528,027
Share of Deferred Inflows	(447,230)	(59,030)	(506,260)
<b>TOTAL</b>	<b>\$ 1,754,891</b>	<b>\$ 266,876</b>	<b>\$ 2,021,767</b>

*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 7.50% 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net Pension Liability - City	\$ 14,551,242	\$ 8,237,946	\$ 3,055,424
Net Pension Liability - Library	2,075,627	1,174,968	435,791
<b>TOTAL</b>	<b>\$ 16,626,869</b>	<b>\$ 9,412,914</b>	<b>\$ 3,491,215</b>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan

*Plan Administration*

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

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Mayor, one member is elected by pension beneficiaries, and two members are elected by active police 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, 2016, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	51
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>61</u>
TOTAL	<u><u>116</u></u>

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.5% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> 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 six months ended December 31, 2016, the City's contribution was 38.49% of covered payroll.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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 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 six months ended December 31, 2016.

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		1.50%
Investment Grade Corporates		2.00%
Intermediate U.S. Treasuries		0.75%
High Yield		4.50%
Equities	65%	

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

Asset Class	Target	Long-Term Expected Real Rate of Return
Further, the policy diversifies in the following equity categories:		
Domestic Equities	62%	
Large Caps		4.75%
Mid Caps		5.00%
Small Caps		5.00%
U.S. Real Estate		3.75%
International Equities	35%	
Developed Foreign		5.50%
Emerging Markets		7.75%
Commodities	3%	0.75%

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 2.25% 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, 2016 are listed in the table above.

*Investment Concentrations*

At December 31, 2016, 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.

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the six months ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.12%. 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.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,470,273	\$ -	\$ 2,470,273	\$ -	\$ -
U.S. Agency Obligations	5,384,516	-	3,812,307	1,572,209	-
Corporate Bonds	2,801,220	-	1,178,094	1,623,126	-
<b>TOTAL</b>	<b>\$ 10,656,009</b>	<b>\$ -</b>	<b>\$ 7,460,674</b>	<b>\$ 3,195,335</b>	<b>\$ -</b>

*Interest Valuations*

The Fund categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. 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.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Valuations* (Continued)

The Fund has the following recurring fair value measurements as of December 31, 2016: U.S. Treasury obligations of \$2,470,273, mutual funds of \$19,458,733, and equity securities of \$161,406 are valued using quoted market prices (Level 1 inputs); U.S. agency obligations and corporate bonds of \$8,185,736 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.

*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.



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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JULY 1, 2016	\$ 60,897,865	\$ 28,699,935	\$ 32,197,930
Changes for the Period			
Service Cost	581,851	-	581,851
Interest	2,278,348	-	2,278,348
Difference Between Expected and Actual Experience	(30,834)	-	(30,834)
Changes in Assumptions	2,685,767	-	2,685,767
Employer Contributions	-	2,085,233	(2,085,233)
Employee Contributions	-	282,997	(282,997)
Net Investment Income	-	1,516,374	(1,516,374)
Contributions - Buy Back	11,240	11,240	-
Benefit Payments and Refunds	(1,447,549)	(1,447,549)	-
Administrative Expense	-	(21,998)	21,998
Net Changes	4,078,823	2,426,297	1,652,526
BALANCES AT DECEMBER 31, 2016	\$ 64,976,688	\$ 31,126,232	\$ 33,850,456

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in Net Pension Liability (Continued)*

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

*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, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (CHBCA). 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 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity (Continued)*

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 42,934,393	\$ 33,850,456	\$ 26,394,328

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the six months ended December 31, 2016, the City recognized pension expense of \$1,817,444. At December 31, 2016, 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	\$ -	\$ 764,477
Changes in Assumptions	2,461,953	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,120,161	-
<b>TOTAL</b>	<b>\$ 3,582,114</b>	<b>\$ 764,477</b>

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.

**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 (Continued)*

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>	
2017	\$ 623,107
2018	623,107
2019	623,107
2020	408,690
2021	318,382
Thereafter	<u>221,244</u>
 TOTAL	 <u>\$ 2,817,637</u>

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 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.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Plan Membership*

At December 31, 2016, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>55</u>
 TOTAL	 <u><u>115</u></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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*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 six months ended December 31, 2016, the City's contribution was 51.33% of covered payroll.

*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 Illinois Funds. The Fund may also invest in

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

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%	0.5%
Fixed Income		
Short-Term	5%	2%
Intermediate	36%	2.5%
Equities		
Large Cap	5%	4.5%
Large Cap Value	5%	5%
Mid Cap Value	6%	5%
Small Cap	7%	6%
Small Cap Value	7%	7%
International Developed	4%	4.5%
International Value	7%	7%
International Small	7%	8%
Emerging Markets	8%	8%
U.S. Real Estate	2%	4%

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.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

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, 2016 are listed in the table above.

*Concentrations*

At December 31, 2016, 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 six months ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.93%. 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.



**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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 6,180,900	\$ 314,804	\$ 5,095,338	\$ 770,758	\$ -
U.S. Agency Obligations	1,969,177	-	881,399	681,356	406,422
<b>TOTAL</b>	<b>\$ 8,150,077</b>	<b>\$ 314,804</b>	<b>\$ 5,976,737</b>	<b>\$ 1,452,114</b>	<b>\$ 406,422</b>

*Investment Valuations*

The Fund categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. 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, 2016: U.S. Treasury obligations of \$6,180,899 and mutual funds of \$16,547,291 are valued using quoted market prices (Level 1 inputs); U.S. agency obligations of \$1,969,177 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.

**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 AAA 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 7.5%. 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 JULY 1, 2016	\$ 62,792,625	\$ 23,471,461	\$ 39,321,164
Changes for the Period			
Service Cost	560,373	-	560,373
Interest	2,345,602	-	2,345,602
Difference Between Expected and Actual Experience	26,697	-	26,697
Changes in Assumptions	2,745,788	-	2,745,788
Employer Contributions	-	2,512,630	(2,512,630)
Employee Contributions	-	257,245	(257,245)
Contributions - Buy Back	80,812	80,812	-
Net Investment Income	-	1,447,151	(1,447,151)
Benefit Payments and Refunds	(1,607,243)	(1,607,243)	-
Administrative Expense	-	(17,540)	17,540
Net Changes	4,152,029	2,673,055	1,478,974
BALANCES AT DECEMBER 31, 2016	\$ 66,944,654	\$ 26,144,516	\$ 40,800,138

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

**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, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (CHBCA). 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 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 49,829,787	\$ 40,800,138	\$ 33,370,794

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

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**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 six months ended December 31, 2016, the City recognized pension expense of \$2,152,429. At December 31, 2016, 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	\$ 24,473	\$ 77,130
Changes in Assumption	2,516,972	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,059,184	-
<b>TOTAL</b>	<b>\$ 3,600,629</b>	<b>\$ 77,130</b>

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,

2017	\$ 778,650
2018	778,650
2019	778,650
2020	557,397
2021	399,112
Thereafter	231,040
<b>TOTAL</b>	<b>\$ 3,523,499</b>

**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
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 365,082	\$ 1,051,332	\$ 1,416,414
Investments			
U.S. Treasury Obligations	2,470,273	6,180,900	8,651,173
U.S. Agency Obligations	5,384,516	1,969,177	7,353,693
Corporate bonds	2,801,220	-	2,801,220
Mutual Funds	19,458,733	16,547,291	36,006,024
Equity Securities	161,406	-	161,406
Receivables			
Accrued interest	35,849	49,716	85,565
Due from City	462,811	354,040	816,851
Prepaid Expenses	2,208	-	2,208
Total assets	31,142,098	26,152,456	57,294,554
<b>LIABILITIES</b>			
Accounts Payable	15,866	7,940	23,806
Total liabilities	15,866	7,940	23,806
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 31,126,232</b>	<b>\$ 26,144,516</b>	<b>\$ 57,270,748</b>

**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
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,085,233	\$ 2,512,630	\$ 4,597,863
Employee	294,237	338,057	632,294
Total Contributions	2,379,470	2,850,687	5,230,157
Investment Income			
Net Appreciation in Fair Value of Investments	1,091,934	965,198	2,057,132
Interest	446,219	503,412	949,631
Total Investment Income	1,538,153	1,468,610	3,006,763
Less Investment Expense	(21,779)	(21,459)	(43,238)
Net Investment Income	1,516,374	1,447,151	2,963,525
Total Additions	3,895,844	4,297,838	8,193,682
<b>DEDUCTIONS</b>			
Administrative Expenses	21,998	17,540	39,538
Benefits and Refunds	1,447,549	1,607,243	3,054,792
Total Deductions	1,469,547	1,624,783	3,094,330
<b>NET INCREASE</b>	2,426,297	2,673,055	5,099,352
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
July 1	28,699,935	23,471,461	52,171,396
December 31	\$ 31,126,232	\$ 26,144,516	\$ 57,270,748

**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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 344,999	\$ 274,928	\$ 70,071	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 344,999</b>	<b>\$ 274,928</b>	<b>\$ 70,071</b>	<b>\$ -</b>	<b>\$ -</b>

The Library categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. 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, 2016: negotiable certificates of deposit of \$260,535 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 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.



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

b. Deposits and Investments (Continued)

Library Investments (Continued)

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.

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 2015 are levied in December 2015 and attach as an enforceable lien on the property on January 1, 2015. Tax bills are prepared by the County and issued on or about May 1, 2016 and August 1, 2016, and are due and collectible on or about June 1, 2016 and September 1, 2016. The County collects the taxes and remits them periodically to the City. Those 2015 taxes were intended to finance the six month period ending December 31, 2016. The 2016 levy, which attached as a lien on property as January 1, 2016, is intended to finance the 2017 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 six months ended December 31, 2016:

	Beginning Balances	Restatement	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>						
Capital Assets not Being Depreciated						
Land	\$ 1,558,032	\$ -	\$ 1,558,032	\$ -	\$ -	\$ 1,558,032
Construction in Progress	21,441,741	1,320,198	22,761,939	967,341	-	23,729,280
Total Capital Assets not Being Depreciated	22,999,773	1,320,198	24,319,971	967,341	-	25,287,312
Capital Assets Being Depreciated						
Buildings and Improvements	593,325	-	593,325	-	-	593,325
Equipment and Furniture	227,010	-	227,010	-	-	227,010
Total Capital Assets Being Depreciated	820,335	-	820,335	-	-	820,335
Less Accumulated Depreciation for						
Buildings and Improvements	369,950	-	369,950	5,012	-	374,962
Equipment and Furniture	151,387	-	151,387	8,734	-	160,121
Total Accumulated Depreciation	521,337	-	521,337	13,746	-	535,083
Total Capital Assets Being Depreciated, Net	298,998	-	298,998	(13,746)	-	285,252
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>CAPITAL ASSETS, NET</b>	<b>\$ 23,298,771</b>	<b>\$ 1,320,198</b>	<b>\$ 24,618,969</b>	<b>\$ 953,595</b>	<b>\$ -</b>	<b>\$ 25,572,564</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
Culture and Recreation	<u>\$ 13,746</u>
<b>TOTAL DEPRECIATION EXPENSE -</b>	
<b>GOVERNMENTAL ACTIVITIES</b>	<u>\$ 13,746</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 July 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	\$ 6,150,000	\$ -	\$ -	\$ 6,150,000	\$ 280,000
<b>TOTAL</b>		<b>\$ 6,150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,150,000</b>	<b>\$ 280,000</b>

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 July 1	Additions	Reductions	Balances December 31	Current Portion
\$3,000,000 Loan Payable of 2015 dated June 5, 2015 matures on March 18, 2017, plus interest at prime rate (3.75%) at December 31, 2016	Library General	\$ 2,000,000	\$ -	\$ 430,000	\$ 1,570,000	\$ 1,570,000
<b>TOTAL</b>		<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 430,000</b>	<b>\$ 1,570,000</b>	<b>\$ 1,570,000</b>

**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 July 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	\$ 555,556	\$ -	\$ 111,111	\$ 444,445	\$ 111,111
<b>TOTAL</b>		<b>\$ 555,556</b>	<b>\$ -</b>	<b>\$ 111,111</b>	<b>\$ 444,445</b>	<b>\$ 111,111</b>

Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2017	\$ 280,000	\$ 205,825	\$ 1,570,000	\$ 14,719
2018	285,000	197,350	-	-
2019	295,000	188,650	-	-
2020	305,000	179,650	-	-
2021	315,000	170,350	-	-
2022	325,000	160,750	-	-
2023	335,000	150,850	-	-
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	-	-
<b>TOTAL</b>	<b>\$ 6,150,000</b>	<b>\$ 2,066,426</b>	<b>\$ 1,570,000</b>	<b>\$ 14,719</b>

**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
2017	\$ 111,111	\$ 13,156
2018	111,111	9,867
2019	111,111	6,578
2020	111,112	3,289
<b>TOTAL</b>	<b>\$ 444,445</b>	<b>\$ 32,890</b>

Changes in Long-Term Liabilities

During the six months ended December 31, 2016 the following changes occurred in long-term liabilities for Library:

	Balances July 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 6,150,000	\$ -	\$ -	\$ 6,150,000	\$ 280,000
Loans Payable	2,000,000	-	430,000	1,570,000	1,570,000
Debt Certificates Payable	555,556	-	111,111	444,445	111,111
Compensated Absences Payable	40,065	-	34,693	5,372	1,074
Net Pension Liability - IMRF	1,238,918	-	63,950	1,174,968	-
Net Other Postemployment Benefit Obligation	24,102	1,049	-	25,151	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 10,008,641</b>	<b>\$ 1,049</b>	<b>\$ 639,754</b>	<b>\$ 9,369,936</b>	<b>\$ 1,962,185</b>

The compensated absences, net pension liability, and the net other postemployment benefit obligation 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 six months ended December 31, 2016, the following changes occurred in short-term liabilities:

	Balances July 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Line of Credit	\$ 1,591,079	\$ 2,239,252	\$ -	\$ 3,830,331	\$ 3,830,331
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,591,079	\$ 2,239,252	\$ -	\$ 3,830,331	\$ 3,830,331

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. Amounts drawn under the line of credit during the six months ended December 31, 2016 totaled \$2,239,252. Amounts due at December 31, 2016 totaled \$3,830,331. Interest is payable at 3.75% and paid monthly. The line of credit was set to mature December 18, 2016 but was extended through March 18, 2017.

**13. SIGNIFICANT EVENT**

The City Council passed an Ordinance which amended the City's Municipal Code allowing the City to change their fiscal year to December 31, 2016.

**14. PRIOR PERIOD ADJUSTMENT**

	Discretely Presented Component Unit
Library General Fund	
To record Library retainage payable not accrued for in the prior fiscal year	\$ (1,320,198)
TOTAL GENERAL FUND	\$ (1,320,198)
Library Governmental Activities	
To record Library construction in progress not capitalized in the prior fiscal year	\$ 1,320,198
To record Library retainage payable not accrued for in the prior fiscal year	(1,320,198)
TOTAL GOVERNMENTAL ACTIVITIES	\$ -

**15. 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 eight months ended December 31, 2016, the City rebated 50% of the City portion of the property tax levy for the 3M distribution center located at 1250 Macom Drive. This is the fourth year of the five-year abatement. The abatement for the year amounted to \$41,058. The City also rebated 80% of the City portion of the property tax levy for the Right Pointe development located at 2754 Wagner Court. This is the second year of the five-year abatement. The abatement for the year amounted to \$5,039.

**16. SUBSEQUENT EVENT**

On May 10, 2017, the Library approved an extension for one year on two outstanding loans. Along with interest on both loans, the Library will reduce principal outstanding of their \$3,000,000 2015 loan payable by \$100,000 each year, and the principal outstanding on the \$4,500,000 2016 line of credit by \$300,000 each year.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF DEKALB, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2016

Schedule of Funding Progress

<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL As a Percentage of Covered Payroll (4) / (5)</b>
2012	\$ -	\$ 20,805,232	0.00%	\$ 20,805,232	\$ 13,467,132	154.49%
2013	-	21,666,777	0.00%	21,666,777	13,631,798	158.94%
2014	-	20,149,079	0.00%	20,149,079	14,916,350	135.08%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	23,904,376	0.00%	23,904,376	16,649,799	143.57%
2016*	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2012	\$ 813,475	\$ 2,265,382	35.91%
2013	950,439	882,122	107.74%
2014	997,999	905,260	110.24%
2015	988,408	856,213	115.44%
2016	1,007,982	860,985	117.07%
2016*	556,630	685,700	81.18%

N/A - Information not available

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

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

Last Three Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016*</b>
Actuarially Determined Contribution	\$ 1,234,927	\$ 1,106,410	\$ 610,585
Contribution in Relation to the Actuarially Determined Contribution	1,234,927	1,106,410	610,585
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-Employee Payroll	\$ 5,664,236	\$ 6,850,602	\$ 3,739,039
Contributions as a Percentage of Covered-Employee Payroll	21.80%	16.15%	16.33%

\*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 December 31, 2013 and 2014. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.0% 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 Four Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016*</b>
Actuarially Determined Contribution	\$ 1,379,234	\$ 1,627,268	\$ 1,730,712	\$ 1,080,991
Contribution in Relation to the Actuarially Determined Contribution	1,352,291	1,448,949	1,622,105	2,085,233
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 26,943</b>	<b>\$ 178,319</b>	<b>\$ 108,607</b>	<b>\$ (1,004,242)</b>
Covered-Employee Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291	\$ 5,417,619
Contributions as a Percentage of Covered-Employee Payroll	25.93%	26.04%	28.77%	38.49%

\*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 26 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.5% annually and projected salary increase assumption of 4.5%.

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  
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016*</b>
Actuarially Determined Contribution	\$ 2,078,061	\$ 2,250,772	\$ 2,373,253	\$ 1,312,560
Contribution in Relation to the Actuarially Determined Contribution	2,037,490	2,024,522	2,158,166	2,512,630
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 40,571</b>	<b>\$ 226,250</b>	<b>\$ 215,087</b>	<b>\$ (1,200,070)</b>
Covered-Employee Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381	\$ 4,895,248
Contributions as a Percentage of Covered-Employee Payroll	43.83%	41.77%	43.68%	51.33%

\*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 26 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.5% annually and projected salary increase assumption of 4.5%.

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.

(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 Three Fiscal Years

<b>MEASUREMENT DATE</b>	<b>DECEMBER 31, DECEMBER 31, DECEMBER 31,</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>			
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	47,513,928	52,038,319	54,653,569
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 52,038,319</b>	<b>\$ 54,653,569</b>	<b>\$ 56,057,437</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
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	42,679,497	45,246,876	44,692,201
<b>PLAN NET FIDUCIARY POSITION - ENDING</b>	<b>\$ 45,246,876</b>	<b>\$ 44,692,201</b>	<b>\$ 46,644,523</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 6,791,443</b>	<b>\$ 9,961,368</b>	<b>\$ 9,412,914</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.90%	81.80%	83.20%
Covered-Employee Payroll	\$ 6,138,945	\$ 6,850,602	\$ 7,288,918
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	110.60%	145.40%	129.10%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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.

(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 Four Fiscal Years

<b>MEASUREMENT DATE</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016**</b>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 983,478	\$ 994,063	\$ 1,138,556	\$ 581,851
Interest	3,601,542	3,816,916	4,396,163	2,278,348
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	654,735	546,806	(981,619)	(30,834)
Changes of Assumptions*	-	3,756,869	-	2,685,767
Contributions - Buy Back	-	-	157,490	11,240
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)	(2,579,348)	(1,447,549)
Net Change in Total Pension Liability	2,984,029	6,634,167	2,131,242	4,078,823
Total Pension Liability - Beginning	49,148,427	52,132,456	58,766,623	60,897,865
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 52,132,456</b>	<b>\$ 58,766,623</b>	<b>\$ 60,897,865</b>	<b>\$ 64,976,688</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 1,352,291	\$ 1,448,949	\$ 1,622,105	\$ 2,085,233
Contributions - Member	632,775	711,771	570,363	282,997
Contributions - Buy Back	-	-	157,490	11,240
Net Investment Income	3,240,785	312,398	17,314	1,516,374
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)	(2,579,348)	(1,447,549)
Administrative Expense	(39,544)	(44,531)	(44,990)	(21,998)
Net Change in Plan Fiduciary Net Position	2,930,581	(51,900)	(257,066)	2,426,297
Plan Net Fiduciary Position - Beginning	26,078,320	29,008,901	28,957,001	28,699,935
<b>PLAN NET FIDUCIARY POSITION - ENDING</b>	<b>\$ 29,008,901</b>	<b>\$ 28,957,001</b>	<b>\$ 28,699,935</b>	<b>\$ 31,126,232</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 23,123,555</b>	<b>\$ 29,809,622</b>	<b>\$ 32,197,930</b>	<b>\$ 33,850,456</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.60%	49.30%	47.10%	47.90%
Covered-Employee Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291	\$ 5,417,619
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	443.30%	535.60%	571.10%	624.80%

\*The December 31, 2016 valuation had changes in the 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.

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

Last Four Fiscal Years

<b>MEASUREMENT DATE</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016**</b>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 1,033,286	\$ 1,077,550	\$ 1,103,489	\$ 560,373
Interest	3,857,132	4,102,276	4,495,233	2,345,602
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	1,330,700	(477,382)	(102,841)	26,697
Changes of Assumptions*	-	2,460,941	-	2,745,788
Contributions - Buy Back	-	-	-	80,812
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)	(3,072,413)	(1,607,243)
Net Change in Total Pension Liability	3,298,520	4,180,915	2,423,468	4,152,029
Total pension liability - beginning	52,889,722	56,188,242	60,369,157	62,792,625
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 56,188,242</b>	<b>\$ 60,369,157</b>	<b>\$ 62,792,625</b>	<b>\$ 66,944,654</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 2,037,490	\$ 2,024,522	\$ 2,158,156	\$ 2,512,630
Contributions - Member	420,534	466,475	477,022	257,245
Contributions - Buy Back	-	-	-	80,812
Net Investment Income	3,075,655	126,661	(403,920)	1,447,151
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)	(3,072,413)	(1,607,243)
Administrative Expense	(34,562)	(43,547)	(41,613)	(17,540)
Net Change in Plan Fiduciary Net Position	2,576,519	(408,359)	(882,768)	2,673,055
Plan Net Fiduciary Position - Beginning	22,186,069	24,762,588	24,354,229	23,471,461
<b>PLAN NET FIDUCIARY POSITION - ENDING</b>	<b>\$ 24,762,588</b>	<b>\$ 24,354,229</b>	<b>\$ 23,471,461</b>	<b>\$ 26,144,516</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 31,425,654</b>	<b>\$ 36,014,928</b>	<b>\$ 39,321,164</b>	<b>\$ 40,800,138</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.10%	40.30%	37.40%	39.10%
Covered-Employee Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381	\$ 4,895,248
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	676.00%	743.10%	795.80%	833.50%

\*The December 31, 2016 valuation had changes in the 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.

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Four Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016*</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.36%	1.05%	(0.90%)	5.12%

\*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.

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2015</b>	<b>JUNE 30, 2016</b>	<b>DECEMBER 31, 2016*</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.67%	0.73%	(1.53%)	5.93%

\*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.

(See independent auditor's report.)

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 11,760,730	\$ 11,760,730	\$ 11,683,183
Licenses and Permits	328,650	328,650	308,697
Intergovernmental	6,220,995	6,220,995	5,796,506
Charges for Services	1,123,750	1,123,750	1,349,663
Fines and Forfeitures	474,487	474,487	333,018
Investment Income	17,500	17,500	47,426
Miscellaneous	231,900	231,900	222,996
Total Revenues	20,158,012	20,158,012	19,741,489
<b>EXPENDITURES</b>			
General Government	2,909,258	2,909,258	3,099,567
Public Safety	14,552,052	14,552,052	13,863,123
Highways and Streets	1,980,322	1,980,322	1,976,052
Community Development	829,645	829,645	777,116
Total Expenditures	20,271,277	20,271,277	19,715,858
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(113,265)	(113,265)	25,631
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	271,100	271,100	271,100
Transfers (Out)	(612,569)	(612,569)	(552,271)
Total Other Financing Sources (Uses)	(341,469)	(341,469)	(281,171)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (454,734)</u>	<u>\$ (454,734)</u>	(255,540)
<b>FUND BALANCE, JULY 1</b>			<u>9,484,660</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 9,229,120</u></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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
State Motor Fuel Tax	\$ 570,189	\$ 570,189	\$ 623,644
Federal Grants	83,311	83,311	-
Investment Income	1,400	1,400	4,155
Total Revenues	654,900	654,900	627,799
<b>EXPENDITURES</b>			
Highways and Streets			
Contractual Services	260,000	455,000	341,749
Capital Outlay	725,000	1,115,000	146,653
Total Expenditures	985,000	1,570,000	488,402
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(330,100)	(915,100)	139,397
<b>OTHER FINANCING (USES)</b>			
Transfer In	51,670	51,670	-
Total Other Financing (Uses)	51,670	51,670	-
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (278,430)</u>	<u>\$ (863,430)</u>	139,397
<b>FUND BALANCE, JULY 1</b>			
			<u>3,097,499</u>
<b>FUND BALANCE, DECEMBER 31</b>			
			<u><u>\$ 3,236,896</u></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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
Federal Grants	\$ 1,827,442	\$ 1,827,442	\$ 684,937
State Grants	2,327,114	2,327,114	1,127,678
Miscellaneous	14,380	14,380	-
Total Revenues	4,168,936	4,168,936	1,812,615
<b>EXPENDITURES</b>			
General Government			
Personal Services	110,765	110,765	109,175
Commodities	11,253	11,253	9,803
Contractual Services	2,616,036	2,616,036	1,682,401
Capital Outlay	1,439,075	1,439,075	11,236
Total Expenditures	4,177,129	4,177,129	1,812,615
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,193)	(8,193)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	8,628	8,628	-
Total Other Financing Sources (Uses)	8,628	8,628	-
NET CHANGE IN FUND BALANCE	\$ 435	\$ 435	-
FUND BALANCE, JULY 1			-
FUND BALANCE, DECEMBER 31			\$ -

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 6,347,587	\$ 6,347,587	\$ 6,430,015
Investment Income	6,560	6,560	20,272
Total Revenues	6,354,147	6,354,147	6,450,287
<b>EXPENDITURES</b>			
Community Development			
Contractual Services	467,590	467,590	412,119
Capital Outlay	4,872,519	5,956,189	4,343,392
Total Expenditures	5,340,109	6,423,779	4,755,511
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,014,038	(69,632)	1,694,776
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer (Out)	(961,675)	(961,675)	(961,675)
Total Other Financing Sources (Uses)	(961,675)	(961,675)	(961,675)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 52,363</u>	<u>\$ (1,031,307)</u>	733,101
<b>FUND BALANCE, JULY 1</b>			<u>1,718,962</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 2,452,063</u></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 #2 FUND**

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 1,216,456	\$ 1,216,456	\$ 1,181,326
Investment Income	20,900	20,900	31,152
Total Revenues	1,237,356	1,237,356	1,212,478
<b>EXPENDITURES</b>			
Community Development			
Contractual Services	202,877	202,877	243,243
Capital Outlay	247,500	2,179,182	1,575,686
Total Expenditures	450,377	2,382,059	1,818,929
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 786,979</u>	<u>\$ (1,144,703)</u>	(606,451)
<b>FUND BALANCE, JULY 1</b>			<u>8,451,516</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 7,845,065</u></u>

(See independent auditor's report.)

# **CITY OF DEKALB, ILLINOIS**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2016

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### **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.

### **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 required to be 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 tow 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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 5,094,730	\$ 5,094,730	\$ 5,049,737
Home Rule Sales	3,510,000	3,510,000	3,449,031
Utilities	1,550,000	1,550,000	1,513,310
Franchise	245,000	245,000	242,959
Restaurant/Bar	925,000	925,000	963,756
Miscellaneous	436,000	436,000	464,390
Total Taxes	11,760,730	11,760,730	11,683,183
Licenses and Permits			
Licenses			
Amusement	-	-	400
Liquor	122,000	122,000	174,179
Rooming House	7,900	7,900	6,200
Other	10,000	10,000	15,500
Permits			
Building and Electrical	165,000	165,000	93,461
Plumbing	10,000	10,000	2,661
HVAC	7,500	7,500	2,581
Sewer	1,250	1,250	900
Parking	1,000	1,000	1,570
Other	4,000	4,000	11,245
Total Licenses and Permits	328,650	328,650	308,697
Intergovernmental			
State Sales	2,765,000	2,765,000	2,748,303
Income	2,245,530	2,245,530	1,786,638
Local Use	538,050	538,050	564,630
Replacement	64,000	64,000	71,305
Federal Grants	83,500	83,500	47,852
TIF Property Tax Surplus	185,000	185,000	220,731
TIF Sales Tax Surplus	339,915	339,915	354,077
State Grants	-	-	2,970
Total Intergovernmental	6,220,995	6,220,995	5,796,506
Charges for Services			
Fire Services	425,000	425,000	454,710
Ambulance Fees	472,500	472,500	613,092
Police Services	3,750	3,750	8,677
Zoning Fees	5,000	5,000	6,300
Administration Fees	67,500	67,500	67,500
Fuel Sales	50,000	50,000	36,982
Rental Crime Free Registration	100,000	100,000	161,077
Finger Print Fee	-	-	1,325
Total Charges for Services	1,123,750	1,123,750	1,349,663

(This schedule is continued on the following page.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES (Continued)</b>			
Fines and Forfeitures			
Circuit Court	\$ 150,000	\$ 150,000	\$ 125,484
Tow	111,000	111,000	78,205
Police	133,987	133,987	58,807
Abatement	2,500	2,500	8,280
False Fire Alarm	2,500	2,500	2,000
DUI	25,000	25,000	16,887
Other	49,500	49,500	43,355
Total Fines and Forfeitures	474,487	474,487	333,018
Investment Income	17,500	17,500	47,426
Miscellaneous			
Refunds/Reimbursements	190,900	190,900	200,683
Miscellaneous	41,000	41,000	22,313
Total Miscellaneous	231,900	231,900	222,996
<b>TOTAL REVENUES</b>	<b>\$ 20,158,012</b>	<b>\$ 20,158,012</b>	<b>\$ 19,741,489</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS****SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Elected Officials	\$ 47,237	\$ 47,237	\$ 46,925
Municipal Band	55,450	55,450	51,402
City Manager's Office Administration	606,600	606,600	537,707
Human Resources Division	274,034	274,034	248,096
General Fund Support Service	1,580,572	1,580,572	1,876,497
Finance Administration	353,410	353,410	346,634
Information and Technology	409,521	409,521	384,891
Less Administrative Costs Charged to Other Departments and Funds	(417,566)	(417,566)	(392,585)
Total General Government	2,909,258	2,909,258	3,099,567
<b>PUBLIC SAFETY</b>			
Police Protection	7,708,309	7,708,309	7,310,733
Fire Protection	6,843,743	6,843,743	6,552,390
Total Public Safety	14,552,052	14,552,052	13,863,123
<b>HIGHWAYS AND STREETS</b>			
Public Works Administration	97,822	97,822	88,475
Public Facilities and Fleet Maintenance	321,000	321,000	318,488
Streets	1,366,278	1,366,278	1,405,132
Engineering	195,222	195,222	163,957
Total Highways and Streets	1,980,322	1,980,322	1,976,052
<b>COMMUNITY DEVELOPMENT</b>			
Community Development Administration	829,645	829,645	777,116
Total Community Improvement	829,645	829,645	777,116
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,271,277</b>	<b>\$ 20,271,277</b>	<b>\$ 19,715,858</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Elected Officials			
Personnel Services	\$ 35,147	\$ 35,147	\$ 35,148
Commodities	790	790	721
Contractual Services	11,300	11,300	11,056
Total Elected Officials	47,237	47,237	46,925
Municipal Band			
Commodities	1,500	1,500	447
Contractual Services	53,950	53,950	50,955
Total Municipal Band	55,450	55,450	51,402
City Manager's Office Administration			
Personnel Services	385,662	385,662	347,357
Commodities	9,205	9,205	13,167
Contractual Services	210,483	210,483	176,112
Capital Outlay	1,250	1,250	1,071
Total City Manager's Office Administration	606,600	606,600	537,707
Human Resources Division			
Personnel Services	163,824	163,824	177,064
Commodities	1,355	1,355	1,321
Contractual Services	108,355	108,355	57,514
Capital Outlay	500	500	12,197
Total Human Resource Division	274,034	274,034	248,096
General Fund Support Service			
Personnel Services	755,572	755,572	967,962
Contractual Services	825,000	825,000	908,535
Total General Fund Support Service	1,580,572	1,580,572	1,876,497

(This schedule is continued on the following pages.)

# CITY OF DEKALB, ILLINOIS

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

For the Six Months Ended December 31, 2016

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Finance Administration			
Personnel Services	\$ 290,342	\$ 290,342	\$ 290,166
Commodities	4,820	4,820	6,352
Contractual Services	58,248	58,248	50,116
	<hr/>	<hr/>	<hr/>
Total Finance Administration	353,410	353,410	346,634
	<hr/>	<hr/>	<hr/>
Information and Technology			
Personnel Services	200,032	200,032	175,234
Commodities	28,950	28,950	44,716
Contractual Services	164,239	164,239	141,571
Capital Outlay	16,300	16,300	23,370
	<hr/>	<hr/>	<hr/>
Total Information and Technology	409,521	409,521	384,891
	<hr/>	<hr/>	<hr/>
Less Administrative Costs Charged to Other Departments and Funds	(417,566)	(417,566)	(392,585)
	<hr/>	<hr/>	<hr/>
Total General Government	2,909,258	2,909,258	3,099,567
	<hr/>	<hr/>	<hr/>
<b>PUBLIC SAFETY</b>			
Police Protection			
Police Department Administration			
Personnel Services	502,728	502,728	490,431
Commodities	92,456	92,456	60,277
Contractual Services	45,961	45,961	39,301
Capital Outlay	870	870	-
	<hr/>	<hr/>	<hr/>
Total Police Department Administration	642,015	642,015	590,009
	<hr/>	<hr/>	<hr/>
Patrol Services			
Personnel Services	4,355,170	4,355,170	4,382,495
Commodities	166,540	166,540	77,829
Contractual Services	40,990	40,990	32,051
Capital Outlay	63,201	63,201	65,936
	<hr/>	<hr/>	<hr/>
Total Patrol Services	4,625,901	4,625,901	4,558,311
	<hr/>	<hr/>	<hr/>

(This schedule is continued on the following pages.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police Protection (Continued)			
Communications			
Personnel Services	\$ 665,232	\$ 665,232	\$ 615,140
Commodities	1,446	1,446	1,059
Contractual Services	10,395	10,395	8,121
Capital Outlay	12,521	12,521	6,799
Total Communications	689,594	689,594	631,119
Criminal Investigations			
Personnel Services	1,229,149	1,229,149	1,057,316
Commodities	12,120	12,120	12,504
Contractual Services	12,814	12,814	2,796
Total Criminal Investigations	1,254,083	1,254,083	1,072,616
Police Department Special Services			
Personnel Services	296,096	296,096	278,616
Commodities	7,322	7,322	2,186
Contractual Services	12,493	12,493	29,825
Capital Outlay	805	805	10
Total Police Department Special Services	316,716	316,716	310,637
Crime Free Housing and Inspection			
Personnel Services	162,993	162,993	145,476
Commodities	8,407	8,407	1,325
Contractual Services	8,380	8,380	1,240
Capital Outlay	220	220	-
Total Crime Free Housing and Inspection	180,000	180,000	148,041
Total Police Protection	7,708,309	7,708,309	7,310,733

(This schedule is continued on the following pages.)

**CITY OF DEKALB, ILLINOIS****SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND**

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Fire Protection			
Fire Department Administration			
Personnel Services	\$ 455,632	\$ 455,632	\$ 454,302
Commodities	19,628	19,628	18,395
Contractual Services	25,979	25,979	18,093
Total Fire Department Administration	501,239	501,239	490,790
Fire Department Operations			
Personnel Services	5,973,090	5,973,090	5,846,853
Commodities	72,591	72,591	77,106
Contractual Services	151,295	151,295	132,853
Capital Outlay	145,528	145,528	4,788
Total Fire Department Operations	6,342,504	6,342,504	6,061,600
Total Fire Protection	6,843,743	6,843,743	6,552,390
Total Public Safety	14,552,052	14,552,052	13,863,123
<b>HIGHWAYS AND STREETS</b>			
Public Works Administration			
Personnel Services	85,472	85,472	78,334
Commodities	500	500	66
Contractual Services	11,850	11,850	10,075
Total Public Works Administration	97,822	97,822	88,475
Public Facilities and Fleet Maintenance			
Personnel Services	161,089	161,089	150,502
Commodities	16,300	16,300	16,224
Contractual Services	143,311	143,311	151,762
Capital Outlay	300	300	-
Total Public Facilities and Fleet Maintenance	321,000	321,000	318,488

(This schedule is continued on the following page.)



**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>HIGHWAYS AND STREETS (Continued)</b>			
Streets			
Personnel Services	\$ 940,589	\$ 940,589	\$ 953,180
Commodities	218,950	218,950	257,777
Contractual Services	168,739	168,739	167,704
Capital Outlay	38,000	38,000	26,471
Total Streets	1,366,278	1,366,278	1,405,132
Engineering			
Personnel Services	119,186	119,186	114,253
Commodities	8,636	8,636	3,281
Contractual Services	66,400	66,400	45,712
Capital Outlay	1,000	1,000	711
Total Engineering	195,222	195,222	163,957
Total Highways and Streets	1,980,322	1,980,322	1,976,052
<b>COMMUNITY DEVELOPMENT</b>			
Community Development Administration			
Personnel Services	421,024	421,024	360,143
Commodities	7,465	7,465	9,001
Contractual Services	401,156	401,156	407,972
Total Community Development Administration	829,645	829,645	777,116
Total Community Development	829,645	829,645	777,116
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,271,277</b>	<b>\$ 20,271,277</b>	<b>\$ 19,715,858</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

The Foreign Fire Insurance 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.

The Fleet Replacement Fund is used to account for revenues and expenditures associated with the acquisition of City vehicles and major equipment (i.e. trailers and plows).

**CITY OF DEKALB, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2016

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 124,515	\$ 39,681	\$ 1,130,944	\$ 1,295,140
Receivables				
Property Taxes	22,000	-	-	22,000
Other	-	25,077	-	25,077
Prepaid Items	51	-	-	51
Due from Other Funds	-	-	14,288	14,288
Due from Other Governments	27,185	-	30,252	57,437
<b>TOTAL ASSETS</b>	<b>\$ 173,751</b>	<b>\$ 64,758</b>	<b>\$ 1,175,484</b>	<b>\$ 1,413,993</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 28,507	\$ -	\$ 45,354	\$ 73,861
Due to Other Funds	1,650	42,000	-	43,650
<b>Total Liabilities</b>	<b>30,157</b>	<b>42,000</b>	<b>45,354</b>	<b>117,511</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Property Taxes	22,000	-	-	22,000
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>52,157</b>	<b>42,000</b>	<b>45,354</b>	<b>139,511</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid Items	51	-	-	51
Restricted				
Public Safety	49,141	-	-	49,141
Debt Service	-	22,758	-	22,758
Specific Purpose	73,985	-	-	73,985
Assigned for Capital Projects	-	-	1,130,130	1,130,130
Unassigned (Deficit)	(1,583)	-	-	(1,583)
<b>Total Fund Balances (Deficit)</b>	<b>121,594</b>	<b>22,758</b>	<b>1,130,130</b>	<b>1,274,482</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 173,751</b>	<b>\$ 64,758</b>	<b>\$ 1,175,484</b>	<b>\$ 1,413,993</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 63,377	\$ 163,296	\$ 188,097	\$ 414,770
Intergovernmental	52,031	-	-	52,031
Charges for Services	-	-	97,833	97,833
Fines and Forfeitures	-	14,052	-	14,052
Investment Income	33	-	-	33
Miscellaneous	4,028	-	117,036	121,064
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	119,469	177,348	402,966	699,783
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
General Government	45,453	-	121,075	166,528
Public Safety	18,246	-	-	18,246
Capital Outlay	20,973	-	115,278	136,251
Debt Service				
Principal Retirement	-	845,000	16,667	861,667
Interest and Fiscal Charges	-	437,752	-	437,752
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	84,672	1,282,752	253,020	1,620,444
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	34,797	(1,105,404)	149,946	(920,661)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,141,675	780,340	1,922,015
Transfers (Out)	-	-	(181,922)	(181,922)
Proceeds from Sale of Capital Assets	-	-	23,515	23,515
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	1,141,675	621,933	1,763,608
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	34,797	36,271	771,879	842,947
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICIT), JULY 1	86,797	(13,513)	358,251	431,535
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, DECEMBER 31</b>	\$ 121,594	\$ 22,758	\$ 1,130,130	\$ 1,274,482
	<hr/>	<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2016

	<b>Foreign Fire Insurance Tax</b>	<b>Housing Rehabilitation</b>	<b>Community Development Block Grant</b>
<b>ASSETS</b>			
Cash and Investments	\$ 49,532	\$ 67,566	\$ 37
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Prepaid Items	51	-	-
Due from Other Governments	-	-	27,185
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 49,583</b>	<b>\$ 67,566</b>	<b>\$ 27,222</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 391	\$ 38	\$ 27,222
Due to Other Funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	391	38	27,222
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Taxes	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	391	38	27,222
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid Items	51	-	-
Restricted			
Public Safety	49,141	-	-
Specific Purpose	-	67,528	-
Unassigned (Deficit)	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	49,192	67,528	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 49,583</b>	<b>\$ 67,566</b>	<b>\$ 27,222</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Total
\$ 3,812	\$ 31	\$ 646	\$ 2,891	\$ 124,515
-	5,500	14,000	2,500	22,000
-	-	-	-	51
-	-	-	-	27,185
\$ 3,812	\$ 5,531	\$ 14,646	\$ 5,391	\$ 173,751
\$ 145	\$ 610	\$ -	\$ 101	\$ 28,507
-	550	1,100	-	1,650
145	1,160	1,100	101	30,157
-	5,500	14,000	2,500	22,000
145	6,660	15,100	2,601	52,157
-	-	-	-	51
-	-	-	-	49,141
3,667	-	-	2,790	73,985
-	(1,129)	(454)	-	(1,583)
3,667	(1,129)	(454)	2,790	121,594
\$ 3,812	\$ 5,531	\$ 14,646	\$ 5,391	\$ 173,751

(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 Six Months Ended December 31, 2016

	<b>Foreign Fire Insurance Tax</b>	<b>Housing Rehabilitation</b>	<b>Community Development Block Grant</b>
<b>REVENUES</b>			
Taxes	\$ 45,876	\$ -	\$ -
Intergovernmental	-	-	52,031
Investment Income	-	33	-
Miscellaneous	-	4,028	-
Total Revenues	45,876	4,061	52,031
<b>EXPENDITURES</b>			
General Government	-	248	37,882
Public Safety	18,246	-	-
Capital Outlay	5,700	-	14,149
Total Expenditures	23,946	248	52,031
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,930	3,813	-
NET CHANGE IN FUND BALANCES	21,930	3,813	-
FUND BALANCES (DEFICIT), JULY 1	27,262	63,715	-
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 49,192</b>	<b>\$ 67,528</b>	<b>\$ -</b>



Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Total	
\$ -	\$ 5,000	\$ 10,001	\$ 2,500	\$	63,377
-	-	-	-		52,031
-	-	-	-		33
-	-	-	-		4,028
-	5,000	10,001	2,500		119,469
1,257	4,686	500	880		45,453
-	-	-	-		18,246
-	-	1,124	-		20,973
1,257	4,686	1,624	880		84,672
(1,257)	314	8,377	1,620		34,797
(1,257)	314	8,377	1,620		34,797
4,924	(1,443)	(8,831)	1,170		86,797
\$ 3,667	\$ (1,129)	\$ (454)	\$ 2,790	\$	121,594

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Foreign Fire Insurance Tax	\$ 45,000	\$ 45,000	\$ 45,876
Total Revenues	45,000	45,000	45,876
<b>EXPENDITURES</b>			
Public Safety			
Commodities	16,000	16,000	15,572
Contractual Services	1,521	1,521	2,674
Capital Outlay	16,700	16,700	5,700
Total Expenditures	34,221	34,221	23,946
NET CHANGE IN FUND BALANCE	<u>\$ 10,779</u>	<u>\$ 10,779</u>	21,930
FUND BALANCE, JULY 1			<u>27,262</u>
FUND BALANCE, DECEMBER 31			<u>\$ 49,192</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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Investment Income	\$ 10	\$ 10	\$ 33
Miscellaneous	-	-	4,028
Total Revenues	10	10	4,061
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	872	872	248
Capital Outlay	12,000	12,000	-
Total Expenditures	12,872	12,872	248
NET CHANGE IN FUND BALANCE	<u>\$ (12,862)</u>	<u>\$ (12,862)</u>	3,813
FUND BALANCE, JULY 1			<u>63,715</u>
FUND BALANCE, DECEMBER 31			<u>\$ 67,528</u>

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental Grants	\$ 320,306	\$ 320,306	\$ 52,031
Total Revenues	320,306	320,306	52,031
<b>EXPENDITURES</b>			
General Government			
Commodities	500	500	-
Contractual Services	94,306	94,306	37,882
Capital Outlay	65,500	65,500	14,149
Total Expenditures	160,306	160,306	52,031
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	160,000	160,000	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(160,000)	(160,000)	-
Total Other Financing Sources (Uses)	(160,000)	(160,000)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			-
<b>FUND BALANCE, DECEMBER 31</b>			\$ -

(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 Six Months Ended December 31, 2016

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<hr/>			
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
<hr/>			
Total Revenues	-	-	-
<hr/>			
<b>EXPENDITURES</b>			
General Government			
Contractual Services	500	1,257	1,257
<hr/>			
Total Expenditures	500	1,257	1,257
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ (500)</u>	<u>\$ (1,257)</u>	(1,257)
FUND BALANCE, JULY 1			<u>4,924</u>
FUND BALANCE, JUNE 30			<u><u>\$ 3,667</u></u>

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 5,000	\$ 5,000	\$ 5,000
Total Revenues	5,000	5,000	5,000
<b>EXPENDITURES</b>			
General Government			
Contractual Services	3,500	4,686	4,686
Total Expenditures	3,500	4,686	4,686
NET CHANGE IN FUND BALANCE	\$ 1,500	\$ 314	314
FUND BALANCE (DEFICIT), JULY 1			(1,443)
FUND BALANCE (DEFICIT), JUNE 30			\$ (1,129)

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 10,000	\$ 10,000	\$ 10,001
Total Revenues	10,000	10,000	10,001
<b>EXPENDITURES</b>			
General Government			
Contractual Services	500	500	500
Capital Outlay	10,000	10,000	1,124
Total Expenditures	10,500	10,500	1,624
NET CHANGE IN FUND BALANCE	<u>\$ (500)</u>	<u>\$ (500)</u>	8,377
FUND BALANCE (DEFICIT), JULY 1			<u>(8,831)</u>
FUND BALANCE (DEFICIT), JUNE 30			<u>\$ (454)</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<hr/>			
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 2,500	\$ 2,500	\$ 2,500
	<hr/>		
Total Revenues	2,500	2,500	2,500
	<hr/>		
<b>EXPENDITURES</b>			
General Government			
Contractual Services	1,750	1,750	880
	<hr/>		
Total Expenditures	1,750	1,750	880
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 750	\$ 750	1,620
	<hr/>		
FUND BALANCE, JULY 1			1,170
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 2,790
	<hr/>		

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**

December 31, 2016

	<b>General</b>	<b>TIF</b>	<b>Total</b>
	<b>Debt Service</b>	<b>Debt Service</b>	
<hr/>			
<b>ASSETS</b>			
Cash and Investments	\$ 39,681	\$ -	\$ 39,681
Other Receivable	25,077	-	25,077
	<hr/>		
<b>TOTAL ASSETS</b>	<b>\$ 64,758</b>	<b>\$ -</b>	<b>\$ 64,758</b>
	<hr/>		
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to Other Funds	\$ 42,000	\$ -	\$ 42,000
	<hr/>		
Total Liabilities	42,000	-	42,000
	<hr/>		
<b>FUND BALANCES</b>			
Restricted for Debt Service	22,758	-	22,758
	<hr/>		
Total Fund Balances	22,758	-	22,758
	<hr/>		
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 64,758</b>	<b>\$ -</b>	<b>\$ 64,758</b>
	<hr/>		

(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 Six Months Ended December 31, 2016

	<b>General Debt Service</b>	<b>TIF Debt Service</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	\$ 163,296	\$ -	\$ 163,296
Fines and Forfeitures	14,052	-	14,052
Total Revenues	177,348	-	177,348
<b>EXPENDITURES</b>			
Debt Service			
Principal	-	845,000	845,000
Interest and Fiscal Charges	321,077	116,675	437,752
Total Expenditures	321,077	961,675	1,282,752
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(143,729)	(961,675)	(1,105,404)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	180,000	961,675	1,141,675
Total Other Financing Sources (Uses)	180,000	961,675	1,141,675
<b>NET CHANGE IN FUND BALANCES</b>	36,271	-	36,271
<b>FUND BALANCES (DEFICIT), JULY 1</b>	(13,513)	-	(13,513)
<b>FUND BALANCES, DECEMBER 31</b>	\$ 22,758	\$ -	\$ 22,758

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Hotel/Motel	\$ 22,000	\$ 22,000	\$ 22,701
Local Fuel Tax	132,000	132,000	140,595
Fines and Forfeitures	30,000	30,000	14,052
Total Revenues	184,000	184,000	177,348
<b>EXPENDITURES</b>			
Debt Service			
Interest and Fiscal Charges	320,086	321,078	321,077
Total Expenditures	320,086	321,078	321,077
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(136,086)	(137,078)	(143,729)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	180,000	180,000	180,000
Total Other Financing Sources (Uses)	180,000	180,000	180,000
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 43,914</u>	<u>\$ 42,922</u>	36,271
<b>FUND BALANCE (DEFICIT), JULY 1</b>			<u>(13,513)</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 22,758</u></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 DEBT SERVICE FUND**

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Debt Service			
Principal Retirement	845,000	845,000	845,000
Interest and Fiscal Charges	116,675	116,675	116,675
Total Expenditures	961,675	961,675	961,675
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(961,675)	(961,675)	(961,675)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	961,675	961,675	961,675
Total Other Financing Sources (Uses)	961,675	961,675	961,675
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			-
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ -</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

December 31, 2016

	Capital Projects	Equipment	Fleet Replacement	Total
<b>ASSETS</b>				
Cash and Investments	\$ 197,498	\$ 933,446	\$ -	\$ 1,130,944
Due from Other Funds	14,288	-	-	14,288
Due from Other Governments	30,252	-	-	30,252
<b>TOTAL ASSETS</b>	<b>\$ 242,038</b>	<b>\$ 933,446</b>	<b>\$ -</b>	<b>\$ 1,175,484</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 12,488	\$ 32,866	\$ -	\$ 45,354
Total Liabilities	12,488	32,866	-	45,354
<b>FUND BALANCES</b>				
Assigned for Capital Projects	229,550	900,580	-	1,130,130
Total Fund Balances	229,550	900,580	-	1,130,130
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 242,038</b>	<b>\$ 933,446</b>	<b>\$ -</b>	<b>\$ 1,175,484</b>

(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 Six Months Ended December 31, 2016

	<b>Capital Projects</b>	<b>Equipment</b>	<b>Fleet Replacement</b>	<b>Total</b>
<b>REVENUES</b>				
Taxes	\$ 188,097	\$ -	\$ -	\$ 188,097
Charges for Services	-	-	97,833	97,833
Miscellaneous Income	-	76,000	41,036	117,036
Total Revenues	188,097	76,000	138,869	402,966
<b>EXPENDITURES</b>				
General Government				
Contractual Services	55,703	65,372	-	121,075
Capital Outlay	71,598	972	42,708	115,278
Debt Service				
Principal	-	-	16,667	16,667
Total Expenditures	127,301	66,344	59,375	253,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	60,796	9,656	79,494	149,946
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	32,479	723,273	24,588	780,340
Transfers (Out)	-	-	(181,922)	(181,922)
Proceeds from Sale of Capital Assets	-	21,200	2,315	23,515
Total Other Financing Sources (Uses)	32,479	744,473	(155,019)	621,933
NET CHANGE IN FUND BALANCES	93,275	754,129	(75,525)	771,879
FUND BALANCES, JULY 1	136,275	146,451	75,525	358,251
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 229,550</b>	<b>\$ 900,580</b>	<b>\$ -</b>	<b>\$ 1,130,130</b>

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Local Motor Fuel Taxes	\$ 177,500	\$ 177,500	\$ 188,097
Total Revenues	177,500	177,500	188,097
<b>EXPENDITURES</b>			
General Government			
Contractual Services	25,000	65,703	55,703
Capital Outlay	180,000	213,979	71,598
Total Expenditures	205,000	279,682	127,301
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(27,500)	(102,182)	60,796
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	32,479	32,479	32,479
Total Other Financing Sources (Uses)	32,479	32,479	32,479
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 4,979</u>	<u>\$ (69,703)</u>	93,275
<b>FUND BALANCE, JULY 1</b>			<u>136,275</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 229,550</u></u>

(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 Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Miscellaneous Income	\$ 84,000	\$ 84,000	\$ 76,000
Total Revenues	84,000	84,000	76,000
<b>EXPENDITURES</b>			
General Government			
Contractual Services	502,857	509,252	65,372
Capital Outlay	244,000	244,000	972
Total Expenditures	746,857	753,252	66,344
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(662,857)	(669,252)	9,656
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	541,351	541,351	723,273
Proceeds from Sale of Capital Assets	-	-	21,200
Total Other Financing Sources (Uses)	541,351	541,351	744,473
NET CHANGE IN FUND BALANCE	<u>\$ (121,506)</u>	<u>\$ (127,901)</u>	754,129
FUND BALANCE, JULY 1			<u>146,451</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 900,580</u></u>

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Charges for Services			
Rental Income	\$ 70,805	\$ 70,805	\$ 97,833
Miscellaneous Income	39,500	39,500	41,036
Total Revenues	110,305	110,305	138,869
<b>EXPENDITURES</b>			
Capital Outlay	191,538	191,538	42,708
Debt Service			
Principal	16,667	16,667	16,667
Total Expenditures	208,205	208,205	59,375
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(97,900)	(97,900)	79,494
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	24,588	24,588	24,588
Transfers (Out)	-	-	(181,922)
Proceeds from Sale of Capital Assets	-	-	2,315
Total Other Financing Sources (Uses)	24,588	24,588	(155,019)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (73,312)</u>	<u>\$ (73,312)</u>	(75,525)
<b>FUND BALANCE, JULY 1</b>			<u>75,525</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ -</u></u>

(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 Six Months Ended December 31, 2016

	<b>Operations and Maintenance</b>			<b>System Construction</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>						
Charges for Services						
Water Sales	\$ 2,675,000	\$ 2,675,000	\$ 2,883,458	\$ -	\$ -	\$ -
Permits	7,500	7,500	1,832	15,000	15,000	4,515
Miscellaneous	11,075	11,075	15,075	-	-	-
Total Operating Revenues	2,693,575	2,693,575	2,900,365	15,000	15,000	4,515
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>						
Personal Services	1,268,506	1,268,506	1,622,956	-	-	-
Commodities	219,261	219,261	195,058	-	-	-
Contractual Services	429,913	429,913	305,106	-	-	-
Other Services/Expenses	20,000	20,000	15,100	-	-	-
Equipment	12,050	158,050	136,511	-	-	-
Total Operating Expenses	1,949,730	2,095,730	2,274,731	-	-	-
<b>OPERATING INCOME (LOSS)</b>	743,845	597,845	625,634	15,000	15,000	4,515
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment Income	12,300	12,300	15,727	-	-	3,221
Gain on Sale of Capital Assets	750	750	5,459	-	-	-
Principal	(220,286)	(220,286)	-	-	-	-
Interest Expense	(42,319)	(42,319)	(40,891)	-	-	-
Total Non-Operating Revenues (Expenses)	(249,555)	(249,555)	(19,705)	-	-	3,221
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	494,290	348,290	605,929	15,000	15,000	7,736
<b>TRANSFERS</b>						
Transfers In	-	-	-	-	-	-
Transfers (Out)	(587,900)	(587,900)	(587,900)	-	-	-
Total Transfers	(587,900)	(587,900)	(587,900)	-	-	-
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	\$ (93,610)	\$ (239,610)	18,029	\$ 15,000	\$ 15,000	7,736
<b>ADJUSTMENTS TO GAAP BASIS</b>						
Additions to capital assets			135,500			-
Depreciation and Amortization			(529,348)			-
Total adjustment to GAAP basis			(393,848)			-
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			(375,819)			7,736
<b>NET POSITION, JULY 1</b>			25,003,599			1,096,590
<b>NET POSITION, DECEMBER 31</b>			\$ 24,627,780			\$ 1,104,326

		Capital				Total	
Original Budget	Final Budget	Actual	Eliminations	Original Budget	Final Budget	Actual	
\$ -	\$ -	\$ 39,563	\$ -	\$ 2,675,000	\$ 2,675,000	\$ 2,923,021	
-	-	-	-	22,500	22,500	6,347	
-	-	-	-	11,075	11,075	15,075	
-	-	39,563	-	2,708,575	2,708,575	2,944,443	
-	-	-	-	1,268,506	1,268,506	1,622,956	
-	-	-	-	219,261	219,261	195,058	
-	-	-	-	429,913	429,913	305,106	
-	-	-	-	20,000	20,000	15,100	
476,800	476,800	57,302	-	488,850	634,850	193,813	
476,800	476,800	57,302	-	2,426,530	2,572,530	2,332,033	
(476,800)	(476,800)	(17,739)	-	282,045	136,045	612,410	
-	-	-	-	12,300	12,300	18,948	
-	-	-	-	750	750	5,459	
-	-	-	-	(220,286)	(220,286)	-	
-	-	-	-	(42,319)	(42,319)	(40,891)	
-	-	-	-	(249,555)	(249,555)	(16,484)	
(476,800)	(476,800)	(17,739)	-	32,490	(113,510)	595,926	
476,800	476,800	316,800	(316,800)	476,800	476,800	-	
-	-	-	316,800	(587,900)	(587,900)	(271,100)	
476,800	476,800	316,800	-	(111,100)	(111,100)	(271,100)	
\$ -	\$ -	299,061	-	\$ (78,610)	\$ (224,610)	324,826	
						135,500	
						(529,348)	
						(393,848)	
						(69,022)	
						26,100,189	
						\$ 26,031,167	

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Rents/Taxes	\$ 185,500	\$ 185,500	\$ 155,837
Fuel Sales	275,000	275,000	172,216
Airport Operations	15,700	15,700	-
Miscellaneous	2,500	2,500	7,342
<b>Total Operating Revenues</b>	<b>478,700</b>	<b>478,700</b>	<b>335,395</b>
<b>OPERATING EXPENSES</b>			
Personal Services	167,998	167,998	202,953
Commodities	155,540	155,540	137,646
Contractual Services	117,596	117,596	103,329
Other Services	22,636	22,636	22,087
Equipment	29,150	29,150	2,269
Permanent Improvements	-	426,500	10,094
<b>Total Operating Expenses</b>	<b>492,920</b>	<b>919,420</b>	<b>478,378</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(14,220)</b>	<b>(440,720)</b>	<b>(142,983)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	-	-	3
Gain on Sale of Capital Assets	-	-	10,000
Interest Expense	(2,633)	(2,633)	(2,669)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(2,633)</b>	<b>(2,633)</b>	<b>7,334</b>
<b>CONTRIBUTIONS</b>			
Contributions - Capital Grant Revenue	-	394,450	42,829
<b>TRANSFERS</b>			
Transfers In	16,853	16,853	16,853
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	<b>\$ -</b>	<b>\$ (32,050)</b>	<b>(75,967)</b>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Depreciation and Amortization			(193,575)
<b>Total adjustments to GAAP basis</b>			<b>(193,575)</b>
<b>CHANGE IN NET POSITION</b>			<b>(269,542)</b>
<b>NET POSITION, JULY 1</b>			<b>29,829,773</b>
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 29,560,231</b>

(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 Six Months Ended December 31, 2016

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,060,000	\$ 1,060,000	\$ 1,063,382
Total Operating Revenues	1,060,000	1,060,000	1,063,382
<b>OPERATING EXPENSES</b>			
Contractual Services	1,020,350	1,024,302	1,024,302
Total Operating Expenses	1,020,350	1,024,302	1,024,302
CHANGE IN NET POSITION	<u>\$ 39,650</u>	<u>\$ 35,698</u>	39,080
NET POSITION, JULY 1			<u>(3,008)</u>
NET POSITION, DECEMBER 31			<u>\$ 36,072</u>

(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.

Liability/Property Insurance Fund - to account for payment of liability insurance premiums. Financing is provided by contributions from other funds.

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>Liability/ Property Insurance</b>	<b>Total</b>
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 2,071,683	\$ 381,333	\$ -	\$ 2,453,016
Receivables				
Accrued Interest	4,094	-	-	4,094
Other	1,904	164,918	-	166,822
Prepaid Expenses	176,099	-	-	176,099
<b>Total Current Assets</b>	<b>2,253,780</b>	<b>546,251</b>	<b>-</b>	<b>2,800,031</b>
<b>CURRENT LIABILITIES</b>				
Accounts Payable	6,186	42,782	-	48,968
Claims Payable	304,193	-	-	304,193
Unearned Revenue	-	11,078	-	11,078
<b>Total Current Liabilities</b>	<b>310,379</b>	<b>53,860</b>	<b>-</b>	<b>364,239</b>
<b>NONCURRENT LIABILITIES</b>				
Claims Payable	304,193	-	-	304,193
<b>Total Noncurrent Liabilities</b>	<b>304,193</b>	<b>-</b>	<b>-</b>	<b>304,193</b>
<b>Total Liabilities</b>	<b>614,572</b>	<b>53,860</b>	<b>-</b>	<b>668,432</b>
<b>NET POSITION</b>				
Unrestricted	1,639,208	492,391	-	2,131,599
<b>TOTAL NET POSITION</b>	<b>\$ 1,639,208</b>	<b>\$ 492,391</b>	<b>\$ -</b>	<b>\$ 2,131,599</b>

(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 Six Months Ended December 31, 2016

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>						
Charges for Services						
Contributions	\$ 601,600	\$ 601,600	\$ 601,604	\$ 2,981,976	\$ 2,981,976	\$ 3,027,633
Miscellaneous	-	-	-	-	-	-
Total Operating Revenues	601,600	601,600	601,604	2,981,976	2,981,976	3,027,633
<b>OPERATING EXPENSES</b>						
Administration	276,374	276,374	244,550	2,825,771	2,825,771	2,754,952
Claims	325,000	325,000	120,871	-	-	-
Total Operating Expenses	601,374	601,374	365,421	2,825,771	2,825,771	2,754,952
OPERATING INCOME	226	226	236,183	156,205	156,205	272,681
<b>NON-OPERATING REVENUES</b>						
Investment Income	19,350	19,350	7,406	3,010	3,010	19
Total Non-Operating Revenues	19,350	19,350	7,406	3,010	3,010	19
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,576	19,576	243,589	159,215	159,215	272,700
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	151,274	-	-	-
Transfers (Out)	(243,000)	(243,000)	(243,000)	-	-	-
Total Other Financing Sources (Uses)	(243,000)	(243,000)	(91,726)	-	-	-
CHANGE IN NET POSITION	\$ (223,424)	\$ (223,424)	151,863	\$ 159,215	\$ 159,215	272,700
NET POSITION, JULY 1			1,487,345			219,691
NET POSITION, DECEMBER 31			\$ 1,639,208			\$ 492,391

Liability/ Property Insurance			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 65,000	\$ 65,000	\$ 65,000	\$ 3,648,576	\$ 3,648,576	\$ 3,694,237
7,500	7,500	(1,223)	7,500	7,500	(1,223)
72,500	72,500	63,777	3,656,076	3,656,076	3,693,014
13,254	13,254	10,754	3,115,399	3,115,399	3,010,256
50,000	50,000	39,676	375,000	375,000	160,547
63,254	63,254	50,430	3,490,399	3,490,399	3,170,803
9,246	9,246	13,347	165,677	165,677	522,211
-	-	-	22,360	22,360	7,425
-	-	-	22,360	22,360	7,425
9,246	9,246	13,347	188,037	188,037	529,636
-	-	-	-	-	151,274
-	-	(151,274)	(243,000)	(243,000)	(394,274)
-	-	(151,274)	(243,000)	(243,000)	(243,000)
\$ 9,246	\$ 9,246	(137,927)	\$ (54,963)	\$ (54,963)	286,636
		137,927			1,844,963
		\$ -			\$ 2,131,599

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Six Months Ended December 31, 2016

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>Liability/ Property Insurance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Interfund Services Transactions	\$ 598,303	\$ 2,264,067	\$ 68,128	\$ 2,930,498
Receipts from Employees and Others	-	665,665	-	665,665
Receipts from Miscellaneous Revenue	-	-	(1,223)	(1,223)
Payments to Suppliers	(100,758)	(2,718,250)	(101,097)	(2,920,105)
Net Cash from Operating Activities	497,545	211,482	(34,192)	674,835
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	151,274	-	-	151,274
Transfers (Out)	(243,000)	-	(151,274)	(394,274)
Net Cash from Noncapital Financing Activities	(91,726)	-	(151,274)	(243,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None	-	-	-	-
Net Cash from Capital and Related Financing Activities	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	7,406	19	-	7,425
Net Cash from Investing Activities	7,406	19	-	7,425
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	413,225	211,501	(185,466)	439,260
CASH AND CASH EQUIVALENTS, JULY 1	1,658,458	169,832	185,466	2,013,756
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 2,071,683</b>	<b>\$ 381,333</b>	<b>\$ -</b>	<b>\$ 2,453,016</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income	\$ 236,183	\$ 272,681	\$ 13,347	\$ 522,211
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities				
Changes in Assets and Liabilities				
Receivables	(3,301)	(108,078)	3,128	(108,251)
Prepaid Expenses	189,150	-	30,000	219,150
Accounts Payable	(10,834)	36,702	(4,014)	21,854
Claims Payable	86,347	-	(76,653)	9,694
Unearned Revenue	-	10,177	-	10,177
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 497,545</b>	<b>\$ 211,482</b>	<b>\$ (34,192)</b>	<b>\$ 674,835</b>

(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, 2016

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 365,082	\$ 1,051,332	\$ 1,416,414
Investments			
U.S. Treasury Obligations	2,470,273	6,180,900	8,651,173
U.S. Agency Obligations	5,384,516	1,969,177	7,353,693
Corporate Bonds	2,801,220	-	2,801,220
Mutual Funds	19,458,733	16,547,291	36,006,024
Equity Securities	161,406	-	161,406
Receivables			
Accrued Interest	35,849	49,716	85,565
Due from City	462,811	354,040	816,851
Prepaid Expenses	2,208	-	2,208
Total Assets	31,142,098	26,152,456	57,294,554
<b>LIABILITIES</b>			
Accounts Payable	15,866	7,940	23,806
Total Liabilities	15,866	7,940	23,806
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 31,126,232</b>	<b>\$ 26,144,516</b>	<b>\$ 57,270,748</b>

(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 Six Months Ended December 31, 2016

	<b>Police Pension</b>			<b>Firefighters' Pension</b>			<b>Total</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>									
Contributions									
Employer Contributions	\$ 2,103,837	\$ 2,103,837	\$ 2,085,233	\$ 2,535,041	\$ 2,535,041	\$ 2,512,630	\$ 4,638,878	\$ 4,638,878	\$ 4,597,863
Employee Contributions	280,847	280,847	294,237	242,627	242,627	338,057	523,474	523,474	632,294
Total Contributions	2,384,684	2,384,684	2,379,470	2,777,668	2,777,668	2,850,687	5,162,352	5,162,352	5,230,157
Investment Income									
Net Appreciation in Fair Value of Investments	-	-	1,091,934	-	-	965,198	-	-	2,057,132
Interest	1,087,284	1,087,284	446,219	905,000	905,000	503,412	1,992,284	1,992,284	949,631
Total Investment Income	1,087,284	1,087,284	1,538,153	905,000	905,000	1,468,610	1,992,284	1,992,284	3,006,763
Less Investment Expense	(27,652)	(27,652)	(21,779)	(22,500)	(22,500)	(21,459)	(50,152)	(50,152)	(43,238)
Net Investment Income	1,059,632	1,059,632	1,516,374	882,500	882,500	1,447,151	1,942,132	1,942,132	2,963,525
Total Additions	3,444,316	3,444,316	3,895,844	3,660,168	3,660,168	4,297,838	7,104,484	7,104,484	8,193,682
<b>DEDUCTIONS</b>									
Administrative Expenses	24,219	24,219	21,998	14,395	14,395	17,540	38,614	38,614	39,538
Benefits and Refunds	1,317,742	1,497,742	1,447,549	1,592,037	1,766,037	1,607,243	2,909,779	3,263,779	3,054,792
Total Deductions	1,341,961	1,521,961	1,469,547	1,606,432	1,780,432	1,624,783	2,948,393	3,302,393	3,094,330
NET INCREASE	<u>\$ 2,102,355</u>	<u>\$ 1,922,355</u>	2,426,297	<u>\$ 2,053,736</u>	<u>\$ 1,879,736</u>	2,673,055	<u>\$ 4,156,091</u>	<u>\$ 3,802,091</u>	5,099,352
<b>NET POSITION RESTRICTED FOR PENSIONS</b>									
July 1			<u>28,699,935</u>			<u>23,471,461</u>			<u>52,171,396</u>
December 31			<u>\$ 31,126,232</u>			<u>\$ 26,144,516</u>			<u>\$ 57,270,748</u>

(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 BALANCE SHEET

December 31, 2016

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>CURRENT ASSETS</b>						
Cash and Investments	\$ 1,592,344	\$ 45,315	\$ 223,370	\$ 1,861,029	\$ -	\$ 1,861,029
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)						
Property taxes	2,790,084	-	-	2,790,084	-	2,790,084
Accounts	92,324	59	292	92,675	-	92,675
Accrued Interest	122	-	-	122	-	122
Total Current Assets	4,474,874	45,374	223,662	4,743,910	-	4,743,910
<b>NONCURRENT ASSETS</b>						
Capital Assets						
Not Depreciated	-	-	-	-	25,287,312	25,287,312
Depreciated (Net of Accumulated Depreciation)	-	-	-	-	285,252	285,252
Total Noncurrent Assets	-	-	-	-	25,572,564	25,572,564
Total Assets	4,474,874	45,374	223,662	4,743,910	25,572,564	30,316,474
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Items - IMRF	-	-	-	-	325,906	325,906
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 4,474,874	\$ 45,374	\$ 223,662	\$ 4,743,910	\$ 25,898,470	\$ 30,642,380



	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 411,488	\$ -	\$ -	\$ 411,488	\$ -	\$ 411,488
Accrued Payroll	34,379	-	-	34,379	-	34,379
Accrued Interest Payable	5,201	-	-	5,201	113,648	118,849
Line of Credit	3,830,331	-	-	3,830,331	-	3,830,331
Long-Term Liabilities						
Due Within One Year	-	-	-	-	1,962,185	1,962,185
Due in More than One Year	-	-	-	-	7,407,751	7,407,751
Total Liabilities	4,281,399	-	-	4,281,399	9,483,584	13,764,983
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Items - IMRF	-	-	-	-	59,030	59,030
Unavailable Property Taxes	2,790,084	-	-	2,790,084	-	2,790,084
Total Deferred Inflows of Resources	2,790,084	-	-	2,790,084	59,030	2,849,114
Total Liabilities and Deferred Inflows of Resources	7,071,483	-	-	7,071,483	9,542,614	16,614,097
<b>FUND BALANCES/NET POSITION</b>						
Net Investment in Capital Assets	-	-	-	-	13,577,788	13,577,788
Restricted - Endowments	-	-	223,662	223,662	-	223,662
Assigned	-	45,374	-	45,374	(45,374)	-
Unrestricted (Deficit)	(2,596,609)	-	-	(2,596,609)	2,823,442	226,833
Total Fund Balances (Deficit)/Net Position	(2,596,609)	45,374	223,662	(2,327,573)	16,355,856	14,028,283
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION</b>						
	\$ 4,474,874	\$ 45,374	\$ 223,662	\$ 4,743,910	\$ 25,898,470	\$ 30,642,380

(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 Six Months Ended December 31, 2016

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
<b>REVENUES</b>						
Taxes						
Property Taxes	\$ 2,768,573	\$ -	\$ -	\$ 2,768,573	\$ -	\$ 2,768,573
TIF Surplus	90,767	-	-	90,767	-	90,767
Replacement Taxes	14,583	-	-	14,583	-	14,583
Grants	285,300	-	-	285,300	-	285,300
Charges for Services	28,452	-	-	28,452	-	28,452
Investment Income	3,243	(152)	(863)	2,228	-	2,228
Miscellaneous	5,846	-	-	5,846	-	5,846
Total Revenues	3,196,764	(152)	(863)	3,195,749	-	3,195,749
<b>EXPENDITURES</b>						
Current						
Culture and Recreation	1,857,101	-	-	1,857,101	(750,202)	1,106,899
Debt Service						
Principal	541,111	-	-	541,111	(541,111)	-
Interest and Fiscal Charges	204,907	-	-	204,907	(13,225)	191,682
Total Expenditures	2,603,119	-	-	2,603,119	(1,304,538)	1,298,581
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	593,645	(152)	(863)	592,630	1,304,538	1,897,168

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	\$ -	\$ 10,000	\$ 900	\$ 10,900	\$ -	\$ 10,900
Transfers (Out)	(10,900)	-	-	(10,900)	-	(10,900)
Total Other Financing Sources (Uses)	(10,900)	10,000	900	-	-	-
<b>NET CHANGE IN FUND BALANCES/ NET POSITION</b>	582,745	9,848	37	592,630	1,304,538	1,897,168
<b>FUND BALANCES (DEFICIT)/ NET POSITION, JULY 1</b>	(1,859,156)	35,526	223,625	(1,600,005)	13,731,120	12,131,115
Prior Period Adjustment	(1,320,198)	-	-	(1,320,198)	1,320,198	-
<b>FUND BALANCES (DEFICIT)/ NET POSITION, JULY 1, RESTATED</b>	(3,179,354)	35,526	223,625	(2,920,203)	15,051,318	12,131,115
<b>FUND BALANCES (DEFICIT)/ NET POSITION, DECEMBER 31</b>	<u>\$ (2,596,609)</u>	<u>\$ 45,374</u>	<u>\$ 223,662</u>	<u>\$ (2,327,573)</u>	<u>\$ 16,355,856</u>	<u>\$ 14,028,283</u>

(See independent auditor's report.)

## **SUPPLEMENTAL FINANCIAL INFORMATION**

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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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	December 1 and June 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**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
2016	\$ 870,000	\$ 208,000	\$ 1,078,000	2017	\$ 104,000	2017	\$ 104,000
2017	1,020,000	173,200	1,193,200	2018	86,600	2018	86,600
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>\$ 5,200,000</u>	<u>\$ 649,400</u>	<u>\$ 5,849,400</u>		<u>\$ 324,700</u>		<u>\$ 324,700</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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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	July 1 and January 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
2016	\$ -	\$ 175,968	\$ 175,968	2017	\$ 87,984	2017	\$ 87,984
2017	-	175,968	175,968	2018	87,984	2018	87,984
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>\$ 1,601,106</u>	<u>\$ 5,506,106</u>		<u>\$ 844,545</u>		<u>\$ 756,561</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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Date of Issue	December 1, 2010
Date of Maturity	January 1, 2023
Authorized Issue	\$5,415,000
Denomination of Notes	\$5,000
Interest Rates	1.9% to 5.9%
Interest Dates	July 1 and January 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
2016	\$ 205,000	\$ 215,846	\$ 420,846	2017	\$ 109,896	2017	\$ 105,950
2017	620,000	198,415	818,415	2018	105,950	2018	92,465
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>\$ 4,270,000</u>	<u>\$ 899,952</u>	<u>\$ 5,169,952</u>		<u>\$ 504,924</u>		<u>\$ 395,028</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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Date of Issue	October 25, 2012
Date of Maturity	January 1, 2030
Authorized Issue	\$9,905,000
Denomination of Notes	\$5,000
Interest Rates	2.0% to 2.5%
Interest Dates	July 1 and January 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
2016	\$ 650,000	\$ 161,382	\$ 811,382	2017	\$ 83,941	2017	\$ 77,441
2017	660,000	148,282	808,282	2018	77,441	2018	70,841
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>\$ 8,055,000</u>	<u>\$ 1,364,709</u>	<u>\$ 9,419,709</u>		<u>\$ 724,325</u>		<u>\$ 640,384</u>

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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Date of Issue	June 18, 2013
Date of Maturity	January 1, 2022
Authorized Issue	\$2,380,000
Denomination of Notes	\$5,000
Interest Rates	0.8% to 3.0%
Interest Dates	July 1 and January 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
2016	\$ 10,000	\$ 69,441	\$ 79,441	2017	\$ 34,753	2017	\$ 34,688
2017	15,000	69,263	84,263	2018	34,688	2018	34,575
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>\$ 2,330,000</u>	<u>\$ 304,828</u>	<u>\$ 2,634,828</u>		<u>\$ 169,790</u>		<u>\$ 135,038</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

---

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	July 1 and January 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
2016	\$ 750,000	\$ 26,943	\$ 776,943	2017	\$ 16,367	2017	\$ 10,576
2017	340,000	18,528	358,528	2018	10,576	2018	7,952
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>\$ 2,120,000</u>	<u>\$ 69,327</u>	<u>\$ 2,189,327</u>		<u>\$ 42,847</u>		<u>\$ 26,480</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

---

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	July 1 and January 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**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>January 1</b>	<b>Amount</b>	<b>July 1</b>	<b>Amount</b>
2016	\$ 393,425	\$ 3,037	\$ 396,462	2017	\$ 3,037	2017	\$ -
	<u>\$ 393,425</u>	<u>\$ 3,037</u>	<u>\$ 396,462</u>		<u>\$ 3,037</u>		<u>\$ -</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, 2016

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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	July 1 and January 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**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>				
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>January 1</b>	<b>Amount</b>	<b>July 1</b>	<b>Amount</b>	
2016	\$ 286,325	\$ 19,183	\$ 305,508	2017	\$ 10,697	2017	\$ 8,486	
2017	273,875	14,858	288,733	2018	8,486	2018	6,372	
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>\$ 1,385,575</u>	<u>\$ 53,165</u>	<u>\$ 1,438,740</u>		<u>\$ 31,931</u>		<u>\$ 21,234</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, 2016

---

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	July 1 and January 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**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>				
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>January 1</b>	<b>Amount</b>	<b>July 1</b>	<b>Amount</b>	
2016	\$ 70,250	\$ 4,723	\$ 74,973	2017	\$ 2,633	2017	\$ 2,090	
2017	66,125	3,670	69,795	2018	2,090	2018	1,580	
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>\$ 341,000</u>	<u>\$ 13,125</u>	<u>\$ 354,125</u>		<u>\$ 7,879</u>		<u>\$ 5,246</u>	

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 239,428	\$ 27,050	\$ 266,478
2018	245,536	20,942	266,478
2019	251,800	14,678	266,478
2020	258,223	8,255	266,478
2021	131,570	1,669	133,239
	<u>\$ 1,126,557</u>	<u>\$ 72,594</u>	<u>\$ 1,199,151</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 196,600	\$ 22,212	\$ 218,812
2018	201,615	17,196	218,811
2019	206,758	12,053	218,811
2020	212,033	6,779	218,812
2021	108,037	1,369	109,406
	<b>\$ 925,043</b>	<b>\$ 59,609</b>	<b>\$ 984,652</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

December 31, 2016

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 12,932	\$ 5,592	\$ 18,524
2018	13,231	5,294	18,525
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
	<u>\$ 246,896</u>	<u>\$ 49,496</u>	<u>\$ 296,392</u>

(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, 2016

---

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	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Purpose	Library Expansion

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 280,000	\$ 205,825	\$ 485,825
2018	285,000	197,350	482,350
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
	<u>\$ 6,150,000</u>	<u>\$ 2,066,426</u>	<u>\$ 8,216,426</u>

(See independent auditor's report.)

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

**LONG-TERM DEBT REQUIREMENTS**  
**LOAN PAYABLE 2015**

June 30, 2016

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Date of Issue	June 5, 2015
Date of Maturity	December 18, 2015
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**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 1,570,000	\$ 14,719	\$ 1,584,719
	<u>\$ 1,570,000</u>	<u>\$ 14,719</u>	<u>\$ 1,584,719</u>

(See independent auditor's report.)

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

**LONG-TERM DEBT REQUIREMENTS**  
**DEBT CERTIFICATES OF 2011**

December 31, 2016

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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**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2017	\$ 111,111	\$ 13,156	\$ 124,267
2018	111,111	9,867	120,978
2019	111,111	6,578	117,689
2020	111,112	3,289	114,401
	<u>\$ 444,445</u>	<u>\$ 32,890</u>	<u>\$ 477,335</u>

(See independent auditor's report.)

## **STATISTICAL SECTION**

## STATISTICAL SECTION

This part of the City of DeKalb, Illinois' statistical 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.	160-169
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	170-177
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.	178-182
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.	183-184
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.	185-189

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

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 113,947,561	\$ 116,350,547	\$ 116,154,934	\$ 119,410,592
Restricted	10,131,297	10,401,769	15,569,514	11,857,498
Unrestricted (Deficit)	(16,660,106)	(14,726,824)	(20,131,463)	(17,715,142)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 107,418,752</b>	<b>\$ 112,025,492</b>	<b>\$ 111,592,985</b>	<b>\$ 113,552,948</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 46,840,204	\$ 48,402,014	\$ 48,482,070	\$ 48,222,651
Unrestricted	(985,741)	(724,236)	(463,724)	2,919,291
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 45,854,463</b>	<b>\$ 47,677,778</b>	<b>\$ 48,018,346</b>	<b>\$ 51,141,942</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 160,787,765	\$ 164,752,561	\$ 164,637,004	\$ 167,633,243
Restricted	10,131,297	10,401,769	15,569,514	11,857,498
Unrestricted	(17,645,847)	(15,451,060)	(20,595,187)	(14,795,851)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 153,273,215</b>	<b>\$ 159,703,270</b>	<b>\$ 159,611,331</b>	<b>\$ 164,694,890</b>

Note: The City implemented GASB Statement No. 68 for the fiscal year ending June 30, 2015.

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

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2016*
\$ 120,169,717	\$ 118,266,115	\$ 116,047,087	\$ 113,826,017	\$ 111,898,622	\$ 109,971,927
12,358,010	12,182,850	11,764,636	12,897,923	13,365,048	13,940,693
(15,138,497)	(13,241,757)	(11,899,046)	(69,597,568)	(79,546,145)	(78,676,335)
\$ 117,389,230	\$ 117,207,208	\$ 115,912,677	\$ 57,126,372	\$ 45,717,525	\$ 45,236,285
\$ 48,123,532	\$ 47,928,816	\$ 49,590,809	\$ 52,605,345	\$ 52,803,874	\$ 52,481,077
4,179,066	4,899,564	4,329,375	4,305,333	3,123,080	3,146,393
\$ 52,302,598	\$ 52,828,380	\$ 53,920,184	\$ 56,910,678	\$ 55,926,954	\$ 55,627,470
\$ 168,293,249	\$ 166,194,931	\$ 165,637,896	\$ 166,431,362	\$ 164,702,496	\$ 162,453,004
12,358,010	12,182,850	11,764,636	12,897,923	13,365,048	13,940,693
(10,959,431)	(8,342,193)	(7,569,671)	(65,292,235)	(76,423,065)	(75,529,942)
\$ 169,691,828	\$ 170,035,588	\$ 169,832,861	\$ 114,037,050	\$ 101,644,479	\$ 100,863,755

**CITY OF DEKALB, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 9,084,220	\$ 10,441,675	\$ 9,268,403	\$ 10,647,791
Public Safety	17,889,697	19,020,552	19,606,432	19,660,618
Highways and Streets	7,844,631	6,074,929	9,415,300	4,465,186
Community Development	4,068,000	6,022,846	5,083,380	7,929,922
Interest	1,010,059	902,204	723,651	857,764
Total Governmental Activities Expenses	39,896,607	42,462,206	44,097,166	43,561,281
Business-Type Activities				
Water and Sewer	4,146,713	4,347,248	4,222,070	4,438,481
Airport	994,597	1,111,227	914,295	1,154,982
Refuse	1,466,215	1,656,645	1,671,915	1,736,937
Developmental Services	365,050	378,497	380,574	-
Total Business-Type Activities Expenses	6,972,575	7,493,617	7,188,854	7,330,400
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 46,869,182</b>	<b>\$ 49,955,823</b>	<b>\$ 51,286,020</b>	<b>\$ 50,891,681</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 303,453	\$ 292,071	\$ 340,015	\$ 325,169
Public Safety	2,440,715	2,631,448	2,710,546	2,739,272
Highways and Streets	333,154	325,866	210,319	496,852
Community Development	75,291	403,355	402,209	395,147
Operating Grants and Contributions	2,481,892	3,656,334	2,488,211	3,257,775
Capital Grants and Contributions	2,083,090	2,013,494	2,471,003	4,144,333
<b>TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES</b>	<b>7,717,595</b>	<b>9,322,568</b>	<b>8,622,303</b>	<b>11,358,548</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Charges for Services				
Water and Sewer	4,387,320	4,788,391	5,136,193	5,454,296
Airport	262,783	261,655	247,364	405,332
Refuse	1,584,288	1,623,529	1,625,213	1,696,466
Developmental Services	96,580	88,319	38,835	-
Operating Grants and Contributions	611	-	-	-
Capital Grants and Contributions	359,444	2,673,502	760,930	392,373
Total Business-Type Activities Program Revenues	6,691,026	9,435,396	7,808,535	7,948,467
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 14,408,621</b>	<b>\$ 18,757,964</b>	<b>\$ 16,430,838</b>	<b>\$ 19,307,015</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental Activities	\$ (32,179,012)	\$ (33,139,638)	\$ (35,474,863)	\$ (32,202,733)
Business-Type Activities	(281,549)	1,941,779	619,681	618,067
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (32,460,561)</b>	<b>\$ (31,197,859)</b>	<b>\$ (34,855,182)</b>	<b>\$ (31,584,666)</b>



2012	2013	2014	2015	2016	2016*
\$ 8,859,145	\$ 11,865,375	\$ 9,744,441	\$ 12,795,131	\$ 8,456,094	\$ 5,395,790
20,989,072	19,017,122	20,797,002	22,259,920	33,400,660	13,631,506
2,207,978	1,449,053	5,016,398	4,158,954	8,086,082	4,480,747
10,738,364	13,208,902	10,726,424	8,859,472	6,984,506	7,362,107
1,016,815	1,080,709	1,209,191	987,476	1,057,938	433,303
43,811,374	46,621,161	47,493,456	49,060,953	57,985,280	31,303,453
4,159,836	4,081,382	4,080,350	4,288,137	5,354,514	2,766,772
1,318,730	1,641,540	1,322,518	1,410,722	1,263,527	674,622
1,670,364	1,756,850	1,844,724	1,920,958	2,110,657	1,024,302
-	-	-	-	-	-
7,148,930	7,479,772	7,247,592	7,619,817	8,728,698	4,465,696
\$ 50,960,304	\$ 54,100,933	\$ 54,741,048	\$ 56,680,770	\$ 66,713,978	\$ 35,769,149
\$ 238,190	\$ 330,222	\$ 485,114	\$ 417,915	\$ 456,082	\$ 291,387
2,462,313	2,090,752	2,504,342	3,608,300	2,875,539	1,580,396
212,232	125,794	144,137	107,317	-	-
237,838	422,991	460,458	4,588,613	685,065	231,479
1,143,618	1,131,494	1,166,973	1,114,773	1,218,315	672,466
6,075,050	4,843,630	4,072,079	4,375,595	3,933,596	1,866,646
10,369,241	8,944,883	8,833,103	14,212,513	9,168,597	4,642,374
5,367,480	5,503,049	5,179,180	5,377,744	5,391,676	2,929,368
846,375	1,094,127	772,805	658,557	468,110	328,053
1,757,410	1,773,670	2,053,424	2,010,485	2,047,188	1,063,382
-	-	-	-	-	-
-	-	-	-	-	-
562,770	130,658	959,182	2,566,070	81,555	42,829
8,534,035	8,501,504	8,964,591	10,612,856	7,988,529	4,363,632
\$ 18,903,276	\$ 17,446,387	\$ 17,797,694	\$ 24,825,369	\$ 17,157,126	\$ 9,006,006
\$ (33,442,133)	\$ (37,676,278)	\$ (38,660,353)	\$ (34,848,440)	\$ (48,816,683)	\$ (26,661,079)
1,385,105	1,021,732	1,716,999	2,993,039	(740,169)	(102,064)
\$ (32,057,028)	\$ (36,654,546)	\$ (36,943,354)	\$ (31,855,401)	\$ (49,556,852)	\$ (26,763,143)

**CITY OF DEKALB, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 10,366,305	\$ 12,446,812	\$ 13,371,039	\$ 13,405,653
Sales	10,251,569	11,297,335	11,413,254	11,426,292
Utility	4,230,240	4,012,575	3,739,824	4,449,288
Income	4,274,684	3,954,000	3,472,035	3,561,130
Other	2,695,564	2,575,341	2,484,759	3,426,431
Investment Income	347,511	189,302	75,779	71,691
Miscellaneous	5,618,738	2,972,237	188,830	157,306
Gain on Sale of Assets	-	-	-	-
Transfers In (Out)	232,052	229,413	296,836	(2,453,290)
Total Governmental Activities	38,016,663	37,677,015	35,042,356	34,044,501
Business-Type Activities				
Investment Income	132	300	16	16
Miscellaneous	1,452,830	110,649	42,707	28,384
Transfers In (Out)	(232,052)	(229,413)	(321,836)	2,453,290
Total Business-Type Activities	1,220,910	(118,464)	(279,113)	2,481,690
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 39,237,573</b>	<b>\$ 37,558,551</b>	<b>\$ 34,763,243</b>	<b>\$ 36,526,191</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 5,837,651	\$ 4,537,377	\$ (432,507)	\$ 1,841,768
Business-Type Activities	939,361	1,823,315	340,568	3,099,757
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET POSITION</b>	<b>\$ 6,777,012</b>	<b>\$ 6,360,692</b>	<b>\$ (91,939)</b>	<b>\$ 4,941,525</b>

Note: The City implemented GASB Statement No. 68 for the fiscal year ending June 30, 2015.

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

	2012	2013	2014	2015	2016	2016*
\$	12,733,599	\$ 12,673,310	\$ 12,392,230	\$ 11,981,519	\$ 11,812,941	\$ 12,678,579
	11,132,604	11,078,544	10,435,096	11,092,497	11,801,518	6,197,334
	3,788,953	3,534,755	3,600,059	3,433,879	3,202,384	1,513,310
	3,745,298	4,130,363	4,197,440	4,515,729	4,462,992	1,786,638
	4,775,612	4,835,868	4,994,817	5,340,751	5,585,744	3,279,118
	37,782	124,029	164,693	182,353	(257,706)	103,038
	839,167	623,137	953,687	1,258,401	598,730	344,060
	-	-	-	-	1,741	23,515
	225,400	494,250	627,800	(29,377)	(62,163)	254,247
	37,278,415	37,494,256	37,365,822	37,775,752	37,146,181	26,179,839
	380	4,338	113	27	38,672	18,951
	571	(6,038)	2,492	4,326	109,342	37,876
	(225,400)	(494,250)	(627,800)	29,337	62,163	(254,247)
	(224,449)	(495,950)	(625,195)	33,690	210,177	(197,420)
\$	37,053,966	\$ 36,998,306	\$ 36,740,627	\$ 37,809,442	\$ 37,356,358	\$ 25,982,419
\$	3,836,282	\$ (182,022)	\$ (1,294,531)	\$ 2,927,312	\$ (11,670,502)	\$ (481,240)
	1,160,656	525,782	1,091,804	3,026,729	(529,992)	(299,484)
\$	4,996,938	\$ 343,760	\$ (202,727)	\$ 5,954,041	\$ (12,200,494)	\$ (780,724)

**CITY OF DEKALB, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL FUND</b>				
Reserved	\$ 738,577	\$ 2,067,865	\$ 2,177,003	\$ 6,257
Unreserved	2,161,911	1,633,753	1,331,219	-
Nonspendable	-	-	-	50,934
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	2,692,928
<b>TOTAL GENERAL FUND</b>	<b>\$ 2,900,488</b>	<b>\$ 3,701,618</b>	<b>\$ 3,508,222</b>	<b>\$ 2,750,119</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 1,808,174	\$ 2,653,139	\$ 2,783,493	\$ -
Unreserved, Undesignated (Deficit) Reported in				
Special Revenue Funds	(445)	(362)	(383)	-
Capital Project Funds	9,104,021	8,552,208	13,352,510	-
Nonspendable	-	-	-	3,650
Restricted	-	-	-	11,725,897
Assigned	-	-	-	340,327
Unassigned (Deficit)	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 10,911,750</b>	<b>\$ 11,204,985</b>	<b>\$ 16,135,620</b>	<b>\$ 12,069,874</b>

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

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2016*
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
61,660	37,161	30,216	22,865	361,584	570,613
-	-	104,523	173,187	-	283,543
6,262	6,262	6,262	6,447	-	-
4,669,218	5,177,514	5,916,598	8,018,754	9,123,076	8,374,964
\$ 4,737,140	\$ 5,220,937	\$ 6,057,599	\$ 8,221,253	\$ 9,484,660	\$ 9,229,120
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,500	-	-	-	-	51
12,537,031	12,176,588	11,660,113	12,728,487	13,365,048	13,679,908
219,840	3,739,068	498,285	571,040	358,251	1,130,130
-	-	(205,934)	-	(23,787)	(1,583)
\$ 12,758,371	\$ 15,915,656	\$ 11,952,464	\$ 13,299,527	\$ 13,699,512	\$ 14,808,506

**CITY OF DEKALB, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>REVENUES</b>				
Taxes	\$ 31,898,673	\$ 34,305,038	\$ 34,111,071	\$ 36,266,887
Intergovernmental	4,347,447	6,070,086	5,344,122	6,576,584
Licenses, Permits and Fees	364,103	354,375	346,229	499,938
Charges for Services	1,721,234	1,772,322	1,916,012	2,137,997
Fines and Forfeitures	766,504	728,572	647,913	639,450
Investment Income	347,511	189,302	75,779	71,691
Miscellaneous	734,928	737,263	549,695	517,485
Total Revenues	40,180,400	44,156,958	42,990,821	46,710,032
<b>EXPENDITURES</b>				
General Government	6,925,455	8,604,319	7,839,924	9,582,025
Public Safety	16,666,201	17,407,054	18,074,077	18,267,633
Highways and Streets	2,322,976	1,797,965	1,550,121	1,045,409
Community Development	4,529,707	3,930,979	3,730,883	2,933,330
Capital Outlay	6,843,723	8,163,413	13,281,421	12,011,245
Debt Service				
Principal Retirement	4,465,000	2,605,000	12,825,000	5,940,000
Interest and Fiscal Charges	882,467	859,247	775,771	808,239
Total Expenditures	42,635,529	43,367,977	58,077,197	50,587,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,455,129)	788,981	(15,086,376)	(3,877,849)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,032,407	5,679,484	10,104,589	5,461,545
Transfers (Out)	(3,800,355)	(5,450,071)	(9,807,753)	(8,529,492)
Bonds Issued	10,607,240	-	19,183,291	9,320,000
Premium (Discount) on Bonds Issued	-	-	336,326	(41,304)
Payment to Bond Escrow Agent	-	-	-	(7,158,799)
Sale of Capital Assets	60,231	6,608	7,162	2,050
Total Other Financing Sources (Uses)	10,899,523	236,021	19,823,615	(946,000)
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 8,444,394</b>	<b>\$ 1,025,002</b>	<b>\$ 4,737,239</b>	<b>\$ (4,823,849)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	10.38%	13.44%	8.70%	14.62%

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

2012	2013	2014	2015	2016	2016*
\$ 24,753,767	\$ 24,330,856	\$ 24,430,463	\$ 24,733,924	\$ 25,403,303	\$ 19,709,294
18,750,569	17,863,890	16,384,065	18,199,099	16,614,186	8,284,796
396,095	483,375	554,740	713,565	876,788	308,697
2,149,403	1,727,442	1,961,818	2,003,002	2,285,408	1,447,496
605,075	758,942	1,077,493	1,005,578	854,491	347,070
37,681	120,520	163,453	182,313	(257,706)	103,038
839,167	623,137	953,687	1,258,401	600,698	344,060
47,531,757	45,908,162	45,525,719	48,095,882	46,377,168	30,544,451
8,981,636	10,496,713	9,356,378	11,547,939	8,310,899	5,067,474
19,371,392	18,642,683	19,942,140	20,479,288	21,418,254	13,881,369
609,488	750,074	800,879	537,655	3,773,836	2,317,801
3,185,002	4,083,703	4,015,770	8,500,421	3,588,312	1,432,478
10,359,355	18,631,978	10,892,511	1,547,500	4,835,430	6,213,218
2,129,920	2,268,121	2,548,453	2,296,031	2,065,017	861,667
938,679	835,209	1,054,116	988,529	911,606	437,752
45,575,472	55,708,481	48,610,247	45,897,363	44,903,354	30,211,759
1,956,285	(9,800,319)	(3,084,528)	2,198,519	1,473,814	332,692
5,113,090	5,138,884	6,123,312	5,655,359	3,130,209	2,193,115
(4,420,390)	(4,707,634)	(6,220,512)	(6,034,736)	(2,942,372)	(1,695,868)
-	12,910,969	-	776,775	-	-
-	87,782	-	-	-	-
-	-	-	(776,775)	-	-
26,533	11,400	55,198	6,920	1,741	23,515
719,233	13,441,401	(42,002)	(372,457)	189,578	520,762
\$ 2,675,518	\$ 3,641,082	\$ (3,126,530)	\$ 1,826,062	\$ 1,663,392	\$ 853,454
7.38%	6.99%	8.00%	7.35%	6.79%	4.32%

**CITY OF DEKALB, ILLINOIS**

**TAXABLE SALES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Merchandise	\$ 171,985,064	\$ 164,736,328	\$ 154,138,547	\$ 161,257,806	\$ 129,818,177	\$ 149,564,784	\$ 145,091,378	\$ 145,331,012	\$ 142,983,051	\$ 137,420,731
Food	53,207,066	60,740,900	55,760,959	56,012,687	67,456,918	65,852,747	65,400,022	65,602,683	62,574,399	60,061,923
Drinking and Eating Places	65,260,253	67,402,498	64,478,308	66,461,264	66,649,641	68,587,766	67,411,032	72,375,099	73,690,804	75,136,564
Apparel	9,626,133	7,332,715	6,235,098	5,912,150	30,582,619	7,128,112	8,019,269	9,156,209	9,682,582	9,307,673
Furniture, H.H., and Radio	33,834,022	28,883,333	24,677,414	25,081,450	22,181,422	20,684,998	20,194,461	20,299,326	22,219,433	21,361,547
Lumber, Building Hardware	26,936,010	24,505,165	22,566,265	21,682,737	21,563,108	22,120,923	23,492,009	26,215,248	26,667,559	28,115,438
Automobile and Filling Stations	93,408,943	94,746,090	76,117,806	81,678,462	84,369,200	90,624,448	81,838,781	83,933,383	81,644,714	75,090,664
Drugs and Miscellaneous Retail	83,283,571	84,314,769	81,599,087	79,606,161	76,036,417	74,197,724	78,920,501	81,900,819	86,883,148	89,850,869
Agriculture and All Others	41,446,148	39,136,195	28,154,513	28,623,247	29,011,979	29,448,085	30,174,323	30,610,577	26,789,604	26,717,140
Manufacturers	15,254,811	18,224,889	13,889,966	15,507,914	7,289,300	1,546,592	3,116,244	3,392,915	1,455,793	3,703,355
<b>TOTAL</b>	<b>\$ 594,242,021</b>	<b>\$ 590,022,882</b>	<b>\$ 527,617,963</b>	<b>\$ 541,823,878</b>	<b>\$ 534,958,781</b>	<b>\$ 529,756,179</b>	<b>\$ 523,658,020</b>	<b>\$ 538,817,271</b>	<b>\$ 534,591,087</b>	<b>\$ 526,765,904</b>
<b>CITY DIRECT SALES</b>										
<b>TAX RATE</b>	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

<b>Calendar Year</b>	<b>2007</b>	<b>2008*</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Merchandise	\$ 110,641,629	\$ 105,718,900	\$ 99,635,725	\$ 106,361,293	\$ 87,558,389	\$ 99,024,929	\$ 96,069,313	\$ 95,614,092	\$ 94,092,573	\$ 93,307,247
Food	16,220,246	17,771,292	16,039,202	18,341,512	30,104,054	29,741,123	28,856,277	28,086,495	24,719,290	23,139,941
Drinking and Eating Places	63,696,181	65,892,248	63,016,745	64,921,928	65,295,493	67,176,678	66,489,229	70,711,436	71,004,958	74,617,226
Apparel	9,619,122	7,316,764	6,230,748	5,911,746	19,317,301	7,046,287	7,946,743	9,091,595	9,583,535	9,213,771
Furniture, H.H. and Radio	33,782,135	28,777,827	24,555,874	24,340,125	21,984,344	20,503,154	20,039,027	20,419,645	22,061,903	21,256,310
Lumber, Building Hardware	26,884,766	24,259,864	22,394,973	21,589,323	21,526,692	22,070,597	23,431,577	26,161,570	26,623,933	28,061,982
Automobile and Filling Stations	43,057,278	44,642,599	36,573,132	42,992,984	46,695,364	47,519,288	48,575,366	46,268,699	38,844,447	33,810,004
Drugs and Miscellaneous Retail	58,432,889	59,739,818	58,394,357	57,668,525	56,027,770	56,447,398	58,367,979	59,423,173	59,678,688	59,042,749
Agriculture and All Others	37,826,626	35,885,916	26,970,847	27,405,131	28,250,729	28,487,957	28,584,214	29,168,574	25,247,798	25,269,254
Manufacturers	14,914,125	17,841,691	13,412,811	15,166,169	6,981,465	1,250,597	2,801,034	3,018,957	1,149,345	3,446,081
<b>TOTAL</b>	<b>\$ 415,074,997</b>	<b>\$ 407,846,919</b>	<b>\$ 367,224,414</b>	<b>\$ 384,698,736</b>	<b>\$ 383,741,601</b>	<b>\$ 379,268,008</b>	<b>\$ 381,160,759</b>	<b>\$ 387,964,236</b>	<b>\$ 373,006,470</b>	<b>\$ 371,164,565</b>

**CITY DIRECT SALES**

<b>TAX RATE</b>	1.25%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
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\*The City raised its Home Rule Sales tax to 1.75% on July 1, 2008.

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

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<b>Calendar Year</b>	<b>City Home Rule Rate</b>	<b>Municipal Retailers Occupation Tax</b>	<b>County Rate</b>	<b>State Rate</b>	<b>Total</b>
2007	1.25%	1.00%	0.25%	5.00%	7.50%
2008	1.75%	1.00%	0.25%	5.00%	8.00%
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%

The City raised its Home Rule Sales tax to 1.75% on July 1, 2008.

\*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

<b>Levy Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Farm</b>	<b>Railroad</b>	<b>Total</b>	<b>Total Direct Tax Rate*</b>
2007	\$ 407,662,378	\$ 163,615,149	\$ 51,250,520	\$ 666,539	\$ 628,255	\$ 623,822,841	0.8437
2008	420,413,802	172,166,813	51,905,133	686,727	682,620	645,855,095	0.8509
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	1.3510
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	N/A

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

<b>Tax Levy Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TAX RATES</b>										
City of DeKalb	0.6000	0.6000	0.6500	0.6899	0.7205	0.7952	0.9809	1.0245	1.1942	N/A
DeKalb Library	0.2437	0.2509	0.2793	0.2957	0.3088	0.3369	0.3701	0.3868	0.4911	N/A
	0.8437	0.8509	0.9293	0.9856	1.0293	1.1321	1.3510	1.4113	1.6853	N/A
DeKalb County	0.8449	0.8495	0.8539	0.9052	0.9694	1.0892	1.2013	1.2483	1.2364	N/A
DeKalb Township	0.1116	0.1130	0.1149	0.1260	0.1350	0.1508	0.1687	0.1797	0.1820	N/A
DeKalb Road & Bridge	0.1874	0.1808	0.1839	0.1477	0.1548	0.1768	0.1977	0.2106	0.2133	N/A
Forest Preserve District	0.0677	0.0678	0.0663	0.0700	0.0740	0.0797	0.0852	0.0876	0.0853	N/A
Sanitary District	0.0913	0.0927	0.0944	0.1036	0.1110	0.1244	0.1393	0.1486	0.1504	N/A
DeKalb School District #428	4.7288	5.2079	5.2606	5.7414	6.2148	7.0275	7.8215	8.2714	8.2500	N/A
Kishwaukee Community College	0.5497	0.5468	0.5638	0.5601	0.5758	0.6416	0.7294	0.7123	0.6972	N/A
Park District	0.5247	0.5131	0.5208	0.5606	0.5987	0.6745	0.7519	0.7969	0.7960	N/A
<b>TOTAL TAX RATE PER \$100 EQUALIZED ASSESSED VALUATION</b>	7.9498	8.4225	8.5879	9.2002	9.8628	11.0966	12.4460	13.0667	13.2959	N/A
<b>SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY</b>	10.61%	10.10%	10.82%	10.71%	10.44%	10.20%	10.85%	10.80%	12.68%	N/A

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

December 31, 2016

Taxpayers	Type of Business	2016			2007		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
3M	Warehouse/Distributor	\$ 16,129,836	1	3.32%	\$ 5,412,680	6	1.19%
Target	Warehouse/Distributor	9,860,583	2	2.03%	14,351,446	1	3.14%
University Village I & II	Apartments	6,825,515	3	1.40%	4,913,082	7	1.08%
Panduit	Manufacturing	6,522,488	4	1.34%	6,172,503	5	1.35%
ARC - Goodyear	Warehouse/Distributor	6,028,754	5	1.24%	8,611,728	2	1.89%
Nestle	Warehouse/Distributor	5,722,229	6	1.18%			
Mason Properties	Apartments	5,691,533	7	1.17%	7,917,129	3	1.73%
Northland Plaza	Retail	5,364,985	8	1.10%	6,345,371	4	1.39%
DeKalb Area Retirement Center	Retirement Center	4,946,894	9	1.02%	3,686,624	10	0.81%
JLAR	Apartments/Retail	3,555,646	10	0.73%	4,028,159	9	0.88%
Dream Fund LLC	Apartments				4,648,471	8	1.02%
<b>TOTAL</b>		<u>\$ 70,648,463</u>		<u>14.53%</u>	<u>\$ 66,087,193</u>		<u>14.48%</u>

### 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

Tax Levy Year	City of DeKalb							DeKalb Library						
	Rates per \$100	Total Tax Levy Requested	Collections within the Levy Year		Collections in Subsequent Years	Total Collections to Date		Rates per \$100	Total Tax Levy Requested	Collections within the Levy Year		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy Collected		Amount	Percent of Levy Collected			Amount	Percent of Levy Collected		Amount	Percent of Levy Collected
2007	0.6000	\$ 3,742,937	\$ 3,679,970	98.32%	\$ -	\$ 3,679,970	98.32%	0.2437	\$ 1,520,000	\$ 1,492,137	98.17%	\$ -	\$ 1,492,137	98.17%
2008	0.6000	3,889,007	3,765,927	96.84%	-	3,765,927	96.84%	0.2509	1,620,420	1,574,213	97.15%	-	1,574,213	97.15%
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%
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%
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%
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%
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%
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%
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%
2016	1.2021	5,565,384	-	0.00%	-	-	0.00%	0.0000	3,235,125	-	0.00%	-	-	0.00%

Note: Amount reflects collection through December 31, 2016.

Data Sources

Office of the County Clerk  
Office of the County Treasurer

Total						
Rates per \$100	Total Tax Levy Requested	Collections within the Levy Year			Total Collections to Date	
		Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected
0.8437	\$ 5,262,937	\$ 5,172,107	98.27%	\$ -	\$ 5,172,107	98.27%
0.8509	5,509,427	5,340,140	96.93%	-	5,340,140	96.93%
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%
1.2021	8,800,509	-	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				Total Primary Government	Percentage of Personal Income*	Per Capita*
	G.O. Bonds	G.O. Bond Anticipation Notes	Due to Other Governments	Tax Increment Revenue Bonds	Tax Increment Financing Note	Capital Leases	G.O. Bonds	G.O. Bond Anticipation Notes	IEPA Loan Payable	Capital Leases			
2008	\$ 13,433,931	\$ 10,500,000	\$ 998,998	\$ 2,795,000	\$ -	\$ 1,888,540	\$ 4,395,000	\$ -	\$ 5,346,065	\$ 245,519	\$ 39,603,053	5.31%	\$ 862.87
2009	11,452,534	10,500,000	498,998	2,145,000	-	1,583,900	4,180,000	-	4,994,081	188,714	35,543,227	4.76%	774.16
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
2016**	24,153,425	-	-	-	-	183,333	1,792,865	-	2,480,195	-	28,609,818	3.40%	649.78

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

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Total Taxable Assessed Value of Property*</b>	<b>Per Capita**</b>
2008	\$ 17,828,931	\$ 648,125	\$ 17,180,806	3.76%	\$ 374.33
2009	15,632,534	524,966	15,107,568	2.42%	329.05
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

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

\*\*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.

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

**CITY OF DEKALB, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2016

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<b>Governmental Unit</b>	<b>Gross Bonded Debt</b>	<b>Percentage of Debt Applicable to the City*</b>	<b>City's Share of Debt</b>
City of DeKalb	\$ 25,946,290	100.00%	\$ 25,946,290
DeKalb County	12,790,000	27.10%	3,466,090
DeKalb School District #427	96,496,356	75.12%	72,488,063
Kishwaukee Community College #523	50,141,101	24.62%	12,344,739
Sanitary District	53,031,556	0.83%	440,162
Park District	<u>665,000</u>	99.24%	<u>659,946</u>
Total Overlapping	<u>\$ 213,124,013</u>		<u>\$ 89,399,000</u>
Total Direct and Overlapping	<u>\$ 239,070,303</u>		<u>\$ 115,345,290</u>

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

Note: 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**

## **LEGAL DEBT MARGIN**

December 31, 2016

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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	Incremental	Less Excluded	Available	Debt Service		Coverage	
	Property Taxes	Sales Tax	Contractual Obligations	for Debt Service	Principal	Interest		
2008	\$ 5,360,771	\$ 1,576,559	\$ (500,000)	\$ 6,437,330	\$ 570,000	\$ 87,629	\$ 9.79	
2009	6,597,332	1,645,810	(498,998)	7,744,144	650,000	87,122	10.51	
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	

NA - Information Unavailable

\*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.

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

**CITY OF DEKALB, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Equalized Assessed Value</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Family Income</b>	<b>Unemployment Rate</b>
2008	45,897	\$ 623,822,841	\$ 746,331,117	\$ 16,261	\$ 53,017	5.3%
2009	45,912	645,855,095	746,575,032	16,261	53,017	9.8%
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%

\*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	2016			2007		
	Rank	Employees	% of Total City Population	Rank	Employees	% of Total City Population
Northern Illinois University	1	3,523	8.00%	1	3,600	7.84%
KishHealth System	2	1,200	2.73%	2	700	1.53%
DeKalb School District	3	885	2.01%			
Sonoco - Alloyd Company	4	500	1.14%	5	325	0.71%
3M	5	480	1.09%	6	325	0.71%
Target Distribution Center	6	435	0.99%	3	650	1.42%
Wal-Mart Super Center	7	360	0.82%	4	600	1.31%
Nestle Distribution	8	250	0.57%	8	250	0.54%
City of DeKalb	9	202	0.46%			
Panduit	10	200	0.45%			
GE Motors				10	120	0.26%
Ideal Industries (DeKalb)				9	125	0.27%
Jewel/Osco				7	260	0.57%

### 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

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL GOVERNMENT</b>				
Legislative**	9.00	9.00	9.00	9.00
Administrative Services	25.00	24.00	23.00	17.50
City Clerk	1.50	1.50	1.50	0.50
Legal	4.50	4.50	4.50	3.50
	40.00	39.00	38.00	30.50
<b>PUBLIC SAFETY</b>				
Police				
Officers	63.00	63.00	61.00	60.00
Civilians	26.50	25.50	25.50	24.50
	89.50	88.50	86.50	84.50
Fire				
Firefighters	60.00	60.00	58.00	54.00
Staff	2.00	2.00	2.00	1.00
	62.00	62.00	60.00	55.00
<b>COMMUNITY IMPROVEMENT</b>				
Community Development	21.00	16.50	13.00	-
Engineering Services	5.50	5.50	8.00	-
Public Works				
Administration	1.00	1.00	1.00	2.00
Public Facilities	2.50	1.00	1.00	1.00
Engineering	1.00	1.00	1.00	-
Streets	21.00	19.00	19.00	20.00
	52.00	44.00	43.00	23.00
Water and Sewer	17.50	16.00	16.00	10.00
Airport Division	1.50	1.50	1.50	2.50
Development Services	2.00	1.00	-	6.50
Mass Transit	-	-	-	2.50
<b>TOTAL FULL-TIME EQUIVALENT EMPLOYEES</b>	<b>264.50</b>	<b>252.00</b>	<b>245.00</b>	<b>214.50</b>

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

2012	2013	2014	2015	2016	2016*
9.00	9.00	9.00	9.00	9.00	9.00
16.50	20.00	20.50	22.50	24.00	23.50
0.50	-	-	-	-	-
2.00	-	-	-	-	-
28.00	29.00	29.50	31.50	33.00	32.50
61.00	63.00	65.00	65.00	65.00	65.00
24.50	30.00	30.50	34.00	34.00	34.00
85.50	93.00	95.50	99.00	99.00	99.00
53.00	52.00	57.00	57.00	57.00	57.00
1.00	1.00	1.00	1.50	2.00	2.00
54.00	53.00	58.00	58.50	59.00	59.00
-	7.50	8.00	6.50	6.00	6.00
-	-	-	-	-	-
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
-	0.50	0.50	0.50	2.00	2.00
20.00	21.00	21.00	21.00	21.00	21.00
23.00	32.00	32.50	31.00	32.00	32.00
10.00	10.00	10.50	10.50	10.50	10.50
4.50	4.50	6.00	6.00	6.00	6.00
6.00	-	-	-	-	-
2.50	2.00	2.00	3.50	3.50	3.50
213.50	223.50	234.00	240.00	243.00	242.50



**CITY OF DEKALB, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL GOVERNMENT</b>				
Community Development				
Building Permits Issued				
Residential Permits Issued				
New Construction	43	3	8	2
Remodel	48	82	69	55
Industrial/Commercial Permits Issued				
New Construction	22	9	10	20
Remodel	28	25	31	12
Other Permits	653	681	745	764
Total Number of Permits	794	800	863	853
Total Building Permit Valuation	\$ 31,125,085	\$ 11,102,307	\$ 8,455,270	\$ 30,110,627
<b>PUBLIC SAFETY</b>				
Police				
Physical Arrests	2,359	3,023	2,480	2,689
Traffic Violations	6,102	10,530	8,273	4,829
Parking Violations	13,386	12,986	13,965	13,967
Fire				
Fire Responses (Fire and Non-Fire)	2,908	2,641	3,129	3,199
Emergency Medical Services Responses	4,091	4,018	4,334	4,476
<b>PUBLIC WORKS</b>				
Vehicles Maintained by Department	130	132	131	128
Street Construction (Miles)	-	-	-	-
Street Reconstruction (Miles)	1.30	0.45	1.15	0.65
Street Resurfacing (Miles)	1.48	1.48	1.70	1.73
<b>WATER</b>				
Average Daily Consumption 12/31				
Industrial/Commercial	531,537	488,491	431,992	417,353
Residential	2,284,357	2,275,385	2,171,686	2,185,873
Government/Church/School	677,174	702,852	636,183	561,908
Water Billing Accounts on 12/31				
Industrial/Commercial	774	787	761	767
Residential	9,993	10,007	10,011	10,020
Government/Church/School	230	239	221	224

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

Data Source

Various City Departments

2012	2013	2014	2015	2016	2016*
1	1	4	3	6	-
63	67	52	49	54	25
16	15	21	19	16	5
21	20	25	27	33	22
647	634	651	580	595	355
748	737	753	678	704	407
\$ 11,637,858	\$ 11,611,226	\$ 8,958,807	\$ 54,359,021	\$ 66,276,980	\$ 3,581,909
2,799	2,917	2,795	2,987	2,911	1,650
6,136	4,729	4,253	3,956	3,788	1,442
12,211	9,733	7,144	6,335	5,555	2,899
3,516	3,437	3,489	3,948	4,084	1,667
5,005	5,236	5,207	5,196	5,344	2,122
124	133	135	142	144	145.00
-	-	-	-	-	-
0.16	0.51	0.43	-	-	-
2.86	2.17	1.22	1.66	1.77	1.14
395,288	402,758	401,301	400,450	437,786	444,766
2,114,983	2,117,781	2,124,660	1,997,021	1,922,611	1,959,605
615,165	589,752	562,971	513,539	502,681	610,122
756	753	731	717	682	749
10,104	10,015	9,960	9,963	10,030	9,964
224	225	222	211	217	217

**CITY OF DEKALB, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016*</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	26	28	27	27	26	28	28	29	29	28
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	5	6	7	6	6	6
Fire Trucks	5	4	4	4	4	4	4	5	5	5
<b>PUBLIC WORKS</b>										
Residential Streets (Miles)	125	126	128	128	128	128	128	128	128	128
Traffic Signals	21	22	22	23	24	24	24	24	24	24
<b>WATER</b>										
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)	172	175	175	175	177	177	177	177	178	178

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

Data Source

Various City Departments