



Comprehensive
Annual Financial Report
Year Ended
December 31, 2017

City of DeKalb, Illinois

CITY OF DEKALB, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by the City of DeKalb Finance Department

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INTRODUCTORY SECTION

CITY OF DEKALB, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2017

LEGISLATIVE

Jerry Smith, Mayor

Alderman David Jacobson, Ward One

Alderman Bill Finucane, Ward Two

Alderman Michael Marquardt, Ward Three

Alderman Patrick Fagan, Ward Four

Alderman Katherine Noreiko, Ward Five

Alderman Mike Verbic, Ward Six

Alderman Anthony Faivre, Ward Seven

Susanna Herrmann, City Clerk

ADMINISTRATIVE

Patty Hoppenstedt, Interim City Manager

Gene Lowery, Police Chief

Eric Hicks, Fire Chief

Molly Talkington, Finance Director

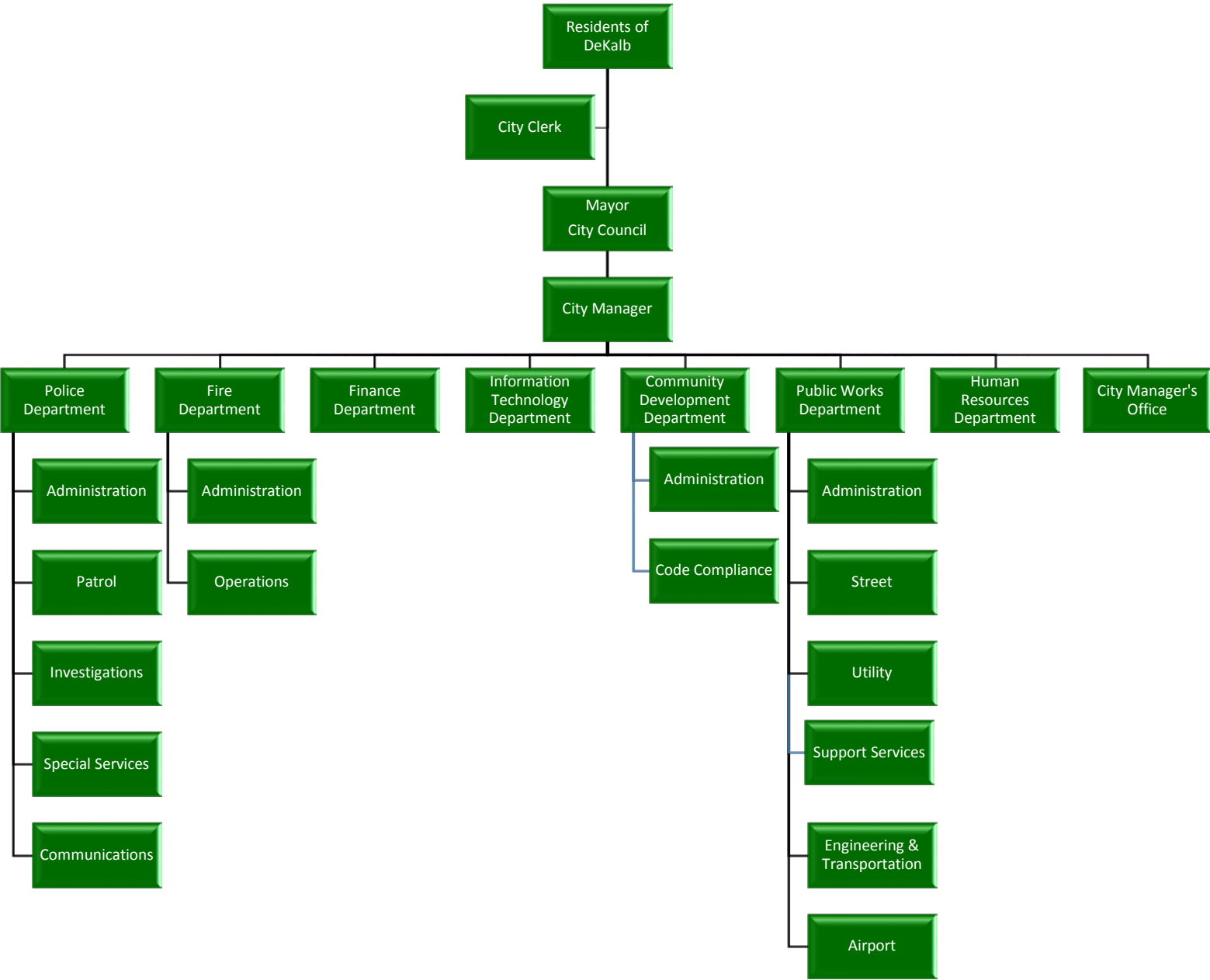
Tim Holdeman, Public Works Director

Jo Ellen Charlton, Community Development Director

Cris Randall, HR Director

Marc Thorson, IT Director

Organizational Chart





Government Finance Officers Association

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

Presented to

**City of DeKalb
Illinois**

For its Comprehensive Annual
Financial Report
for the Six Months Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

June 15, 2018

Mayor Jerry Smith
Members of the DeKalb City Council
Interim City Manager Patty Hoppenstedt
Residents of the City of DeKalb

The Comprehensive Annual Financial Report of the City of DeKalb for the fiscal year ended December 31, 2017 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, 2017. 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. Despite 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 2017 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 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 has shown an increase over the last couple of years and the unemployment rate has dropped as well. The City's total rate setting EAV increased by 7.64% compared to the small increase from the previous year of 0.67%. Prior to the small increase in 2015 the EAV dropped drastically for six years in a row due to the downturn in the economy.



The City's income tax revenue has trended upward slightly from FY16.5. 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 4.40% in March 2018.

The state portion of sales tax revenue remained consistent with the comparable six-months of FY16.5. 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 above budgeted parameters by over \$101,100. 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 \$8,271,793 or 23.68% of annual expenditures, including transfers. This is \$103,171 lower than FY16.5 yet continues to be the strongest the General Fund balance reserves have been in the past decade.

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 unassigned fund balance policy is currently 25% of the total General Fund annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls and possible delays and changes in state distribution of shared revenues.
3. The City adopted a new Purchasing Manual in 2015 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 several recommendations were implemented in FY16.5 and FY17. These were increases to the ambulance transport fees, increase in the video gaming licensing fees, and an increase to the fuel surcharge. 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 23.68% of actual expenditures, including transfers, for FY17. Because the City went from a six-month reporting period in FY16.5 to a twelve-month reporting period in FY17, this was a 17.64% decrease 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 FY17, the City was able to initiate and/or complete a variety of projects, programs and activities designed to meet identified community needs. These included:

- Continued the STEAM Learning Center Feasibility Study.
- Monthly meetings continue to be held with the NIU Student Leaders Group to provide a productive outlet for NIU student voices.
- Increased content levels on the City's Facebook page.
- Initiated the City's performance management process.
- Sustained 25% General Fund unassigned balance reserve level for budget.
- Completed a Request for Proposals (RFP) for an Enterprise Resource Planning (ERP) system and selected a vendor. Implementation will start in 2018.
- 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 24th consecutive year.
- Achieved the Government Finance Officers Association "Distinguished Budget Presentation Award for the 3rd consecutive year.
- Achieved the Government Finance Officers Association Award for "Outstanding Achievement in Popular Annual Financial Reporting" for the 3rd consecutive year.



- Partnered with the State of Illinois Comptroller's Office to collect outstanding debts owed to the City through the Illinois Debt Recovery Program.
- Upgraded the public safety server and storage system in the Police Department to meet the City's growing data needs.
- Continued implementation of "20/20: A Clear Vision for the Future", a strategic plan for 20 new crime reduction and community partnership initiatives in 20 months.
- 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.
- Transitioned the crossing guard management to a private firm.
- Attained the services of a crime analyst to assist City personnel in identifying crime patterns and working with local, state, and federal agencies to combat narcotics trafficking.
- Improved Insurance Service Office (ISO) rating for the City through equipment upgrades, enhanced personnel training, and technological improvements.
- Instituted a CPR program for members of the community.
- Two new ambulances were placed into service.
- Hosted five public outreach meetings on several topics to give residents a platform to provide feedback and voice their concerns.
- Replaced approximately 5,200 feet of water main.
- Secured \$800,000 in grant funds for the installation of a new navigation aids at the airport.
- Secured \$1,530,000 in grant funds for upcoming infrastructure improvements to the airport's entrance road, parking lot, and t-hangar pavements.
- Purchased a portable sewer camera for faster and safer sewer inspections.
- Utilized a mobile data collection application to identify large portions of streets requiring patching work.
- Installed door access readers on all active City facilities to provide an added level of security.
- Relocation and expansion of Thai Pavilion to 251 East Lincoln Highway.
- Assembly, demo, and initial construction of Cornerstone DeKalb.
- Relocation and expansion of SundogIT to 230 East Lincoln Highway.
- Other new business developments including Popeyes, Sonic, Casey's, The Forge, the 5th street strip center (Subway, DeKalb Liquor, and Marco's Pizza), and Unified Wire expansion.
- Renovations at University Village underway.

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 six months ended December 31, 2016. This was the twenty-fourth 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, 2016. This is the third 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 FY17 Budget document. This is the third 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,



Molly Talkington
Finance Director



FINANCIAL SECTION

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Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois (the City), as of and for the year ended December 31, 2017, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 15, 2018 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 15, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DEKALB, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

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, 2017. 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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. Data from the two fiduciary funds are combined into a single, 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 84 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, 2017. 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, 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY17	FY16.5	FY17	FY16.5	FY17	FY16.5
Current and Other Assets \$	48,479,275	51,059,664	7,695,263	7,619,474	56,174,538	58,679,138
Capital Assets	126,729,342	129,363,259	57,284,038	56,506,148	184,013,380	185,869,407
Total Assets	175,208,617	180,422,923	64,979,301	64,125,622	240,187,918	244,548,545
Deferred Outflows	10,393,031	8,990,269	171,920	398,930	10,564,951	9,389,199
Total Assets and Deferred Outflows	185,601,648	189,413,192	65,151,221	64,524,552	250,752,869	253,937,744
Long-Term Liabilities	115,717,205	118,384,298	4,501,478	6,730,081	120,218,683	125,114,379
Other Liabilities	8,592,434	10,630,253	2,777,694	2,051,777	11,370,128	12,682,030
Total Liabilities	124,309,639	129,014,551	7,279,172	8,781,858	131,588,811	137,796,409
Deferred Inflows	20,554,896	15,162,356	1,256,841	115,224	21,811,737	15,277,580
Total Liabilities and Deferred Inflows	144,864,535	144,176,907	8,536,013	8,897,082	153,400,548	153,073,989
Net Position:						
Net Investment in						
Capital Assets	108,657,023	109,971,927	54,064,502	52,481,077	162,721,525	162,453,004
Restricted	13,672,932	13,940,693	-	-	13,672,932	13,940,693
Unrestricted	(81,592,842)	(78,676,335)	2,550,706	3,146,393	(79,042,136)	(75,529,942)
Total Net Position	40,737,113	45,236,285	56,615,208	55,627,470	97,352,321	100,863,755

The City's combined net position decreased from \$100.8 million to \$97.4 million for the fiscal year ending December 31, 2017.

Net position attributable to governmental activities decreased by \$4,499,172 due primarily to the declining net value of the City's capital assets. There were no street reconstructions in 2017, while the value of the streets depreciated was approximately \$2.5 million in 2017. Early on 2018, the City passed an ordinance to increase local motor fuel tax by \$0.02 per gallon to address a critical funding need for the City streets.

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

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

Activities

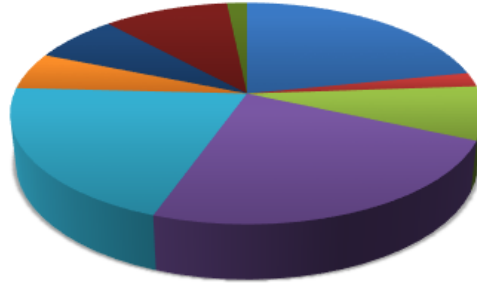
The following table summarizes the revenue and expenses of the City's activities.

Table 2
Changes in Net Position
For the Fiscal Periods Ended December 31, 2016 and December 31, 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY17	FY16.5	FY17	FY16.5	FY17	FY16.5
Revenues						
Program Revenues:						
Charges for Services	\$ 3,980,770	2,103,262	8,700,284	4,320,803	12,681,054	6,424,065
Operating Grants/Contributions	1,213,286	672,466	-	-	1,213,286	672,466
Capital Grants/Contributions	3,737,849	1,866,646	789,468	42,829	4,527,317	1,909,475
General Revenues						
Property Taxes	13,783,140	12,678,579	-	-	13,783,140	12,678,579
Sales Taxes	11,857,871	6,197,334	716	-	11,858,587	6,197,334
Utility Taxes	3,144,611	1,513,310	-	-	3,144,611	1,513,310
State Income Taxes	4,044,119	1,786,638	-	-	4,044,119	1,786,638
Other Taxes	5,648,898	3,279,118	267,120	-	5,916,018	3,279,118
Other	883,042	470,613	62,389	56,827	945,431	527,440
Total Revenues	48,293,586	30,567,966	9,819,977	4,420,459	58,113,563	34,988,425
Expenses						
General Government	8,247,776	5,395,790	-	-	8,247,776	5,395,790
Public Safety	26,862,629	13,631,506	-	-	26,862,629	13,631,506
Highways and Streets	4,887,066	4,480,747	-	-	4,887,066	4,480,747
Community Development	12,186,289	7,362,107	-	-	12,186,289	7,362,107
Interest on Long-Term Debt	777,001	433,303	-	-	777,001	433,303
Water	-	-	5,174,324	2,766,772	5,174,324	2,766,772
Airport	-	-	1,357,269	674,622	1,357,269	674,622
Refuse	-	-	2,132,643	1,024,302	2,132,643	1,024,302
Total Expenses	52,960,761	31,303,453	8,664,236	4,465,696	61,624,997	35,769,149
<i>Change in Net Position Before Transfers</i>	(4,667,175)	(735,487)	1,155,741	(45,237)	(3,511,434)	(780,724)
<i>Transfers</i>	168,003	254,247	(168,003)	(254,247)	-	-
Change in Net Position	(4,499,172)	(481,240)	987,738	(299,484)	(3,511,434)	(780,724)
Net Position, January 1	45,236,285	45,717,525	55,627,470	55,926,954	100,863,755	101,644,479
Restatement	-	-	-	-	-	-
Net Position, December 31	40,737,113	45,236,285	56,615,208	55,627,470	97,352,321	100,863,755

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

Total Primary Government Revenues for FY17



■ Charges for Services - 21.8%	■ Operating Grants/Contributions - 2.1%
■ Capital Grants/Contributions - 7.8%	■ Property Taxes - 23.7%
■ Sales Taxes - 20.4%	■ Utility Taxes - 5.4%
■ State Income Taxes - 7.0%	■ Other Taxes - 10.2%
■ Other - 1.6%	

For the fiscal year ended December 31, 2017, revenues totaled \$58.1 million. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$13.8 million or 23.7% of total revenues. Property taxes support governmental activities almost entirely 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 2017 were based on the 2016 Equalized Assessed Valuation (EAV) and property tax rate. The City’s 2016 EAV increased by 7.64% to \$503,861,829 due primarily to new commercial development. 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 2016 was \$1.20211 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 (0.25%). 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 FY17, general sales tax revenues were \$5,348,970 compared to \$2,748,303 for FY16.5, while home rule sales tax revenues were \$6,508,901 compared to \$3,449,031 for FY16.5. Even though it may appear that sales taxes in the twelve-month fiscal year should result in a sizeable increase, 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.

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

Income taxes are shared with municipalities by the state on a per-capita basis. The City’s income tax revenue was \$4,044,119 in FY17 compared to \$1,786,638 in FY16.5. 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 4.40% in March 2018.

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 \$672,303 was collected in FY17 compared to \$373,735 that was collected in FY16.5. 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.

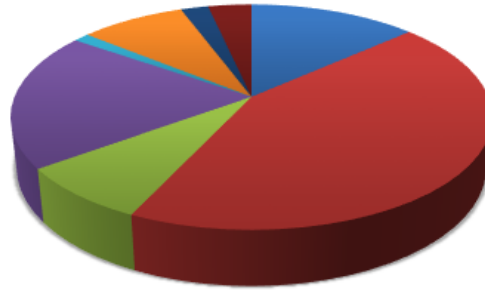
Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the City on a per capita basis. For FY17, \$1,138,904 was collected compared to the \$564,630 collected in FY16.5. 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 \$5,762,896 in FY17 compared to \$2,929,368 in FY16.5. 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 \$4,527,317 in FY17 and \$1,909,475 in FY16.5. The City’s Mass Transit Fund incorporates the majority of the FY17 capital grant revenue with \$3,444,703. Most of the grant revenue is paid to a third party to provide transit services for the City. However, the City used \$463,104 in grant funds to purchase nine new transit vans in order to upgrade the fleet. Airport related capital grants and contributions increased from \$42,829 in FY16.5 to \$789,468 in FY17. Progression on several airport projects, including construction of a new hangar approach, a taxiway rehab, and some drainage improvements, led to the recognition of federal and state contributions on those projects.

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

Total Primary Government Expenses for FY17



General Government - 13.4%	Public Safety - 43.6%
Highways and Streets - 7.9%	Community Development - 19.8%
Interest on Long-Term Debt - 1.3%	Water - 8.4%
Airport - 2.2%	Refuse - 3.5%

The City’s expenses totaled \$61.6 million in FY17 compared to \$35.7 million in FY16.5. General government expenses were 13.4% of the total or \$8,247,776. This represents a 52.8% increase from the FY16.5 total of \$5,395,790. This increase is primarily due to the change from a six-month to a twelve-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 \$26,862,629 or 43.6% of the total. This represents a 97% increase from the FY16.5 total of \$13,631,506. This increase is primarily due to the change from a six-month to a twelve-month fiscal reporting period.

Highways and Streets related expenses were \$4,887,066 or 7.9% of the total. This represents a 9.1% increase from the FY16.5 total of \$4,480,747. Once again, this increase is primarily due to the change from a six-month to a twelve-month fiscal reporting period.

Community Development related expenses accounted for 19.8% of the total or \$12,186,289. This represents a 65.5% increase from the FY16.5 total of \$7,362,107. This increase was due to several TIF projects including Cornerstone DeKalb, a new four-story mixed-use development with three commercial spaces and 51 high end apartments. Other TIF projects include: 1) SundogIT relocation and expansion to 230 East Lincoln Highway; 2) The Forge Brewhouse at 216 N 6th Street; 3) Thai Pavilion relocation and expansion to 251 East Lincoln Highway; and 4) The purchase of property at 124 N 2nd Street for the future Plaza DeKalb project.

Water related expenses were \$5,174,324 or 8.4% of the total. This represents an 87.0% increase from the FY16.5 total of \$2,766,772. This increase is primarily due to the change from a six-month to a twelve-month fiscal reporting period.

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

Airport related expenses were \$1,357,269 or 2.2% of the total. This represents a 101.2% increase from the FY16.5 total of \$674,622.

The Refuse Fund (\$2,132,643 or 3.5% of total expenses) and interest on long-term debt (\$777,001 or 1.3% of total expenses) account for the balance of the FY17 expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At December 31, 2017, the governmental funds had a combined fund balance of \$23,109,919. This reflects a \$927,707 or 3.9% decrease from the prior fiscal year. The General Fund balance decreased by \$155,321 or 1.7%. Originally the General Fund was budgeted to have a \$609,862 increase in its fund balance for FY17. This difference between the budgeted and actual General Fund balance can be attributed to revenues coming in lower than budgeted parameters. The Motor Fuel Tax Fund balance increased by \$268,739 or 8.3%. Two improvement projects that were budgeted for in FY17 were not done. The TIF District Funds fund balances decreased by \$469,064 or 4.5%. The TIF projects that were completed in 2017, that were mentioned earlier, were the reason for the large fund balance decrease. Finally, the fund balances of non-major governmental funds decreased by \$572,061. 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 for FY16.5, several equipment items that were budgeted for in FY16.5 did not get purchased until 2017. This caused the fund balances at fiscal year ending December 31, 2016 to be higher than normal. Since those projects did get completed in FY17, the corresponding fund balances dropped as well.

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

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>
Revenues			
Taxes	\$ 18,735,834	18,735,834	18,443,942
Licenses & Permits	909,350	909,350	707,768
Intergovernmental	11,610,724	11,610,724	11,404,327
Charges for Services	2,455,775	2,455,775	2,380,424
Fines & Forfeitures	891,715	906,493	641,159
Miscellaneous	571,621	571,621	544,474
Total Revenues	35,175,019	35,189,797	34,122,094
Expenditures and Transfers			
General Government	(4,887,638)	(4,887,638)	(4,775,211)
Public Safety	(23,321,262)	(23,401,192)	(23,375,804)
Highways and Streets	(3,756,644)	(3,756,644)	(3,308,274)
Community Development	(1,419,530)	(1,419,530)	(1,432,257)
Disposal of Capital Assets	-	-	5,100
Transfers In	655,181	655,181	655,181
Transfers Out	(1,835,264)	(2,100,042)	(2,046,150)
Total Expenditures and Transfers	(34,565,157)	(34,909,865)	(34,277,415)
Change in Fund Balance	609,862	279,932	(155,321)

The City had originally budgeted for a \$609,862 increase to the General Fund unassigned balance. The City conducts periodic budget reviews throughout the fiscal year to identify revenue and expenditure line items that require amendments and, accordingly, the City Council approved six 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 for land purchase, a police training lab, and increased crossing guard services, decreased the General Fund unassigned balance by an additional \$329,930. Actual results for FY17 indicated a decrease in fund balance of \$155,321. This decrease hinged mostly on the income tax revenue from the State coming in approximately \$500,000 less than budgeted due to the State changing its share of the income tax distribution to municipalities throughout the State in 2017.

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

With respect to the business-type activities, the Water Fund had an increase in Net Position due to a lower IMRF net pension liability for the year ending December 31, 2017. The Municipal Airport Fund also showed an increase in Net Position at the end of FY17. This is due to the fact that the City diverted one and one-half cents (\$0.015) per gallon of home rule motor fuel tax revenue to help support the Municipal Airport Fund starting in 2017. The City has established a fund balance policy for these funds to ensure reserves are available for operations first before committing any funds to capital projects.

Capital Assets

The following schedule reflects the City's capital asset balances as of December 31, 2017 and December 31, 2016.

Table 4
Capital Assets
As of December 31, 2016 and December 31, 2017

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>FY17</i>	<i>FY16.5</i>	<i>FY17</i>	<i>FY16.5</i>	<i>FY17</i>	<i>FY16.5</i>
Land	\$ 10,601,715	10,409,215	19,386,047	19,386,047	29,987,762	29,795,262
Land Right of Way	25,742,257	25,742,257	544,893	544,893	26,287,150	26,287,150
Construction in Progress	283,862	255,667	1,288,969	684,427	1,572,831	940,094
Buildings and Improvements	20,814,645	20,814,645	4,804,864	4,804,864	25,619,509	25,619,509
Equipment	3,024,702	2,832,248	658,640	658,640	3,683,342	3,490,888
Vehicles	9,256,617	8,451,624	995,496	966,936	10,252,113	9,418,560
Infrastructure	153,267,418	153,207,659	12,953,573	12,797,766	166,220,991	166,005,425
Water Distribution System	-	-	44,059,630	42,614,946	44,059,630	42,614,946
Less:						
Accumulated Depreciateion	(96,261,874)	(92,350,056)	(27,408,074)	(25,952,371)	(123,669,948)	(118,302,427)
Total	126,729,342	129,363,259	57,284,038	56,506,148	184,013,380	185,869,407

At year-end, the City's investment in capital assets for both its governmental and business-type activities was \$184.0 million (net of accumulated depreciation). This represents a decrease of \$1.9 million or 1.0% from December 31, 2016. This decrease is the result of the capitalization of new capital assets acquired or constructed during FY17 offset by the current year's depreciation expense for all depreciable capital assets. The largest increases were from \$1.4 million of water main installed and the purchase of several new vehicles, including two ambulances, three police squads, nine transit vehicles, a street sweeper, and support vehicles for fire and water.

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, 2017, the City had a total of \$120,218,683 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, 2017

	Governmental Activities		Business-type Activities		Total	
	FY17	FY16.5	FY17	FY16.5	FY17	FY16.5
General Obligation Bonds	\$ 22,025,000	24,153,425	1,370,000	1,726,575	23,395,000	25,880,000
Premium on Bonds	233,623	284,297	-	-	233,623	284,297
Discount on Bonds	(22,969)	(25,387)	-	-	(22,969)	(25,387)
Capital Leases	166,665	183,332	-	-	166,665	183,332
IEPA Loan	-	-	1,849,536	2,298,496	1,849,536	2,298,496
Compensated Absences	4,881,916	4,937,879	563,719	575,318	5,445,635	5,513,197
Net Pension Liability	80,709,653	81,184,888	289,268	1,703,652	80,998,921	82,888,540
Net OPEB Obligation	7,132,188	7,057,478	428,955	426,040	7,561,143	7,483,518
Claims Payable	591,129	608,386	-	-	591,129	608,386
Total	115,717,205	118,384,298	4,501,478	6,730,081	120,218,683	125,114,379

Regarding governmental activities, \$22,025,000 is outstanding from General Obligation Bonds and \$166,665 is outstanding for capital leases. Additionally, as of December 31, 2017, \$4,881,916 is outstanding for compensated absences payable, \$7,132,188 is outstanding for net other postemployment benefit obligations, \$80,709,653 is outstanding for net pension liabilities, \$591,129 is outstanding for claims payable, and \$210,654 in unamortized premium on bonds was outstanding. The decrease of \$2.6 million in long term debt is attributable mostly to the debt payments made on the General Obligation Bonds, but also a \$3.9 million decrease in Illinois Municipal Retirement Fund (IMRF) net pension liability help offset the \$3.4 million increase in police and fire pension fund liability.

Business-type activity debt includes \$1,370,000 outstanding from the General Obligation Refunding Bonds issued to advance refund the 2004 General Obligation Refunding Bonds issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. Another \$1,849,536 is outstanding IEPA loans. \$563,719 is outstanding in business-type activity debt in the form of compensated absences payable as of December 31, 2017, \$289,268 is outstanding for net pension liabilities, and \$428,955 is outstanding for net other postemployment benefit obligations. Once again, the \$2.2 million decrease is attributable to the debt payments made on the General Obligation Bonds, payments made on the Illinois Environmental Protection Agency (IEPA) loans, and the decrease in IMRF net pension liability.

The City's credit rating was downgraded in 2017 to A1 by Moody's Investors Service citing credit challenges including sizable unfunded pension liabilities and exposure to the State of Illinois given that intergovernmental receipts comprise the City's largest operating fund revenue source.

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

CITY OF DEKALB, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors

Although, the City's property tax base is primarily residential, the commercial and industrial tax base continues to be an important component in the diversification of the City's tax base. In 2017, the equalized assessed valuation (EAV) for residential properties was \$305,785,673 or 57.74% of the total EAV. Commercial EAV was \$164,843,724 or 31.12% of the total EAV. Farm, industrial and other EAV was \$59,000,067 or 11.14% of the total EAV. EAV approximates 33 1/3% of the market value of real property within the City's corporate limits. Property taxes imposed on property within the City's corporate limits provide a stable revenue source. Because the City is a home rule municipality, it is not subject to the Property Tax Extension Limitation Law.

While the City receives revenue from a variety of sources, it closely monitors its sales tax revenue, income tax revenue, and development and construction related revenue such as building permits, water connection fees, and impact fees. In FY17, most revenue sources increased from the previous fiscal year due to the change from a six-month to a twelve-month reporting period. These revenues and all other revenue sources will continue to be monitored during 2018 to ensure that the City addresses any significant variations in revenues in a timely fashion.

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

The 2010 census found that the City's population was 43,862 which is an increase of 12.4% over the 2000 census population of 39,018. The City's population estimate for 2017 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 Molly Talkington, Finance Director, City of DeKalb, 200 S Fourth St, DeKalb, Illinois 60115.

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2017

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and Investments	\$ 26,287,630	\$ 6,120,745	\$ 32,408,375	\$ 2,074,157
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	14,801,089	-	14,801,089	2,543,757
Accounts Receivable	658,962	1,947,583	2,606,545	95,361
Accrued Interest	10,772	781	11,553	-
Other	1,627,677	49,412	1,677,089	-
Prepaid Items	126,677	5,014	131,691	1,582
Inventory	16,704	39,002	55,706	-
Advance To/From Other Funds	478,000	(478,000)	-	-
Due To/From Other Funds	43,575	(43,575)	-	-
Due from Other Governments	4,428,189	54,301	4,482,490	4,649,709
Due from City	-	-	-	11,160
Capital Assets				
Not Depreciated	36,627,834	21,219,909	57,847,743	1,558,032
Depreciated (Net of Accumulated Depreciation)	90,101,508	36,064,129	126,165,637	23,861,942
Total Assets	175,208,617	64,979,301	240,187,918	34,795,700
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	1,168,766	171,920	1,340,686	214,298
Pension Items - Police Pension	4,682,465	-	4,682,465	-
Pension Items - Firefighters' Pension	4,541,800	-	4,541,800	-
Total Deferred Outflows of Resources	10,393,031	171,920	10,564,951	214,298
Total Assets and Deferred Outflows of Resources	185,601,648	65,151,221	250,752,869	35,009,998
LIABILITIES				
Accounts Payable	6,989,299	2,414,410	9,403,709	44,998
Accrued Payroll	723,376	93,200	816,576	39,025
Accrued Interest Payable	320,336	23,887	344,223	122,712
Line of Credit	-	-	-	4,091,659
Unearned Revenue	548,263	210,185	758,448	-
Deposits Payable	-	36,012	36,012	-
Due to Library	11,160	-	11,160	-
Long-Term Liabilities				
Due Within One Year	3,603,615	906,382	4,509,997	1,773,941
Due in More than One Year	112,113,590	3,595,096	115,708,686	6,344,319
Total Liabilities	124,309,639	7,279,172	131,588,811	12,416,654
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	3,522,465	1,256,841	4,779,306	620,296
Pension Items - Firefighters' Pension	839,359	-	839,359	-
Pension Items - Police Pension	1,391,983	-	1,391,983	-
Unavailable Property Taxes	14,801,089	-	14,801,089	2,543,757
Total Deferred Inflows of Resources	20,554,896	1,256,841	21,811,737	3,164,053
Total Liabilities and Deferred Inflows of Resources	144,864,535	8,536,013	153,400,548	15,580,707
NET POSITION				
Net Investment in Capital Assets	108,657,023	54,064,502	162,721,525	13,754,981
Restricted for				
Public Safety	265,892	-	265,892	-
Highways and Streets	3,505,635	-	3,505,635	-
Economic Development	9,901,405	-	9,901,405	-
Endowments	-	-	-	217,915
Unrestricted (Deficit)	(81,592,842)	2,550,706	(79,042,136)	5,456,395
TOTAL NET POSITION	\$ 40,737,113	\$ 56,615,208	\$ 97,352,321	\$ 19,429,291

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 8,247,776	\$ 506,158	\$ -	\$ 3,444,703
Public Safety	26,862,629	2,866,226	8,500	11,654
Highways and Streets	4,887,066	-	1,204,786	281,492
Community Development	12,186,289	608,386	-	-
Interest	777,001	-	-	-
Total Governmental Activities	52,960,761	3,980,770	1,213,286	3,737,849
Business-Type Activities				
Water	5,174,324	5,762,896	-	-
Airport	1,357,269	776,906	-	789,468
Refuse	2,132,643	2,160,482	-	-
Total Business-Type Activities	8,664,236	8,700,284	-	789,468
TOTAL PRIMARY GOVERNMENT	\$ 61,624,997	\$ 12,681,054	\$ 1,213,286	\$ 4,527,317
COMPONENT UNIT				
Library	\$ 2,577,294	\$ 58,543	\$ -	\$ 4,999,315

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Unit Library	
Governmental Activities	Business-Type Activities	Total		
\$ (4,296,915)	\$ -	\$ (4,296,915)	\$ -	
(23,976,249)	-	(23,976,249)	-	
(3,400,788)	-	(3,400,788)	-	
(11,577,903)	-	(11,577,903)	-	
(777,001)	-	(777,001)	-	
(44,028,856)	-	(44,028,856)	-	
-	588,572	588,572	-	
-	209,105	209,105	-	
-	27,839	27,839	-	
-	825,516	825,516	-	
(44,028,856)	825,516	(43,203,340)	-	
-	-	-	2,480,564	
General Revenues				
Taxes				
Property	13,783,140	-	13,783,140	2,865,489
Home Rule Sales	6,508,901	452	6,509,353	-
Utility	3,144,611	-	3,144,611	-
Restaurant/Bar	1,966,938	-	1,966,938	-
Hotel/Motel	320,829	-	320,829	-
Other	1,431,574	267,120	1,698,694	-
Intergovernmental				
State Sales Taxes	5,348,970	264	5,349,234	-
Income Taxes	4,044,119	-	4,044,119	-
Local Use Taxes	1,138,904	-	1,138,904	-
Replacement Taxes	173,727	-	173,727	36,954
Other	616,926	-	616,926	-
Investment Income	201,169	10,557	211,726	11,069
Miscellaneous	671,129	51,832	722,961	6,932
Gain on Sale of Capital Asset	10,744	-	10,744	-
Transfers In (Out)	168,003	(168,003)	-	-
Total	39,529,684	162,222	39,691,906	2,920,444
CHANGE IN NET POSITION	(4,499,172)	987,738	(3,511,434)	5,401,008
NET POSITION, JANUARY 1	45,236,285	55,627,470	100,863,755	14,028,283
NET POSITION, DECEMBER 31	\$ 40,737,113	\$ 56,615,208	\$ 97,352,321	\$ 19,429,291

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2017

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
ASSETS			
Cash and Investments	\$ 5,388,771	\$ 3,684,653	\$ 566,180
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	6,153,901	-	-
Accounts Receivable	658,962	-	-
Accrued Interest	5,559	-	-
Other	1,344,055	-	-
Prepaid Items	96,677	-	-
Inventory	16,704	-	-
Advances to Other Funds	478,000	-	-
Due from Other Governments	3,794,486	97,291	482,630
Due from Other Funds	90,623	43,575	-
TOTAL ASSETS	\$ 18,027,738	\$ 3,825,519	\$ 1,048,810
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,717,270	\$ 249,711	\$ 863,008
Accrued Payroll	715,360	-	8,016
Unearned Revenue	352,317	-	177,786
Due to Library	11,160	-	-
Due to Other Funds	3,931	70,173	-
Total Liabilities	2,800,038	319,884	1,048,810
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenues	6,153,901	-	-
Total Deferred Inflows of Resources	6,153,901	-	-
Total Liabilities and Deferred Inflows of Resources	8,953,939	319,884	1,048,810
FUND BALANCES			
Nonspendable			
Prepays	96,677	-	-
Inventory	16,704	-	-
Advances to Other Funds	478,000	-	-
Restricted			
Public Safety	210,625	-	-
Highways and Streets	-	3,505,635	-
Economic Development	-	-	-
Assigned for Capital Projects	-	-	-
Unassigned (Deficit)	8,271,793	-	-
Total Fund Balances	9,073,799	3,505,635	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 18,027,738	\$ 3,825,519	\$ 1,048,810

Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
Tax Increment Financing #1	Tax Increment Financing #2		
\$ 5,178,926	\$ 8,685,381	\$ 729,817	\$ 24,233,728
7,141,634	1,481,788	23,766	14,801,089
-	-	-	658,962
-	3,370	-	8,929
-	-	15,548	1,359,603
-	-	-	96,677
-	-	-	16,704
-	-	-	478,000
-	-	53,782	4,428,189
3,931	-	-	138,129
\$ 12,324,491	\$ 10,170,539	\$ 822,913	\$ 46,220,010

\$ 3,953,399	\$ 90,145	\$ 71,276	\$ 6,944,809
-	-	-	723,376
-	-	5,000	535,103
-	-	-	11,160
-	-	20,450	94,554

3,953,399	90,145	96,726	8,309,002
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7,141,634	1,481,788	23,766	14,801,089
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7,141,634	1,481,788	23,766	14,801,089
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11,095,033	1,571,933	120,492	23,110,091
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-	-	-	96,677
-	-	-	16,704
-	-	-	478,000

-	-	55,267	265,892
-	-	-	3,505,635
1,229,458	8,598,606	73,341	9,901,405
-	-	587,790	587,790
-	-	(13,977)	8,257,816

1,229,458	8,598,606	702,421	23,109,919
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\$ 12,324,491	\$ 10,170,539	\$ 822,913	\$ 46,220,010
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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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 23,109,919
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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	126,729,342
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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	3,290,482
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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	3,702,441
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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	(2,353,699)
--	-------------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(22,025,000)
Capital leases	(166,665)
Net pension liability - Police Pension	(35,609,637)
Net pension liability - Firefighters' Pension	(42,518,480)
Net pension liability - IMRF	(2,581,536)
Premium on bonds payable	(233,623)
Discount on bonds payable	22,969
Compensated absences payable	(4,881,916)
Other postemployment benefit obligation	(7,132,188)

Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(320,336)
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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>1,705,040</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 40,737,113</u></u>
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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 Year Ended December 31, 2017

		<u>Special Revenue</u>	
	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Mass Transit</u>
REVENUES			
Taxes	\$ 18,443,942	\$ -	\$ -
Licenses and Permits	707,768	-	-
Intergovernmental	11,404,327	1,145,423	3,444,703
Charges for Services	2,380,424	-	-
Fines and Forfeitures	641,159	-	-
Investment Income	102,079	23,504	-
Miscellaneous	442,395	-	436
Total Revenues	34,122,094	1,168,927	3,445,139
EXPENDITURES			
Current			
General Government	4,775,211	-	2,979,409
Public Safety	23,375,804	-	-
Highways and Streets	3,308,274	799,040	-
Community Development	1,432,257	-	-
Capital Outlay	-	101,148	475,284
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	32,891,546	900,188	3,454,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,230,548	268,739	(9,554)
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	5,100	-	1,184
Transfers In	655,181	-	11,370
Transfers (Out)	(2,046,150)	-	(3,000)
Total Other Financing Sources (Uses)	(1,385,869)	-	9,554
NET CHANGE IN FUND BALANCES	(155,321)	268,739	-
FUND BALANCES, JANUARY 1	9,229,120	3,236,896	-
FUND BALANCES, DECEMBER 31	\$ 9,073,799	\$ 3,505,635	\$ -

Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
Tax Increment Financing #1	Tax Increment Financing #2		
\$ 6,845,389	\$ 1,391,223	\$ 475,439	\$ 27,155,993
-	-	-	707,768
-	-	279,328	16,273,781
-	-	197,800	2,578,224
-	-	53,619	694,778
59,489	16,027	70	201,169
3,931	-	224,367	671,129
6,908,809	1,407,250	1,230,623	48,282,842
-	-	366,832	8,121,452
-	-	17,660	23,393,464
-	-	-	4,107,314
731,857	114,136	-	2,278,250
6,321,557	539,573	1,198,633	8,636,195
-	-	2,145,092	2,145,092
-	-	837,529	837,529
7,053,414	653,709	4,565,746	49,519,296
(144,605)	753,541	(3,335,123)	(1,236,454)
-	-	4,460	10,744
-	-	3,199,506	3,866,057
(1,078,000)	-	(440,904)	(3,568,054)
(1,078,000)	-	2,763,062	308,747
(1,222,605)	753,541	(572,061)	(927,707)
2,452,063	7,845,065	1,274,482	24,037,626
\$ 1,229,458	\$ 8,598,606	\$ 702,421	\$ 23,109,919

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (927,707)
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	1,528,071
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,161,988)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of net position	2,145,092
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	(4,335)
The change of accrued interest payable is reported as an expense on the statement of activities	16,607
The change in compensated absences payable does not require a current financial resource	55,963
The change in the other postemployment benefit obligation	(74,710)
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	(1,286,336)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(1,539,400)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	127,874
The change in net position of Internal Service Funds is reported in governmental activities	<u>(426,559)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (4,499,172)</u></u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

December 31, 2017

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds		
	Water	Airport	Refuse	Total	Internal Service Funds
CURRENT ASSETS					
Cash and Investments	\$ 5,475,845	\$ 73,785	\$ 571,115	\$ 6,120,745	\$ 2,053,902
Receivables					
Accounts Receivable	1,781,205	-	166,378	1,947,583	-
Accrued Interest	781	-	-	781	1,843
Other	11,512	37,900	-	49,412	268,074
Prepaid Expenses	2,028	2,986	-	5,014	30,000
Inventory	-	39,002	-	39,002	-
Due from Other Governments	-	54,301	-	54,301	-
Total Current Assets	7,271,371	207,974	737,493	8,216,838	2,353,819
NONCURRENT ASSETS					
Capital Assets					
Nondepreciable	528,648	20,691,261	-	21,219,909	-
Depreciable	47,721,728	15,750,475	-	63,472,203	-
Accumulated Depreciation	(22,023,600)	(5,384,474)	-	(27,408,074)	-
Total Noncurrent Assets	26,226,776	31,057,262	-	57,284,038	-
Total Assets	33,498,147	31,265,236	737,493	65,500,876	2,353,819
DEFERRED OUTFLOWS OF RESOURCES					
Pension Items - IMRF	149,542	22,378	-	171,920	-
Total Assets and Deferred Outflows of Resources	33,647,689	31,287,614	737,493	65,672,796	2,353,819
CURRENT LIABILITIES					
Accounts Payable	1,724,559	182,647	507,204	2,414,410	44,490
Accrued Payroll	83,590	9,610	-	93,200	-
Accrued Interest Payable	21,797	2,090	-	23,887	-
Deposits Payable	10,850	25,162	-	36,012	-
Unearned Revenue	21,802	22,005	166,378	210,185	13,160
Due to Other Funds	43,575	-	-	43,575	-
Claims Payable	-	-	-	-	295,565
General Obligation Bonds Payable	273,875	66,125	-	340,000	-
IEPA Loans Payable	460,381	-	-	460,381	-
Compensated Absences Payable	103,753	2,248	-	106,001	-
Total Current Liabilities	2,744,182	309,887	673,582	3,727,651	353,215
LONG-TERM LIABILITIES					
General Obligation Bonds Payable	825,375	204,625	-	1,030,000	-
Net Pension Liability - IMRF	236,875	52,393	-	289,268	-
Net Other Postemployment Benefit Payable	376,660	52,295	-	428,955	-
IEPA Loans Payable	1,389,155	-	-	1,389,155	-
Advances from Other Funds	-	478,000	-	478,000	-
Compensated Absences Payable	415,011	42,707	-	457,718	-
Claims Payable	-	-	-	-	295,564
Total Long-Term Liabilities	3,243,076	830,020	-	4,073,096	295,564
Total Liabilities	5,987,258	1,139,907	673,582	7,800,747	648,779

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities			Governmental Activities	
			Nonmajor Enterprise Funds		Internal Service Funds
	Water	Airport	Refuse	Total	
DEFERRED INFLOWS OF RESOURCES					
Pension Items - IMRF	\$ 1,159,766	\$ 97,075	\$ -	\$ 1,256,841	\$ -
Total Deferred Inflows of Resources	1,159,766	97,075	-	1,256,841	-
Total Liabilities and Deferred Inflows of Resources	7,147,024	1,236,982	673,582	9,057,588	648,779
NET POSITION					
Net Investment in Capital Assets	23,277,990	30,786,512	-	54,064,502	-
Unrestricted (Deficit)	3,222,675	(735,880)	63,911	2,550,706	1,705,040
TOTAL NET POSITION	\$ 26,500,665	\$ 30,050,632	\$ 63,911	\$ 56,615,208	\$ 1,705,040

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds		Internal Service Funds
	Water	Airport	Refuse	Total	
OPERATING REVENUES					
Charges for Services	\$ 5,762,896	\$ 776,906	\$ 2,160,482	\$ 8,700,284	\$ 6,431,561
Miscellaneous	32,920	13,366	-	46,286	84,241
Total Operating Revenues	5,795,816	790,272	2,160,482	8,746,570	6,515,802
OPERATING EXPENSES					
Administration	-	-	-	-	6,813,607
Operations	4,040,247	965,008	2,132,643	7,137,898	-
Depreciation	1,067,228	388,475	-	1,455,703	-
Total Operating Expenses	5,107,475	1,353,483	2,132,643	8,593,601	6,813,607
OPERATING INCOME (LOSS)	688,341	(563,211)	27,839	152,969	(297,805)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	10,463	94	-	10,557	1,246
State Sales Tax	-	264	-	264	-
Home Rule Sales Tax	-	452	-	452	-
Home Rule Motor Fuel Tax	-	267,120	-	267,120	-
Gain on Sale of Capital Assets	5,546	-	-	5,546	-
Interest Expense	(66,849)	(3,786)	-	(70,635)	-
Total Non-Operating Revenues (Expenses)	(50,840)	264,144	-	213,304	1,246
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	637,501	(299,067)	27,839	366,273	(296,559)
CONTRIBUTIONS					
Capital Contributions	-	789,468	-	789,468	-
Total Contributions	-	789,468	-	789,468	-
TRANSFERS					
Transfers In	155,497	-	-	155,497	326,251
Transfers (Out)	(323,500)	-	-	(323,500)	(456,251)
Total Transfers	(168,003)	-	-	(168,003)	(130,000)
CHANGE IN NET POSITION	469,498	490,401	27,839	987,738	(426,559)
NET POSITION, JANUARY 1	26,031,167	29,560,231	36,072	55,627,470	2,131,599
NET POSITION, DECEMBER 31	\$ 26,500,665	\$ 30,050,632	\$ 63,911	\$ 56,615,208	\$ 1,705,040

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2017

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds		Internal Service Funds
	Water	Airport	Refuse	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 5,563,045	\$ 732,912	\$ 2,200,425	\$ 8,496,382	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	4,862,884
Receipts from Employees and Others	-	-	-	-	1,471,758
Receipts from Miscellaneous Revenues	32,920	13,366	-	46,286	84,241
Payments to Other Funds	(651,841)	(66,951)	(104,000)	(822,792)	-
Payments to Suppliers	(112,157)	(569,886)	(1,686,771)	(2,368,814)	(6,689,243)
Payments to Employees	(2,926,252)	(335,192)	-	(3,261,444)	-
Net Cash from Operating Activities	1,905,715	(225,751)	409,654	2,089,618	(270,360)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Non-Operating Revenues - Home Rule Fuel Tax	-	267,120	-	267,120	-
Non-Operating Revenues - Home Rule Sales Tax	-	452	-	452	-
Non-Operating Revenues - State Sales Tax	-	264	-	264	-
Transfers In	155,497	-	-	155,497	158,301
Transfers (Out)	(323,500)	-	-	(323,500)	(288,301)
Net Cash from Noncapital Financing Activities	(168,003)	267,836	-	99,833	(130,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	(1,429,669)	-	-	(1,429,669)	-
Proceeds From Sale of Capital Assets	5,546	-	-	5,546	-
Proceeds Related to Future Development	-	29,119	-	29,119	-
Principal Payments on Long-Term Debt	(735,285)	(70,250)	-	(805,535)	-
Interest Payments on Long-Term Debt	(72,442)	(4,329)	-	(76,771)	-
Net Cash from Capital and Related Financing Activities	(2,231,850)	(45,460)	-	(2,277,310)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	20,012	94	-	20,106	1,246
Net Cash from Investing Activities	20,012	94	-	20,106	1,246
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(474,126)	(3,281)	409,654	(67,753)	(399,114)
CASH AND CASH EQUIVALENTS, JANUARY 1	5,949,971	77,066	161,461	6,188,498	2,453,016
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,475,845</u>	<u>\$ 73,785</u>	<u>\$ 571,115</u>	<u>\$ 6,120,745</u>	<u>\$ 2,053,902</u>

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Refuse		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 688,341	\$ (563,211)	\$ 27,839	\$ 152,969	\$ (297,805)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,067,228	388,475	-	1,455,703	-
Changes in Assets and Liabilities					
Accounts Receivable	(195,162)	(45,531)	(5,696)	(246,389)	-
Other Receivables	1,496	-	41,880	43,376	(99,001)
Prepaid Expenses	414	4,435	-	4,849	146,099
Inventory	-	1,499	-	1,499	-
Accounts Payable	401,483	(1,769)	341,872	741,586	(4,479)
Accrued Payroll	4,179	(171)	-	4,008	-
Claims Payable	-	-	-	-	(17,256)
Other Payables	(2,585)	(8,569)	-	(11,154)	-
Unearned Revenue	(6,185)	38	3,759	(2,388)	2,082
Pension Items - IMRF	1,264,206	104,421	-	1,368,627	-
Net Pension Liability - IMRF	(1,306,471)	(107,913)	-	(1,414,384)	-
Other Postemployment Benefit	2,630	285	-	2,915	-
Compensated Absences	(13,859)	2,260	-	(11,599)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,905,715	\$ (225,751)	\$ 409,654	\$ 2,089,618	\$ (270,360)
NONCASH TRANSACTIONS					
Capital Contributions	\$ -	\$ 760,349	\$ -	\$ 760,349	\$ -
TOTAL NONCASH TRANSACTIONS	\$ -	\$ 760,349	\$ -	\$ 760,349	\$ -

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

ASSETS

Cash and Short-Term Investments	\$ 5,633,050
Investments	
U.S. Treasury Obligations	8,206,375
U.S. Agency Obligations	4,942,443
Corporate Bonds	2,817,342
Mutual Funds	42,837,867
Receivables	
Accrued Interest	89,756
Prepaid Expenses	<u>3,953</u>
Total Assets	<u>64,530,786</u>

LIABILITIES

Accounts Payable	<u>18,680</u>
Total Liabilities	<u>18,680</u>

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 64,512,106

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

ADDITIONS

Contributions

Employer Contributions	\$ 5,453,830
Employee Contributions	<u>1,100,443</u>

Total Contributions	<u>6,554,273</u>
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Investment Income

Net Appreciation in Fair Value of Investments	5,996,804
Interest	<u>1,522,326</u>

Total Investment Income	7,519,130
Less Investment Expense	<u>(87,564)</u>

Net Investment Income	<u>7,431,566</u>
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Total Additions	<u>13,985,839</u>
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DEDUCTIONS

Administrative Expenses	69,902
Benefits and Refunds	<u>6,674,579</u>

Total Deductions	<u>6,744,481</u>
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NET INCREASE	7,241,358
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**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>57,270,748</u>
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December 31	<u><u>\$ 64,512,106</u></u>
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See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 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 2016 are levied in December 2016 and attach as an enforceable lien on the property on January 1, 2016. Tax bills are prepared by the County and issued on or about May 1, 2017 and August 1, 2017, and are due and collectible on or about June 1, 2017 and September 1, 2017. The County collects the taxes and remits them periodically to the City. Those 2016 taxes were intended to finance the fiscal year ending December 31, 2017. The 2017 levy, which attached as a lien on property as January 1, 2017, is intended to finance the 2018 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)

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:

<u>Assets</u>	<u>Years</u>
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)

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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 1,544,000	\$ 1,544,000	\$ -	\$ -	\$ -
TOTAL	\$ 1,544,000	\$ -	\$ -	\$ -	\$ -

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, 2017: negotiable certificates of deposit of \$1,544,000 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.

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

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at December 31, 2017:

GOVERNMENTAL ACTIVITIES

Local Use Tax	\$ 348,459
Sales Tax - State	1,443,423
Sales Tax - City	1,786,276
Auto Rental Sales Tax	5,039
Video Gaming Tax	36,101
Telecommunication Tax	163,184
Grants	548,416
Motor Fuel Tax	<u>97,291</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,428,189</u>
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BUSINESS-TYPE ACTIVITIES

Airport Grants	<u>\$ 54,301</u>
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TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 54,301</u>
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DISCRETELY PRESENTED COMPONENT UNIT

Library Grants	<u>\$ 4,649,709</u>
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TOTAL DISCRETELY PRESENTED COMPONENT UNIT	<u>\$ 4,649,709</u>
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CITY OF DEKALB, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital Assets Not Being Depreciated					
Land	\$ 10,409,215	\$ 192,500	\$ -	\$ -	\$ 10,601,715
Land Right of Way	25,742,257	-	-	-	25,742,257
Construction in Progress	255,667	87,954	-	59,759	283,862
Total Capital Assets Not Being Depreciated	36,407,139	280,454	-	59,759	36,627,834
Capital Assets being Depreciated					
Buildings and Improvements	20,814,645	-	-	-	20,814,645
Equipment	2,832,248	192,454	-	-	3,024,702
Vehicles	8,451,624	1,055,163	-	250,170	9,256,617
Infrastructure	153,207,659	59,759	-	-	153,267,418
Total Capital Assets Being Depreciated	185,306,176	1,307,376	-	250,170	186,363,382
Less Accumulated Depreciation for					
Buildings and Improvements	4,881,181	390,693	-	-	5,271,874
Equipment	1,910,999	153,508	-	-	2,064,507
Vehicles	5,652,361	504,163	-	250,170	5,906,354
Infrastructure	79,905,515	3,113,624	-	-	83,019,139
Total Accumulated Depreciation	92,350,056	4,161,988	-	250,170	96,261,874
Total Capital Assets Being Depreciated, Net	92,956,120	(2,854,612)	-	-	90,101,508
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 129,363,259	\$ (2,574,158)	\$ -	\$ 59,759	\$ 126,729,342
BUSINESS-TYPE ACTIVITIES					
Capital Assets Not Being Depreciated					
Land	\$ 19,386,047	\$ -	\$ -	\$ -	\$ 19,386,047
Land Improvements	544,893	-	-	-	544,893
Construction in Progress	684,427	760,349	-	155,807	1,288,969
Total Capital Assets Not Being Depreciated	20,615,367	760,349	-	155,807	21,219,909
Capital Assets being Depreciated					
Buildings and Improvements	4,804,864	-	-	-	4,804,864
Equipment	658,640	-	-	-	658,640
Vehicles	966,936	28,560	-	-	995,496
Airport Infrastructure	12,797,766	155,807	-	-	12,953,573
Water Distribution System	42,614,946	1,444,684	-	-	44,059,630
Total Capital Assets Being Depreciated	61,843,152	1,629,051	-	-	63,472,203

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES					
(Continued)					
Less Accumulated Depreciation for					
Building and Improvements	\$ 2,088,188	\$ 93,652	\$ -	\$ -	\$ 2,181,840
Equipment	328,296	33,763	-	-	362,059
Vehicles	788,144	29,072	-	-	817,216
Airport Infrastructure	3,436,291	326,061	-	-	3,762,352
Water Distribution System	19,311,452	973,155	-	-	20,284,607
Total Accumulated Depreciation	25,952,371	1,455,703	-	-	27,408,074
 Total Capital Assets Being Depreciated, Net	 35,890,781	 173,348	 -	 -	 36,064,129
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	\$ 56,506,148	\$ 933,697	\$ -	\$ 155,807	\$ 57,284,038

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 91,956
Public Safety	539,620
Community Development	210,549
Highways and Streets	<u>3,319,863</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES **\$ 4,161,988**

BUSINESS-TYPE ACTIVITIES

Water	\$ 1,067,228
Airport	<u>388,475</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES **\$ 1,455,703**

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 192,500
Public Safety	568,513
Community Development	463,104
Highways and Streets	<u>303,954</u>

TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES **\$ 1,528,071**

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

5. LONG-TERM DEBT

A. General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$10,800,000 2010A Series General Obligation Refunding Bonds, dated May 27, 2010, due in annual installments of \$755,000 to \$1,145,000, plus interest of 2% to 4% through December 2, 2021	TIF Debt Service	\$ 5,200,000	\$ -	\$ 870,000	\$ 4,330,000	\$ 1,020,000
\$3,905,000 2010B Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$150,000 to \$955,000, plus interest of 4.25% to 4.75% through January 1, 2028	General Debt Service	3,905,000	-	-	3,905,000	-
\$5,415,000 2010C Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$180,000 to \$755,000, plus interest of 1.90% to 5.90% through January 1, 2023	General Debt Service	4,270,000	-	205,000	4,065,000	620,000
\$9,905,000 2012A Series General Obligation Bonds, dated October 25, 2012, due in annual installments of \$505,000 to \$845,000, plus interest of 2.00% to 2.50% through January 1, 2030	General Debt Service	8,055,000	-	650,000	7,405,000	660,000

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$2,380,000 2013B Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$40,000 to \$745,000, plus interest of 0.80% to 3.00% through January 1, 2022	General Debt Service	\$ 2,330,000	\$ -	\$ 10,000	\$ 2,320,000	\$ 15,000
\$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	-	286,325	1,099,250	273,875
	Airport	341,000	-	70,250	270,750	66,125
	General Debt Service	393,425	-	393,425	-	-
TOTAL		\$ 25,880,000	\$ -	\$ 2,485,000	\$ 23,395,000	\$ 2,655,000

B. Illinois Environmental Protection Agency Loan Contracts Payable

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$4,072,711 IEPA Loan #L17133700 Contract Payable of 1999, due in semiannual installments of \$133,239 including interest at 2.535% through January 8, 2021	Water	\$ 1,126,557	\$ -	\$ 239,428	\$ 887,129	\$ 245,536
\$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	925,043	-	196,600	728,443	201,615

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

5. LONG-TERM DEBT (Continued)

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$283,072 IEPA Loan #L174045 Contract Payable of 2012, due in semiannual installments of \$5,749 including interest at 2.295% through October 26, 2032						
	Water	\$ 246,896	\$ -	\$ 12,932	\$ 233,964	\$ 13,230
TOTAL		\$ 2,298,496	\$ -	\$ 448,960	\$ 1,849,536	\$ 460,381

C. Capital Leases

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Equipment	Capital Projects	\$ 183,332	\$ -	\$ 16,667	\$ 166,665	\$ 16,667
TOTAL		\$ 183,332	\$ -	\$ 16,667	\$ 166,665	\$ 16,667

D. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	-	-
TOTAL	\$ 22,025,000	\$ 3,989,360	\$ 1,370,000	\$ 42,383

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
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	-	-
TOTAL	\$ 1,849,536	\$ 126,846	\$ 166,665	\$ -

E. Changes in Long-Term Liabilities

During the year ended December 31, 2017, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 24,153,425	\$ -	\$ 2,128,425	\$ 22,025,000	\$ 2,315,000
Premium on Bonds Payable	284,297	-	50,674	233,623	-
Discount on Bonds Payable	(25,387)	-	(2,418)	(22,969)	-
Capital Leases	183,332	-	16,667	166,665	16,667
Compensated Absences Payable	4,937,879	931,613	987,576	4,881,916	976,383
Net Pension Liability - IMRF	6,534,294	-	3,952,758	2,581,536	-
Net Pension Liability - Police Pension	33,850,456	1,759,181	-	35,609,637	-
Net Pension Liability - Firefighters' Pension	40,800,138	1,718,342	-	42,518,480	-
Net Other Postemployment Benefit Obligation	7,057,478	74,710	-	7,132,188	-
Claims Payable	608,386	390,174	407,431	591,129	295,565
TOTAL GOVERNMENTAL ACTIVITIES	\$ 118,384,298	\$ 4,874,020	\$ 7,541,113	\$ 115,717,205	\$ 3,603,615

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

5. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities (Continued)

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds					
Water	\$ 1,385,575	\$ -	\$ 286,325	\$ 1,099,250	\$ 273,875
Airport	341,000	-	70,250	270,750	66,125
Total General Obligation Bonds	1,726,575	-	356,575	1,370,000	340,000
IEPA Loans					
Water	2,298,496	-	448,960	1,849,536	460,381
Net Pension Liability - IMRF					
Water	1,543,346	-	1,306,471	236,875	-
Airport	160,306	-	107,913	52,393	-
Total Net Pension Liability - IMRF	1,703,652	-	1,414,384	289,268	-
Compensated Absences					
Water	532,623	92,666	106,525	518,764	103,753
Airport	42,695	4,395	2,135	44,955	2,248
Total Compensated Absences	575,318	97,061	108,660	563,719	106,001
Other Postemployment Benefit Obligation					
Water	374,030	2,630	-	376,660	-
Airport	52,010	285	-	52,295	-
Total Other Postemployment Benefit Obligation	426,040	2,915	-	428,955	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 6,730,081	\$ 99,976	\$ 2,328,579	\$ 4,501,478	\$ 906,382

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, 2017, there were four IDRBs outstanding totaling \$8,413,213.

6. RISK MANAGEMENT

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

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative

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

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

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

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

The City makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The City makes monthly payments to IPBC for administration of the plan. The City had terminal reserve net of deficit of other accounts as of December 31, 2017 of \$236,238. This amount was declared as a dividend to the City and, therefore, has been recorded as a receivable in the Health Insurance Fund of \$236,238 as of December 31, 2017.

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, 2017, the City is self-insured up to \$600,000 in potential claims losses while any additional claims liabilities are covered by a policy purchased from a national insurance provider.

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

A reconciliation of claims payable for the fiscal years ended December 31, 2016 and 2017 are as follows:

	Workers' Compensation & Liability/Property	
	2016	2017
CLAIMS PAYABLE, JANUARY 1	\$ 598,691	\$ 608,386
Add Claims Incurred	160,547	390,174
Less Claims Paid	(150,852)	(407,431)
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 608,386</u>	<u>\$ 591,129</u>

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

	Due From	Due To
General		
Motor Fuel Tax Fund	\$ 70,173	\$ -
Tax Increment Financing #1	-	3,931
Nonmajor Governmental	20,450	-
Total General	<u>90,623</u>	<u>3,931</u>

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

A. Due From/To Other Funds (Continued)

	Due From	Due To
Motor Fuel Tax Fund		
General	\$ -	\$ 70,173
Water	43,575	-
Total Motor Fuel Tax Fund	<u>43,575</u>	<u>70,173</u>
Tax Increment Financing #1		
General	3,931	-
Total Tax Increment Financing #1	<u>3,931</u>	<u>-</u>
Nonmajor Governmental		
General	-	20,450
Total Nonmajor Governmental	<u>-</u>	<u>20,450</u>
Water Fund		
Motor Fuel Tax	-	43,575
Total Water Fund	<u>-</u>	<u>43,575</u>
TOTAL	<u><u>\$ 138,129</u></u>	<u><u>\$ 138,129</u></u>

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

- \$70,173 due to the General Fund from the Motor Fuel Tax Fund for engineering invoices initially paid out of the General Fund. Repayment is expected within one year.
- \$20,450 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.
- \$43,575 due to the Motor Fuel Tax Fund from the Water Fund for water main replacement invoices initially paid out of the Motor Fuel Tax Fund. Repayment is expected within one year.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Airport	\$ 478,000
TOTAL		\$ 478,000

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 year ended December 31, 2017 were as follows:

	Transfers In	Transfers Out
General		
Mass Transit	\$ -	\$ 11,370
Water	316,000	-
Internal Service	130,000	-
Nonmajor Governmental	209,181	2,034,780
Total General	655,181	2,046,150
Mass Transit Fund		
General	11,370	-
Nonmajor Governmental	-	3,000
Total Mass Transit Fund	11,370	3,000
Tax Increment Financing #1		
Nonmajor Governmental	-	1,078,000
Total Tax Increment Financing #1	-	1,078,000
Nonmajor Governmental		
General	2,034,780	209,181
Tax Increment Financing #1	1,078,000	-
Mass Transit	3,000	-
Water	7,500	155,497
Nonmajor Governmental	76,226	76,226
Total Nonmajor Governmental	3,199,506	440,904

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

C. Interfund Transfers (Continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
Water		
General	\$ -	\$ 316,000
Nonmajor Governmental	155,497	7,500
Total Water	<u>155,497</u>	<u>323,500</u>
Internal Service		
Internal Service	326,251	326,251
General	-	130,000
Total Internal Service	<u>326,251</u>	<u>456,251</u>
TOTAL	<u><u>\$ 4,347,805</u></u>	<u><u>\$ 4,347,805</u></u>

The purpose of significant transfers is as follows:

- \$209,181 transferred from the Nonmajor Governmental Fund (Fleet Replacement Fund and Equipment Fund) to the General Fund to cover previous year over-transfers. This transfer will not be repaid.
- \$316,000 transferred from the Water Fund to the General Fund to cover payment in lieu of taxes. This transfer will not be repaid.
- \$2,034,780 transferred from the General Fund to the Nonmajor Governmental Funds to cover debt service payments (\$1,756,998) and to fund capital purchases (\$277,782). These transfers will not be repaid.
- \$1,078,000 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.
- \$158,301 transferred from the Internal Service Fund (Property/Liability Fund) to the Internal Service Fund (Workers' Compensation) to effectively close the Property Liability Fund. This transfer will not be repaid.
- \$130,000 transferred from the Internal Service Fund (Workers' Compensation Fund) to the General Fund to maintain a net position balance around \$1,000,000. This transfer will not be repaid.
- \$155,497 transferred from the Nonmajor Governmental Funds (CDBG Fund) to the Water Fund to cover the CDBG portion of the water main project. This transfer will not be repaid.

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

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, 2017:

<u>Fund</u>	<u>Deficit Balance</u>
Knolls Special Service Area #4	\$ 285
Greek Row Special Service Area #6	4,935
General Debt Service	8,757

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

C. Sales Tax Sharing

The City has entered into intergovernmental agreement with DeKalb County to share in the sales tax revenues generated from companies located within certain property developments through the fiscal year 2033. The total rebate expenditures incurred during the year ended December 31, 2017 was \$1,731,750 and the total rebate revenue earned during the year ended December 31, 2017 was \$165,358.

9. CONTINGENT LIABILITIES (Continued)

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, 2017, 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)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Membership

At December 31, 2017, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	180
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>207</u>
TOTAL	<u>387</u>
Participating Employers	<u>1</u>

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. 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 year ended December 31, 2017, the City contributed \$1,336,870. 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 2017 and the prior two years was as follows:

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 900,810	\$ 1,007,982	111.90%	\$ 7,359,971
2016**	705,328	556,630	78.92%	7,508,669
2017	1,415,522	1,336,870	94.44%	7,587,321

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The net OPEB obligation (NOPEBO) as December 31, 2017 was calculated as follows:

Annual Required Contribution	\$ 1,375,476
Interest on Net OPEB Obligation	300,346
Adjustment to Annual Required Contribution	<u>(260,300)</u>
Annual OPEB Cost	1,415,522
Contributions Made	<u>(1,336,870)</u>
Increase in Net OPEB Obligation	78,652
Net OPEB Obligation, Beginning of Period	<u>7,508,669</u>
NET OPEB OBLIGATION, END OF PERIOD*	<u><u>\$ 7,587,321</u></u>

*The Library's portion of \$26,178 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 December 31, 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$ 26,488,728
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	26,488,728
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 17,064,339
UAAL as a Percentage of Covered Payroll	155.23%

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 December 31, 2017, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return and an annual healthcare cost trend rate of 8.50% initially, reduced by decrements to an ultimate rate of 4.00%. Both rates include a 2.50% 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. 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, 2017, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	170
Inactive Employees Entitled to but not yet Receiving Benefits	90
Active Employees	<u>103</u>
 TOTAL	 <u><u>363</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, 2017 was 15.33% 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, 2017 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, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	3.39% to 14.25%
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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 56,057,437	\$ 46,644,523	\$ 9,412,914
Changes for the Period			
Service Cost	759,129	-	759,129
Interest	4,124,175	-	4,124,175
Difference Between Expected and Actual Experience	(135,610)	-	(135,610)
Changes in Assumptions	(1,715,186)	-	(1,715,186)
Employer Contributions	-	1,120,679	(1,120,679)
Employee Contributions	-	331,025	(331,025)
Net Investment Income	-	8,294,534	(8,294,534)
Benefit Payments and Refunds	(2,896,009)	(2,896,009)	-
Other (Net Transfer)	-	(651,218)	651,218
Net Changes	136,499	6,199,011	(6,062,512)
BALANCES AT DECEMBER 31, 2017	\$ 56,193,936	\$ 52,843,534	\$ 3,350,402

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

Changes in assumptions related to the salary rate and inflation rate were made since the prior measurement date.

	City	Library	Total
Beginning Net Pension			
Liability at January 1, 2017	\$ 8,237,946	\$ 1,174,968	\$ 9,412,914
Employer Contributions	998,618	129,319	1,127,937
Ending Net Pension Liability			
at December 31, 2017	2,870,804	479,598	3,350,402

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

For the year ended December 31, 2017, the City recognized pension expense of \$824,987 and the Library recognized pension expense of \$106,823.

At December 31, 2017, 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	\$ -	\$ 250,565
Changes in Assumption	-	1,249,215
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	1,554,984	3,899,822
TOTAL	\$ 1,554,984	\$ 5,399,602

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>	
2018	\$ (1,001,718)
2019	(881,888)
2020	(986,055)
2021	(974,957)
2022	-
Thereafter	-
TOTAL	\$ (3,844,618)

	<u>City</u>	<u>Library</u>	<u>Total</u>
Share of Deferred Outflows	\$ 1,340,686	\$ 214,298	\$ 1,554,984
Share of Deferred Inflows	(4,779,306)	(620,296)	(5,399,602)
TOTAL	\$ (3,438,620)	\$ (405,998)	\$ (3,844,618)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) 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 (Asset) - City	\$ 8,653,596	\$ 2,870,804	\$ (1,898,275)
Net Pension Liability (Asset) - Library	1,445,674	479,598	(317,127)
TOTAL	\$ 10,099,270	\$ 3,350,402	\$ (2,215,402)

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, 2017, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>64</u>
TOTAL	<u><u>120</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 2.50% 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 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2017, the City's contribution was 42.62% 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 year ended December 31, 2017.

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%	-0.25%
Fixed Income	32%	
Aggregate Bonds		1.00%
Investment Grade Corporates		1.25%
Intermediate U.S. Treasuries		0.75%
High Yield		3.00%
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	40.30%	
Large Caps		3.25%
Mid Caps		3.50%
Small Caps		3.50%
U.S. Real Estate		4.00%
International Equities	22.75%	
Developed Foreign		4.00%
Emerging Markets		5.75%
Commodities	1.95%	1.50%

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, 2017 are listed in the table above.

Investment Concentrations

At December 31, 2017, 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)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.21%. 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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 1,965,460	\$ -	\$ 786,928	\$ 1,178,532	\$ -
U.S. Agency Obligations	3,022,658	-	2,966,865	55,793	-
Corporate Bonds	2,817,342	-	1,764,582	1,052,760	-
TOTAL	\$ 7,805,460	\$ -	\$ 5,518,375	\$ 2,287,085	\$ -

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, 2017: Mutual funds of \$23,923,959, are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations and corporate bonds of \$7,805,460 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 at December 31, 2017 was 7.00%. The discount rate used to measure the total pension liability at December 31, 2016 was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 JANUARY 1, 2017	\$ 64,976,688	\$ 31,126,232	\$ 33,850,456
Changes for the Period			
Service Cost	1,128,282	-	1,128,282
Interest	4,836,434	-	4,836,434
Difference Between Expected and Actual Experience	295,761	-	295,761
Changes in Assumptions	2,817,069	-	2,817,069
Employer Contributions	-	2,485,107	(2,485,107)
Employee Contributions	-	579,016	(579,016)
Net Investment Income	-	4,291,762	(4,291,762)
Benefit Payments and Refunds	(3,238,369)	(3,238,369)	-
Administrative Expense	-	(37,520)	37,520
Net Changes	5,839,177	4,079,996	1,759,181
BALANCES AT DECEMBER 31, 2017	\$ 70,815,865	\$ 35,206,228	\$ 35,609,637

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 related to salary increase, retirement, disability, and termination rates. The investment rate of return was lowered from 7.50% to 7.00%. Lastly, the percentage of active deaths and disablements and disablements were updated.

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, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.00%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the 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 7.00% 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

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 Sensitivity (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 45,742,803	\$ 35,609,637	\$ 27,316,319

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

For the year ended December 31, 2017, the City recognized pension expense of \$3,771,443. At December 31, 2017, 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	\$ 253,512	\$ 595,735
Changes in Assumptions	4,428,953	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	796,248
TOTAL	\$ 4,682,465	\$ 1,391,983

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>	
2018	\$ 674,750
2019	674,750
2020	460,333
2021	370,025
2022	665,934
Thereafter	<u>444,690</u>
TOTAL	<u>\$ 3,290,482</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, 2017, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	58
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>57</u>
 TOTAL	 <u><u>118</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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2017, the City's contribution was 58.18% 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%	0.40%
Fixed Income		
Short-Term	5%	1.90%
Intermediate	36%	1.70%
Equities		
Large Cap	5%	4.45%
Large Cap Value	5%	4.70%
Mid Cap Value	6%	5.20%
Small Cap	7%	5.60%
Small Cap Value	7%	6.50%
International Developed	4%	4.45%
International Value	7%	6.60%
International Small	7%	7.45%
Emerging Markets	8%	7.50%
U.S. Real Estate	2%	3.90%

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, 2017 are listed in the table above.

Concentrations

At December 31, 2017, the Fund had one investment that represent 5% or more of the Fund's investments (U.S. Treasury Security).

Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 6,240,915	\$ 638,160	\$ 4,169,506	\$ 1,433,249	\$ -
U.S. Agency Obligations	1,919,785	249,880	626,970	690,713	352,222
TOTAL	\$ 8,160,700	\$ 888,040	\$ 4,796,476	\$ 2,123,962	\$ 352,222

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, 2017: Mutual funds of \$18,913,908 are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations of \$6,240,915 and U.S. agency obligations of \$1,919,785 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 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 66,944,654	\$ 26,144,516	\$ 40,800,138
Changes for the Period			
Service Cost	1,122,905	-	1,122,905
Interest	4,976,209	-	4,976,209
Difference Between Expected and Actual Experience	(656,039)	-	(656,039)
Changes in Assumptions	2,872,839	-	2,872,839
Employer Contributions	-	2,968,723	(2,968,723)
Employee Contributions	-	521,427	(521,427)
Net Investment Income	-	3,139,804	(3,139,804)
Benefit Payments and Refunds	(3,436,210)	(3,436,210)	-
Administrative Expense	-	(32,382)	32,382
Net Changes	4,879,704	3,161,362	1,718,342
BALANCES AT DECEMBER 31, 2017	\$ 71,824,358	\$ 29,305,878	\$ 42,518,480

There was a change with respect to actuarial assumptions from the prior year related to salary increase, retirement, disability, and termination rates. The investment rate of return was lowered from 7.50% to 7.00%. Lastly, the percentage of active deaths and disablements and disablements were updated.

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, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.00%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the 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 7.00% 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 52,473,024	\$ 42,518,480	\$ 34,358,149

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2017, the City recognized pension expense of \$4,508,123. At December 31, 2017, 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	\$ 20,023	\$ 622,310
Changes in Assumption	4,521,777	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	217,049
TOTAL	<u>\$ 4,541,800</u>	<u>\$ 839,359</u>

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

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

Year Ending
December 31,

2018	\$ 859,705
2019	859,705
2020	638,452
2021	480,167
2022	547,726
Thereafter	<u>316,686</u>
TOTAL	<u>\$ 3,702,441</u>

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 3,449,635	\$ 2,183,415	\$ 5,633,050
Investments			
U.S. Treasury Obligations	1,965,460	6,240,915	8,206,375
U.S. Agency Obligations	3,022,658	1,919,785	4,942,443
Corporate Bonds	2,817,342	-	2,817,342
Mutual Funds	23,923,959	18,913,908	42,837,867
Receivables			
Accrued Interest	35,782	53,974	89,756
Prepaid Expenses	3,953	-	3,953
Total Assets	35,218,789	29,311,997	64,530,786
LIABILITIES			
Accounts Payable	12,561	6,119	18,680
Total Liabilities	12,561	6,119	18,680
NET POSITION RESTRICTED FOR PENSIONS	\$ 35,206,228	\$ 29,305,878	\$ 64,512,106

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,485,107	\$ 2,968,723	\$ 5,453,830
Employee	579,016	521,427	1,100,443
Total Contributions	3,064,123	3,490,150	6,554,273
Investment Income			
Net Appreciation in Fair Value of Investments	3,710,308	2,286,496	5,996,804
Interest	624,933	897,393	1,522,326
Total Investment Income	4,335,241	3,183,889	7,519,130
Less Investment Expense	(43,479)	(44,085)	(87,564)
Net Investment Income	4,291,762	3,139,804	7,431,566
Total Additions	7,355,885	6,629,954	13,985,839
DEDUCTIONS			
Administrative Expenses	37,520	32,382	69,902
Benefits and Refunds	3,238,369	3,436,210	6,674,579
Total Deductions	3,275,889	3,468,592	6,744,481
NET INCREASE	4,079,996	3,161,362	7,241,358
NET POSITION RESTRICTED FOR PENSIONS			
January 1	31,126,232	26,144,516	57,270,748
December 31	\$ 35,206,228	\$ 29,305,878	\$ 64,512,106

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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 293,913	\$ 69,928	\$ 223,985	\$ -	\$ -
TOTAL	\$ 293,913	\$ 69,928	\$ 223,985	\$ -	\$ -

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, 2017: negotiable certificates of deposit of \$293,913 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 2016 are levied in December 2016 and attach as an enforceable lien on the property on January 1, 2016. Tax bills are prepared by the County and issued on or about May 1, 2017 and August 1, 2017, and are due and collectible on or about June 1, 2017 and September 1, 2017. The County collects the taxes and remits them periodically to the City. Those 2016 taxes were intended to finance the year ending December 31, 2017. The 2017 levy, which attached as a lien on property as January 1, 2017, is intended to finance the 2018 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

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

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

D. Capital Assets

The following is a summary of the capital asset activity for the year ended December 31, 2017:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 1,558,032	\$ -	\$ -	\$ 1,558,032
Construction in Progress	23,729,280	173,688	23,902,968	-
Total Capital Assets not Being Depreciated	25,287,312	173,688	23,902,968	1,558,032
Capital Assets Being Depreciated				
Buildings and Improvements	593,325	23,902,968	-	24,496,293
Equipment and Furniture	227,010	-	-	227,010
Total Capital Assets Being Depreciated	820,335	23,902,968	-	24,723,303
Less Accumulated Depreciation for				
Buildings and Improvements	374,962	308,810	-	683,772
Equipment and Furniture	160,121	17,468	-	177,589
Total Accumulated Depreciation	535,083	326,278	-	861,361
Total Capital Assets Being Depreciated, Net	285,252	23,576,690	-	23,861,942
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$25,572,564	\$23,750,378	\$23,902,968	\$25,419,974

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

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 326,278</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u><u>\$ 326,278</u></u>

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

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

E. Long-Term Debt

General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$6,685,000 2013A Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$265,000 to \$470,000, plus interest of 3% to 4% through January 1, 2033	Library General	\$ 6,150,000	\$ -	\$ 280,000	\$ 5,870,000	\$ 285,000
TOTAL		\$ 6,150,000	\$ -	\$ 280,000	\$ 5,870,000	\$ 285,000

Loans Payable

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$3,000,000 Loan Payable of 2015 dated June 5, 2015 matures on March 17, 2018, plus interest at prime rate (3.75%) at December 31, 2017	Library General	\$ 1,570,000	\$ -	\$ 200,000	\$ 1,370,000	\$ 1,370,000
TOTAL		\$ 1,570,000	\$ -	\$ 200,000	\$ 1,370,000	\$ 1,370,000

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

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

E. Long-Term Debt (Continued)

Debt Certificates

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

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$1,000,000 2011 Series Debt Certificates, Dated December 16, 2011, due in annual installments of \$111,000, plus interest of 2.96% through July 1, 2020	Library General	\$ 444,445	\$ -	\$ 111,111	\$ 333,334	\$ 111,111
TOTAL		\$ 444,445	\$ -	\$ 111,111	\$ 333,334	\$ 111,111

Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2018	\$ 285,000	\$ 197,350	\$ 1,370,000	\$ 14,537
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	-	-
TOTAL	\$ 5,870,000	\$ 1,860,601	\$ 1,370,000	\$ 14,537

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
2018	\$ 111,111	\$ 9,867
2019	111,111	6,578
2020	111,112	3,289
TOTAL	\$ 333,334	\$ 19,734

Changes in Long-Term Liabilities

During the year ended December 31, 2017, the following changes occurred in long-term liabilities for Library:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 6,150,000	\$ -	\$ 280,000	\$ 5,870,000	\$ 285,000
Loans Payable	1,570,000	-	200,000	1,370,000	1,370,000
Debt Certificates Payable	444,445	-	111,111	333,334	111,111
Compensated Absences Payable	5,372	34,852	1,074	39,150	7,830
Net Pension Liability - IMRF	1,174,968	-	695,370	479,598	-
Net Other Postemployment Benefit Obligation	25,151	1,027	-	26,178	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,369,936	\$ 35,879	\$ 1,287,555	\$ 8,118,260	\$ 1,773,941

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 year ended December 31, 2017, the following changes occurred in short-term liabilities:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Line of Credit	\$ 3,830,331	\$ 561,328	\$ 300,000	\$ 4,091,659	\$ 4,091,659
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,830,331	\$ 561,328	\$ 300,000	\$ 4,091,659	\$ 4,091,659

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 year ended December 31, 2017 totaled \$561,328. Amounts due at December 31, 2017 totaled \$4,091,659. Interest is payable at 3.75% and paid monthly. The line of credit was set to mature March 18, 2017 but was extended through March 17, 2018.

13. TAX ABATEMENTS

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

For the year ended December 31, 2017, 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 fifth year of the five-year abatement. The abatement for the year amounted to \$43,619. The City also rebated 50% of the City portion of the property tax levy for the Right Pointe development located at 2754 Wagner Court. This is the third year of the five-year abatement. The abatement for the year amounted to \$3,495.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2017

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
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
2017	-	26,488,728	0.00%	26,488,728	17,064,339	155.23%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2017	1,336,870	1,375,476	97.19%

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 Four Fiscal Years

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

*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, 2016. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% 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.

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Five Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017
Actuarially Determined Contribution	\$ 1,379,234	\$ 1,627,268	\$ 1,730,712	\$ 1,080,991	\$ 2,502,904
Contribution in Relation to the Actuarially Determined Contribution	1,352,291	1,448,949	1,622,105	2,085,233	2,485,107
CONTRIBUTION DEFICIENCY (Excess)	\$ 26,943	\$ 178,319	\$ 108,607	\$ (1,004,242)	\$ 17,797
Covered-Employee Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291	\$ 5,417,619	\$ 5,831,117
Contributions as a Percentage of Covered-Employee Payroll	25.93%	26.04%	28.77%	38.49%	42.62%

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

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of December 31 of two years prior. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.0% 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 EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Five Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017
Actuarially Determined Contribution	\$ 2,078,061	\$ 2,250,772	\$ 2,373,253	\$ 1,312,560	\$ 3,183,910
Contribution in Relation to the Actuarially Determined Contribution	2,037,490	2,024,522	2,158,166	2,512,630	2,968,723
CONTRIBUTION DEFICIENCY (Excess)	\$ 40,571	\$ 226,250	\$ 215,087	\$ (1,200,070)	\$ 215,187
Covered-Employee Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381	\$ 4,895,248	\$ 5,102,831
Contributions as a Percentage of Covered-Employee Payroll	43.83%	41.77%	43.68%	51.33%	58.18%

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

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of December 31 of two years prior. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.5% 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 Four Fiscal Years

MEASUREMENT DATE	DECEMBER 31, 2014	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 708,539	\$ 681,650	\$ 744,857	\$ 759,129
Interest	3,499,944	3,822,530	4,008,711	4,124,175
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	940,811	459,522	(502,701)	(135,610)
Changes of Assumptions	1,655,050	66,340	(267,155)	(1,715,186)
Benefit Payments, Including Refunds of Member Contributions	(2,279,953)	(2,414,792)	(2,579,844)	(2,896,009)
Net Change in Total Pension Liability	4,524,391	2,615,250	1,403,868	136,499
Total Pension Liability - Beginning	47,513,928	52,038,319	54,653,569	56,057,437
TOTAL PENSION LIABILITY - ENDING	\$ 52,038,319	\$ 54,653,569	\$ 56,057,437	\$ 56,193,936
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,417,780	\$ 1,122,559	\$ 1,190,069	\$ 1,120,679
Contributions - Member	292,711	351,553	332,849	331,025
Net Investment Income	2,586,081	223,883	3,018,640	8,294,534
Benefit Payments, Including Refunds of Member Contributions	(2,279,953)	(2,414,792)	(2,579,844)	(2,896,009)
Administrative Expense	550,760	162,122	(9,392)	(651,218)
Net Change in Plan Fiduciary Net Position	2,567,379	(554,675)	1,952,322	6,199,011
Plan Net Fiduciary Position - Beginning	42,679,497	45,246,876	44,692,201	46,644,523
PLAN NET FIDUCIARY POSITION - ENDING	\$ 45,246,876	\$ 44,692,201	\$ 46,644,523	\$ 52,843,534
EMPLOYER'S NET PENSION LIABILITY	\$ 6,791,443	\$ 9,961,368	\$ 9,412,914	\$ 3,350,402
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.90%	81.80%	83.20%	94.00%
Covered-Employee Payroll	\$ 6,138,945	\$ 6,850,602	\$ 7,288,918	\$ 7,312,033
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	110.60%	145.40%	129.10%	45.80%

Changes in assumptions related to the salary rate and inflation rate 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 Five Fiscal Years

MEASUREMENT DATE	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016**	DECEMBER 31, 2017
TOTAL PENSION LIABILITY					
Service Cost	\$ 983,478	\$ 994,063	\$ 1,138,556	\$ 581,851	\$ 1,128,282
Interest	3,601,542	3,816,916	4,396,163	2,278,348	4,836,434
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	654,735	546,806	(981,619)	(30,834)	295,761
Changes of Assumptions*	-	3,756,869	-	2,685,767	2,817,069
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)	(3,238,369)
Net Change in Total Pension Liability	2,984,029	6,634,167	2,131,242	4,078,823	5,839,177
Total Pension Liability - Beginning	49,148,427	52,132,456	58,766,623	60,897,865	64,976,688
TOTAL PENSION LIABILITY - ENDING	\$ 52,132,456	\$ 58,766,623	\$ 60,897,865	\$ 64,976,688	\$ 70,815,865
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,352,291	\$ 1,448,949	\$ 1,622,105	\$ 2,085,233	\$ 2,485,107
Contributions - Member	632,775	711,771	570,363	282,997	579,016
Contributions - Buy Back	-	-	157,490	11,240	-
Net Investment Income	3,240,785	312,398	17,314	1,516,374	4,291,762
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)	(2,579,348)	(1,447,549)	(3,238,369)
Administrative Expense	(39,544)	(44,531)	(44,990)	(21,998)	(37,520)
Net Change in Plan Fiduciary Net Position	2,930,581	(51,900)	(257,066)	2,426,297	4,079,996
Plan Net Fiduciary Position - Beginning	26,078,320	29,008,901	28,957,001	28,699,935	31,126,232
PLAN NET FIDUCIARY POSITION - ENDING	\$ 29,008,901	\$ 28,957,001	\$ 28,699,935	\$ 31,126,232	\$ 35,206,228
EMPLOYER'S NET PENSION LIABILITY	\$ 23,123,555	\$ 29,809,622	\$ 32,197,930	\$ 33,850,456	\$ 35,609,637
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.60%	49.30%	47.10%	47.90%	49.70%
Covered-Employee Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291	\$ 5,417,619	\$ 5,831,117
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	443.30%	535.60%	571.10%	624.80%	610.70%

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

**The 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 Five Fiscal Years

MEASUREMENT DATE	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016**	DECEMBER 31, 2017
TOTAL PENSION LIABILITY					
Service Cost	\$ 1,033,286	\$ 1,077,550	\$ 1,103,489	\$ 560,373	\$ 1,122,905
Interest	3,857,132	4,102,276	4,495,233	2,345,602	4,976,209
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	1,330,700	(477,382)	(102,841)	26,697	(656,039)
Changes of Assumptions*	-	2,460,941	-	2,745,788	2,872,839
Contributions - Buy Back	-	-	-	80,812	-
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)	(3,072,413)	(1,607,243)	(3,436,210)
Net Change in Total Pension Liability	3,298,520	4,180,915	2,423,468	4,152,029	4,879,704
Total pension liability - beginning	52,889,722	56,188,242	60,369,157	62,792,625	66,944,654
TOTAL PENSION LIABILITY - ENDING	\$ 56,188,242	\$ 60,369,157	\$ 62,792,625	\$ 66,944,654	\$ 71,824,358
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 2,037,490	\$ 2,024,522	\$ 2,158,156	\$ 2,512,630	\$ 2,968,723
Contributions - Member	420,534	466,475	477,022	257,245	521,427
Contributions - Buy Back	-	-	-	80,812	-
Net Investment Income	3,075,655	126,661	(403,920)	1,447,151	3,139,804
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)	(3,072,413)	(1,607,243)	(3,436,210)
Administrative Expense	(34,562)	(43,547)	(41,613)	(17,540)	(32,382)
Net Change in Plan Fiduciary Net Position	2,576,519	(408,359)	(882,768)	2,673,055	3,161,362
Plan Net Fiduciary Position - Beginning	22,186,069	24,762,588	24,354,229	23,471,461	26,144,516
PLAN NET FIDUCIARY POSITION - ENDING	\$ 24,762,588	\$ 24,354,229	\$ 23,471,461	\$ 26,144,516	\$ 29,305,878
EMPLOYER'S NET PENSION LIABILITY	\$ 31,425,654	\$ 36,014,928	\$ 39,321,164	\$ 40,800,138	\$ 42,518,480
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.10%	40.30%	37.40%	39.10%	40.80%
Covered-Employee Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381	\$ 4,895,248	\$ 5,102,831
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	676.00%	743.10%	795.80%	833.50%	833.20%

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

**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 Five Fiscal Years

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

*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 Five Fiscal Years

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

*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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 18,735,834	\$ 18,735,834	\$ 18,443,942
Licenses and Permits	909,350	909,350	707,768
Intergovernmental	11,610,724	11,610,724	11,404,327
Charges for Services	2,455,775	2,455,775	2,380,424
Fines and Forfeitures	891,715	906,493	641,159
Investment Income	75,000	75,000	102,079
Miscellaneous	496,621	496,621	442,395
Total Revenues	35,175,019	35,189,797	34,122,094
EXPENDITURES			
General Government	4,887,638	4,887,638	4,775,211
Public Safety	23,321,262	23,401,192	23,375,804
Highways and Streets	3,756,644	3,756,644	3,308,274
Community Development	1,419,530	1,419,530	1,432,257
Total Expenditures	33,385,074	33,465,004	32,891,546
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,789,945	1,724,793	1,230,548
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	-	-	5,100
Transfers In	655,181	655,181	655,181
Transfers (Out)	(1,835,264)	(2,100,042)	(2,046,150)
Total Other Financing Sources (Uses)	(1,180,083)	(1,444,861)	(1,385,869)
NET CHANGE IN FUND BALANCE	<u>\$ 609,862</u>	<u>\$ 279,932</u>	(155,321)
FUND BALANCE, JANUARY 1			<u>9,229,120</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 9,073,799</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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,140,378	\$ 1,140,378	\$ 1,143,259
Federal Grants	-	-	2,164
Investment Income	3,000	3,000	23,504
Total Revenues	1,143,378	1,143,378	1,168,927
EXPENDITURES			
Highways and Streets			
Commodities	100,000	100,000	90,121
Contractual Services	855,000	855,000	708,919
Capital Outlay	775,000	775,000	101,148
Total Expenditures	1,730,000	1,730,000	900,188
NET CHANGE IN FUND BALANCE	<u>\$ (586,622)</u>	<u>\$ (586,622)</u>	268,739
FUND BALANCE, JANUARY 1			<u>3,236,896</u>
FUND BALANCE, DECEMBER 31			<u>\$ 3,505,635</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ 2,716,953	\$ 2,716,953	\$ 1,447,360
State Grants	4,317,830	4,317,830	1,997,343
Miscellaneous	16,204	16,204	436
Total Revenues	7,050,987	7,050,987	3,445,139
EXPENDITURES			
General Government			
Personal Services	232,914	232,914	230,957
Commodities	23,217	23,217	13,614
Contractual Services	5,306,568	5,306,568	2,734,838
Capital Outlay	1,493,658	1,493,658	475,284
Total Expenditures	7,056,357	7,056,357	3,454,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,370)	(5,370)	(9,554)
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	-	-	1,184
Transfers In	11,370	11,370	11,370
Transfers (Out)	(3,000)	(3,000)	(3,000)
Total Other Financing Sources (Uses)	8,370	8,370	9,554
NET CHANGE IN FUND BALANCE	<u>\$ 3,000</u>	<u>\$ 3,000</u>	-
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ -</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 #1 FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 6,278,579	\$ 6,278,579	\$ 6,845,389
Investment Income	4,800	4,800	59,489
Miscellaneous	-	-	3,931
Total Revenues	6,283,379	6,283,379	6,908,809
EXPENDITURES			
Community Development			
Contractual Services	1,506,083	1,506,083	731,857
Capital Outlay	5,674,290	5,674,290	6,321,557
Total Expenditures	7,180,373	7,180,373	7,053,414
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(896,994)	(896,994)	(144,605)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,078,000)	(1,078,000)	(1,078,000)
Total Other Financing Sources (Uses)	(1,078,000)	(1,078,000)	(1,078,000)
NET CHANGE IN FUND BALANCE	<u>\$ (1,974,994)</u>	<u>\$ (1,974,994)</u>	(1,222,605)
FUND BALANCE, JANUARY 1			<u>2,452,063</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,229,458</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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,130,215	\$ 1,130,215	\$ 1,391,223
Investment Income	16,000	16,000	16,027
Total Revenues	1,146,215	1,146,215	1,407,250
EXPENDITURES			
Community Development			
Contractual Services	243,861	243,861	114,136
Capital Outlay	820,000	820,000	539,573
Total Expenditures	1,063,861	1,063,861	653,709
NET CHANGE IN FUND BALANCE	<u>\$ 82,354</u>	<u>\$ 82,354</u>	753,541
FUND BALANCE, JANUARY 1			<u>7,845,065</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 8,598,606</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

1. BUDGETS

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

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

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

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

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

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

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all financial resources except those 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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 5,565,384	\$ 5,565,384	\$ 5,523,531
Home Rule Sales	6,512,000	6,512,000	6,508,901
Utilities	3,369,000	3,369,000	3,144,611
Franchise	498,000	498,000	499,384
Restaurant/Bar	1,935,000	1,935,000	1,966,938
Miscellaneous	856,450	856,450	800,577
Total Taxes	18,735,834	18,735,834	18,443,942
Licenses and Permits			
Licenses			
Amusement	2,900	2,900	4,350
Liquor	240,000	240,000	242,123
Rooming House	17,900	17,900	15,200
Other	92,000	92,000	67,635
Permits			
Building and Electrical	472,500	472,500	195,760
Plumbing	26,500	26,500	76,927
HVAC	30,000	30,000	83,618
Sewer	3,750	3,750	2,910
Parking	3,800	3,800	1,770
Other	20,000	20,000	17,475
Total Licenses and Permits	909,350	909,350	707,768
Intergovernmental			
State Sales	5,364,944	5,364,944	5,348,970
Income	4,513,075	4,513,075	4,044,119
Local Use	1,034,705	1,034,705	1,138,904
Replacement	153,000	153,000	173,727
Federal Grants	15,000	15,000	81,681
TIF Property Tax Surplus	180,000	180,000	251,286
TIF Sales Tax Surplus	350,000	350,000	365,640
Total Intergovernmental	11,610,724	11,610,724	11,404,327

(This schedule is continued on the following page.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for Services			
Fire Services	910,000	910,000	949,828
Ambulance Fees	1,060,000	1,060,000	1,023,981
Police Services	10,000	10,000	6,832
Zoning Fees	12,000	12,000	10,925
Hotel Inspection Fees	5,000	5,000	5,100
Administration Fees	135,675	135,675	137,508
Fuel Sales	128,100	128,100	76,393
Rental Crime Free Registration	195,000	195,000	167,750
Finger Print Fee	-	-	2,107
Total Charges for Services	2,455,775	2,455,775	2,380,424
Fines and Forfeitures			
Circuit Court	\$ 325,000	\$ 325,000	\$ 299,554
Tow	222,200	222,200	141,140
Police	161,896	176,674	91,588
Abatement	9,619	9,619	-
False Fire Alarm	5,000	5,000	4,100
DUI	55,000	55,000	29,882
Other	113,000	113,000	74,895
Total Fines and Forfeitures	891,715	906,493	641,159
Investment Income	75,000	75,000	102,079
Miscellaneous			
Refunds/Reimbursements	391,621	391,621	358,380
Miscellaneous	105,000	105,000	84,015
Total Miscellaneous	496,621	496,621	442,395
TOTAL REVENUES	\$ 35,175,019	\$ 35,189,797	\$ 34,122,094

(See independent auditor's report.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Elected Officials	\$ 104,585	\$ 104,585	\$ 109,399
Municipal Band	60,250	60,250	57,035
City Manager's Office Administration	1,105,543	1,105,543	1,008,825
Human Resources Division	430,529	430,529	429,746
General Fund Support Service	2,628,359	2,628,359	2,600,272
Finance Administration	627,535	627,535	625,049
Information and Technology	929,238	929,238	878,556
Less Administrative Costs Charged to Other Departments and Funds	(998,401)	(998,401)	(933,671)
Total General Government	4,887,638	4,887,638	4,775,211
PUBLIC SAFETY			
Police Protection	12,853,934	12,933,864	12,763,164
Fire Protection	10,467,328	10,467,328	10,612,640
Total Public Safety	23,321,262	23,401,192	23,375,804
HIGHWAYS AND STREETS			
Public Works Administration	168,123	168,123	154,687
Public Facilities and Fleet Maintenance	618,243	618,243	546,686
Streets	2,697,505	2,697,505	2,370,581
Engineering	272,773	272,773	236,320
Total Highways and Streets	3,756,644	3,756,644	3,308,274
COMMUNITY DEVELOPMENT			
Community Development Administration	1,419,530	1,419,530	1,432,257
Total Community Development	1,419,530	1,419,530	1,432,257
TOTAL EXPENDITURES	\$ 33,385,074	\$ 33,465,004	\$ 32,891,546

(See independent auditor's report.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Elected Officials			
Personnel Services	\$ 68,905	\$ 68,905	\$ 68,805
Commodities	1,255	1,255	1,714
Contractual Services	34,425	34,425	38,880
Total Elected Officials	104,585	104,585	109,399
Municipal Band			
Commodities	2,300	2,300	1,510
Contractual Services	57,950	57,950	55,525
Total Municipal Band	60,250	60,250	57,035
City Manager's Office Administration			
Personnel Services	753,149	753,149	752,152
Commodities	10,750	10,750	11,765
Contractual Services	341,144	341,144	244,283
Capital Outlay	500	500	625
Total City Manager's Office Administration	1,105,543	1,105,543	1,008,825
Human Resources Division			
Personnel Services	316,563	316,563	312,044
Commodities	5,875	5,875	2,852
Contractual Services	108,091	108,091	114,850
Capital Outlay	-	-	-
Total Human Resource Division	430,529	430,529	429,746
General Fund Support Service			
Personnel Services	829,359	829,359	804,359
Contractual Services	1,799,000	1,799,000	1,795,913
Total General Fund Support Service	2,628,359	2,628,359	2,600,272

(This schedule is continued on the following pages.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance Administration			
Personnel Services	\$ 523,018	\$ 523,018	\$ 459,322
Commodities	11,650	11,650	13,049
Contractual Services	92,867	92,867	152,678
Total Finance Administration	627,535	627,535	625,049
Information and Technology			
Personnel Services	460,083	460,083	414,003
Commodities	49,821	49,821	55,230
Contractual Services	383,634	383,634	377,431
Capital Outlay	35,700	35,700	31,892
Total Information and Technology	929,238	929,238	878,556
Less Administrative Costs Charged to Other Departments and Funds	(998,401)	(998,401)	(933,671)
Total General Government	4,887,638	4,887,638	4,775,211
PUBLIC SAFETY			
Police Protection			
Police Department Administration			
Personnel Services	898,729	898,729	760,010
Commodities	133,269	133,269	117,848
Contractual Services	150,664	150,664	137,075
Capital Outlay	700	700	871
Total Police Department Administration	1,183,362	1,183,362	1,015,804
Patrol Services			
Personnel Services	6,947,421	6,947,421	7,599,209
Commodities	105,621	155,621	147,218
Contractual Services	150,795	180,725	122,377
Capital Outlay	8,765	8,765	9,089
Total Patrol Services	7,212,602	7,292,532	7,877,893

(This schedule is continued on the following pages.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police Protection (Continued)			
Communications			
Personnel Services	\$ 1,255,051	\$ 1,255,051	\$ 1,239,907
Commodities	2,656	2,656	2,464
Contractual Services	15,924	15,924	14,903
Capital Outlay	9,667	9,667	1,477
Total Communications	1,283,298	1,283,298	1,258,751
Criminal Investigations			
Personnel Services	2,219,729	2,219,729	1,734,139
Commodities	20,941	20,941	35,573
Contractual Services	13,575	13,575	15,950
Total Criminal Investigations	2,254,245	2,254,245	1,785,662
Police Department Special Services			
Personnel Services	529,872	529,872	508,872
Commodities	7,278	7,278	7,193
Contractual Services	14,726	14,726	15,586
Capital Outlay	258	258	30
Total Police Department Special Services	552,134	552,134	531,681
Crime Free Housing and Inspection			
Personnel Services	347,065	347,065	284,713
Commodities	8,019	8,019	2,925
Contractual Services	12,989	12,989	5,562
Capital Outlay	220	220	173
Total Crime Free Housing and Inspection	368,293	368,293	293,373
Total Police Protection	12,853,934	12,933,864	12,763,164

(This schedule is continued on the following pages.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire Protection			
Fire Department Administration			
Personnel Services	\$ 791,430	\$ 791,430	\$ 784,450
Commodities	29,234	29,234	36,326
Contractual Services	34,790	34,790	87,481
Total Fire Department Administration	855,454	855,454	908,257
Fire Department Operations			
Personnel Services	9,323,548	9,323,548	9,310,967
Commodities	107,204	107,204	106,658
Contractual Services	174,564	174,564	149,376
Capital Outlay	6,558	6,558	137,382
Total Fire Department Operations	9,611,874	9,611,874	9,704,383
Total Fire Protection	10,467,328	10,467,328	10,612,640
Total Public Safety	23,321,262	23,401,192	23,375,804
HIGHWAYS AND STREETS			
Public Works Administration			
Personnel Services	156,339	156,339	142,592
Commodities	700	700	79
Contractual Services	11,084	11,084	12,016
Total Public Works Administration	168,123	168,123	154,687
Public Facilities and Fleet Maintenance			
Personnel Services	302,612	302,612	324,037
Commodities	41,481	41,481	27,660
Contractual Services	273,150	273,150	194,989
Capital Outlay	1,000	1,000	-
Total Public Facilities and Fleet Maintenance	618,243	618,243	546,686

(This schedule is continued on the following page.)

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Streets			
Personnel Services	\$ 1,877,174	\$ 1,877,174	\$ 1,817,784
Commodities	527,182	527,182	309,947
Contractual Services	279,649	279,649	230,094
Capital Outlay	13,500	13,500	12,756
Total Streets	2,697,505	2,697,505	2,370,581
Engineering			
Personnel Services	166,350	166,350	94,228
Commodities	11,207	11,207	2,592
Contractual Services	95,216	95,216	139,500
Capital Outlay	-	-	-
Total Engineering	272,773	272,773	236,320
Total Highways and Streets	3,756,644	3,756,644	3,308,274
COMMUNITY DEVELOPMENT			
Community Development Administration			
Personnel Services	817,066	817,066	694,865
Commodities	16,350	16,350	8,981
Contractual Services	586,114	586,114	728,411
Total Community Development Administration	1,419,530	1,419,530	1,432,257
Total Community Development	1,419,530	1,419,530	1,432,257
TOTAL EXPENDITURES	\$ 33,385,074	\$ 33,465,004	\$ 32,891,546

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

DEBT SERVICE FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

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

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). This fund was closed as of December 31, 2017.

CITY OF DEKALB, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 129,310	\$ 5,705	\$ 594,802	\$ 729,817
Receivables				
Property Taxes	23,766	-	-	23,766
Other	-	2,764	12,784	15,548
Due from Other Governments	19,994	-	33,788	53,782
TOTAL ASSETS	\$ 173,070	\$ 8,469	\$ 641,374	\$ 822,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES				
LIABILITIES				
Accounts Payable	\$ 22,466	\$ 226	\$ 48,584	\$ 71,276
Unearned Revenue	-	-	5,000	5,000
Due to Other Funds	3,450	17,000	-	20,450
Total Liabilities	25,916	17,226	53,584	96,726
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	23,766	-	-	23,766
Total Liabilities and Deferred Inflows of Resources	49,682	17,226	53,584	120,492
FUND BALANCES				
Restricted				
Public Safety	55,267	-	-	55,267
Specific Purpose	73,341	-	-	73,341
Assigned for Capital Projects	-	-	587,790	587,790
Unassigned (Deficit)	(5,220)	(8,757)	-	(13,977)
Total Fund Balances (Deficit)	123,388	(8,757)	587,790	702,421
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 173,070	\$ 8,469	\$ 641,374	\$ 822,913

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 73,456	\$ 45,822	\$ 356,161	\$ 475,439
Intergovernmental	279,328	-	-	279,328
Charges for Services	-	-	197,800	197,800
Fines and Forfeitures	-	53,619	-	53,619
Investment Income	70	-	-	70
Miscellaneous	-	-	224,367	224,367
Total Revenues	352,854	99,441	778,328	1,230,623
EXPENDITURES				
General Government	119,763	-	247,069	366,832
Public Safety	17,660	-	-	17,660
Capital Outlay	58,140	-	1,140,493	1,198,633
Debt Service				
Principal Retirement	-	2,128,425	16,667	2,145,092
Interest and Fiscal Charges	-	837,529	-	837,529
Total Expenditures	195,563	2,965,954	1,404,229	4,565,746
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	157,291	(2,866,513)	(625,901)	(3,335,123)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,834,998	364,508	3,199,506
Transfers (Out)	(155,497)	-	(285,407)	(440,904)
Proceeds from Sale of Capital Assets	-	-	4,460	4,460
Total Other Financing Sources (Uses)	(155,497)	2,834,998	83,561	2,763,062
NET CHANGE IN FUND BALANCES	1,794	(31,515)	(542,340)	(572,061)
FUND BALANCES, JANUARY 1	121,594	22,758	1,130,130	1,274,482
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 123,388	\$ (8,757)	\$ 587,790	\$ 702,421

(See independent auditor's report.)

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

December 31, 2017

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block Grant
ASSETS			
Cash and Investments	\$ 55,830	\$ 66,230	\$ 38
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Prepaid Items	-	-	-
Due from Other Governments	-	-	19,994
TOTAL ASSETS	\$ 55,830	\$ 66,230	\$ 20,032
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES			
LIABILITIES			
Accounts Payable	\$ 563	\$ -	\$ 20,032
Due to Other Funds	-	-	-
Total Liabilities	563	-	20,032
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	-	-	-
Total Liabilities and Deferred Inflows of Resources	563	-	20,032
FUND BALANCES			
Nonspendable			
Prepaid Items	-	-	-
Restricted			
Public Safety	55,267	-	-
Specific Purpose	-	66,230	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	55,267	66,230	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 55,830	\$ 66,230	\$ 20,032

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Total
\$ 2,968	\$ 40	\$ 61	\$ 4,143	\$ 129,310
-	5,501	15,765	2,500	23,766
-	-	-	-	-
-	-	-	-	19,994
\$ 2,968	\$ 5,541	\$ 15,826	\$ 6,643	\$ 173,070
\$ -	\$ 175	\$ 1,696	\$ -	\$ 22,466
-	150	3,300	-	3,450
-	325	4,996	-	25,916
-	5,501	15,765	2,500	23,766
-	5,826	20,761	2,500	49,682
-	-	-	-	-
-	-	-	-	55,267
2,968	-	-	4,143	73,341
-	(285)	(4,935)	-	(5,220)
2,968	(285)	(4,935)	4,143	123,388
\$ 2,968	\$ 5,541	\$ 15,826	\$ 6,643	\$ 173,070

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block Grant
REVENUES			
Taxes	\$ 50,459	\$ -	\$ -
Intergovernmental	-	-	279,328
Investment Income	-	61	-
Total Revenues	50,459	61	279,328
EXPENDITURES			
General Government	-	359	111,402
Public Safety	17,660	-	-
Capital Outlay	26,724	1,000	12,429
Total Expenditures	44,384	1,359	123,831
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,075	(1,298)	155,497
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	(155,497)
Total Other Financing Sources (Uses)	-	-	(155,497)
NET CHANGE IN FUND BALANCES	6,075	(1,298)	-
FUND BALANCES (DEFICIT), JANUARY 1	49,192	67,528	-
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 55,267	\$ 66,230	\$ -

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Total
\$ 1,000	\$ 5,497	\$ 14,000	\$ 2,500	\$ 73,456
-	-	-	-	279,328
-	2	6	1	70
1,000	5,499	14,006	2,501	352,854
1,699	4,655	500	1,148	119,763
-	-	-	-	17,660
-	-	17,987	-	58,140
1,699	4,655	18,487	1,148	195,563
(699)	844	(4,481)	1,353	157,291
-	-	-	-	(155,497)
-	-	-	-	(155,497)
(699)	844	(4,481)	1,353	1,794
3,667	(1,129)	(454)	2,790	121,594
\$ 2,968	\$ (285)	\$ (4,935)	\$ 4,143	\$ 123,388

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign Fire Insurance Tax	\$ 45,000	\$ 45,000	\$ 50,459
Total Revenues	45,000	45,000	50,459
EXPENDITURES			
Public Safety			
Commodities	16,000	16,000	15,247
Contractual Services	1,521	1,521	2,413
Capital Outlay	16,700	26,864	26,724
Total Expenditures	34,221	44,385	44,384
NET CHANGE IN FUND BALANCE	<u>\$ 10,779</u>	<u>\$ 615</u>	6,075
FUND BALANCE, JANUARY 1			<u>49,192</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 55,267</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ 50	\$ 50	\$ 61
Miscellaneous	6,000	6,000	-
Total Revenues	6,050	6,050	61
EXPENDITURES			
Current			
General Government			
Contractual Services	1,831	1,831	359
Capital Outlay	24,000	24,000	1,000
Total Expenditures	25,831	25,831	1,359
NET CHANGE IN FUND BALANCE	<u>\$ (19,781)</u>	<u>\$ (19,781)</u>	(1,298)
FUND BALANCE, JANUARY 1			<u>67,528</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 66,230</u></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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 516,957	\$ 516,957	\$ 279,328
Total Revenues	516,957	516,957	279,328
EXPENDITURES			
General Government			
Commodities	1,000	1,000	-
Contractual Services	194,671	194,671	111,402
Capital Outlay	161,286	161,286	12,429
Total Expenditures	356,957	356,957	123,831
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	160,000	160,000	155,497
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(160,000)	(160,000)	(155,497)
Total Other Financing Sources (Uses)	(160,000)	(160,000)	(155,497)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 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
HERITAGE RIDGE SPECIAL SERVICE AREA #3 FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 1,000	\$ 1,000	\$ 1,000
Total Revenues	1,000	1,000	1,000
EXPENDITURES			
General Government			
Contractual Services	2,000	2,000	1,699
Total Expenditures	2,000	2,000	1,699
NET CHANGE IN FUND BALANCE	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	(699)
FUND BALANCE, JANUARY 1			<u>3,667</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,968</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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 5,500	\$ 5,500	\$ 5,497
Investment Income	-	-	2
Total Revenues	5,500	5,500	5,499
EXPENDITURES			
General Government			
Contractual Services	5,500	5,500	4,655
Total Expenditures	5,500	5,500	4,655
NET CHANGE IN FUND BALANCE	\$ -	\$ -	844
FUND BALANCE (DEFICIT), JANUARY 1			(1,129)
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (285)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 14,000	\$ 14,000	\$ 14,000
Investment Income	-	-	6
Total Revenues	14,000	14,000	14,006
EXPENDITURES			
General Government			
Contractual Services	500	500	500
Capital Outlay	13,500	17,987	17,987
Total Expenditures	14,000	18,487	18,487
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (4,487)</u>	(4,481)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(454)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (4,935)</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 2,500	\$ 2,500	\$ 2,500
Investment Income	-	-	1
Total Revenues	2,500	2,500	2,501
EXPENDITURES			
General Government			
Contractual Services	3,000	3,000	1,148
Total Expenditures	3,000	3,000	1,148
NET CHANGE IN FUND BALANCE	<u>\$ (500)</u>	<u>\$ (500)</u>	1,353
FUND BALANCE, JANUARY 1			<u>2,790</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 4,143</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS**

December 31, 2017

	General Debt Service	TIF Debt Service	Total
<hr/>			
ASSETS			
Cash and Investments	\$ 5,705	\$ -	\$ 5,705
Other Receivable	2,764	-	2,764
	<hr/>		
TOTAL ASSETS	\$ 8,469	\$ -	\$ 8,469
	<hr/>		
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 226	\$ -	\$ 226
Due to Other Funds	17,000	-	17,000
	<hr/>		
Total Liabilities	17,226	-	17,226
	<hr/>		
FUND BALANCES			
Unassigned (Deficit)	(8,757)	-	(8,757)
	<hr/>		
Total Fund Balances (Deficit)	(8,757)	-	(8,757)
	<hr/>		
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,469	\$ -	\$ 8,469
	<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 Year Ended December 31, 2017

	General Debt Service	TIF Debt Service	Total
REVENUES			
Taxes	\$ 45,822	\$ -	\$ 45,822
Fines and Forfeitures	53,619	-	53,619
Total Revenues	99,441	-	99,441
EXPENDITURES			
Debt Service			
Principal	1,258,425	870,000	2,128,425
Interest and Fiscal Charges	629,529	208,000	837,529
Total Expenditures	1,887,954	1,078,000	2,965,954
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,788,513)	(1,078,000)	(2,866,513)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,756,998	1,078,000	2,834,998
Total Other Financing Sources (Uses)	1,756,998	1,078,000	2,834,998
NET CHANGE IN FUND BALANCES	(31,515)	-	(31,515)
FUND BALANCES, JANUARY 1	22,758	-	22,758
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (8,757)	\$ -	\$ (8,757)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 44,300	\$ 44,300	\$ 45,822
Fines and Forfeitures	55,000	55,000	53,619
Total Revenues	99,300	99,300	99,441
EXPENDITURES			
Debt Service			
Principal Retirement	1,258,425	1,258,425	1,258,425
Interest and Fiscal Charges	627,573	629,530	629,529
Total Expenditures	1,885,998	1,887,955	1,887,954
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,786,698)	(1,788,655)	(1,788,513)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,756,998	1,756,998	1,756,998
Total Other Financing Sources (Uses)	1,756,998	1,756,998	1,756,998
NET CHANGE IN FUND BALANCE	<u>\$ (29,700)</u>	<u>\$ (31,657)</u>	(31,515)
FUND BALANCE, JANUARY 1			<u>22,758</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (8,757)</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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Debt Service			
Principal Retirement	870,000	870,000	870,000
Interest and Fiscal Charges	208,000	208,000	208,000
Total Expenditures	1,078,000	1,078,000	1,078,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,078,000)	(1,078,000)	(1,078,000)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,078,000	1,078,000	1,078,000
Total Other Financing Sources (Uses)	1,078,000	1,078,000	1,078,000
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2017

	Capital Projects	Equipment	Total
<hr/>			
ASSETS			
Cash and Investments	\$ 178,965	\$ 415,837	\$ 594,802
Accounts Receivable	11,944	840	12,784
Due from Other Governments	33,788	-	33,788
<hr/>			
TOTAL ASSETS	\$ 224,697	\$ 416,677	\$ 641,374
<hr/>			
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 45,489	\$ 3,095	\$ 48,584
Unearned Revenue	-	5,000	5,000
<hr/>			
Total Liabilities	45,489	8,095	53,584
<hr/>			
FUND BALANCES			
Assigned for Capital Projects	179,208	408,582	587,790
<hr/>			
Total Fund Balances	179,208	408,582	587,790
<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 224,697	\$ 416,677	\$ 641,374

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Capital Projects	Equipment	Fleet Replacement	Total
REVENUES				
Taxes	\$ 356,161	\$ -	\$ -	\$ 356,161
Charges for Services	-	-	197,800	197,800
Miscellaneous Income	12,194	160,000	52,173	224,367
Total Revenues	368,355	160,000	249,973	778,328
EXPENDITURES				
General Government				
Contractual Services	3,278	243,791	-	247,069
Capital Outlay	611,527	273,300	255,666	1,140,493
Debt Service				
Principal	-	-	16,667	16,667
Total Expenditures	614,805	517,091	272,333	1,404,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(246,450)	(357,091)	(22,360)	(625,901)
OTHER FINANCING SOURCES (USES)				
Transfers In	196,108	10,500	157,900	364,508
Transfers (Out)	-	(145,407)	(140,000)	(285,407)
Proceeds from Sale of Capital Assets	-	-	4,460	4,460
Total Other Financing Sources (Uses)	196,108	(134,907)	22,360	83,561
NET CHANGE IN FUND BALANCES	(50,342)	(491,998)	-	(542,340)
FUND BALANCES, JANUARY 1	229,550	900,580	-	1,130,130
FUND BALANCES, DECEMBER 31	\$ 179,208	\$ 408,582	\$ -	\$ 587,790

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Local Motor Fuel Taxes	\$ 360,000	\$ 360,000	\$ 356,161
Miscellaneous	-	-	12,194
Total Revenues	360,000	360,000	368,355
EXPENDITURES			
General Government			
Contractual Services	35,000	35,000	3,278
Capital Outlay	335,000	585,000	611,527
Total Expenditures	370,000	620,000	614,805
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000)	(260,000)	(246,450)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	250,000	196,108
Total Other Financing Sources (Uses)	-	250,000	196,108
NET CHANGE IN FUND BALANCE	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	(50,342)
FUND BALANCE, JANUARY 1			<u>229,550</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 179,208</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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Miscellaneous Income	\$ 160,000	\$ 160,000	\$ 160,000
Total Revenues	160,000	160,000	160,000
EXPENDITURES			
General Government			
Commodities	8,000	8,000	-
Contractual Services	66,000	242,197	243,791
Capital Outlay	41,000	277,807	273,300
Total Expenditures	115,000	528,004	517,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,000	(368,004)	(357,091)
OTHER FINANCING SOURCES (USES)			
Transfers In	10,500	10,500	10,500
Transfers (Out)	(69,181)	(69,181)	(145,407)
Total Other Financing Sources (Uses)	(58,681)	(58,681)	(134,907)
NET CHANGE IN FUND BALANCE	\$ (13,681)	\$ (426,685)	(491,998)
FUND BALANCE, JANUARY 1			900,580
FUND BALANCE, DECEMBER 31			\$ 408,582

(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 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Charges for Services			
Rental Income	\$ 156,610	\$ 156,610	\$ 197,800
Miscellaneous Income	45,000	45,000	52,173
Total Revenues	201,610	201,610	249,973
EXPENDITURES			
Capital Outlay	106,896	255,666	255,666
Debt Service			
Principal	16,667	16,667	16,667
Total Expenditures	123,563	272,333	272,333
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	78,047	(70,723)	(22,360)
OTHER FINANCING SOURCES (USES)			
Transfers In	66,896	81,674	157,900
Transfers (Out)	(140,000)	(140,000)	(140,000)
Proceeds from Sale of Capital Assets	5,000	5,000	4,460
Total Other Financing Sources (Uses)	(68,104)	(53,326)	22,360
NET CHANGE IN FUND BALANCE	<u>\$ 9,943</u>	<u>\$ (124,049)</u>	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			<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 Year Ended December 31, 2017

	Operations and Maintenance			System Construction		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Water Sales	\$ 5,413,680	\$ 5,413,680	\$ 5,548,921	\$ -	\$ -	\$ -
Permits	21,500	21,500	23,638	75,000	75,000	30,024
Miscellaneous	21,000	21,000	32,920	-	-	-
Total Operating Revenues	5,456,180	5,456,180	5,605,479	75,000	75,000	30,024
OPERATING EXPENSES EXCLUDING DEPRECIATION						
Personal Services	2,758,049	2,758,049	2,592,979	-	-	-
Commodities	452,137	452,137	397,014	-	-	-
Contractual Services	928,340	928,340	837,775	-	-	-
Other Services/Expenses	40,000	40,000	54,853	-	-	-
Equipment	73,389	73,389	1,492,045	-	-	-
Total Operating Expenses	4,251,915	4,251,915	5,374,666	-	-	-
OPERATING INCOME (LOSS)	1,204,265	1,204,265	230,813	75,000	75,000	30,024
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	25,500	25,500	5,225	4,600	4,600	5,238
Gain on Sale of Capital Assets	2,000	2,000	5,546	-	-	-
Principal	(735,285)	(735,285)	(735,285)	-	-	-
Interest Expense	(74,038)	(74,038)	(66,849)	-	-	-
Total Non-Operating Revenues (Expenses)	(781,823)	(781,823)	(791,363)	4,600	4,600	5,238
NET INCOME (LOSS) BEFORE TRANSFERS	422,442	422,442	(560,550)	79,600	79,600	35,262
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers (Out)	(2,278,500)	(2,278,500)	(805,257)	-	-	-
Total Transfers	(2,278,500)	(2,278,500)	(805,257)	-	-	-
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ (1,856,058)	\$ (1,856,058)	(1,365,807)	\$ 79,600	\$ 79,600	35,262
ADJUSTMENTS TO GAAP BASIS						
Additions to Capital Assets			1,429,669			-
Principal Payments			735,285			-
Depreciation and Amortization			(1,067,228)			-
Total Adjustment to GAAP Basis			1,097,726			-
CHANGE IN NET POSITION - GAAP BASIS			(268,081)			35,262
NET POSITION, JANUARY 1			24,627,780			1,104,326
NET POSITION, DECEMBER 31			<u>\$ 24,359,699</u>			<u>\$ 1,139,588</u>

Original Budget		Capital Final Budget	Actual	Eliminations	Original Budget		Total Final Budget Actual
\$	-	\$	-	\$	160,313	\$	-
	-		-		-	\$	5,413,680
	-		-		-	\$	5,413,680
	-		-		-	\$	5,709,234
	-		-		-		96,500
	-		-		-		96,500
	-		-		-		21,000
	-		-		-		21,000
	-		-		-		32,920
	-		-		-		160,313
	-		-		-		5,531,180
	-		-		-		5,531,180
	-		-		-		5,795,816
	-		-		-		2,758,049
	-		-		-		2,758,049
	-		-		-		2,592,979
	-		-		-		452,137
	-		-		-		452,137
	-		-		-		397,014
	-		-		-		928,340
	-		-		-		928,340
	-		-		-		837,775
	-		-		-		40,000
	-		-		-		40,000
	-		-		-		54,853
	-		-		-		2,188,389
	-		-		-		2,188,389
	-		-		-		1,587,295
	-		-		-		2,115,000
	-		-		-		2,115,000
	-		-		-		95,250
	-		-		-		95,250
	-		-		-		5,469,916
	-		-		-		6,366,915
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	-		-		-		30,100
	-		-		-		10,463
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	-		-		-		5,546
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CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Rents/Taxes	\$ 348,255	\$ 348,255	\$ 357,528
Fuel Sales	341,250	341,250	392,619
Airport Operations	20,000	20,000	26,759
Miscellaneous	4,000	4,000	13,366
Total Operating Revenues	713,505	713,505	790,272
OPERATING EXPENSES			
Personal Services	340,531	340,531	334,074
Commodities	295,600	383,203	359,370
Contractual Services	188,888	188,888	202,867
Other Services	36,300	36,300	25,483
Equipment	15,150	15,150	11,503
Permanent Improvements	-	-	31,711
Total Operating Expenses	876,469	964,072	965,008
OPERATING INCOME (LOSS)	(162,964)	(250,567)	(174,736)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	5	5	94
State Sales Tax	-	-	264
Home Rule Sales Tax	-	-	452
Home Rule Motor Fuel Tax	267,857	267,857	267,120
Principal Expense	(70,250)	(70,250)	(70,250)
Interest Expense	(4,723)	(4,723)	(3,786)
Total Non-Operating Revenues (Expenses)	192,889	192,889	193,894
CONTRIBUTIONS			
Capital Contributions	25,290	25,290	789,468
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ 55,215	\$ (32,388)	808,626
ADJUSTMENTS TO GAAP BASIS			
Principal Payments			70,250
Depreciation and Amortization			(388,475)
Total Adjustments to GAAP Basis			(318,225)
CHANGE IN NET POSITION			490,401
NET POSITION, JANUARY 1			29,560,231
NET POSITION, DECEMBER 31			\$ 30,050,632

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 2,133,000	\$ 2,133,000	\$ 2,160,482
Total Operating Revenues	2,133,000	2,133,000	2,160,482
OPERATING EXPENSES			
Contractual Services	2,169,040	2,169,040	2,132,643
Total Operating Expenses	2,169,040	2,169,040	2,132,643
CHANGE IN NET POSITION	<u>\$ (36,040)</u>	<u>\$ (36,040)</u>	27,839
NET POSITION, JANUARY 1			<u>36,072</u>
NET POSITION, DECEMBER 31			<u>\$ 63,911</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. This fund was closed as of December 31, 2017.

CITY OF DEKALB, ILLINOIS**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

December 31, 2017

	Workers'	Health	
	Compensation	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 1,972,118	\$ 81,784	\$ 2,053,902
Receivables			
Accrued Interest	1,843	-	1,843
Other	21,370	246,704	268,074
Prepaid Expenses	30,000	-	30,000
Total Current Assets	2,025,331	328,488	2,353,819
CURRENT LIABILITIES			
Accounts Payable	2,764	41,726	44,490
Claims Payable	295,565	-	295,565
Unearned Revenue	-	13,160	13,160
Total Current Liabilities	298,329	54,886	353,215
NONCURRENT LIABILITIES			
Claims Payable	295,564	-	295,564
Total Noncurrent Liabilities	295,564	-	295,564
Total Liabilities	593,893	54,886	648,779
NET POSITION			
Unrestricted	1,431,438	273,602	1,705,040
TOTAL NET POSITION	\$ 1,431,438	\$ 273,602	\$ 1,705,040

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Contributions	\$ 650,659	\$ 650,659	\$ 650,659	\$ 5,668,886	\$ 5,668,886	\$ 5,670,902
Miscellaneous	-	-	941	-	-	-
Total Operating Revenues	650,659	650,659	651,600	5,668,886	5,668,886	5,670,902
OPERATING EXPENSES						
Administration	530,100	530,100	501,997	5,820,945	5,889,727	5,889,726
Claims	400,000	400,000	218,935	-	-	-
Total Operating Expenses	930,100	930,100	720,932	5,820,945	5,889,727	5,889,726
OPERATING INCOME (LOSS)	(279,441)	(279,441)	(69,332)	(152,059)	(220,841)	(218,824)
NON-OPERATING REVENUES						
Investment Income	13,000	13,000	1,211	10	10	35
Total Non-Operating Revenues	13,000	13,000	1,211	10	10	35
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(266,441)	(266,441)	(68,121)	(152,049)	(220,831)	(218,789)
OTHER FINANCING SOURCES (USES)						
Transfers In	158,301	158,301	158,301	-	-	-
Transfers (Out)	(130,000)	(130,000)	(297,950)	-	-	-
Total Other Financing Sources (Uses)	28,301	28,301	(139,649)	-	-	-
CHANGE IN NET POSITION	\$ (238,140)	\$ (238,140)	(207,770)	\$ (152,049)	\$ (220,831)	(218,789)
NET POSITION, JANUARY 1			1,639,208			492,391
NET POSITION, DECEMBER 31			\$ 1,431,438			\$ 273,602

Liability/ Property Insurance			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 120,000	\$ 120,000	\$ 110,000	\$ 6,439,545	\$ 6,439,545	\$ 6,431,561
15,000	55,000	83,300	15,000	55,000	84,241
135,000	175,000	193,300	6,454,545	6,494,545	6,515,802
23,873	34,211	31,710	6,374,918	6,454,038	6,423,433
100,000	168,738	171,239	500,000	568,738	390,174
123,873	202,949	202,949	6,874,918	7,022,776	6,813,607
11,127	(27,949)	(9,649)	(420,373)	(528,231)	(297,805)
-	-	-	13,010	13,010	1,246
-	-	-	13,010	13,010	1,246
11,127	(27,949)	(9,649)	(407,363)	(515,221)	(296,559)
-	-	167,950	158,301	158,301	326,251
(158,301)	(158,301)	(158,301)	(288,301)	(288,301)	(456,251)
(158,301)	(158,301)	9,649	(130,000)	(130,000)	(130,000)
\$ (147,174)	\$ (186,250)	-	\$ (537,363)	\$ (645,221)	(426,559)
		-			2,131,599
	\$ -			\$	1,705,040

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Interfund Services Transactions	\$ 633,444	\$ 4,119,440	\$ 110,000	\$ 4,862,884
Receipts from Employees and Others	-	1,471,758	-	1,471,758
Receipts from Miscellaneous Revenue	941	-	83,300	84,241
Payments to Suppliers	(595,512)	(5,890,782)	(202,949)	(6,689,243)
Net Cash from Operating Activities	38,873	(299,584)	(9,649)	(270,360)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	158,301	-	-	158,301
Transfers (Out)	(297,950)	-	9,649	(288,301)
Net Cash from Noncapital Financing Activities	(139,649)	-	9,649	(130,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
None	-	-	-	-
Net Cash from Capital and Related Financing Activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	1,211	35	-	1,246
Net Cash from Investing Activities	1,211	35	-	1,246
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(99,565)	(299,549)	-	(399,114)
CASH AND CASH EQUIVALENTS, JANUARY 1	2,071,683	381,333	-	2,453,016
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,972,118</u>	<u>\$ 81,784</u>	<u>\$ -</u>	<u>\$ 2,053,902</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (69,332)	\$ (218,824)	\$ (9,649)	\$ (297,805)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Changes in Assets and Liabilities				
Receivables	(17,215)	(81,786)	-	(99,001)
Prepaid Expenses	146,099	-	-	146,099
Accounts Payable	(3,423)	(1,056)	-	(4,479)
Claims Payable	(17,256)	-	-	(17,256)
Unearned Revenue	-	2,082	-	2,082
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 38,873</u>	<u>\$ (299,584)</u>	<u>\$ (9,649)</u>	<u>\$ (270,360)</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

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

CITY OF DEKALB, ILLINOIS**COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS**

December 31, 2017

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 3,449,635	\$ 2,183,415	\$ 5,633,050
Investments			
U.S. Treasury Obligations	1,965,460	6,240,915	8,206,375
U.S. Agency Obligations	3,022,658	1,919,785	4,942,443
Corporate Bonds	2,817,342	-	2,817,342
Mutual Funds	23,923,959	18,913,908	42,837,867
Receivables			
Accrued Interest	35,782	53,974	89,756
Prepaid Expenses	3,953	-	3,953
Total Assets	35,218,789	29,311,997	64,530,786
LIABILITIES			
Accounts Payable	12,561	6,119	18,680
Total Liabilities	12,561	6,119	18,680
NET POSITION RESTRICTED FOR PENSIONS	\$ 35,206,228	\$ 29,305,878	\$ 64,512,106

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2017

	Police Pension			Firefighters' Pension			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
ADDITIONS									
Contributions									
Employer Contributions	\$ 2,502,904	\$ 2,502,904	\$ 2,485,107	\$ 2,990,000	\$ 2,990,000	\$ 2,968,723	\$ 5,492,904	\$ 5,492,904	\$ 5,453,830
Employee Contributions	587,474	587,474	579,016	478,763	478,763	521,427	1,066,237	1,066,237	1,100,443
Total Contributions	3,090,378	3,090,378	3,064,123	3,468,763	3,468,763	3,490,150	6,559,141	6,559,141	6,554,273
Investment Income									
Net Appreciation in Fair Value of Investments	-	-	3,710,308	-	-	2,286,496	-	-	5,996,804
Interest	1,282,000	1,282,000	624,933	1,800,000	1,800,000	897,393	3,082,000	3,082,000	1,522,326
Total Investment Income	1,282,000	1,282,000	4,335,241	1,800,000	1,800,000	3,183,889	3,082,000	3,082,000	7,519,130
Less Investment Expense	(44,226)	(44,226)	(43,479)	(44,148)	(44,148)	(44,085)	(88,374)	(88,374)	(87,564)
Net Investment Income	1,237,774	1,237,774	4,291,762	1,755,852	1,755,852	3,139,804	2,993,626	2,993,626	7,431,566
Total Additions	4,328,152	4,328,152	7,355,885	5,224,615	5,224,615	6,629,954	9,552,767	9,552,767	13,985,839
DEDUCTIONS									
Administrative Expenses	49,340	49,340	37,520	45,000	45,000	32,382	94,340	94,340	69,902
Benefits and Refunds	2,967,453	3,226,403	3,238,369	3,151,825	3,423,529	3,436,210	6,119,278	6,649,932	6,674,579
Total Deductions	3,016,793	3,275,743	3,275,889	3,196,825	3,468,529	3,468,592	6,213,618	6,744,272	6,744,481
NET INCREASE	<u>\$ 1,311,359</u>	<u>\$ 1,052,409</u>	4,079,996	<u>\$ 2,027,790</u>	<u>\$ 1,756,086</u>	3,161,362	<u>\$ 3,339,149</u>	<u>\$ 2,808,495</u>	7,241,358
NET POSITION RESTRICTED FOR PENSIONS									
January 1			31,126,232			26,144,516			57,270,748
December 31			<u>\$ 35,206,228</u>			<u>\$ 29,305,878</u>			<u>\$ 64,512,106</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 COMBINING BALANCE SHEET

December 31, 2017

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Investments	\$ 1,811,194	\$ 45,048	\$ 217,915	\$ 2,074,157	\$ -	\$ 2,074,157
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)						
Property taxes	2,543,757	-	-	2,543,757	-	2,543,757
Accounts	95,361	-	-	95,361	-	95,361
Prepaid Expense	1,582	-	-	1,582	-	1,582
Due from Other Governments	4,649,709	-	-	4,649,709	-	4,649,709
Due from City	11,160	-	-	11,160	-	11,160
Total Current Assets	9,112,763	45,048	217,915	9,375,726	-	9,375,726
NONCURRENT ASSETS						
Capital Assets						
Not Depreciated	-	-	-	-	1,558,032	1,558,032
Depreciated (Net of Accumulated Depreciation)	-	-	-	-	23,861,942	23,861,942
Total Noncurrent Assets	-	-	-	-	25,419,974	25,419,974
Total Assets	9,112,763	45,048	217,915	9,375,726	25,419,974	34,795,700
DEFERRED OUTFLOWS OF RESOURCES						
Pension Items - IMRF	-	-	-	-	214,298	214,298
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,112,763	\$ 45,048	\$ 217,915	\$ 9,375,726	\$ 25,634,272	\$ 35,009,998

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION						
LIABILITIES						
Accounts Payable	\$ 44,998	\$ -	\$ -	\$ 44,998	\$ -	\$ 44,998
Accrued Payroll	39,025	-	-	39,025	-	39,025
Accrued Interest Payable	9,909	-	-	9,909	112,803	122,712
Line of Credit	4,091,659	-	-	4,091,659	-	4,091,659
Long-Term Liabilities						
Due Within One Year	-	-	-	-	1,773,941	1,773,941
Due in More than One Year	-	-	-	-	6,344,319	6,344,319
Total Liabilities	4,185,591	-	-	4,185,591	8,231,063	12,416,654
DEFERRED INFLOWS OF RESOURCES						
Pension Items - IMRF	-	-	-	-	620,296	620,296
Unavailable Property Taxes	2,543,757	-	-	2,543,757	-	2,543,757
Total Deferred Inflows of Resources	2,543,757	-	-	2,543,757	620,296	3,164,053
Total Liabilities and Deferred Inflows of Resources	6,729,348	-	-	6,729,348	8,851,359	15,580,707
FUND BALANCES/NET POSITION						
Net Investment in Capital Assets	-	-	-	-	13,754,981	13,754,981
Nonspendable - Prepaid Expense	1,582	-	-	1,582	(1,582)	-
Restricted - Endowments	-	-	217,915	217,915	-	217,915
Assigned	-	45,048	-	45,048	(45,048)	-
Unrestricted	2,381,833	-	-	2,381,833	3,074,562	5,456,395
Total Fund Balances/Net Position	2,383,415	45,048	217,915	2,646,378	16,782,913	19,429,291
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION	\$ 9,112,763	\$ 45,048	\$ 217,915	\$ 9,375,726	\$ 25,634,272	\$ 35,009,998

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

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

For the Year Ended December 31, 2017

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
REVENUES						
Taxes						
Property Taxes	\$ 2,770,128	\$ -	\$ -	\$ 2,770,128	\$ -	\$ 2,770,128
TIF Surplus	95,361	-	-	95,361	-	95,361
Replacement Taxes	36,954	-	-	36,954	-	36,954
Grants	4,999,315	-	-	4,999,315	-	4,999,315
Charges for Services	58,543	-	-	58,543	-	58,543
Investment Income	10,745	(326)	650	11,069	-	11,069
Miscellaneous	6,932	-	-	6,932	-	6,932
Total Revenues	7,977,978	(326)	650	7,978,302	-	7,978,302
EXPENDITURES						
Current						
Culture and Recreation	1,981,504	-	-	1,981,504	164,899	2,146,403
Debt Service						
Principal	591,111	-	-	591,111	(591,111)	-
Interest and Fiscal Charges	431,736	-	-	431,736	(845)	430,891
Total Expenditures	3,004,351	-	-	3,004,351	(427,057)	2,577,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,973,627	(326)	650	4,973,951	427,057	5,401,008

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 6,397	\$ -	\$ -	\$ 6,397	\$ -	\$ 6,397
Transfers (Out)	-	-	(6,397)	(6,397)	-	(6,397)
Total Other Financing Sources (Uses)	6,397	-	(6,397)	-	-	-
NET CHANGE IN FUND BALANCES (DEFICIT)/ NET POSITION	4,980,024	(326)	(5,747)	4,973,951	427,057	5,401,008
FUND BALANCES (DEFICIT)/ NET POSITION, JANUARY 1	(2,596,609)	45,374	223,662	(2,327,573)	16,355,856	14,028,283
FUND BALANCES/ NET POSITION, DECEMBER 31	<u>\$ 2,383,415</u>	<u>\$ 45,048</u>	<u>\$ 217,915</u>	<u>\$ 2,646,378</u>	<u>\$ 16,782,913</u>	<u>\$ 19,429,291</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, 2017

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

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 4,330,000</u>	<u>\$ 441,400</u>	<u>\$ 4,771,400</u>		<u>\$ 220,700</u>		<u>\$ 220,700</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

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
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>\$ 1,425,138</u>	<u>\$ 5,330,138</u>		<u>\$ 756,561</u>		<u>\$ 668,577</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

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
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>\$ 4,065,000</u>	<u>\$ 684,106</u>	<u>\$ 4,749,106</u>		<u>\$ 395,028</u>		<u>\$ 289,078</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2012A**

December 31, 2017

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
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>\$ 7,405,000</u>	<u>\$ 1,203,327</u>	<u>\$ 8,608,327</u>		<u>\$ 640,384</u>		<u>\$ 562,943</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

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
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>\$ 2,320,000</u>	<u>\$ 235,387</u>	<u>\$ 2,555,387</u>		<u>\$ 135,037</u>		<u>\$ 100,350</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, 2017

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
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>\$ 1,370,000</u>	<u>\$ 42,384</u>	<u>\$ 1,412,384</u>		<u>\$ 26,480</u>		<u>\$ 15,904</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, 2017

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	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
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>\$ 1,099,250</u>	<u>\$ 33,982</u>	<u>\$ 1,133,232</u>		<u>\$ 21,234</u>		<u>\$ 12,748</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, 2017

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	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
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>\$ 270,750</u>	<u>\$ 8,402</u>	<u>\$ 279,152</u>		<u>\$ 5,246</u>		<u>\$ 3,156</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

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

Fiscal Year	Requirements		
	Principal	Interest	Total
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>\$ 887,129</u>	<u>\$ 45,544</u>	<u>\$ 932,673</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

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

Fiscal Year	Requirements		
	Principal	Interest	Total
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
	<u>\$ 728,443</u>	<u>\$ 37,397</u>	<u>\$ 765,840</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2017

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

Fiscal Year	Requirements		
	Principal	Interest	Total
2018	\$ 13,230	\$ 5,294	\$ 18,524
2019	13,537	4,989	18,526
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>\$ 233,964</u>	<u>\$ 43,904</u>	<u>\$ 277,868</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, 2017

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

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 5,870,000</u>	<u>\$ 1,860,601</u>	<u>\$ 7,730,601</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
LOAN PAYABLE OF 2015

December 31, 2017

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

Fiscal Year	Requirements		
	Principal	Interest	Total
2018	\$ 1,370,000	\$ 14,537	\$ 1,384,537
	<u>\$ 1,370,000</u>	<u>\$ 14,537</u>	<u>\$ 1,384,537</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, 2017

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

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 111,111	\$ 9,867	\$ 120,978
2019	111,111	6,578	117,689
2020	111,112	3,289	114,401
	<u>\$ 333,334</u>	<u>\$ 19,734</u>	<u>\$ 353,068</u>

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	157-166
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	167-174
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.	175-179
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.	180-181
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.	182-186

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

CITY OF DEKALB, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 116,350,547	\$ 116,154,934	\$ 119,410,592	\$ 120,169,717
Restricted	10,401,769	15,569,514	11,857,498	12,358,010
Unrestricted (Deficit)	(14,726,824)	(20,131,463)	(17,715,142)	(15,138,497)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 112,025,492	\$ 111,592,985	\$ 113,552,948	\$ 117,389,230
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 48,402,014	\$ 48,482,070	\$ 48,222,651	\$ 48,123,532
Unrestricted (Deficit)	(724,236)	(463,724)	2,919,291	4,179,066
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 47,677,778	\$ 48,018,346	\$ 51,141,942	\$ 52,302,598
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 164,752,561	\$ 164,637,004	\$ 167,633,243	\$ 168,293,249
Restricted	10,401,769	15,569,514	11,857,498	12,358,010
Unrestricted (Deficit)	(15,451,060)	(20,595,187)	(14,795,851)	(10,959,431)
TOTAL PRIMARY GOVERNMENT	\$ 159,703,270	\$ 159,611,331	\$ 164,694,890	\$ 169,691,828

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

2013	2014	2015	2016	2016*	2017
\$ 118,266,115	\$ 116,047,087	\$ 113,826,017	\$ 111,898,622	\$ 109,971,927	\$ 108,657,023
12,182,850	11,764,636	12,897,923	13,365,048	13,940,693	13,672,932
(13,241,757)	(11,899,046)	(69,597,568)	(79,546,145)	(78,676,335)	(81,592,842)
\$ 117,207,208	\$ 115,912,677	\$ 57,126,372	\$ 45,717,525	\$ 45,236,285	\$ 40,737,113
\$ 47,928,816	\$ 49,590,809	\$ 52,605,345	\$ 52,803,874	\$ 52,481,077	\$ 54,064,502
4,899,564	4,329,375	4,305,333	3,123,080	3,146,393	2,550,706
\$ 52,828,380	\$ 53,920,184	\$ 56,910,678	\$ 55,926,954	\$ 55,627,470	\$ 56,615,208
\$ 166,194,931	\$ 165,637,896	\$ 166,431,362	\$ 164,702,496	\$ 162,453,004	\$ 162,721,525
12,182,850	11,764,636	12,897,923	13,365,048	13,940,693	13,672,932
(8,342,193)	(7,569,671)	(65,292,235)	(76,423,065)	(75,529,942)	(79,042,136)
\$ 170,035,588	\$ 169,832,861	\$ 114,037,050	\$ 101,644,479	\$ 100,863,755	\$ 97,352,321

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
EXPENSES				
Governmental Activities				
General Government	\$ 10,441,675	\$ 9,268,403	\$ 10,647,791	\$ 8,859,145
Public Safety	19,020,552	19,606,432	19,660,618	20,989,072
Highways and Streets	6,074,929	9,415,300	4,465,186	2,207,978
Community Development	6,022,846	5,083,380	7,929,922	10,738,364
Interest	902,204	723,651	857,764	1,016,815
Total Governmental Activities Expenses	42,462,206	44,097,166	43,561,281	43,811,374
Business-Type Activities				
Water and Sewer	4,347,248	4,222,070	4,438,481	4,159,836
Airport	1,111,227	914,295	1,154,982	1,318,730
Refuse	1,656,645	1,671,915	1,736,937	1,670,364
Developmental Services	378,497	380,574	-	-
Total Business-Type Activities Expenses	7,493,617	7,188,854	7,330,400	7,148,930
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 49,955,823	\$ 51,286,020	\$ 50,891,681	\$ 50,960,304
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 292,071	\$ 340,015	\$ 325,169	\$ 238,190
Public Safety	2,631,448	2,710,546	2,739,272	2,462,313
Highways and Streets	325,866	210,319	496,852	212,232
Community Development	403,355	402,209	395,147	237,838
Operating Grants and Contributions	3,656,334	2,488,211	3,257,775	1,143,618
Capital Grants and Contributions	2,013,494	2,471,003	4,144,333	6,075,050
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	9,322,568	8,622,303	11,358,548	10,369,241
BUSINESS-TYPE ACTIVITIES				
Charges for Services				
Water and Sewer	4,788,391	5,136,193	5,454,296	5,367,480
Airport	261,655	247,364	405,332	846,375
Refuse	1,623,529	1,625,213	1,696,466	1,757,410
Developmental Services	88,319	38,835	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	2,673,502	760,930	392,373	562,770
Total Business-Type Activities Program Revenues	9,435,396	7,808,535	7,948,467	8,534,035
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 18,757,964	\$ 16,430,838	\$ 19,307,015	\$ 18,903,276
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (33,139,638)	\$ (35,474,863)	\$ (32,202,733)	\$ (33,442,133)
Business-Type Activities	1,941,779	619,681	618,067	1,385,105
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (31,197,859)	\$ (34,855,182)	\$ (31,584,666)	\$ (32,057,028)

2013	2014	2015	2016	2016*	2017
\$ 11,865,375	\$ 9,744,441	\$ 12,795,131	\$ 8,456,094	\$ 5,395,790	\$ 8,247,776
19,017,122	20,797,002	22,259,920	33,400,660	13,631,506	26,862,629
1,449,053	5,016,398	4,158,954	8,086,082	4,480,747	4,887,066
13,208,902	10,726,424	8,859,472	6,984,506	7,362,107	12,186,289
1,080,709	1,209,191	987,476	1,057,938	433,303	777,001
46,621,161	47,493,456	49,060,953	57,985,280	31,303,453	52,960,761
4,081,382	4,080,350	4,288,137	5,354,514	2,766,772	5,174,324
1,641,540	1,322,518	1,410,722	1,263,527	674,622	1,357,269
1,756,850	1,844,724	1,920,958	2,110,657	1,024,302	2,132,643
-	-	-	-	-	-
7,479,772	7,247,592	7,619,817	8,728,698	4,465,696	8,664,236
\$ 54,100,933	\$ 54,741,048	\$ 56,680,770	\$ 66,713,978	\$ 35,769,149	\$ 61,624,997
\$ 330,222	\$ 485,114	\$ 417,915	\$ 456,082	\$ 291,387	\$ 506,158
2,090,752	2,504,342	3,608,300	2,875,539	1,580,396	2,866,226
125,794	144,137	107,317	-	-	-
422,991	460,458	4,588,613	685,065	231,479	608,386
1,131,494	1,166,973	1,114,773	1,218,315	672,466	1,213,286
4,843,630	4,072,079	4,375,595	3,933,596	1,866,646	3,737,849
8,944,883	8,833,103	14,212,513	9,168,597	4,642,374	8,931,905
5,503,049	5,179,180	5,377,744	5,391,676	2,929,368	5,762,896
1,094,127	772,805	658,557	468,110	328,053	776,906
1,773,670	2,053,424	2,010,485	2,047,188	1,063,382	2,160,482
-	-	-	-	-	-
-	-	-	-	-	-
130,658	959,182	2,566,070	81,555	42,829	789,468
8,501,504	8,964,591	10,612,856	7,988,529	4,363,632	9,489,752
\$ 17,446,387	\$ 17,797,694	\$ 24,825,369	\$ 17,157,126	\$ 9,006,006	\$ 18,421,657
\$ (37,676,278)	\$ (38,660,353)	\$ (34,848,440)	\$ (48,816,683)	\$ (26,661,079)	\$ (44,028,856)
1,021,732	1,716,999	2,993,039	(740,169)	(102,064)	825,516
\$ (36,654,546)	\$ (36,943,354)	\$ (31,855,401)	\$ (49,556,852)	\$ (26,763,143)	\$ (43,203,340)

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 12,446,812	\$ 13,371,039	\$ 13,405,653	\$ 12,733,599
Sales	11,297,335	11,413,254	11,426,292	11,132,604
Utility	4,012,575	3,739,824	4,449,288	3,788,953
Income	3,954,000	3,472,035	3,561,130	3,745,298
Other	2,575,341	2,484,759	3,426,431	4,775,612
Investment Income	189,302	75,779	71,691	37,782
Miscellaneous	2,972,237	188,830	157,306	839,167
Gain on Sale of Assets	-	-	-	-
Transfers In (Out)	229,413	296,836	(2,453,290)	225,400
Total Governmental Activities	<u>37,677,015</u>	<u>35,042,356</u>	<u>34,044,501</u>	<u>37,278,415</u>
Business-Type Activities				
Taxes				
Sales	-	-	-	-
Other	-	-	-	-
Investment Income	300	16	16	380
Miscellaneous	110,649	42,707	28,384	571
Transfers In (Out)	(229,413)	(321,836)	2,453,290	(225,400)
Total Business-Type Activities	<u>(118,464)</u>	<u>(279,113)</u>	<u>2,481,690</u>	<u>(224,449)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 37,558,551</u>	<u>\$ 34,763,243</u>	<u>\$ 36,526,191</u>	<u>\$ 37,053,966</u>
CHANGE IN NET POSITION				
Governmental Activities	\$ 4,537,377	\$ (432,507)	\$ 1,841,768	\$ 3,836,282
Business-Type Activities	1,823,315	340,568	3,099,757	1,160,656
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	<u>\$ 6,360,692</u>	<u>\$ (91,939)</u>	<u>\$ 4,941,525</u>	<u>\$ 4,996,938</u>

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

	2013	2014	2015	2016	2016*	2017
\$	12,673,310	\$ 12,392,230	\$ 11,981,519	\$ 11,812,941	\$ 12,678,579	\$ 13,783,140
	11,078,544	10,435,096	11,092,497	11,801,518	6,197,334	11,857,871
	3,534,755	3,600,059	3,433,879	3,202,384	1,513,310	3,144,611
	4,130,363	4,197,440	4,515,729	4,462,992	1,786,638	4,044,119
	4,835,868	4,994,817	5,340,751	5,585,744	3,279,118	5,648,898
	124,029	164,693	182,353	(257,706)	103,038	201,169
	623,137	953,687	1,258,401	598,730	344,060	671,129
	-	-	-	1,741	23,515	10,744
	494,250	627,800	(29,377)	(62,163)	254,247	168,003
	37,494,256	37,365,822	37,775,752	37,146,181	26,179,839	39,529,684
	-	-	-	-	-	716
	-	-	-	-	-	267,120
	4,338	113	27	38,672	18,951	10,557
	(6,038)	2,492	4,326	109,342	37,876	51,832
	(494,250)	(627,800)	29,337	62,163	(254,247)	(168,003)
	(495,950)	(625,195)	33,690	210,177	(197,420)	162,222
\$	36,998,306	\$ 36,740,627	\$ 37,809,442	\$ 37,356,358	\$ 25,982,419	\$ 39,691,906
\$	(182,022)	\$ (1,294,531)	\$ 2,927,312	\$ (11,670,502)	\$ (481,240)	\$ (4,499,172)
	525,782	1,091,804	3,026,729	(529,992)	(299,484)	987,738
\$	343,760	\$ (202,727)	\$ 5,954,041	\$ (12,200,494)	\$ (780,724)	\$ (3,511,434)

CITY OF DEKALB, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011**	2012
GENERAL FUND				
Reserved	\$ 2,067,865	\$ 2,177,003	\$ 6,257	\$ -
Unreserved	1,633,753	1,331,219	-	-
Nonspendable	-	-	50,934	61,660
Restricted	-	-	-	-
Committed	-	-	-	6,262
Unassigned	-	-	2,692,928	4,669,218
TOTAL GENERAL FUND	\$ 3,701,618	\$ 3,508,222	\$ 2,750,119	\$ 4,737,140
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 2,653,139	\$ 2,783,493	\$ -	\$ -
Unreserved, Undesignated (Deficit) Reported in				
Special Revenue Funds	(362)	(383)	-	-
Capital Project Funds	8,552,208	13,352,510	-	-
Nonspendable	-	-	3,650	1,500
Restricted	-	-	11,725,897	12,537,031
Assigned	-	-	340,327	219,840
Unassigned (Deficit)	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 11,204,985	\$ 16,135,620	\$ 12,069,874	\$ 12,758,371

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

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

Data Source

Audited Financial Statements

2013	2014	2015	2016	2016*	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
37,161	30,216	22,865	361,584	570,613	591,381
-	104,523	173,187	-	283,543	210,625
6,262	6,262	6,447	-	-	-
5,177,514	5,916,598	8,018,754	9,123,076	8,374,964	8,271,793
\$ 5,220,937	\$ 6,057,599	\$ 8,221,253	\$ 9,484,660	\$ 9,229,120	\$ 9,073,799
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	51	-
12,176,588	11,660,113	12,728,487	13,365,048	13,679,908	13,462,307
3,739,068	498,285	571,040	358,251	1,130,130	587,790
-	(205,934)	-	(23,787)	(1,583)	(13,977)
\$ 15,915,656	\$ 11,952,464	\$ 13,299,527	\$ 13,699,512	\$ 14,808,506	\$ 14,036,120

CITY OF DEKALB, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
REVENUES				
Taxes	\$ 34,305,038	\$ 34,111,071	\$ 36,266,887	\$ 24,753,767
Intergovernmental	6,070,086	5,344,122	6,576,584	18,750,569
Licenses, Permits, and Fees	354,375	346,229	499,938	396,095
Charges for Services	1,772,322	1,916,012	2,137,997	2,149,403
Fines and Forfeitures	728,572	647,913	639,450	605,075
Investment Income	189,302	75,779	71,691	37,681
Miscellaneous	737,263	549,695	517,485	839,167
Total Revenues	44,156,958	42,990,821	46,710,032	47,531,757
EXPENDITURES				
General Government	8,604,319	7,839,924	9,582,025	8,981,636
Public Safety	17,407,054	18,074,077	18,267,633	19,371,392
Highways and Streets	1,797,965	1,550,121	1,045,409	609,488
Community Development	3,930,979	3,730,883	2,933,330	3,185,002
Capital Outlay	8,163,413	13,281,421	12,011,245	10,359,355
Debt Service				
Principal Retirement	2,605,000	12,825,000	5,940,000	2,129,920
Interest and Fiscal Charges	859,247	775,771	808,239	938,679
Total Expenditures	43,367,977	58,077,197	50,587,881	45,575,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	788,981	(15,086,376)	(3,877,849)	1,956,285
OTHER FINANCING SOURCES (USES)				
Transfers In	5,679,484	10,104,589	5,461,545	5,113,090
Transfers (Out)	(5,450,071)	(9,807,753)	(8,529,492)	(4,420,390)
Bonds Issued	-	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	6,608	7,162	2,050	26,533
Total Other Financing Sources (Uses)	236,021	19,823,615	(946,000)	719,233
NET CHANGE IN FUND BALANCES	\$ 1,025,002	\$ 4,737,239	\$ (4,823,849)	\$ 2,675,518
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	13.44%	8.70%	14.62%	7.38%

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

2013	2014	2015	2016	2016*	2017
\$ 24,330,856	\$ 24,430,463	\$ 24,733,924	\$ 25,403,303	\$ 19,709,294	\$ 27,155,993
17,863,890	16,384,065	18,199,099	16,614,186	8,284,796	16,273,781
483,375	554,740	713,565	876,788	308,697	707,768
1,727,442	1,961,818	2,003,002	2,285,408	1,447,496	2,578,224
758,942	1,077,493	1,005,578	854,491	347,070	694,778
120,520	163,453	182,313	(257,706)	103,038	201,169
623,137	953,687	1,258,401	600,698	344,060	671,129
45,908,162	45,525,719	48,095,882	46,377,168	30,544,451	48,282,842
10,496,713	9,356,378	11,547,939	8,310,899	5,067,474	8,121,452
18,642,683	19,942,140	20,479,288	21,418,254	13,881,369	23,393,464
750,074	800,879	537,655	3,773,836	2,317,801	4,107,314
4,083,703	4,015,770	8,500,421	3,588,312	1,432,478	2,278,250
18,631,978	10,892,511	1,547,500	4,835,430	6,213,218	8,636,195
2,268,121	2,548,453	2,296,031	2,065,017	861,667	2,145,092
835,209	1,054,116	988,529	911,606	437,752	837,529
55,708,481	48,610,247	45,897,363	44,903,354	30,211,759	49,519,296
(9,800,319)	(3,084,528)	2,198,519	1,473,814	332,692	(1,236,454)
5,138,884	6,123,312	5,655,359	3,130,209	2,193,115	3,866,057
(4,707,634)	(6,220,512)	(6,034,736)	(2,942,372)	(1,695,868)	(3,568,054)
12,910,969	-	776,775	-	-	-
87,782	-	-	-	-	-
-	-	(776,775)	-	-	-
11,400	55,198	6,920	1,741	23,515	10,744
13,441,401	(42,002)	(372,457)	189,578	520,762	308,747
\$ 3,641,082	\$ (3,126,530)	\$ 1,826,062	\$ 1,663,392	\$ 853,454	\$ (927,707)
6.99%	8.00%	7.35%	6.79%	4.32%	6.21%

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 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	\$ 134,043,552
Food	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	61,402,912
Drinking and Eating Places	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	78,199,389
Apparel	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	8,752,664
Furniture, H.H., and Radio	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	20,542,886
Lumber, Building Hardware	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	28,176,775
Automobile and Filling Stations	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	81,886,476
Drugs and Miscellaneous Retail	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	88,288,532
Agriculture and All Others	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	29,536,527
Manufacturers	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	4,092,447
TOTAL	\$ 590,022,882	\$ 527,617,963	\$ 541,823,878	\$ 534,958,781	\$ 529,756,179	\$ 523,658,020	\$ 538,817,271	\$ 534,591,087	\$ 526,765,904	\$ 534,922,160
CITY DIRECT SALES										
TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Data Source

Illinois Department of Revenue

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY - HOME RULE

Last Ten Calendar Years

Calendar Year	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 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	\$ 91,778,515
Food	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	24,029,142
Drinking and Eating Places	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	77,430,970
Apparel	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	8,675,507
Furniture, H.H. and Radio	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	20,441,189
Lumber, Building Hardware	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	28,122,673
Automobile and Filling Stations	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	37,358,062
Drugs and Miscellaneous Retail	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	57,463,105
Agriculture and All Others	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	27,645,407
Manufacturers	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	3,871,997
TOTAL	\$ 407,846,919	\$ 367,224,414	\$ 384,698,736	\$ 383,741,601	\$ 379,268,008	\$ 381,160,759	\$ 387,964,236	\$ 373,006,470	\$ 371,164,565	\$ 376,816,567
CITY DIRECT SALES TAX RATE	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

*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

Calendar Year	City Home Rule Rate	Municipal Retailers Occupation Tax	County Rate	State Rate	Total
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%
2017	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

Levy Year	Residential	Commercial	Industrial	Farm	Railroad	Total	Total Direct Tax Rate*
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	1.3511
2014	285,032,206	138,851,901	38,459,111	1,010,413	1,612,750	464,966,381	1.4113
2015	283,233,886	142,889,179	38,998,251	1,020,259	1,936,167	468,077,742	1.6853
2016**	298,748,883	154,031,848	48,012,868	1,098,215	1,970,015	503,861,829	1.6583
2017	305,785,673	164,843,724	55,827,547	1,162,643	2,009,877	529,629,464	1.6140

Note: The City only reports the rate setting EAV.

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

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
TAX RATES										
City of DeKalb	0.6000	0.6500	0.6899	0.7205	0.7952	0.9809	1.0245	1.1942	1.2021	1.2268
DeKalb Library	0.2509	0.2793	0.2957	0.3088	0.3369	0.3701	0.3868	0.4911	0.4562	0.3872
	0.8509	0.9293	0.9856	1.0293	1.1321	1.3510	1.4113	1.6853	1.6583	1.6140
DeKalb County	0.8495	0.8539	0.9052	0.9694	1.0892	1.2013	1.2483	1.2364	1.1429	1.1201
DeKalb Township	0.1130	0.1149	0.1260	0.1350	0.1508	0.1687	0.1797	0.1820	0.1724	0.1709
DeKalb Road & Bridge	0.1808	0.1839	0.1477	0.1548	0.1768	0.1977	0.2106	0.2133	0.2020	0.2006
Forest Preserve District	0.0678	0.0663	0.0700	0.0740	0.0797	0.0852	0.0876	0.0853	0.0799	0.0783
Sanitary District	0.0927	0.0944	0.1036	0.1110	0.1244	0.1393	0.1486	0.1504	0.1425	0.1389
DeKalb School District #428	5.2079	5.2606	5.7414	6.2148	7.0275	7.8215	8.2714	8.2500	7.8132	7.7209
Kishwaukee Community College	0.5468	0.5638	0.5601	0.5758	0.6416	0.7294	0.7123	0.6972	0.6700	0.6669
Park District	0.5131	0.5208	0.5606	0.5987	0.6745	0.7519	0.7969	0.7960	0.7559	0.7450
TOTAL TAX RATE PER \$100 EQUALIZED ASSESSED VALUATION	8.4225	8.5879	9.2002	9.8628	11.0966	12.4460	13.0667	13.2959	12.6371	12.4556
SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY	10.10%	10.82%	10.71%	10.44%	10.20%	10.85%	10.80%	12.68%	13.12%	12.96%

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PRINCIPAL TAXPAYERS

Current Year and Nine Years Ago

Taxpayers	Type of Business	2017			2008		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
3M	Warehouse/Distribution	\$ 19,975,143	1	3.77%	\$ 5,412,680	6	0.84%
Target	Warehouse/Distribution	10,406,859	2	1.96%	14,351,446	1	2.22%
Panduit	Manufacturing	6,939,895	3	1.31%	6,172,503	5	0.96%
ARC - Goodyear	Warehouse/Distribution	6,469,182	4	1.22%	8,611,728	2	1.33%
Nestle	Warehouse/Distribution	6,144,077	5	1.16%	7,917,129	3	1.23%
Mason Properties	Apartments	6,039,241	6	1.14%			
University Village I & II	Apartments	5,608,888	7	1.06%	4,913,082	7	0.76%
Northland Plaza	Retail	5,511,187	8	1.04%	6,345,371	4	0.98%
DeKalb Area Retirement Center	Retirement Center	5,214,608	9	0.98%	3,686,624	10	0.57%
Dream Fund LLC	Apartments	3,799,190	10	0.72%	4,648,471	8	0.72%
JLAR	Apartments/Retail				4,028,159	9	0.62%
TOTAL		<u>\$ 76,108,270</u>		<u>14.36%</u>	<u>\$ 66,087,193</u>		<u>10.23%</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			Total Collections to Date		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			Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected
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	5,523,531	99.25%	-	5,523,531	99.25%	0.4562	3,235,125	2,753,092	85.10%	-	2,753,092	85.10%
2017	1.2268	6,004,594	-	0.00%	-	-	0.00%	0.3872	3,236,575	-	0.00%	-	-	0.00%

Note: Amount reflects collection through December 31, 2017.

Data Sources

Office of the County Clerk
Office of the County Treasurer

Rates per \$100	Total Tax Levy Requested	Total			Total Collections	
		Collections within the		Collections in	to Date	
		Levy Year	Percent of		Amount	Percent of
		Amount	Levy Collected	Subsequent Years	Amount	Levy Collected
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%
1.6583	8,800,509	8,276,623	94.05%	-	8,276,623	94.05%
1.6140	9,241,169	-	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 Financing Revenue Bonds	Tax Increment Financing Note	Capital Leases	G.O. Bonds	G.O. Bond Anticipation Notes	IEPA Loan Payable	Capital Leases			
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
2017	22,235,654	-	-	-	-	166,665	1,370,000	-	1,849,536	-	25,621,855	2.89%	581.92

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

Fiscal Year Ended	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property*	Per Capita**
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
2017	23,605,654	-	23,605,654	4.68%	536.13

*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, 2017

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to the City*	City's Share of Debt
City of DeKalb	\$ 22,402,319	100.00%	\$ 22,402,319
DeKalb County	12,790,000	26.93%	3,444,347
DeKalb School District #428	91,471,356	74.93%	68,539,487
Kishwaukee Community College #523	47,442,229	24.49%	11,618,602
Sycamore School District #427	49,329,412	0.82%	404,501
Park District	<u>340,000</u>	99.28%	<u>337,552</u>
Total Overlapping	<u>\$ 201,372,997</u>		<u>\$ 84,344,489</u>
Total Direct and Overlapping	<u>\$ 223,775,316</u>		<u>\$ 106,746,808</u>

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2017

The City is a home rule municipality.

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

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

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

CITY OF DEKALB, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds and Notes							
	Incremental Property Taxes	Incremental Sales Tax	Less Excluded Contractual Obligations	Available for Debt Service	Debt Service		Coverage	
					Principal	Interest		
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	
2017	6,845,389	-	-	6,845,389	-	-	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

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Per Capita Personal Income	Median Family Income	Unemployment Rate
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%
2017	44,030	529,629,464	886,588,080	20,136	61,164	4.5%

*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	2017			2008		
	Rank	Employees	% of Total City Population	Rank	Employees	% of Total City Population
Northern Illinois University	1	3,596	8.17%	1	3,596	7.83%
KishHealth System	2	1,443	3.28%	2	700	1.52%
DeKalb School District	3	860	1.95%			
Target Distribution Center	4	700	1.59%	5	505	1.10%
3M	5	596	1.35%	4	525	1.14%
Wal-Mart Super Center	6	475	1.08%	3	550	1.20%
American Marketing & Publi	7	358	0.81%			
Ideal Industries (DeKalb)	8	344	0.78%	9	125	0.27%
Sonoco - Alloyd Company	9	330	0.75%	6	364	0.79%
Nestle Distribution	10	275	0.62%	7	250	0.54%
Jewel/Osco				8	200	0.44%
GE Motors				10	100	0.22%

Data Sources

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

CITY OF DEKALB, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
GENERAL GOVERNMENT				
Legislative	9.00	9.00	9.00	9.00
Administrative Services	24.00	23.00	17.50	16.50
City Clerk	1.50	1.50	0.50	0.50
Legal	4.50	4.50	3.50	2.00
	39.00	38.00	30.50	28.00
PUBLIC SAFETY				
Police				
Officers	63.00	61.00	60.00	61.00
Civilians	25.50	25.50	24.50	24.50
	88.50	86.50	84.50	85.50
Fire				
Firefighters	60.00	58.00	54.00	53.00
Staff	2.00	2.00	1.00	1.00
	62.00	60.00	55.00	54.00
COMMUNITY IMPROVEMENT				
Community Development	16.50	13.00	-	-
Engineering Services	5.50	8.00	-	-
Public Works				
Administration	1.00	1.00	2.00	2.00
Public Facilities	1.00	1.00	1.00	1.00
Engineering	1.00	1.00	-	-
Streets	19.00	19.00	20.00	20.00
	44.00	43.00	23.00	23.00
Water and Sewer	16.00	16.00	10.00	10.00
Airport Division	1.50	1.50	2.50	4.50
Development Services	1.00	-	6.50	6.00
Mass Transit	-	-	2.50	2.50
TOTAL FULL-TIME EQUIVALENT EMPLOYEES	252.00	245.00	214.50	213.50

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

2013	2014	2015	2016	2016*	2017
9.00	9.00	9.00	9.00	9.00	9.00
20.00	20.50	22.50	24.00	23.50	22.50
-	-	-	-	-	-
-	-	-	-	-	-
29.00	29.50	31.50	33.00	32.50	31.50
63.00	65.00	65.00	65.00	65.00	65.00
30.00	30.50	34.00	34.00	34.00	34.00
93.00	95.50	99.00	99.00	99.00	99.00
52.00	57.00	57.00	57.00	57.00	57.00
1.00	1.00	1.50	2.00	2.00	2.00
53.00	58.00	58.50	59.00	59.00	59.00
7.50	8.00	6.50	6.00	6.00	7.50
-	-	-	-	-	-
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	2.00
21.00	21.00	21.00	21.00	21.00	21.00
32.00	32.50	31.00	32.00	32.00	33.50
10.00	10.50	10.50	10.50	10.50	10.00
4.50	6.00	6.00	6.00	6.00	6.00
-	-	-	-	-	-
2.00	2.00	3.50	3.50	3.50	3.50
223.50	234.00	240.00	243.00	242.50	242.50

CITY OF DEKALB, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
GENERAL GOVERNMENT				
Community Development				
Building Permits Issued				
Residential Permits Issued				
New Construction	3	8	2	1
Remodel	82	69	55	63
Industrial/Commercial Permits Issued				
New Construction	9	10	20	16
Remodel	25	31	12	21
Other Permits	681	745	764	647
Total Number of Permits	800	863	853	748
Total Building Permit Valuation	\$ 11,102,307	\$ 8,455,270	\$ 30,110,627	\$ 11,637,858
PUBLIC SAFETY				
Police				
Physical Arrests	3,023	2,480	2,689	2,799
Traffic Violations	10,530	8,273	4,829	6,136
Parking Violations	12,986	13,965	13,967	12,211
Fire				
Fire Responses (Fire and Non-Fire)	2,641	3,129	3,199	3,516
Emergency Medical Services Responses	4,018	4,334	4,476	5,005
PUBLIC WORKS				
Vehicles Maintained by Department	132	131	128	124
Street Construction (Miles)	-	-	-	-
Street Reconstruction (Miles)	0.45	1.15	0.65	0.16
Street Resurfacing (Miles)	1.48	1.70	1.73	2.86
WATER				
Average Daily Consumption 12/31				
Industrial/Commercial	488,491	431,992	417,353	395,288
Residential	2,275,385	2,171,686	2,185,873	2,114,983
Government/Church/School	702,852	636,183	561,908	615,165
Water Billing Accounts on 12/31				
Industrial/Commercial	787	761	767	756
Residential	10,007	10,011	10,020	10,104
Government/Church/School	239	221	224	224

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Data Source

Various City Departments

2013	2014	2015	2016	2016*	2017
1	4	3	6	-	2
67	52	49	54	25	33
15	21	19	16	5	21
20	25	27	33	22	47
634	651	580	595	355	860
737	753	678	704	407	963
\$ 11,611,226	\$ 8,958,807	\$ 54,359,021	\$ 66,276,980	\$ 3,581,909	\$ 35,210,556
2,917	2,795	2,987	2,911	1,650	2,811
4,729	4,253	3,956	3,788	1,442	3,612
9,733	7,144	6,335	5,555	2,899	5,049
3,437	3,489	3,948	4,084	1,667	4,062
5,236	5,207	5,196	5,344	2,122	5,376
133	135	142	144	145	142
-	-	-	-	-	-
0.51	0.43	-	-	-	-
2.17	1.22	1.66	1.77	1.14	1.07
402,758	401,301	400,450	437,786	444,766	375,549
2,117,781	2,124,660	1,997,021	1,922,611	1,959,605	1,972,838
589,752	562,971	513,539	502,681	610,122	545,796
753	731	717	682	749	751
10,015	9,960	9,963	10,030	9,964	9,968
225	222	211	217	217	218

CITY OF DEKALB, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2016*	2017
PUBLIC SAFETY										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	28	27	27	26	28	28	29	29	28	28
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	6	7	6	6	6	6
Fire Trucks	4	4	4	4	4	4	5	5	5	6
PUBLIC WORKS										
Residential Streets (Miles)	126	128	128	128	128	128	128	128	128	128
Traffic Signals	22	22	23	24	24	24	24	24	24	24
WATER										
Water Towers	4	4	4	4	4	4	4	4	4	4
Storage capacity (MG)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Water Wells	9	9	9	9	9	9	9	9	9	9
Water Mains (miles)	175	175	175	177	177	177	177	178	178	178

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Data Source

Various City Departments