



Comprehensive  
Annual Financial Report  
Fiscal Year Ended  
June 30, 2016

City of DeKalb, Illinois

**CITY OF DEKALB, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
June 30, 2016

Prepared by the City of DeKalb Finance Department

**CITY OF DEKALB, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials.....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Transmittal Letter.....	iv-x
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-3
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	4
Statement of Activities .....	5-6
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	7-8
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	10-11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	12
Proprietary Funds	
Statement of Net Position .....	13-14
Statement of Revenues, Expenses, and Changes in Net Position.....	15
Statement of Cash Flows .....	16-17

**CITY OF DEKALB, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)**

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position .....	19
Notes to Financial Statements .....	20-82

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress and Employer Contributions	
Other Postemployment Benefits Plan .....	83
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	84
Police Pension Fund .....	85
Firefighters' Pension Fund .....	86
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund .....	87
Police Pension Fund .....	88
Firefighters' Pension Fund .....	89
Schedule of Investment Returns	
Police Pension Fund .....	90
Firefighters' Pension Fund .....	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund.....	92
Motor Fuel Tax Fund.....	93
Mass Transit Fund.....	94
Tax Increment Financing #1 Fund .....	95
Tax Increment Financing #2 Fund .....	96
Notes to Required Supplementary Information .....	97

**CITY OF DEKALB, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

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

**MAJOR GOVERNMENTAL FUNDS**

Schedule of Revenues - Budget and Actual - General Fund .....	98-99
Schedule of Expenditures - Budget and Actual - General Fund .....	100
Schedule of Detailed Expenditures - Budget and Actual - General Fund.....	101-105

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet .....	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	107

**Nonmajor Special Revenue Funds**

Combining Balance Sheet .....	108-109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	110-111
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Foreign Fire Insurance Tax Fund .....	112
Housing Rehabilitation Fund .....	113
Community Development Block Grant Fund.....	114
Heritage Ridge Special Service Area #3 Fund .....	115
Knolls Special Service Area #4 Fund .....	116
Greek Row Special Service Area #6 Fund .....	117
Heartland Fields Special Service Area #14 Fund .....	118

**Nonmajor Debt Service Funds**

Combining Balance Sheet .....	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Debt Service Fund.....	121
Tax Increment Financing Debt Service Fund .....	122

**CITY OF DEKALB, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)**

**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

Nonmajor Capital Projects Funds	
Combining Balance Sheet .....	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	124
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Capital Projects Fund.....	125
Equipment Fund.....	126
Fleet Replacement Fund .....	127

**ENTERPRISE FUNDS**

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water Fund Department Accounts.....	128-129
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	
Airport Fund .....	130
Refuse Fund.....	131

**INTERNAL SERVICE FUNDS**

Combining Statement of Net Position.....	132
Combining Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	133-134
Combining Statement of Cash Flows.....	135

**FIDUCIARY FUNDS**

**PENSION TRUST FUNDS**

Combining Statement of Net Position.....	136
Combining Statement of Changes in Plan Net Position- Budget and Actual.....	137

**CITY OF DEKALB, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)**

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

Statement of Net Position and Combining Balance Sheet .....	138-139
Statement of Activities and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Net Position .....	140-141

**SUPPLEMENTAL FINANCIAL INFORMATION**

Schedule of Long-Term Debt Requirements	
General Obligation Bonds of 2010A.....	142
General Obligation Refunding Bonds of 2010B .....	143
General Obligation Refunding Bonds of 2010C .....	144
General Obligation Bonds of 2012A.....	145
General Obligation Bonds of 2013B .....	146
General Obligation Refunding Bond Series of 2014 (Total Issue) .....	147
General Obligation Refunding Bond Series of 2014 (Debt Service Fund Share)...	148
General Obligation Refunding Bond Series of 2014 (Water Fund Share).....	149
General Obligation Refunding Bond Series of 2014 (Airport Fund Share).....	150
IEPA Loan #L17133700 Contract Payable of 1999.....	151
IEPA Loan #L17161400 Contract Payable of 2000.....	152
IEPA Loan #L174045 Contract Payable of 2012.....	153
Component Unit DeKalb Public Library	
General Obligation Bonds of 2013A.....	154
Loan Payable of 2015 .....	155
Debt Certificates of 2011.....	156

**STATISTICAL SECTION**

Financial Trends	
Net Position by Component .....	157-158
Change in Net Position.....	159-162
Fund Balances of Governmental Funds .....	163-164
Changes in Fund Balances of Governmental Funds .....	165-166

**CITY OF DEKALB, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**STATISTICAL SECTION (Continued)**

Revenue Capacity	
Taxable Sales by Category .....	167
Taxable Sales by Category - Home Rule .....	168
Direct and Overlapping Sales Tax Rates .....	169
Assessed Value and Actual Value of Taxable Property .....	170
Property Tax Rates - Direct and Overlapping Governments .....	171
Principal Property Taxpayers .....	172
Property Tax Rates, Levies, and Collections .....	173-174
Debt Capacity	
Ratios of Outstanding Debt by Type .....	175
Ratios of General Bonded Debt Outstanding .....	176
Direct and Overlapping Governmental Activities Debt .....	177
Legal Debt Margin .....	178
Pledged-Revenue Coverage .....	179
Demographic and Economic Information	
Demographic and Economic Information .....	180
Principal Employers .....	181
Operating Information	
Full-Time Equivalent Employees .....	182-183
Operating Indicators .....	184-185
Capital Asset Statistics .....	186



## **INTRODUCTORY SECTION**

CITY OF DEKALB, ILLINOIS

PRINCIPAL OFFICIALS

June 30, 2016

---

LEGISLATIVE

John Rey, Mayor

Alderman David Jacobson, Ward One

Alderman Bill Finucane, Ward Two

Alderman Michael Marquardt, Ward Three

Alderman Bob Snow, Ward Four

Alderman Katherine Noreiko, Ward Five

Alderman David Baker, Ward Six

Alderman Anthony Faivre, Ward Seven

Jennifer Jeep Johnson, City Clerk

ADMINISTRATIVE

Anne Marie Gaura, City Manager

Patty Hoppenstedt, Assistant City Manager

Gene Lowery, Police Chief

Eric Hicks, Fire Chief

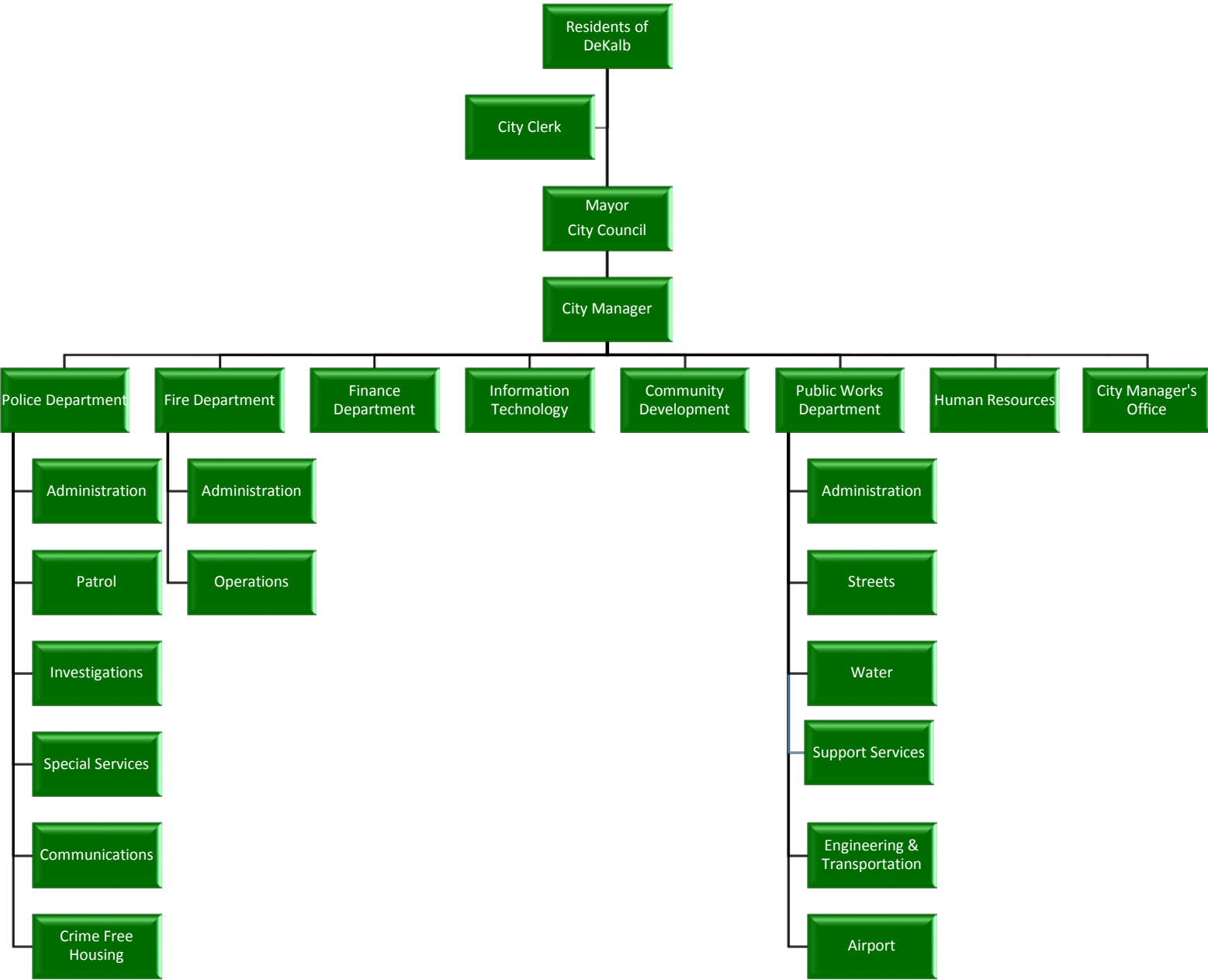
Cathy Haley, Finance Director

Tim Holdeman, Public Works Director

Jo Ellen Charlton, Community Development Director

# Organizational Chart

---





Government Finance Officers Association

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

Presented to

**City of DeKalb  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

December 21, 2016

Mayor John Rey  
Members of the DeKalb City Council  
City Manager Anne Marie Gaura  
Residents of the City of DeKalb

The Comprehensive Annual Financial Report of the City of DeKalb for the fiscal year ended June 30, 2016 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of DeKalb issue annually a report of its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

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

Sikich, LLP, have issued an unmodified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the City of DeKalb**

The City of DeKalb was incorporated in 1856, and is located in the center of DeKalb County Illinois. Located 60 miles west of Chicago, the City of DeKalb's current land area is 15.55 square miles and approximately 130 miles of streets. In spite of its proximity to the Chicago region, the City remains apart, maintaining its own unique character as a rapidly growing university community with both urban and rural roots. Many of its older neighborhoods have brick paved streets and well-kept historic homes while the edge of the City bustles with new residential and commercial development. The City of DeKalb has a 2014 population estimate of 44,030, therefore the City is a home rule community because its population exceeds 25,000. Home rule communities

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

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

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

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

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

## Local Economy

The local economy is still being impacted by regional, state and national economic conditions. However, the City's three largest sources of revenue have started to show signs of economic vitality. These three largest sources of revenue are **property taxes** received from the county, **sales taxes**, both municipal and home rule, and **income tax**. The EAV decline has slowed and the unemployment rate has dropped. The City's total EAV increased by 8.27% compared to the small increase from the previous year of .67%. Prior to the small increase in 2015 the EAV dropped drastically for six years in a row.

The City's income tax revenue decreased slightly by \$52,737 or 1.17% from \$4,515,729 in FY15 to \$4,462,992 in FY16. This per-capita revenue source is based more on the state's economy and unemployment rate rather than the local economy. The State of Illinois' unemployment rate peaked to 11.50% in December 2009 and has dropped to 5.60% in November 2016.



The state portion of sales tax revenue has shown signs of a slight decrease from FY15 but still an increase over FY14. The home rule portion continues to show a downward trend which could be offset by the increase being seen in Local Use Tax. Combined these actual revenue dollars came in below budgeted parameters by over \$500,000 or 4.80%. However, signs of economic vitality for the City are Local Use Tax, Restaurant & Bar Tax and Income Tax all coming in above budgeted parameters.

As a result, the General Fund unrestricted fund balance ended at \$9,123,076 or 28.26% of annual expenditures. This is \$1,104,321 higher than FY15 and the strongest the General Fund balance reserves have been in the last eleven years.

### **Long-term Financial Planning**

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

1. The City implemented a 10-year strategic plan in 2015 to ensure that its long-term goals are reviewed, updated and implemented to continue to address the City's mission of "Deliver high quality municipal services to those who live, work, learn in, or visit our community." All elected officials, appointed board and commission chairpersons, executive team members, and DeKalb residents participated in the planning sessions that helped to create this final 2025 Strategic Plan Document.
2. The City has established several key written financial policies including a Budget policy, a Reserve & Fund Balance Policy, a Revenue & Expenditure policy, an Accounting, Auditing & Financial Reporting policy, a Debt Management policy and an Investment policy. The General Fund fund balance policy is currently 25% of the total General Fund annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls and possible delays and changes in state distribution of shared revenues.
3. The City adopted a new Purchasing Manual to establish guidelines for City staff in procuring goods and materials in a manner that is consistent with the highest standards of public service in obtaining quality goods and services at the lowest possible price.
4. The City adopted a 10-year capital improvement plan for the Water Fund and structured the necessary fees in order to maintain the Water Divisions capital equipment and infrastructure, and maintain or enhance the current levels of service.
5. The City Adopted a 5-year Capital Improvement Plan during the FY17 budget process for the General Capital Infrastructure of Streets, Fleet and Equipment. Funding to implement this plan is being reviewed during the FY18 budget process.
6. The City attempts to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. All fees and charges were reviewed and five recommendations will be implemented in FY16.5 and FY17. These were increases to the ambulance transport fees, increase in the video gaming licensing fees, increase to the fuel surcharge, adding a treat non-transport to the ambulance fees and adding a fee for the leasing of our records management software fee. The City will continue to make this review an annual process during the budget season each year.



## Relevant Financial Policies

The City Council passed a resolution in 2015 to adopt certain financial management policies including a budget policy, a fund balance policy, a revenue and expenditure policy, an accounting/auditing and financial reporting policy, a capital asset policy, a debt management policy, and an investment policy. Changes were made to these policies during the FY17 budget process to incorporate a Capital Equipment Replacement Funding Policy for the implementation of the City's 5-year Capital Improvement Plan.

Excluding amounts restricted, committed, or assigned for various purposes, the unassigned fund balance in the General Fund was 28.26% of actual expenditures for FY16. Because of the City's conservative approach and prudent fiscal spending, this was a 4.82% increase over last fiscal year.

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

## Major Initiatives

During FY 2016, the City was able to initiate and/or complete a variety of projects, programs and activities designed to meet identified community needs. These included:

- Completion of an RFP process for new auditing services.
- Completion of an RFP process for Liability and Workers Compensation insurance.
- Continued to enhance the City Health Insurance program to keep premiums low by adding a High Deductible plan option.
- Development of a Benefits Handbook for non-bargaining unit employees and a Personnel Manual for all employees.
- Returned funding level for the Police and Fire pension funds back to 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 22nd consecutive year.
- Achieved the Government Finance Officers Association "Distinguished Budget Presentation Award for the 1<sup>st</sup> year in the City's history.
- Achieved the Government Finance Officers Association Award for "Outstanding Achievement in Popular Annual Financial Reporting" for the 2nd consecutive year.
- Achieved the Illinois Policy Institute's Sunshine Award for Financial Transparency.
- Began the formation of a City of DeKalb Wellbeing Program to promote and support programs that encourage emotional, physical, financial, social and career wellbeing for its employee and families.
- The "20/20: A Clear Vision for the Future", a strategic plan for 20 new crime reduction and community partnership initiatives in 20 months was completely implemented.
- A significant enhancement to the efficiency of Records operations was the implementation of GovPay, a vendor that facilitates credit card payments to the police department for items such as parking tickets, bond, and administrative tow fees, then distributes the payment to its intended recipient, such as to the Circuit Clerk for bond. This program has also significantly reduced the time our officers spend on transporting arrestees to the county jail by facilitating their ability to acquire bond using a credit card.





- Another records enhancement was the implementation of automated traffic accident reporting, the Apriss system. This allows officers to electronically complete and submit traffic accident reports, streamlining the process of dissemination to motorists, insurance companies, and the Illinois Department of Transportation. This program has also significantly reduced support staff time dedicated to processing these requests.
- The 911 Police Communications Center demonstrated an increase in compliance with National Fire Protection Association (NFPA) standards for fire dispatch; having achieved compliance within a three month period with over 95% of our calls being dispatched within 106 seconds, and a consistent rise in the percentage of calls being dispatched within 60 seconds which helps to improve our response times and ISO rating for the City.
- The “Camp Power” program celebrated a successful second year, and developed a strategy for the program’s sustainability and expansion by joining forces with the YMCA and other community stakeholders.
- Completed the training and deployment of Narcan, with new first responder medical bags being purchased and assembled for each patrol vehicle. This program allows police officers who are usually the first to arrive on scene to effectively deploy the overdose intervention drug Narcan to save a life that may have been taken through a narcotics overdose. Two of our officers successfully administered Narcan to a heroin overdose victim and saved the victim’s life.
- Repaved the parking lot at Station 1, replaced roof at Fire Station 2, painted the exterior of Fire Station 3 and replaced all Station 1 apparatus floor heaters.
- Purchased mobile training tower through a grant from FEMA.
- Negotiated a new contract with IAFF.
- Negotiated new agreement with DeKalb High School for high school football EMS standby.
- Negotiated new agreement with Kishwaukee Education Consortium for Fire Science classes.
- Obtained ADA website compliance.
- Addressed regional water quality and quantity (flooding issues) utilizing a watershed management approach by participating with the DeKalb County Stormwater Management Committee.
- Identified regional stakeholders for a subcommittee to evaluate the transit needs of the region and areas of potential shared service provision between TransVAC and Huskie Bus.
- Developed and implemented the DSATS Unified Planning Work Program (UPWP). This document is reviewed and approved by IDOT, the Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) to authorize DSATS funding for projects in the next fiscal year.
- Completed the FY2016 Street Maintenance Patching Program throughout the non-TIF areas of the City of DeKalb.
- Collaborated with the Active Transportation group to establish bicycle advocacy goals for the region.
- Successfully used agricultural based deicers to lessen the amount of road salt required to keep roads safe during winter driving season.
- Purchased a new Stepp 2.0 heated patch box improving pothole repair times in cold conditions.
- Removed over 70 dead Ash trees as part of the adopted Emerald Ash Bore Management program.
- Updated the City Council meeting agenda development process on best practices.



- Initiated a City-wide policy and program for records retention and document destruction in compliance with State of Illinois regulations.
- Continued implementation of the Pay, Compensation and Classification Study, specifically with the development of a performance evaluation program for non-bargaining unit employees and revising job descriptions for all employees.
- The City played a role in the America's Best Communities competition, providing oversight to the committee and subcommittees.
- Continued to supplement the CDBG Housing Rehabilitation Program with grants to 14 income eligible homeowners to expand the number of homes served by the program.
- Provided \$59,000 in supplemental grants to local social service agencies who provide supportive services to the residents of DeKalb

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of DeKalb for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the twenty-second consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of DeKalb for its Popular Annual Financial Report for the fiscal year ended June 30, 2015. This is the second year the City has received this award. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the City must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Finally, the GFOA has presented to the City of DeKalb the Distinguished Budget Presentation Award for the FY15 Budget document. This is the first time the City has applied for this award and received it on this first attempt.

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,

Cathy L. Haley

Cathy L. Haley  
Finance Director



## **FINANCIAL SECTION**



1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

630.566.8400 // [www.sikich.com](http://www.sikich.com)

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois (the City), as of and for the year ended June 30, 2016, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois as of June 30, 2016, 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 December 19, 2016 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  
December 19, 2016

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**



# **CITY OF DEKALB, ILLINOIS**

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

**June 30, 2016**

---

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 June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal included earlier in this report.

### **USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

#### **Government-Wide Financial Statements**

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

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

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

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

The government-wide financial statements can be found on pages 4 through 6 of this report.

#### **Fund Financial Statements**

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

(See independent auditor's report)

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

***Governmental Funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

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

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

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

The basic governmental fund financial statements can be found on pages 7 through 12 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 13 through 17 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

(See independent auditor’s report)

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

The City maintains two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. Data from the two fiduciary funds are combined into a single, aggregate presentation. Individual fund data for each of these fiduciary funds is provided elsewhere in this report.

The basic fiduciary fund financial statements can be found on pages 18 and 19 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 82 of this report.

**Financial Analysis of the City as a Whole**

Beyond presenting current year financial information in the government-wide and major individual fund formats, the City also presents comparative information from the prior year in Management’s Discussion and Analysis. By doing so, the City is providing the best means of analyzing its financial condition and position as of June 30, 2016.

**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 June 30, 2016**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>FY16</b>	<b>FY15</b>	<b>FY16</b>	<b>FY15</b>	<b>FY16</b>	<b>FY15</b>
Current and Other Assets \$	40,578,668	37,272,732	7,296,702	8,279,983	47,875,370	45,552,715
Capital Assets	131,309,223	134,126,562	57,049,230	57,649,708	188,358,453	191,776,270
Deferred Outflows	6,699,392	11,046,441	871,223	445,223	7,570,615	11,491,664
<b>Total Assets and Deferred Outflows</b>	<b>178,587,283</b>	<b>182,445,735</b>	<b>65,217,155</b>	<b>66,374,914</b>	<b>243,804,438</b>	<b>248,820,649</b>
Long-Term Liabilities	116,676,411	107,398,113	7,122,869	6,207,102	123,799,280	113,605,215
Other Liabilities	4,253,617	7,547,395	2,167,332	3,257,134	6,420,949	10,804,529
Deferred Inflows	11,939,730	10,373,855	-	-	11,939,730	10,373,855
<b>Total Liabilities and Deferred Inflows</b>	<b>132,869,758</b>	<b>125,319,363</b>	<b>9,290,201</b>	<b>9,464,236</b>	<b>142,159,959</b>	<b>134,783,599</b>
Net Position:						
Net Investment in						
Capital Assets	111,898,622	113,826,017	52,803,874	52,605,345	164,702,496	166,431,362
Restricted	13,365,048	12,897,923	-	-	13,365,048	12,897,923
Unrestricted	(79,546,145)	(69,597,568)	3,123,080	4,305,333	(76,423,065)	(65,292,235)
<b>Total Net Position</b>	<b>45,717,525</b>	<b>57,126,372</b>	<b>55,926,954</b>	<b>56,910,678</b>	<b>101,644,479</b>	<b>114,037,050</b>

The City's combined net position decreased from \$114 million to \$101.6 million for the fiscal year ending June 30, 2016.

Net position attributable to governmental activities decreased by \$11.4 million due primarily to the increase in net pension liability for the police and fire pension funds. While the City is in the process of funding both pensions at the entry age normal cost method, investment rate of returns were much lower than the actuarial assumption of 7.5%, which created a larger net pension liability. Net position attributable to business-type activities decreased by \$1.0 million due mainly to a change in the water billing cycle from three months to two months, which decreased receivables by over \$600,000.

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

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

**Activities**

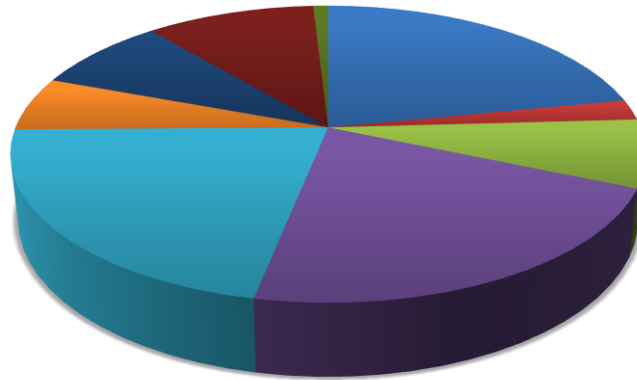
The following table summarizes the revenue and expenses of the City's activities.

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>FY16</b>	<b>FY15</b>	<b>FY16</b>	<b>FY15</b>	<b>FY16</b>	<b>FY15</b>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 4,016,686	3,722,145	7,906,974	8,046,786	11,923,660	11,768,931
Operating Grants/Contributions	1,218,315	1,114,773	-	-	1,218,315	1,114,773
Capital Grants/Contributions	3,933,596	4,375,595	81,555	2,566,070	4,015,151	6,941,665
General Revenues						
Property Taxes	11,812,941	11,981,519	-	-	11,812,941	11,981,519
Sales Taxes	11,801,518	11,092,497	-	-	11,801,518	11,092,497
Utility Taxes	3,202,384	3,433,879	-	-	3,202,384	3,433,879
State Income Taxes	4,462,992	4,515,729	-	-	4,462,992	4,515,729
Other Taxes	5,585,744	5,340,751	-	-	5,585,744	5,340,751
Other	342,765	1,440,754	148,014	4,353	490,779	1,445,107
<b>Total Revenues</b>	<b>46,376,941</b>	<b>47,017,642</b>	<b>8,136,543</b>	<b>10,617,209</b>	<b>54,513,484</b>	<b>57,634,851</b>
<b>Expenses</b>						
General Government	8,456,094	12,795,131	-	-	8,456,094	12,795,131
Public Safety	33,400,660	22,259,920	-	-	33,400,660	22,259,920
Highways and Streets	8,086,082	4,158,954	-	-	8,086,082	4,158,954
Community Development	6,984,506	8,859,472	-	-	6,984,506	8,859,472
Interest on Long-Term Debt	1,057,938	987,476	-	-	1,057,938	987,476
Water	-	-	5,354,514	4,288,137	5,354,514	4,288,137
Airport	-	-	1,263,527	1,410,722	1,263,527	1,410,722
Refuse	-	-	2,110,657	1,920,958	2,110,657	1,920,958
<b>Total Expenses</b>	<b>57,985,280</b>	<b>49,060,953</b>	<b>8,728,698</b>	<b>7,619,817</b>	<b>66,713,978</b>	<b>56,680,770</b>
<i>Change in Net Position Before Transfers</i>	(11,608,339)	(2,043,311)	(592,155)	2,997,392	(12,200,494)	954,081
<i>Transfers</i>	(62,163)	(29,377)	62,163	29,377	-	-
<b>Change in Net Position</b>	<b>(11,670,502)</b>	<b>(2,072,688)</b>	<b>(529,992)</b>	<b>3,026,769</b>	<b>(12,200,494)</b>	<b>954,081</b>
<b>Net Position, July 1</b>	<b>57,126,372</b>	<b>115,912,677</b>	<b>56,910,678</b>	<b>53,920,184</b>	<b>114,037,050</b>	<b>169,832,861</b>
<b>Restatement</b>	<b>261,655</b>	<b>(56,713,617)</b>	<b>(453,732)</b>	<b>(36,275)</b>	<b>(192,077)</b>	<b>(56,749,892)</b>
<b>Net Position, June 30</b>	<b>45,717,525</b>	<b>57,126,372</b>	<b>55,926,954</b>	<b>56,910,678</b>	<b>101,644,479</b>	<b>114,037,050</b>

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

**Total Primary Government Revenues for FY16**



Charges for Services - 21.9%	Operating Grants/Contributions - 2.2%
Capital Grants/Contributions - 7.4%	Property Taxes - 21.7%
Sales Taxes - 21.6%	Utility Taxes - 5.9%
State Income Taxes - 8.2%	Other Taxes - 10.2%
Other - 0.9%	

For the fiscal year ended June 30, 2016, revenues totaled \$54.5 million. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$11.8 million or 21.7% of total revenues. Property taxes support governmental activities including the City’s contribution to the Police and Fire Pension Funds. Property tax revenues remained at last year’s level as the City did not increase its property tax levy. Property tax revenues collected in Fiscal Year 2016 were based on the 2014 Equalized Assessed Valuation (EAV) and property tax rate. The City’s 2014 EAV decreased by 4.31% to \$464,966,381 due to the depressed economy. The EAV approximates 33 1/3% of the total market value of real estate within the corporate limits of the City. The property tax rate for 2014 was \$1.0245 per \$100 of EAV.

Sales taxes are typically the highest revenue source for the City. They are collected by the State of Illinois and remitted back to the City on a monthly basis. The general sales tax collected by the state for sales within the corporate boundaries of the City is 6.25%. However, only 1% of that total is remitted back to the City of DeKalb. The remainder goes to the state (5%), and DeKalb County (.25%). In addition, a home rule sales tax of 1.75% is also collected by the State of Illinois and remitted back to the City on a monthly basis. The home rule sales tax is not applicable to food, drugs, or licensed vehicle purchases.

For FY16, general sales tax revenues were \$5,289,536 compared to \$4,983,000 for FY15, while home rule sales tax revenues were \$6,511,982 compared to \$6,109,497 for FY15. 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 decreased by \$52,737 or 1.2% from \$4,515,729 in FY15 to \$4,462,992 in FY16. This per-capita revenue source is based more on the state's economy and unemployment rate rather than the local economy. The State of Illinois' unemployment rate peaked to 11.50% in December 2009 and has dropped to 4.80% in October 2016.

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 \$849,837 was collected in FY16 which represents a 3.0% decrease from the \$876,495 that was collected in FY15. This revenue source is expected to decrease slightly over the next several years as more residents convert to internet telephone service or cellular telephone service as their primary source of communication and eliminate landline service. Also, the option to package and bundle programs has brought down the consumer costs of cell phones and therefore has dropped this tax revenue source.

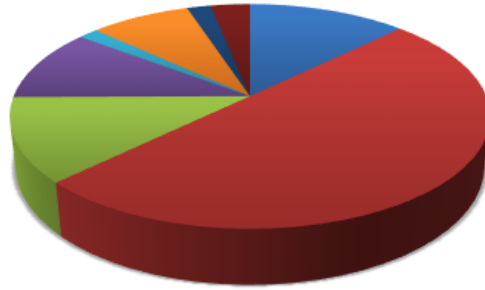
Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the City on a per capita basis. For FY16, \$1,040,616 was collected which represents a 23.2% increase from the \$844,359 collected in FY15. 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 \$5,391,676 in FY16 compared to \$5,377,744 in FY15. 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 decreased from \$6,941,665 in FY15 to \$4,015,151 in FY16. Streets, storm sewers, right-of-ways, water mains, etc. are recorded on the City's general ledger as contributions of capital assets upon acceptance of the public improvements from the developer by the City Council. Airport related capital grants and contributions decreased from \$2,566,070 in FY15 to \$81,555 in FY16 due to completion of the runway project in FY15.

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

**Total Primary Government Expenses for FY16**



General Government - 12.7%	Public Safety - 50.1%
Highways and Streets - 12.1%	Community Development - 10.5%
Interest on Long-Term Debt - 1.6%	Water - 8.0%
Airport - 1.9%	Refuse - 3.2%

The City's expenses totaled \$66.7 million in FY16 which was an increase of \$10.0 million compared to FY15 total expenses. General government expenses were 12.7% of the total or \$8,456,094. This represents a 33.9% decrease from the FY15 total of \$12,795,131. This decrease is primarily due to DSATS spending \$4.8 million less than budgeted for FY16 due to the uncertainty of receiving revenue from the State and its lack of a budget.

Public safety expenses related to the operations of both the Police Department and Fire Department accounted for the largest share of expenses at \$33,400,660 or 50.1% of the total. This represents a 50.1% increase from the FY15 total of \$22,259,920. This increase was due primarily to the increase in the net pension liability for police and fire pension plans.

Highways and Streets related expenses were \$8,086,082 or 12.1% of the total. This represents a 94.43% increase from the FY15 total of \$4,158,954. The increase was primarily due to the fact that the Highways and Streets expenditures in the General Fund were reported last year under Community Development.

Community Development related expenses accounted for 10.5% of the total or \$6,984,506. This represents a 21.2% decrease from the FY15 total of \$8,859,472. This decrease was due to spending \$1.9 million less in expenditures than budgeted in the TIF #2 fund. Also contributing to the decrease is the fact that the Highways and Streets expenditures in the General Fund were being reported last year under Community Development.



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

Water related expenses were \$5,354,514 or 8.0% of the total. This represents a 24.87% increase from the FY15 total of \$4,288,137. This increase was primarily due to charging of personnel and services directly to the Water fund in FY16 when in prior years it was recorded as an interfund transfer. This change was made to substantiate the dollar amount that was being transferred to the General Fund in past years.

Airport related expenses were \$1,263,527 or 1.9% of the total. This represents a 10.43% decrease from the FY15 total of \$1,410,722.

The Refuse Fund (\$2,110,657 or 3.2% of total expenses) and interest on long-term debt (\$1,057,938 or 1.6% of total expenses) account for the balance of the FY16 expenses.

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

At June 30, 2016, the governmental funds had a combined fund balance of \$23,184,172. This reflects a \$1,663,392 or 7.7% increase from the prior fiscal year. The General Fund fund balance increased by \$1,263,407 or 15.4% .This increase can be attributed to revenues coming in higher than budgeted parameters and expenditures coming in below budgeted parameters. The Motor Fuel Tax Fund fund balance increased by \$718,751 or 30.2%. The TIF District Funds fund balances decreased by \$87,474 or 0.9%, A TIF phase out committee has been formed to plan out the remaining expenditures for the remaining years of these two TIF's. Finally, the fund balances of nonmajor governmental funds decreased by \$231,292 or 34.9% as funds 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.

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

**Table 3**  
**General Fund Budgetary Highlights**  
**For the Fiscal Year Ended June 30, 2016**

	<i><b>Original Budget</b></i>	<i><b>Final Budget</b></i>	<i><b>Actual</b></i>
<b>Revenues</b>			
Taxes	\$ 17,720,540	17,720,540	17,104,968
Licenses & Permits	809,291	809,291	876,788
Intergovernmental	11,353,970	11,571,243	11,748,169
Charges for Services	2,085,800	2,085,800	2,143,615
Fines & Forfeitures	863,500	863,500	796,390
Miscellaneous	499,750	499,750	364,514
<b>Total Revenues</b>	<b>33,332,851</b>	<b>33,550,124</b>	<b>33,034,444</b>
<b>Expenditures and Transfers</b>			
General Government	(4,925,359)	(5,024,058)	(5,012,558)
Public Safety	(21,868,503)	(22,107,503)	(21,397,418)
Highways and Streets	(3,609,193)	(3,609,193)	(3,286,770)
Community Development	(1,412,338)	(1,412,338)	(1,047,614)
Disposal of Capital Assets	-	-	496
Transfers In	508,965	508,965	508,965
Transfers Out	(1,523,692)	(1,523,692)	(1,536,138)
<b>Total Expenditures and Transfers</b>	<b>(32,830,120)</b>	<b>(33,167,819)</b>	<b>(31,771,037)</b>
<b>Change in Fund Balance</b>	<b>502,731</b>	<b>382,305</b>	<b>1,263,407</b>

The City had originally budgeted for a \$502,731 increase to the General Fund fund balance. The City conducts periodic budget reviews throughout the fiscal year to identify revenue and expenditure line items that require amendments and, accordingly, the City Council approved four 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 resulted in an increase to total revenues and an increase to total expenditures. Due to the revised revenue and expenditure projections, the final budget called for a surplus of \$382,305 for the General Fund fund balance. Actual results for FY16 indicated an increase in fund balance of \$1,263,407 because of positive variances for both the amended revenues and the amended expenditures. The better than expected General Fund results for FY16 were attributable to increased revenues due to the improving local economy, and to the City being able to contain expenditures and not exceed the budgeted level for any department.

**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 major water main project that started in late FY15 and continued into FY16. The Municipal Airport Fund showed a decrease in Net Position at the end of FY16 due to lower than anticipated revenues. The City has established a fund balance policy for these funds to ensure reserves are available for operations first before committing any funds to capital projects.

**Capital Assets**

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

**Table 4**  
**Capital Assets**  
**As of June 30, 2016**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>FY16</i>	<i>FY15</i>	<i>FY16</i>	<i>FY15</i>	<i>FY16</i>	<i>FY15</i>
Land	\$ 10,358,605	10,358,605	19,386,047	19,386,047	29,744,652	29,744,652
Land Right of Way	25,742,257	25,736,657	544,893	544,893	26,287,150	26,281,550
Construction in Progress	198,864	713,961	640,086	607,435	838,950	1,321,396
Buildings and Improvements	20,814,645	20,814,645	4,804,864	4,804,864	25,619,509	25,619,509
Equipment	2,832,248	4,422,565	688,715	688,715	3,520,963	5,111,280
Vehicles	8,460,549	6,106,593	966,936	966,936	9,427,485	7,073,529
Infrastructure	153,207,659	152,473,401	12,797,766	12,791,713	166,005,425	165,265,114
Water Distribution System	-	-	42,614,946	41,357,049	42,614,946	41,357,049
Less:						
Accumulated Depreciateion	(90,305,604)	(86,499,865)	(25,395,023)	(23,497,944)	(115,700,627)	(109,997,809)
<b>Total</b>	<b>131,309,223</b>	<b>134,126,562</b>	<b>57,049,230</b>	<b>57,649,708</b>	<b>188,358,453</b>	<b>191,776,270</b>

At year-end, the City's investment in capital assets for both its governmental and business-type activities was \$188.4 million (net of accumulated depreciation). This represents a decrease of \$3.4 million or 1.8% from June 30, 2015. This decrease is the result of the capitalization of new capital assets acquired or constructed during FY16 offset by the current year's depreciation expense for all depreciable capital assets. Most notably, for the business-type activities, the South First Street watermain project was completed in FY16.

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 June 30, 2016, the City had a total of \$123,799,280 in long-term debt outstanding. The table below summarizes the City's bonded and similar indebtedness.

**Table 5**  
**Bonded and Similar Indebtedness**  
**As of June 30, 2016**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>FY16</b>	<b>FY15</b>	<b>FY16</b>	<b>FY15</b>	<b>FY16</b>	<b>FY15</b>
General Obligation Bonds	\$ 24,998,425	27,046,775	1,726,575	2,093,225	26,725,000	29,140,000
Premium on Bonds	307,166	227,393	-	-	307,166	227,393
Capital Leases	199,999	216,666	-	-	199,999	216,666
IEPA Loan	-	-	2,518,781	2,951,138	2,518,781	2,951,138
Compensated Absences	5,243,538	5,393,470	628,691	537,865	5,872,229	5,931,335
Net Pension Liability	78,413,065	70,639,684	1,828,480	1,107,005	80,241,545	71,746,689
Net OPEB Obligation	6,915,527	7,017,836	420,342	424,449	7,335,869	7,442,285
Claims Payable	598,691	717,563	-	-	598,691	717,563
<b>Total</b>	<b>116,676,411</b>	<b>111,259,387</b>	<b>7,122,869</b>	<b>7,113,682</b>	<b>123,799,280</b>	<b>118,373,069</b>

In regards to governmental activities, \$24,998,425 is outstanding from General Obligation Bonds and \$199,999 is outstanding for capital leases. Additionally, as of June 30, 2016, \$5,243,538 is outstanding for compensated absences payable, \$6,915,527 is outstanding for net other postemployment benefit obligations, \$78,413,065 is outstanding for net pension liabilities, \$598,691 is outstanding for claims payable, and \$307,166 in unamortized premium on bonds was outstanding.

Business-type activity debt includes \$1,726,575 outstanding from the General Obligation Refunding Bonds issued to advance refund the 2004 General Obligation Refunding Bonds issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. Another \$2,518,781 is outstanding IEPA loans. \$628,691 is outstanding in business-type activity debt in the form of compensated absences payable as of June 30, 2016, \$1,828,480 is outstanding for net pension liabilities, and \$420,342 is outstanding for net other postemployment benefit obligations.

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

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

## **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 2015, the equalized assessed valuation (EAV) for residential properties was \$313,041,585 or 59.9% of the total EAV. Commercial EAV was \$160,710,755 or 30.7% of the total EAV. Farm, industrial and other EAV was \$49,280,501 or 9.4% 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 FY16, income tax revenue showed a slight decrease, while sales tax revenue, along with development and construction related revenue increased. Therefore, although the increase in sales taxes and development revenue may indicate that the local economy is improving, these revenues and all other revenue sources will continue to be monitored during 2016 to ensure that the City addresses any significant variations in revenues in a timely fashion.

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

The 2010 census found that the City's population was 43,862 which is an increase of 12.4% over the 2000 census population of 39,018. The City's population estimate for 2015 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 Cathy Haley, Finance Director, City of DeKalb, 200 S Fourth St, DeKalb, Illinois 60115.

## CITY OF DEKALB, ILLINOIS

## STATEMENT OF NET POSITION

June 30, 2016

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
<b>ASSETS</b>				
Cash and Investments	\$ 28,059,811	\$ 5,859,015	\$ 33,918,826	\$ 1,707,762
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	6,217,065	-	6,217,065	1,382,928
Accounts Receivable	491,863	1,607,916	2,099,779	87,451
Accrued Interest	33,085	8,051	41,136	123
Other	653,323	71,315	724,638	-
Prepaid Items	415,242	20,077	435,319	16,559
Inventory	7,591	36,610	44,201	-
Advance To/From Other Funds	334,000	(334,000)	-	-
Due from Other Governments	4,366,688	27,718	4,394,406	-
Capital Assets				
Not Depreciated	36,299,726	20,571,026	56,870,752	22,999,773
Depreciated (Net of Accumulated Depreciation)	95,009,497	36,478,204	131,487,701	298,998
Total Assets	171,887,891	64,345,932	236,233,823	26,493,594
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Items - IMRF	3,164,042	871,223	4,035,265	567,863
Pension Items - Police Pension	1,715,337	-	1,715,337	-
Pension Items - Firefighters' Pension	1,770,024	-	1,770,024	-
Loss on Refunding	49,989	-	49,989	-
Total Deferred Outflows of Resources	6,699,392	871,223	7,570,615	567,863
Total Assets and Deferred Outflows of Resources	178,587,283	65,217,155	243,804,438	27,061,457
<b>LIABILITIES</b>				
Accounts Payable	3,191,643	1,759,435	4,951,078	367,044
Accrued Payroll	589,139	78,523	667,662	38,198
Accrued Interest Payable	338,790	31,598	370,388	131,845
Line of Credit	-	-	-	1,591,079
Unearned Revenue	134,045	252,913	386,958	-
Deposits Payable	-	44,863	44,863	-
Claims Payable	-	-	-	-
Long-Term Liabilities				
Due Within One Year	3,468,146	918,920	4,387,066	2,399,124
Due in More than One Year	113,208,265	6,203,949	119,412,214	7,609,517
Total Liabilities	120,930,028	9,290,201	130,220,229	12,136,807
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Items - Firefighters' Pension	85,700	-	85,700	-
Pension Items - Police Pension	818,015	-	818,015	-
Unavailable Property Taxes	11,036,015	-	11,036,015	2,793,535
Total Deferred Inflows of Resources	11,939,730	-	11,939,730	2,793,535
Total Liabilities and Deferred Inflows of Resources	132,869,758	9,290,201	142,159,959	14,930,342
<b>NET POSITION</b>				
Net Investment in Capital Assets	111,898,622	52,803,874	164,702,496	13,002,136
Restricted for				
Public Safety	27,262	-	27,262	-
Highways and Streets	3,097,499	-	3,097,499	-
Economic Development	10,240,287	-	10,240,287	-
Endowments	-	-	-	223,625
Unrestricted (Deficit)	(79,546,145)	3,123,080	(76,423,065)	(1,094,646)
<b>TOTAL NET POSITION</b>	<b>\$ 45,717,525</b>	<b>\$ 55,926,954</b>	<b>\$ 101,644,479</b>	<b>\$ 12,131,115</b>

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 8,456,094	\$ 456,082	\$ -	\$ 3,198,877
Public Safety	33,400,660	2,875,539	12,054	238,468
Highways and Streets	8,086,082	-	1,206,261	496,251
Community Development	6,984,506	685,065	-	-
Interest	1,057,938	-	-	-
Total Governmental Activities	57,985,280	4,016,686	1,218,315	3,933,596
Business-Type Activities				
Water	5,354,514	5,391,676	-	-
Airport	1,263,527	468,110	-	81,555
Refuse	2,110,657	2,047,188	-	-
Total Business-Type Activities	8,728,698	7,906,974	-	81,555
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 66,713,978</b>	<b>\$ 11,923,660</b>	<b>\$ 1,218,315</b>	<b>\$ 4,015,151</b>
<b>COMPONENT UNIT</b>				
Library	\$ 2,442,727	\$ 43,324	\$ -	\$ 525,241

Net (Expense) Revenue and Change in Net Position				
	Primary Government			Component Unit Library
	Governmental Activities	Business-Type Activities	Total	
	\$		\$	\$
	(4,801,135)	-	(4,801,135)	-
	(30,274,599)	-	(30,274,599)	-
	(6,383,570)	-	(6,383,570)	-
	(6,299,441)	-	(6,299,441)	-
	(1,057,938)	-	(1,057,938)	-
	(48,816,683)	-	(48,816,683)	-
	-	37,162	37,162	-
	-	(713,862)	(713,862)	-
	-	(63,469)	(63,469)	-
	-	(740,169)	(740,169)	-
	(48,816,683)	(740,169)	(49,556,852)	-
	-	-	-	(1,874,162)
General Revenues				
Taxes				
Property	11,812,941	-	11,812,941	2,339,245
Home Rule Sales	6,511,982	-	6,511,982	-
Utility	3,202,384	-	3,202,384	-
Restaurant/Bar	1,913,222	-	1,913,222	-
Hotel/Motel	296,570	-	296,570	-
Other	1,666,205	-	1,666,205	-
Intergovernmental				
State Sales Taxes	5,289,536	-	5,289,536	-
Income Taxes	4,462,992	-	4,462,992	-
Local Use Taxes	1,040,616	-	1,040,616	-
Replacement Taxes	129,241	-	129,241	31,144
Other	539,890	-	539,890	-
Investment Income	(257,706)	38,672	(219,034)	2,308
Miscellaneous	598,730	109,342	708,072	4,189
Gain on Sale of Capital Asset	1,741	-	1,741	-
Transfers In (Out)	(62,163)	62,163	-	-
Total	37,146,181	210,177	37,356,358	2,376,886
CHANGE IN NET POSITION	(11,670,502)	(529,992)	(12,200,494)	502,724
NET POSITION, JULY 1	57,126,372	56,910,678	114,037,050	11,765,312
Prior Period Adjustment	261,655	(453,732)	(192,077)	(136,921)
NET POSITION, JULY 1, RESTATED	57,388,027	56,456,946	113,844,973	11,628,391
NET POSITION, JUNE 30	\$ 45,717,525	\$ 55,926,954	\$ 101,644,479	\$ 12,131,115

See accompanying notes to financial statements.



## CITY OF DEKALB, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2016

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
<b>ASSETS</b>			
Cash and Investments	\$ 7,050,360	\$ 3,051,678	\$ 448,971
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	2,591,483	-	-
Accounts Receivable	491,863	-	-
Accrued Interest	13,689	-	-
Other	565,275	-	-
Prepaid Items	19,993	-	-
Inventory	7,591	-	-
Advances to Other Funds	334,000	-	-
Due from Other Governments	3,858,154	62,759	408,469
Due from Other Funds	48,923	52,317	-
<b>TOTAL ASSETS</b>	<b>\$ 14,981,331</b>	<b>\$ 3,166,754</b>	<b>\$ 857,440</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,523,122	\$ 69,255	\$ 805,234
Accrued Payroll	582,219	-	6,920
Unearned Revenue	11,858	-	45,286
Due to Other Funds	67,437	-	-
Total Liabilities	2,184,636	69,255	857,440
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Tax Revenues	3,312,035	-	-
Total Deferred Inflows of Resources	3,312,035	-	-
Total Liabilities and Deferred Inflows of Resources	5,496,671	69,255	857,440
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	19,993	-	-
Inventory	7,591	-	-
Advances to Other Funds	334,000	-	-
Restricted			
Public Safety	-	-	-
Highways and Streets	-	3,097,499	-
Economic Development	-	-	-
Assigned for Capital Projects	-	-	-
Unassigned (Deficit)	9,123,076	-	-
Total Fund Balances	9,484,660	3,097,499	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 14,981,331</b>	<b>\$ 3,166,754</b>	<b>\$ 857,440</b>

<b>Special Revenue</b>		<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Tax Increment Financing #1</b>	<b>Tax Increment Financing #2</b>		
\$ 5,665,924	\$ 9,186,491	\$ 642,631	\$ 26,046,055
3,011,680	604,509	9,393	6,217,065
-	-	-	491,863
6,238	10,460	-	30,387
-	-	28,080	593,355
-	-	-	19,993
-	-	-	7,591
-	-	-	334,000
-	-	37,306	4,366,688
4,655	10,465	-	116,360
<u>\$ 8,688,497</u>	<u>\$ 9,811,925</u>	<u>\$ 717,410</u>	<u>\$ 38,223,357</u>
\$ 450,511	\$ 172,955	\$ 143,450	\$ 3,164,527
-	-	-	589,139
-	-	76,000	133,144
-	-	48,923	116,360
450,511	172,955	268,373	4,003,170
6,519,024	1,187,454	17,502	11,036,015
6,519,024	1,187,454	17,502	11,036,015
6,969,535	1,360,409	285,875	15,039,185
-	-	-	19,993
-	-	-	7,591
-	-	-	334,000
-	-	27,262	27,262
-	-	-	3,097,499
1,718,962	8,451,516	69,809	10,240,287
-	-	358,251	358,251
-	-	(23,787)	9,099,289
1,718,962	8,451,516	431,535	23,184,172
<u>\$ 8,688,497</u>	<u>\$ 9,811,925</u>	<u>\$ 717,410</u>	<u>\$ 38,223,357</u>

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**

June 30, 2016

---

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 23,184,172</b>
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	131,309,223
The loss on refunding of bonds is capitalized and amortized over the life of the bonds on the statement of net position	49,989
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	897,322
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	1,684,324
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	3,164,042
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(24,998,425)
Capital leases	(199,999)
Net pension liability - Police Pension	(32,197,930)
Net pension liability - Firefighters' Pension	(39,321,164)
Net pension liability - IMRF	(6,893,971)
Premium on bonds payable	(334,971)
Discount on bonds payable	27,805
Compensated absences payable	(5,243,538)
Other postemployment benefit obligation	(6,915,527)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(338,790)
The net position of the Internal Service Funds is included in the governmental activities in the statement of net position	<u>1,844,963</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 45,717,525</u></b>

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 June 30, 2016

		<b>Special Revenue</b>	
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Mass Transit</b>
<b>REVENUES</b>			
Taxes	\$ 17,104,968	\$ -	\$ -
Licenses and Permits	876,788	-	-
Intergovernmental	11,748,169	1,170,889	3,198,877
Charges for Services	2,143,615	-	-
Fines and Forfeitures	796,390	-	-
Investment Income	(26,140)	3,357	-
Miscellaneous	390,654	-	1,432
Total Revenues	33,034,444	1,174,246	3,200,309
<b>EXPENDITURES</b>			
Current			
General Government	5,012,558	-	3,110,302
Public Safety	21,397,418	-	-
Highways and Streets	3,286,770	487,066	-
Community Development	1,047,614	-	-
Capital Outlay	-	501	90,007
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	30,744,360	487,567	3,200,309
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,290,084	686,679	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds on Sale of Capital Assets	496	-	-
Transfers In	508,965	32,072	-
Transfers (Out)	(1,536,138)	-	-
Total Other Financing Sources (Uses)	(1,026,677)	32,072	-
<b>NET CHANGE IN FUND BALANCES</b>	1,263,407	718,751	-
<b>FUND BALANCES, JULY 1</b>	8,221,253	2,378,748	-
<b>FUND BALANCES, JUNE 30</b>	\$ 9,484,660	\$ 3,097,499	\$ -

<b>Special Revenue</b>		<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Tax Increment Financing #1</b>	<b>Tax Increment Financing #2</b>		
\$ 6,347,586	\$ 1,216,455	\$ 734,294	\$ 25,403,303
-	-	-	876,788
-	-	496,251	16,614,186
-	-	141,793	2,285,408
-	-	58,101	854,491
(288,068)	53,089	56	(257,706)
-	-	208,612	600,698
6,059,518	1,269,544	1,639,107	46,377,168
-	-	188,039	8,310,899
-	-	20,836	21,418,254
-	-	-	3,773,836
2,253,338	287,360	-	3,588,312
3,615,093	192,082	937,747	4,835,430
-	-	2,065,017	2,065,017
-	-	911,606	911,606
5,868,431	479,442	4,123,245	44,903,354
191,087	790,102	(2,484,138)	1,473,814
-	-	1,245	1,741
-	-	2,589,172	3,130,209
(1,068,663)	-	(337,571)	(2,942,372)
(1,068,663)	-	2,252,846	189,578
(877,576)	790,102	(231,292)	1,663,392
2,596,538	7,661,414	662,827	21,520,780
\$ 1,718,962	\$ 8,451,516	\$ 431,535	\$ 23,184,172

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 June 30, 2016

---

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

**\$ 1,663,392**

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	1,087,859
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,139,462)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(27,391)
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	2,065,017
Certain revenue recognition is different on the full accrual basis than on the modified accrual basis	(1,968)
Amortization of premium on bonds is reported as a reduction of interest expense on the statement of activities	56,342
Amortization of discount on bonds is reported as a reduction of interest expense on the statement of activities	(136,115)
Amortization of the loss on refunding is reported as interest expense on the statement of activities	(82,640)
The decrease of accrued interest payable is shown as an decrease of expense on the statement of activities	16,081
The decrease in compensated absences payable is shown as an decrease of the statement of activities	149,932
The change in the other postemployment benefit obligation	102,309
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	(6,843,979)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	(4,808,550)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	(851,376)
The change in net position of Internal Service Funds is reported in governmental activities	80,047

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ (11,670,502)**

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2016

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>	
			<b>Nonmajor Enterprise Funds</b>		<b>Internal Service Funds</b>
	<b>Water</b>	<b>Airport</b>	<b>Refuse</b>	<b>Total</b>	
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 5,582,629	\$ 6,053	\$ 270,333	\$ 5,859,015	\$ 2,013,756
Receivables					
Accounts Receivable	1,449,265	-	158,651	1,607,916	-
Accrued Interest	8,051	-	-	8,051	2,698
Other	4,290	20,004	47,021	71,315	59,968
Prepaid Expenses	9,529	10,548	-	20,077	395,249
Inventory	-	36,610	-	36,610	-
Due from Other Governments	-	27,718	-	27,718	-
<b>Total Current Assets</b>	<b>7,053,764</b>	<b>100,933</b>	<b>476,005</b>	<b>7,630,702</b>	<b>2,471,671</b>
<b>NONCURRENT ASSETS</b>					
Capital Assets					
Nondepreciable	528,648	20,042,378	-	20,571,026	-
Depreciable	46,168,559	15,704,668	-	61,873,227	-
Accumulated Depreciation	(20,482,598)	(4,912,425)	-	(25,395,023)	-
<b>Total Noncurrent Assets</b>	<b>26,214,609</b>	<b>30,834,621</b>	<b>-</b>	<b>57,049,230</b>	<b>-</b>
<b>Total Assets</b>	<b>33,268,373</b>	<b>30,935,554</b>	<b>476,005</b>	<b>64,679,932</b>	<b>2,471,671</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Items - IMRF	790,647	80,576	-	871,223	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>34,059,020</b>	<b>31,016,130</b>	<b>476,005</b>	<b>65,551,155</b>	<b>2,471,671</b>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,305,276	133,797	320,362	1,759,435	27,116
Accrued Payroll	69,116	9,407	-	78,523	-
Accrued Interest Payable	28,965	2,633	-	31,598	-
Deposits Payable	13,150	31,713	-	44,863	-
Unearned Revenue	27,974	66,288	158,651	252,913	901
Claims Payable	-	-	-	-	299,346
General Obligation Bonds Payable	286,325	70,250	-	356,575	-
IEPA Loans Payable	443,355	-	-	443,355	-
Compensated Absences Payable	116,740	2,250	-	118,990	-
<b>Total Current Liabilities</b>	<b>2,290,901</b>	<b>316,338</b>	<b>479,013</b>	<b>3,086,252</b>	<b>327,363</b>
<b>LONG-TERM LIABILITIES</b>					
General Obligation Bonds Payable	1,099,250	270,750	-	1,370,000	-
Net Pension Liability - IMRF	1,657,369	171,111	-	1,828,480	-
Net Other Postemployment Benefit Payable	368,927	51,415	-	420,342	-
IEPA Loans Payable	2,075,426	-	-	2,075,426	-
Advances from Other Funds	-	334,000	-	334,000	-
Compensated Absences Payable	466,958	42,743	-	509,701	-
Claims Payable	-	-	-	-	299,345
<b>Total Long-Term Liabilities</b>	<b>5,667,930</b>	<b>870,019</b>	<b>-</b>	<b>6,537,949</b>	<b>299,345</b>
<b>Total Liabilities</b>	<b>7,958,831</b>	<b>1,186,357</b>	<b>479,013</b>	<b>9,624,201</b>	<b>626,708</b>

(This statement is continued on the following page.)

**CITY OF DEKALB, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
PROPRIETARY FUNDS

June 30, 2016

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
	<b>Water</b>	<b>Airport</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
			<b>Refuse</b>		
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 22,310,253	\$ 30,493,621	\$ -	\$ 52,803,874	\$ -
Unrestricted (Deficit)	3,789,936	(663,848)	(3,008)	3,123,080	1,844,963
<b>TOTAL NET POSITION</b>	<b>\$ 26,100,189</b>	<b>\$ 29,829,773</b>	<b>\$ (3,008)</b>	<b>\$ 55,926,954</b>	<b>\$ 1,844,963</b>

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 June 30, 2016

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
			<b>Nonmajor Enterprise Funds</b>		<b>Internal Service Funds</b>
	<b>Water</b>	<b>Airport</b>	<b>Refuse</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 5,391,676	\$ 468,110	\$ 2,047,188	\$ 7,906,974	\$ 6,715,457
Miscellaneous	23,472	24,646	59,500	107,618	34,387
Total Operating Revenues	5,415,148	492,756	2,106,688	8,014,592	6,749,844
<b>OPERATING EXPENSES</b>					
Administration	-	-	-	-	6,449,678
Operations	4,215,687	861,202	2,110,657	7,187,546	-
Depreciation	1,046,871	396,476	-	1,443,347	-
Total Operating Expenses	5,262,558	1,257,678	2,110,657	8,630,893	6,449,678
OPERATING INCOME (LOSS)	152,590	(764,922)	(3,969)	(616,301)	300,166
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	38,668	4	-	38,672	29,881
Proceeds on Sale of Capital Assets	1,724	-	-	1,724	-
Interest Expense	(91,956)	(5,849)	-	(97,805)	-
Total Nonoperating Revenues (Expenses)	(51,564)	(5,845)	-	(57,409)	29,881
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	101,026	(770,767)	(3,969)	(673,710)	330,047
<b>CONTRIBUTIONS</b>					
Contributions - Capital Grant Revenue	-	81,555	-	81,555	-
Total Contributions	-	81,555	-	81,555	-
<b>TRANSFERS</b>					
Transfers In	321,128	-	-	321,128	-
Transfers (Out)	(258,965)	-	-	(258,965)	(250,000)
Total Transfers	62,163	-	-	62,163	(250,000)
CHANGE IN NET POSITION	163,189	(689,212)	(3,969)	(529,992)	80,047
NET POSITION, JULY 1	26,390,732	30,518,985	961	56,910,678	1,764,916
Prior Period Adjustment	(453,732)	-	-	(453,732)	-
NET POSITION, JULY 1, RESTATED	25,937,000	30,518,985	961	56,456,946	1,764,916
<b>NET POSITION, JUNE 30</b>	<b>\$ 26,100,189</b>	<b>\$ 29,829,773</b>	<b>\$ (3,008)</b>	<b>\$ 55,926,954</b>	<b>\$ 1,844,963</b>

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2016

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
			<b>Nonmajor Enterprise Funds</b>		<b>Internal Service Funds</b>
	<b>Water</b>	<b>Airport</b>	<b>Refuse</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 5,868,212	\$ 546,378	\$ 2,000,167	\$ 8,414,757	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	5,250,395
Receipts from Employees and Others	-	-	-	-	1,499,457
Receipts from Miscellaneous Revenues	23,472	24,646	59,500	107,618	34,387
Payments to Other Funds	(486,953)	(81,801)	(175,000)	(743,754)	-
Payments to Suppliers	(2,609,370)	(183,900)	(1,940,643)	(4,733,913)	(6,476,272)
Payments to Employees	(2,108,835)	(662,341)	-	(2,771,176)	(6,117)
Net Cash from Operating Activities	686,526	(357,018)	(55,976)	273,532	301,850
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund Advances	49,000	285,000	-	334,000	-
Transfers In	321,128	-	-	321,128	-
Transfers (Out)	(258,965)	-	-	(258,965)	(250,000)
Net Cash from Noncapital Financing Activities	111,163	285,000	-	396,163	(250,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Grants	91,793	121,629	-	213,422	-
Purchase of Capital Assets	(1,159,624)	(136,977)	-	(1,296,601)	-
Proceeds From Sale of Capital Assets	1,724	-	-	1,724	-
Principal Payments on Long-Term Debt	(723,356)	(75,650)	-	(799,006)	-
Interest Payments on Long-Term Debt	(100,293)	(7,166)	-	(107,459)	-
Net Cash from Capital and Related Financing Activities	(1,889,756)	(98,164)	-	(1,987,920)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received on Investments	40,111	4	-	40,115	29,881
Net Cash from Investing Activities	40,111	4	-	40,115	29,881
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,051,956)	(170,178)	(55,976)	(1,278,110)	81,731
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	5,474,962	39,253	326,309	5,840,524	1,932,025
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ 4,423,006	\$ (130,925)	\$ 270,333	\$ 4,562,414	\$ 2,013,756

(This statement is continued on the following page.)

**CITY OF DEKALB, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended June 30, 2016

	Business-Type Activities				Governmental Activities
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Refuse		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 152,590	\$ (764,922)	\$ (3,969)	\$ (616,301)	\$ 300,166
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,046,871	396,476	-	1,443,347	-
Changes in Assets and Liabilities					
Accounts Receivable	495,651	(2,730)	83,484	576,405	-
Other Receivables	2,312	-	(47,021)	(44,709)	33,494
Prepaid Expenses	(9,529)	(2,412)	-	(11,941)	111,695
Inventory	-	14,710	-	14,710	-
Accounts Payable	(228,017)	57,451	(4,986)	(175,552)	(19,417)
Accrued Payroll	32,984	2,139	-	35,123	(6,117)
Claims Payable	-	-	-	-	(118,872)
Other Payables	(3,400)	8,880	-	5,480	-
Unearned Revenue	(21,427)	66,288	(83,484)	(38,623)	901
Pension Items - IMRF	(389,127)	(36,873)	-	(426,000)	-
Net Pension Liability - IMRF	659,027	62,448	-	721,475	-
Other Postemployment Benefit	(3,678)	(429)	-	(4,107)	-
Compensated Absences	111,892	(21,066)	-	90,826	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,846,149</b>	<b>\$ (220,040)</b>	<b>\$ (55,976)</b>	<b>\$ 1,570,133</b>	<b>\$ 301,850</b>

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

**ASSETS**

Cash and Short-Term Investments	\$ 2,321,076
Investments	
U.S. Treasury Obligations	8,473,776
U.S. Agency Obligations	7,504,979
Corporate Bonds	2,879,836
Mutual Funds	32,676,534
Common Stock	170,841
Receivables	
Accrued Interest	79,296
Prepaid Expenses	<u>7,669</u>
 Total Assets	 <u>54,114,007</u>

**LIABILITIES**

Accounts Payable	<u>16,325</u>
 Total Liabilities	 <u>16,325</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property taxes	<u>1,926,286</u>
 Total Deferred Inflows of Resources	 <u>1,926,286</u>

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 52,171,396

See accompanying notes to financial statements.

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

---

**ADDITIONS**

Contributions

Employer Contributions	\$ 3,780,261
Employee Contributions	<u>1,204,875</u>

Total Contributions	<u>4,985,136</u>
---------------------	------------------

Investment Income

Net Appreciation in Fair Value of Investments	(1,714,675)
Interest	<u>1,414,838</u>

Total Investment Income	(299,837)
Less Investment Expense	<u>(86,769)</u>

Net Investment Income	<u>(386,606)</u>
-----------------------	------------------

Total Additions	<u>4,598,530</u>
-----------------	------------------

**DEDUCTIONS**

Administrative Expenses	86,603
Benefits and Refunds	<u>5,651,761</u>

Total Deductions	<u>5,738,364</u>
------------------	------------------

NET DECREASE	(1,139,834)
--------------	-------------

**NET POSITION RESTRICTED  
FOR PENSIONS**

July 1	<u>53,311,230</u>
--------	-------------------

June 30	<u><u>\$ 52,171,396</u></u>
---------	-----------------------------

See accompanying notes to financial statements.

# **CITY OF DEKALB, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

---

### **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 collectible

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

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

within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes, income taxes, and telecommunication taxes which use 90 days. The City recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

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

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

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

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

e. Cash and Investments

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

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. All investments of the pension trust funds, regardless of length of maturity, are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

f. Interfund Receivables/Payables

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

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

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

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

g. Property Taxes

Property taxes are levied in December of each year on all taxable real property and attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and are payable in two installments on or about June 1 and September 1. The County Collector collects such taxes and remits them periodically. Since the 2015 levy is intended to finance the 2016-2017 fiscal year, the entire levy

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

---

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

g. Property Taxes (Continued)

has been recorded as deferred inflow of resources. The 2016 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2016, the taxes will not be levied by the City or extended by the County until December 2016 and, therefore, the amount is not measurable at June 30, 2016.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

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

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

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.

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.

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

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 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 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.

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

m. Fund Balance/Net Position (Continued)

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.

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.

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

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

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 June 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 15,024,903	\$ 11,594,826	\$ 3,430,077	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 15,024,903</b>	<b>\$ 11,594,826</b>	<b>\$ 3,430,077</b>	<b>\$ -</b>	<b>\$ -</b>

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 June 30, 2016: Negotiable Certificates of Deposit of \$15,024,903 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.



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

Investments (Continued)

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the City's investment in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The pool had a Standard and Poor's AAAm rating as June 30, 2016. The relationship between the City and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

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

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

**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 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 June 30, 2016:

**GOVERNMENTAL ACTIVITIES**

Local Use Tax	\$ 265,951
Sales Tax - State	1,281,997
Income Tax	287,073
Sales Tax - City	1,566,001
Auto Rental Sales Tax	5,617
Video Gaming Tax	40,617
Telecommunication Tax	192,498
Grants	473,478
TIF Surplus	190,222
Motor Fuel Tax	62,759
Miscellaneous	<u>475</u>

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 4,366,688</u></b>
--------------------------------------	----------------------------

**BUSINESS-TYPE ACTIVITIES**

Airport Grants	<u>\$ 27,718</u>
----------------	------------------

<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 27,718</u></b>
---------------------------------------	-------------------------

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

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balances, Restated	Increases	Transfers	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital Assets not Being Depreciated					
Land	\$ 10,358,605	\$ -	\$ -	\$ -	\$ 10,358,605
Land Right of Way	25,736,657	5,600	-	-	25,742,257
Construction in Progress	713,961	636,774	-	1,151,871	198,864
Total Capital Assets not Being Depreciated	36,809,223	642,374	-	1,151,871	36,299,726
Capital Assets being Depreciated					
Buildings and Improvements	20,814,645	-	-	-	20,814,645
Equipment	4,422,565	206,098	(1,696,956)	99,459	2,832,248
Vehicles	6,106,593	657,000	1,696,956	-	8,460,549
Infrastructure	152,473,401	734,258	-	-	153,207,659
Total Capital Assets Being Depreciated	183,817,204	1,597,356	-	99,459	185,315,101
Less Accumulated Depreciation for					
Buildings and Improvements	4,280,798	400,255	-	-	4,681,053
Equipment	2,445,199	142,613	(678,782)	72,068	1,836,962
Vehicles	4,343,317	429,715	678,782	-	5,451,814
Infrastructure	75,168,896	3,166,879	-	-	78,335,775
Total Accumulated Depreciation	86,238,210	4,139,462	-	72,068	90,305,604
Total Capital Assets Being Depreciated, Net	97,578,994	(2,542,106)	-	27,391	95,009,497
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 134,388,217</b>	<b>\$ (1,899,732)</b>	<b>\$ -</b>	<b>\$ 1,179,262</b>	<b>\$ 131,309,223</b>

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 19,386,047	\$ -	\$ -	\$ 19,386,047
Land Improvements	544,893	-	-	544,893
Construction in Progress	607,435	1,290,548	1,257,897	640,086
Total Capital Assets not Being Depreciated	20,538,375	1,290,548	1,257,897	20,571,026
Capital Assets being Depreciated				
Buildings and Improvements	4,804,864	-	-	4,804,864
Equipment	688,715	-	-	688,715
Vehicles	966,936	-	-	966,936
Airport Infrastructure	12,791,713	6,053	-	12,797,766
Water Distribution System	41,357,049	1,257,897	-	42,614,946
Total Capital Assets Being Depreciated	60,609,277	1,263,950	-	61,873,227

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES (Continued)</b>				
Less Accumulated Depreciation for				
Building and Improvements	\$ 1,947,710	\$ 93,652	\$ -	\$ 2,041,362
Equipment	456,414	22,713	-	479,127
Vehicles	734,189	39,861	-	774,050
Airport Infrastructure	2,953,042	322,166	-	3,275,208
Water Distribution System	17,860,321	964,955	-	18,825,276
Total Accumulated Depreciation	<u>23,951,676</u>	<u>1,443,347</u>	<u>-</u>	<u>25,395,023</u>
 Total Capital Assets Being Depreciated, Net	 36,657,601	 (179,397)	 -	 36,478,204
 <b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 57,195,976</u>	<u>\$ 1,111,151</u>	<u>\$ 1,257,897</u>	<u>\$ 57,049,230</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General Government	\$ 105,833
Public Safety	486,156
Community Development	127,065
Highways and Streets	<u>3,420,408</u>
 TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	 <u>\$ 4,139,462</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>	
Water	\$ 1,046,871
Airport	<u>396,476</u>
 TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	 <u>\$ 1,443,347</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
Public Safety	\$ 738,235
Community Development	82,863
Highways and Streets	<u>266,761</u>
 TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES	 <u>\$ 1,087,859</u>

**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 July 1	Issuances	Retirements	Balances June 30	Current Portion
\$10,800,000 2010A Series General Obligation Refunding Bonds, dated May 27, 2010, due in annual installments of \$755,000 to \$1,145,000, plus interest of 2% to 4% through December 2, 2021	TIF Debt Service	\$ 6,870,000	\$ -	\$ 825,000	\$ 6,045,000	\$ 845,000
\$3,905,000 2010B Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$150,000 to \$955,000, plus interest of 4.25% to 4.75% through January 1, 2028	General Debt Service	3,905,000	-	-	3,905,000	-
\$5,415,000 2010C Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$180,000 to \$755,000, plus interest of 1.9% to 5.9% through January 1, 2023	General Debt Service	4,465,000	-	195,000	4,270,000	205,000
\$9,905,000 2012A Series General Obligation Bonds, dated October 25, 2012, due in annual installments of \$505,000 to \$845,000, plus interest of 2.0% to 2.5% through January 1, 2030	General Debt Service	8,690,000	-	635,000	8,055,000	650,000

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

**5. LONG-TERM DEBT (Continued)**

**a. General Obligation Bonds (Continued)**

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
\$2,380,000 2013B Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$40,000 to \$745,000, plus interest of 0.8% to 3.0% through January 1, 2022	General Debt Service	\$ 2,340,000	\$ -	\$ 10,000	\$ 2,330,000	\$ 10,000
\$2,870,000 2014 Series General Obligation Refunding Bonds, dated November 3, 2014, due in annual installments of \$340,000 to \$750,000, plus interest of 1.54% through January 1, 2021	Water	\$ 1,676,575	\$ -	\$ 291,000	\$ 1,385,575	\$ 286,325
	Airport	416,650	-	75,650	341,000	70,250
	General Debt Service	776,775	-	383,350	393,425	393,425
<b>TOTAL</b>		<b>\$ 29,140,000</b>	<b>\$ -</b>	<b>\$ 2,415,000</b>	<b>\$ 26,725,000</b>	<b>\$ 2,460,000</b>

**b. Illinois Environmental Protection Agency Loan Contracts Payable**

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	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	\$ 1,474,577	\$ -	\$ 230,549	\$ 1,244,028	\$ 236,431
\$3,344,932 IEPA Loan #L17161400 Contract Payable of 2000, due in semiannual installments of \$109,406 including interest at 2.535% through May 30, 2021	Water	1,210,813	-	189,311	1,021,502	194,139

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

**5. LONG-TERM DEBT (Continued)**

**b. Illinois Environmental Protection Agency Loan Contracts Payable (Continued)**

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	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	265,748	-	12,497	253,251	12,785
<b>TOTAL</b>		<b>\$ 2,951,138</b>	<b>\$ -</b>	<b>\$ 432,357</b>	<b>\$ 2,518,781</b>	<b>\$ 443,355</b>

**c. Capital Leases**

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
Equipment	Capital Projects	\$ 216,666	\$ -	\$ 16,667	\$ 199,999	\$ 16,667
<b>TOTAL</b>		<b>\$ 216,666</b>	<b>\$ -</b>	<b>\$ 16,667</b>	<b>\$ 199,999</b>	<b>\$ 16,667</b>

**d. Debt Service Requirements to Maturity**

Year Ending June 30,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 2,103,425	\$ 859,896	\$ 356,575	\$ 26,658
2018	2,165,000	802,724	340,000	21,153
2019	2,355,000	724,529	345,000	15,903
2020	2,440,000	637,329	340,000	10,576
2021	2,545,000	538,349	345,000	5,327
2022	2,645,000	432,989	-	-
2023	1,560,000	344,704	-	-
2024	1,620,000	284,974	-	-
2025	1,670,000	232,834	-	-
2026	1,725,000	177,996	-	-
2027	1,785,000	120,164	-	-
2028	1,015,000	58,119	-	-
2029	865,000	32,088	-	-
2030	505,000	12,625	-	-
<b>TOTAL</b>	<b>\$ 24,998,425</b>	<b>\$ 5,259,320</b>	<b>\$ 1,726,575</b>	<b>\$ 79,617</b>

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

**5. LONG-TERM DEBT (Continued)**

d. Debt Service Requirements to Maturity (Continued)

Year Ending June 30,	IEPA Loan Contract		Capital Leases	
	Business Type		Governmental	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2017	\$ 443,355	\$ 60,459	\$ 16,667	\$ -
2018	454,635	49,180	16,667	-
2019	466,201	37,613	16,667	-
2020	478,061	25,753	16,667	-
2021	490,224	13,590	16,667	-
2022	14,331	4,194	16,667	-
2023	14,661	3,863	16,667	-
2024	15,000	3,525	16,667	-
2025	15,346	3,179	16,667	-
2026	15,700	2,824	16,667	-
2027	16,063	2,462	16,667	-
2028	16,433	2,091	16,662	-
2029	16,813	1,712	-	-
2030	17,201	1,324	-	-
2031	17,598	927	-	-
2032	18,004	521	-	-
2033	9,155	105	-	-
<b>TOTAL</b>	<b>\$ 2,518,781</b>	<b>\$ 213,322</b>	<b>\$ 199,999</b>	<b>\$ -</b>

e. Changes in Long-Term Liabilities

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

	Balances July 1, Reclassified	Issuances or Accretions	Reductions	Balances June 30	Current Portion
General Obligation Bonds Payable	\$ 27,046,775	\$ -	\$ 2,048,350	\$ 24,998,425	\$ 2,103,425
Premium on Bonds Payable	391,313	-	56,342	334,971	-
Discount on Bonds Payable	(163,920)	-	(136,115)	(27,805)	-
Capital Leases	216,666	-	16,667	199,999	16,667
Compensated Absences Payable	5,393,470	-	149,932	5,243,538	1,048,708
Net Pension Liability - IMRF	4,815,134	2,078,837	-	6,893,971	-
Net Pension Liability - Police Pension	29,809,622	2,388,308	-	32,197,930	-
Net Pension Liability - Firefighters' Pension	36,014,928	3,306,236	-	39,321,164	-
Net Other Postemployment Benefit Obligation	7,017,836	-	102,309	6,915,527	-
Claims Payable	717,563	274,029	392,901	598,691	299,346
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 111,259,387</b>	<b>\$ 8,047,410</b>	<b>\$ 2,630,386</b>	<b>\$ 116,676,411</b>	<b>\$ 3,468,146</b>



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

**5. LONG-TERM DEBT (Continued)**

e. Changes in Long-Term Liabilities (Continued)

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

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
General Obligation Bonds					
Water	\$ 1,676,575	\$ -	\$ 291,000	\$ 1,385,575	\$ 286,325
Airport	416,650	-	75,650	341,000	70,250
Total General Obligation Bonds	2,093,225	-	366,650	1,726,575	356,575
IEPA Loans					
Water	2,951,138	-	432,357	2,518,781	443,355
Net Pension Liability - IMRF					
Water	998,342	659,027	-	1,657,369	-
Airport	108,663	62,448	-	171,111	-
Total Net Pension Liability - IMRF	1,107,005	721,475	-	1,828,480	-
Compensated Absences					
Water	471,806	111,892	-	583,698	116,740
Airport	66,059	-	21,066	44,993	2,250
Total Compensated Absences	537,865	111,892	21,066	628,691	118,990
Other Postemployment Benefit					
Water	372,605	-	3,678	368,927	-
Airport	51,844	-	429	51,415	-
Total Other Postemployment Benefit	424,449	-	4,107	420,342	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 7,113,682</b>	<b>\$ 833,367</b>	<b>\$ 824,180</b>	<b>\$ 7,122,869</b>	<b>\$ 918,920</b>

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.

**5. LONG-TERM DEBT (Continued)**

f. Legal Debt Margin (Continued)

“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 June 30, 2016, there were four IDRBs outstanding totaling \$8,795,329.

h. Refunded Debt

On November 3, 2014, the City issued \$2,870,000 par value General Obligation Refunding Bonds Series of 2014 to refund \$2,845,000 of the General Obligation Refunding Bonds of 2004. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. The outstanding principal of the General Obligation Refunding Bonds of 2004 to be paid from escrow was \$2,150,000 at June 30, 2016.

**6. RISK MANAGEMENT**

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

**6. RISK MANAGEMENT (Continued)**

Intergovernmental Personnel Benefit Cooperative

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

IPBC also acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. Through IPBC, the City offers both a PPO plan and an HMO plan.

For those employees enrolled in the PPO plan, the City is responsible for the first \$35,000 in claims for each individual employee participant every claim year. The members of IPBC share claims (for each individual employee) between \$35,000 and \$125,000.

IPBC maintains stop-loss insurance to cover claims in excess of \$125,000. Approximately 94% of the City's employees and retirees are PPO participants.

The HMO plan is also self-insured through a special arrangement. Members of IPBC pay for fixed costs of capitation and administration and then fund for claims not covered under the capitation fee. This plan is fully pooled and the City is not individually rated based on claims experience. All members of the IPBC pay the same rates based on plan design choices. Approximately 6% of the City's employees and retirees are HMO participants.

The City makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The City makes monthly payments to IPBC for administration of the plan. The City had terminal reserve net of deficit of other accounts as of June 30, 2016 of \$29,134. This amount was declared as a dividend to the City and, therefore, has been recorded as a receivable in the Health Insurance Fund of \$29,134 as of June 30, 2016.

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

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

**6. RISK MANAGEMENT (Continued)**

Intergovernmental Personnel Benefit Cooperative (Continued)

The City has contracted with third party administrators (TPAs) to administer the workers' compensation program and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop-loss coverage to limit the City's exposure to losses. Prior to May 2012, the City was completely self-insured for workers' compensation with no specific or aggregate stop-loss policies. However, as of June 30, 2016, the City is self-insured up to \$600,000 in potential claims losses while any additional claims liabilities are covered by a policy purchased from a national insurance provider.

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

A reconciliation of claims payable for the fiscal years ended June 30, 2015 and 2016 are as follows:

	Workers' Compensation		Liability/Property	
	2015	2016	2015	2016
CLAIMS PAYABLE, JULY 1	\$ 572,011	\$ 656,610	\$ 1,000	\$ 60,953
Add Claims Incurred	460,488	229,847	117,445	44,182
Less Claims Paid	(375,889)	(364,419)	(57,492)	(28,482)
CLAIMS PAYABLE, JUNE 30	\$ 656,610	\$ 522,038	\$ 60,953	\$ 76,653

**7. INDIVIDUAL FUND DISCLOSURES**

a. Due From/To Other Funds

	Due From	Due To
General		
Motor Fuel Tax	\$ -	\$ 52,317
Tax Increment Financing #1	-	4,655
Tax Increment Financing #2	-	10,465
Nonmajor Governmental	48,923	-
Total General	48,923	67,437
Motor Fuel Tax		
General	52,317	-
Total Motor Fuel Tax	52,317	-

**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
Tax Increment Financing #1		
General	\$ 4,655	\$ -
Total Tax Increment Financing #1	4,655	-
Tax Increment Financing #2		
General	10,465	-
Total Tax Increment Financing #1	10,465	-
Nonmajor Governmental		
General	-	48,923
Total Nonmajor Governmental	-	48,923
<b>TOTAL</b>	<b>\$ 116,360</b>	<b>\$ 116,360</b>

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

- \$48,923 due to the General Fund from the Nonmajor Governmental Funds (i.e., the CDBG Fund, SSA #6 Fund and General Debt Service Fund) to cover negative cash balances and to cover salary and benefits related to CDBG. Repayment is expected within one year.
- \$52,317 due to the Motor Fuel Tax Fund from the General Fund as a result of the IMET loss. Repayment is expected within one year.

b. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Airport	\$ 334,000
<b>TOTAL</b>		<b>\$ 334,000</b>

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

- \$334,000 advance to the Airport Fund from the General Fund as a result of cash overdrafts. Repayment is not expected within one year.

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

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

c. Interfund Transfers

Interfund transfers between funds for the year ended June 30, 2016 were as follows:

	Transfers In	Transfers Out
General		
Motor Fuel Tax	\$ -	\$ 32,072
Water	258,965	-
Internal Service	250,000	-
Nonmajor Governmental	-	1,504,066
Total General	508,965	1,536,138
Motor Fuel Tax		
General	32,072	-
Total Motor Fuel Tax	32,072	-
Tax Increment Financing #1		
Nonmajor Governmental	-	1,068,663
Total Tax Increment Financing #1	-	1,068,663
Nonmajor Governmental		
General	1,504,066	-
Tax Increment Financing #1	1,068,663	-
Water	-	321,128
Nonmajor Governmental	16,443	16,443
Total Nonmajor Governmental	2,589,172	337,571
Water		
General	-	258,965
Nonmajor Governmental	321,128	-
Total Water	321,128	258,965
Internal Service		
General Fund	-	250,000
Total Internal Service	-	250,000
TOTAL	\$ 3,451,337	\$ 3,451,337

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

---

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

c. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$250,000 transferred from the Internal Service Fund (Workers' Compensation Fund) to the General Fund to draw down fund balance to \$1,000,000. This transfer will not be repaid.
- \$258,965 transferred from the Water Fund to the General Fund to cover payment in lieu of taxes. This transfer will not be repaid.
- \$1,504,066 transferred from the General Fund to the Nonmajor Governmental Fund (General Debt Service Fund) to cover debt service payments. This transfer will not be repaid.
- \$1,068,663 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Governmental Fund (General Debt Service Fund) to cover debt service payments. This transfer will not be repaid.
- \$321,128 transferred from the Nonmajor Governmental Fund (CDBG Fund) to the Water Fund to cover costs related to the South First Street watermain project. This transfer will not be repaid.

**8. LEGAL COMPLIANCE AND ACCOUNTABILITY**

Deficit Fund Balances/Net Position of Individual Funds

The following funds had deficit fund balances/net position as of June 30, 2016:

Fund	Deficit Balance
Knolls Special Service Area #4	\$ 1,443
Greek Row Special Service Area #6	8,831
General Debt Service	13,513
Refuse	3,008
Library General	1,859,156

**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 fiscal year ended June 30, 2016 was \$1,717,078 and the total rebate revenue earned during the fiscal year ended June 30, 2016 was \$162,306.

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 June 30, 2016, the City has incurred \$1,470,477 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.



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

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.

c. Membership

At June 30, 2016, membership consisted of:

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

d. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Retirees contribute a percentage of the actuarially determined premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees. For the year ended June 30, 2016, retirees contributed \$381,354 and the City contributed \$1,007,982. 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.

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

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

e. Annual OPEB Costs and Net OPEB Obligation

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

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 955,868	\$ 997,999	104.41%	\$ 7,549,011
2015	906,540	988,408	109.03%	7,467,143
2016	900,810	1,007,982	111.90%	7,359,971

The net OPEB obligation (NOPEBO) as June 30, 2016 was calculated as follows:

Annual Required Contribution	\$ 860,985
Interest on Net OPEB Obligation	298,686
Adjustment to Annual Required Contribution	<u>(258,861)</u>
Annual OPEB Cost	900,810
Contributions Made	<u>(1,007,982)</u>
Increase (Decrease) in Net OPEB Obligation	(107,172)
Net OPEB Obligation, Beginning of Year	<u>7,467,143</u>
NET OPEB OBLIGATION, END OF YEAR*	<u><u>\$ 7,359,971</u></u>

\*The DeKalb Public Library's portion of \$24,102 is included.

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2016 was as follows:

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

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

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

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

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

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

In the June 30, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 4%. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

**11. DEFINED BENEFIT PENSION PLANS**

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

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

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.

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	144
Inactive Employees Entitled to but not yet Receiving Benefits	101
Active Employees	<u>97</u>
 TOTAL	 <u><u>342</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.

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the years ended December 31, 2015 and 2016 was 16.39% and 16.23% of covered payroll, respectively.

*Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2015 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, 2015
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	3.50%
Salary Increases	3.75% to 14.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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 was 7.46%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.46% used to determine the total pension liability.

The discount rate used to measure the total pension liability at January 1, 2015 was 7.47% and the index rate was 3.56%.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 52,038,319	\$ 45,246,876	\$ 6,791,443
Changes for the Period			
Service Cost	681,650	-	681,650
Interest	3,822,530	-	3,822,530
Difference Between Expected and Actual Experience	459,522	-	459,522
Changes in Assumptions	66,340	-	66,340
Employer Contributions	-	1,122,559	(1,122,559)
Employee Contributions	-	351,553	(351,553)
Net Investment Income	-	223,883	(223,883)
Benefit Payments and Refunds	(2,414,792)	(2,414,792)	-
Other (Net Transfer)	-	162,122	(162,122)
Net Changes	2,615,250	(554,675)	3,169,925
BALANCES AT DECEMBER 31, 2015	\$ 54,653,569	\$ 44,692,201	\$ 9,961,368

**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 retirement age and mortality were made since the prior measurement date.

	City	Library	Total
Beginning Net Pension			
Liability at January 1, 2015	\$ 5,922,138	\$ 869,305	\$ 6,791,443
Employer Contributions	982,944	139,615	1,122,559
Ending Net Pension Liability			
at December 31, 2015	8,722,450	1,238,918	9,961,368

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

For the year ended June 30, 2016, the City recognized pension expense of \$2,055,011.

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 589,354	\$ -
Changes in Assumption	550,427	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,880,858	-
Contributions Subsequent to the Measurement Date	582,489	-
TOTAL	\$ 4,603,128	\$ -

**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:

Year Ending June 30,			
2017		\$	2,309,731
2018			914,385
2019			750,923
2020			628,089
2021			-
Thereafter			-
TOTAL		\$	4,603,128

	City	Library	Total
Share of Deferred Outflows	\$ 4,035,265	\$ 567,863	\$ 4,603,128
Share of Deferred Inflows	-	-	-
TOTAL	\$ 4,035,265	\$ 567,863	\$ 4,603,128

*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 7.46% 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 (6.46%) or 1 percentage point higher (8.46%) than the current rate:

	1% Decrease (6.46%)	Current Discount Rate (7.46%)	1% Increase (8.46%)
Net Pension Liability - City	\$ 15,054,809	\$ 8,722,450	\$ 3,521,666
Net Pension Liability - Library	2,138,353	1,238,918	500,210
Total	\$ 17,193,162	\$ 9,961,368	\$ 4,021,876



**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 June 30, 2016, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	48
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>63</u>
TOTAL	<u><u>115</u></u>

*Benefits Provided*

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

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

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

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended June 30, 2016, the City's contribution was 28.77% 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 June 30, 2016.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	3%	(0.26%)
Fixed Income	32%	
Aggregate Bonds		1.82%
Investment Grade Corporates		2.69%
Intermediate U.S. Treasuries		2.03%
High Yield		4.14%
Equities	65%	

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

Asset Class	Target	Long-Term Expected Real Rate of Return
Further, the policy diversifies in the following equity categories:		
Domestic Equities	62%	
Large Caps		5.34%
Mid Caps		6.08%
Small Caps		6.55%
U.S. Real Estate		5.91%
International Equities	35%	
Developed Foreign		5.84%
Emerging Markets		9.51%
Commodities	3%	2.96%

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 2.26% 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 June 30, 2016 are listed in the table above.

*Investment Concentrations*

At June 30, 2016, the Fund had the following investments that represented 5% or more of the Fund's investments: Federal Home Loan Banks Consolidated Bds. and Tennessee Valley Auth. A.

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.90%). 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 June 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,096,927	\$ -	\$ 2,096,927	\$ -	\$ -
U.S. Agency Obligations	5,516,015	-	3,880,152	1,635,863	-
Corporate Bonds	2,879,836	-	1,209,150	1,670,686	-
<b>TOTAL</b>	<b>\$ 10,492,778</b>	<b>\$ -</b>	<b>\$ 7,186,229</b>	<b>\$ 3,306,549</b>	<b>\$ -</b>

*Interest Valuations (Continued)*

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 June 30, 2016: U.S. Treasury obligations of \$2,096,927, mutual funds of \$17,797,214, and equity securities of \$170,841 are valued using quoted market prices (Level 1 inputs); U.S. agency obligations and corporate bonds of \$8,395,851 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

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

*Credit Risk*

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

*Custodial Credit Risk*

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JULY 1, 2015	\$ 58,766,623	\$ 28,957,001	\$ 29,809,622
Changes for the Period			
Service Cost	1,138,556	-	1,138,556
Interest	4,396,163	-	4,396,163
Difference Between Expected and Actual Experience	(981,619)	-	(981,619)
Changes in Assumptions		-	-
Employer Contributions	-	1,622,105	(1,622,105)
Employee Contributions	-	570,363	(570,363)
Net Investment Income	-	17,314	(17,314)
Contributions - Buy Back	157,490	157,490	-
Benefit Payments and Refunds	(2,579,348)	(2,579,348)	-
Administrative Expense	-	(44,990)	44,990
Net Changes	2,131,242	(257,066)	2,388,308
BALANCES AT JUNE 30, 2016	\$ 60,897,865	\$ 28,699,935	\$ 32,197,930

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in Net Pension Liability (Continued)*

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

*Actuarial Assumptions*

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

Actuarial Valuation Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table adjusted for future mortality improvement using one-year setback after 15 years.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.5% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:



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

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity (Continued)*

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 40,414,374	\$ 32,197,930	\$ 25,404,443

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

For the year ended June 30, 2016, the City recognized pension expense of \$3,113,091. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 818,015
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,715,337	-
<b>TOTAL</b>	<b>\$ 1,715,337</b>	<b>\$ 818,015</b>

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

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

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

Year Ending June 30,	
2017	\$ 265,232
2018	265,231
2019	265,231
2020	265,231
2021	(163,603)
Thereafter	<u>-</u>
TOTAL	<u>\$ 897,322</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 June 30, 2016, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	56
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>57</u>
 TOTAL	 <u><u>116</u></u>

*Benefits Provided*

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

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

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended June 30, 2016, the City's contribution was 43.68% 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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

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, corporate equity and corporate debt securities and real estate investment trusts. During the year, the following changes to the investment policy were approved by the Board of Trustees: target allocations across asset classes were adjusted.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	1%	0.5%
Fixed Income		
Short-Term	5%	2%
Intermediate	36%	2.5%
Equities		
Large Cap	5%	4.5%
Large Cap Value	5%	5%
Mid Cap Value	6%	5%
Small Cap	7%	6%
Small Cap Value	7%	7%
International Developed	4%	4.5%
International Value	7%	7%
International Small	7%	8%
Emerging Markets	8%	8%
U.S. Real Estate	2%	4%

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The long-term expected real rates of return are net of a 3% factor for inflation and investment expense. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of June 30, 2016 are listed in the table above.

*Concentrations*

At June 30, 2016, the Fund had no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Investment Rate of Return*

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.53%). 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 June 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 6,376,849	\$ 471,086	\$ 5,190,300	\$ 715,463	\$ -
U.S. Agency Obligations	1,988,964	-	906,254	742,145	340,565
<b>TOTAL</b>	<b>\$ 8,365,813</b>	<b>\$ 471,086</b>	<b>\$ 6,096,554</b>	<b>\$ 1,457,608</b>	<b>\$ 340,565</b>

*Investment Valuations*

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

The Fund has the following recurring fair value measurements as of June 30, 2016: U.S. Treasury obligations of \$6,376,849 and mutual funds of \$14,879,320 are valued using quoted market prices (Level 1 inputs); U.S. agency obligations of \$1,988,964 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Credit Risk*

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

*Custodial Credit Risk*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.



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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JULY 1, 2015	\$ 60,369,157	\$ 24,354,229	\$ 36,014,928
Changes for the Period			
Service Cost	1,103,489	-	1,103,489
Interest	4,495,233	-	4,495,233
Difference Between Expected and Actual Experience	(102,841)	-	(102,841)
Changes in Assumptions	-	-	-
Employer Contributions	-	2,158,156	(2,158,156)
Employee Contributions	-	477,022	(477,022)
Net Investment Income	-	(403,920)	403,920
Benefit Payments and Refunds	(3,072,413)	(3,072,413)	-
Administrative Expense	-	(41,613)	41,613
Net Changes	2,423,468	(882,768)	3,306,236
BALANCES AT JUNE 30, 2016	\$ 62,792,625	\$ 23,471,461	\$ 39,321,164

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

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

Actuarial Valuation Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table adjusted for future mortality improvement using one-year setback after 15 years.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.5% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 47,505,292	\$ 39,321,164	\$ 32,544,327

**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 June 30, 2016, the City recognized pension expense of \$3,780,068. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 85,700
Changes in Assumption	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,770,024	-
TOTAL	<u>\$ 1,770,024</u>	<u>\$ 85,700</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:

<u>Year Ending June 30,</u>	
2017	\$ 425,366
2018	425,366
2019	425,366
2020	425,366
2021	(17,140)
Thereafter	-
TOTAL	<u>\$ 1,684,324</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
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 1,034,000	\$ 1,287,076	\$ 2,321,076
Investments			
U.S. Treasury Obligations	2,096,927	6,376,849	8,473,776
U.S. Agency Obligations	5,516,015	1,988,964	7,504,979
Corporate bonds	2,879,836	-	2,879,836
Mutual Funds	17,797,214	14,879,320	32,676,534
Equity Securities	170,8041	-	170,841
Receivables			
Accrued interest	34,857	44,439	79,296
Prepaid Expenses	7,669	-	7,669
Total assets	29,537,359	24,576,648	54,114,007
<b>LIABILITIES</b>			
Accounts Payable	10,860	5,465	16,325
Total liabilities	10,860	5,465	16,325
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Taxes	826,564	1,099,722	1,926,286
Total Deferred Inflows of Resources	826,564	1,099,722	1,926,286
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 28,699,935</b>	<b>\$ 23,471,461</b>	<b>\$ 52,171,396</b>

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

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

b. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,622,105	\$ 2,158,156	\$ 3,780,261
Employee	727,853	477,022	1,204,875
Total Contributions	2,349,958	2,635,178	4,985,136
Investment Income			
Net Depreciation in Fair Value of Investments	(568,927)	(1,145,748)	(1,714,675)
Interest	629,179	785,659	1,414,838
Total Investment Income	60,252	(360,089)	(299,837)
Less Investment Expense	(42,938)	(43,831)	(86,769)
Net Investment Income	17,314	(403,920)	(386,606)
Total Additions	2,367,272	2,231,258	4,598,530
<b>DEDUCTIONS</b>			
Administrative Expenses	44,990	41,613	86,603
Benefits and Refunds	2,579,348	3,072,413	5,651,761
Total Deductions	2,624,338	3,114,026	5,738,364
NET DECREASE	(257,066)	(882,768)	(1,139,834)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
July 1	28,957,001	24,354,229	53,311,230
June 30	\$ 28,699,935	\$23,471,461	\$ 52,171,396

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

a. Financial Information

No separate financial statements are available for the DeKalb Public 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 June 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 260,535	\$ -	\$ 260,535	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 260,535</b>	<b>\$ -</b>	<b>\$ 260,535</b>	<b>\$ -</b>	<b>\$ -</b>

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

The Library has the following recurring fair value measurements as of June 30, 2016: Negotiable Certificates of Deposit of \$260,535 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

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

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

b. Deposits and Investments (Continued)

Library Investments (Continued)

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

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

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

c. Receivables

Property taxes are levied in December of each year on all taxable real property attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and are payable in two installments on or about June 1 and September 1. The County Collector collects such taxes and remits them periodically. Since the 2015 levy is intended to finance the 2016-2017 fiscal year, the entire levy has been recorded as deferred inflow of resources. The 2016 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2016, the taxes will not be levied by the City or extended by the County until December 2016 and, therefore, the amount is not measurable at June 30, 2016.

**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 June 30, 2016:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,558,032	\$ -	\$ -	\$ 1,558,032
Construction in Progress	11,501,703	9,940,038	-	21,441,741
Total Capital Assets not Being Depreciated	13,059,735	9,940,038	-	22,999,773
Capital Assets Being Depreciated				
Buildings and Improvements	593,325	-	-	593,325
Equipment and Furniture	227,010	-	-	227,010
Total Capital Assets Being Depreciated	820,335	-	-	820,335
Less Accumulated Depreciation for				
Buildings and Improvements	359,926	10,024	-	369,950
Equipment and Furniture	133,919	17,468	-	151,387
Total Accumulated Depreciation	493,845	27,492	-	521,337
Total Capital Assets Being Depreciated, Net	326,490	(27,492)	-	298,998
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 13,386,225</b>	<b>\$ 9,912,546</b>	<b>\$ -</b>	<b>\$ 23,298,771</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
Culture and Recreation	<u>\$ 27,492</u>
<b>TOTAL DEPRECIATION EXPENSE -</b>	
<b>GOVERNMENTAL ACTIVITIES</b>	<u><b>\$ 27,492</b></u>



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

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

e. Long-Term Debt

General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	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	\$ 6,420,000	\$ -	\$ 270,000	\$ 6,150,000	\$ 280,000
<b>TOTAL</b>		<b>\$ 6,420,000</b>	<b>\$ -</b>	<b>\$ 270,000</b>	<b>\$ 6,150,000</b>	<b>\$ 280,000</b>

Loans Payable

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

Issue	Fund Debt Retired by	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
\$3,000,000 Loan Payable of 2015 dated June 5, 2015 due in one payment of \$3,000,000 plus interest at 3.25% through December 18, 2016	Library General	\$ 3,000,000	\$ -	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000
<b>TOTAL</b>		<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>

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

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

e. Long-Term Debt (Continued)

Debt Certificates

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

Issue	Fund Debt Retired by	Balances July 1	Issuances	Retirements	Balances June 30	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	\$ 666,667	\$ -	\$ 111,111	\$ 555,556	\$ 111,111
<b>TOTAL</b>		<b>\$ 666,667</b>	<b>\$ -</b>	<b>\$ 111,111</b>	<b>\$ 555,556</b>	<b>\$ 111,111</b>

Debt Service Requirements to Maturity

Year Ending June 30,	General Obligation Bonds			
	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2017	\$ 280,000	\$ 210,025	\$ 2,000,000	\$ 32,500
2018	285,000	201,625	-	-
2019	295,000	193,075	-	-
2020	305,000	184,225	-	-
2021	315,000	175,075	-	-
2022	325,000	165,625	-	-
2023	335,000	155,875	-	-
2024	345,000	145,825	-	-
2025	355,000	135,475	-	-
2026	365,000	124,825	-	-
2027	375,000	112,963	-	-
2028	390,000	99,838	-	-
2029	405,000	86,188	-	-
2030	420,000	71,000	-	-
2031	435,000	54,200	-	-
2032	450,000	36,800	-	-
2033	470,000	18,800	-	-
<b>TOTAL</b>	<b>\$ 6,150,000</b>	<b>\$ 2,171,439</b>	<b>\$ 2,000,000</b>	<b>\$ 32,500</b>

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

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

e. Long-Term Debt (Continued)

Debt Service Requirements to Maturity (Continued)

Year Ending June 30,	Debt Certificates	
	Principal	Interest
2017	\$ 111,111	\$ 16,444
2018	111,111	13,156
2019	111,111	9,867
2020	111,111	6,578
2021	111,112	3,289
TOTAL	<u>\$ 555,556</u>	<u>\$ 49,334</u>

Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in long-term liabilities for Library:

	Balances July 1	Issuances or Accretions	Reductions	Balances June 30	Current Portion
General Obligation Bonds Payable	\$ 6,420,000	\$ -	\$ 270,000	\$ 6,150,000	\$ 280,000
Loans Payable	3,000,000	-	1,000,000	2,000,000	2,000,000
Debt Certificates Payable	666,667	-	111,111	555,556	111,111
Compensated Absences Payable	47,877	-	7,812	40,065	8,013
Net Pension Liability - IMRF	869,305	369,613	-	1,238,918	-
Net Other Postemployment Benefit Obligation	24,858	-	756	24,102	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 11,028,707</u>	<u>\$ 369,613</u>	<u>\$ 1,389,679</u>	<u>\$ 10,008,641</u>	<u>\$ 2,399,124</u>

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 June 30, 2016, the following changes occurred in short-term liabilities:

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Line of Credit	\$ -	\$ 1,591,079	\$ -	\$ 1,591,079	\$ 1,591,079
TOTAL GOVERNMENTAL ACTIVITIES	\$ -	\$ 1,591,079	\$ -	\$ 1,591,079	\$ 1,591,079

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 June 30, 2016 totaled \$1,591,079. Amounts due at June 30, 2016 totaled \$1,591,079. Interest is payable at 3.75% and paid monthly. The line of credit matures December 18, 2016.

**13. PRIOR PERIOD ADJUSTMENTS**

	Government al Activities	Business- Type Activities	Discretely Presented Component Unit
PRIOR PERIOD ADJUSTMENTS			
To Correct Governmental Activities			
Fixed Asset Depreciation	\$ 261,655	\$ -	\$ -
To Correct Business-Type Activities			
Fixed Asset Depreciation	-	(453,732)	-
To Record Library Interest Payable not Accrued for in the Prior Fiscal Year	-	-	(136,921)
TOTAL PRIOR PERIOD ADJUSTMENTS	\$ 261,655	\$ (453,732)	\$ (136,921)

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DEKALB, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

June 30, 2016

Schedule of Funding Progress

<b>Actuarial Valuation Date June 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL As a Percentage of Covered Payroll (4) / (5)</b>
2011	\$ -	\$ 32,360,982	0.00%	\$ 32,360,982	\$ 13,625,025	237.51%
2012	-	20,805,232	0.00%	20,805,232	13,467,132	154.49%
2013	-	21,666,777	0.00%	21,666,777	13,631,798	158.94%
2014	-	20,149,079	0.00%	20,149,079	14,916,350	135.08%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	23,904,376	0.00%	23,904,376	16,649,799	143.57%

Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2011	\$ 1,112,666	\$ 2,628,440	42.33%
2012	813,475	2,265,382	35.91%
2013	950,439	882,122	107.74%
2014	997,999	905,260	110.24%
2015	988,408	856,213	115.44%
2016	1,007,982	860,985	117.07%

N/A - Information not available

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

	<b>2015</b>	<b>2016</b>
Actuarially Determined Contribution	\$ 1,234,927	\$ 1,106,410
Contribution in Relation to the Actuarially Determined Contribution	<u>1,234,927</u>	<u>1,106,410</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-Employee Payroll	\$ 5,664,236	\$ 6,850,602
Contributions as a Percentage of Covered-Employee Payroll	21.80%	16.15%

Notes to the Required Supplementary Information

Information is presented for the fiscal year ended June 30, 2016.

The information presented was determined as part of the actuarial valuations as of December 31, 2013 and 2014. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 28 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 4.4% to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

This schedule is intended to show information for ten years. Additional information will be added each year.

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

June 30, 2016

---

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

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of May 1 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 27 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%.

This schedule is intended to show information for ten years. Additional information will be added each year.



**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of May 1 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 27 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%.

This schedule is intended to show information for ten years. Additional information will be added each year.

(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

June 30, 2016

	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 708,539	\$ 681,650
Interest	3,499,944	3,822,530
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	940,811	459,522
Changes of Assumptions	1,655,050	66,340
Benefit Payments, Including Refunds of Member Contributions	(2,279,953)	(2,414,792)
Net Change in Total Pension Liability	4,524,391	2,615,250
Total Pension Liability - Beginning	47,513,928	52,038,319
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 52,038,319</b>	<b>\$ 54,653,569</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 1,417,780	\$ 1,122,559
Contributions - Member	292,711	351,553
Net Investment Income	2,586,081	223,883
Benefit Payments, Including Refunds of Member Contributions	(2,279,953)	(2,414,792)
Administrative Expense	550,760	162,122
Net Change in Plan Fiduciary Net Position	2,567,379	(554,675)
Plan Net Fiduciary Position - Beginning	42,679,497	45,246,876
<b>PLAN NET FIDUCIARY POSITION - ENDING</b>	<b>\$ 45,246,876</b>	<b>\$ 44,692,201</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 6,791,443</b>	<b>\$ 9,961,368</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.90%	81.80%
Covered-Employee Payroll	\$ 6,138,945	\$ 6,850,602
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	110.60%	145.40%

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

Note: This schedule is intended to show information for ten years. Additional information will be added each year.

(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

June 30, 2016

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

\*The June 30, 2015 valuation had changes in the disability rates.

Note: This schedule is intended to show information for ten years. Additional information will be added each year.

(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**

June 30, 2016

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

\*The June 30, 2015 valuation had changes in the disability rates.

Note: This schedule is intended to show information for ten years. Additional information will be added each year.

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

June 30, 2016

---

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.36%	1.05%	(0.90%)

Note: This schedule is intended to show information for ten years. Additional information will be added each year.

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

June 30, 2016

---

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.67%	0.73%	(1.53%)

Note: This schedule is intended to show information for ten years. Additional information will be added each year.

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 17,720,540	\$ 17,720,540	\$ 17,104,968
Licenses and Permits	809,291	809,291	876,788
Intergovernmental	11,353,970	11,571,243	11,748,169
Charges for Services	2,085,800	2,085,800	2,143,615
Fines and Forfeitures	863,500	863,500	796,390
Investment Income	84,950	84,950	(26,140)
Miscellaneous	414,800	414,800	390,654
<b>Total Revenues</b>	<b>33,332,851</b>	<b>33,550,124</b>	<b>33,034,444</b>
<b>EXPENDITURES</b>			
General Government	4,925,359	5,024,058	5,012,558
Public Safety	21,868,503	22,107,503	21,397,418
Highways and Streets	3,609,193	3,609,193	3,286,770
Community Development	1,412,338	1,412,338	1,047,614
<b>Total Expenditures</b>	<b>31,815,393</b>	<b>32,153,092</b>	<b>30,744,360</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,517,458</b>	<b>1,397,032</b>	<b>2,290,084</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds on Sale of Capital Assets	-	-	496
Transfers In	508,965	508,965	508,965
Transfers (Out)	(1,523,692)	(1,523,692)	(1,536,138)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,014,727)</b>	<b>(1,014,727)</b>	<b>(1,026,677)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 502,731</b>	<b>\$ 382,305</b>	<b>1,263,407</b>
<b>FUND BALANCE, JULY 1</b>			<b>8,221,253</b>
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 9,484,660</b>

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
State Motor Fuel Tax	\$ 1,047,914	\$ 1,047,914	\$ 1,170,889
Investment Income	875	875	3,357
Total Revenues	1,048,789	1,048,789	1,174,246
<b>EXPENDITURES</b>			
Highways and Streets			
Commodities	100,000	100,000	86,769
Contractual Services	825,000	825,000	400,297
Capital Outlay	390,000	390,000	501
Total Expenditures	1,315,000	1,315,000	487,567
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(266,211)	(266,211)	686,679
<b>OTHER FINANCING (USES)</b>			
Transfer In	-	-	32,072
Total Other Financing (Uses)	-	-	32,072
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (266,211)</u>	<u>\$ (266,211)</u>	718,751
<b>FUND BALANCE, JULY 1</b>			<u>2,378,748</u>
<b>FUND BALANCE, JUNE 30</b>			<u><u>\$ 3,097,499</u></u>

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
Federal Grants	\$ 2,200,665	\$ 2,200,665	\$ 939,318
State Grants	5,828,610	5,828,610	2,259,559
Miscellaneous	-	-	1,432
Total Revenues	8,029,275	8,029,275	3,200,309
<b>EXPENDITURES</b>			
General Government			
Personal Services	213,965	213,965	210,460
Commodities	27,714	27,714	20,491
Contractual Services	3,179,693	3,179,693	2,879,351
Capital Outlay	4,623,270	4,623,270	90,007
Total Expenditures	8,044,642	8,044,642	3,200,309
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,367)	(15,367)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	19,626	19,626	-
Transfers (Out)	(7,782)	(7,782)	-
Total Other Financing Sources (Uses)	11,844	11,844	-
NET CHANGE IN FUND BALANCE	\$ (3,523)	\$ (3,523)	-
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ -

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 6,439,658	\$ 6,439,658	\$ 6,347,586
Investment Income	50,000	50,000	(288,068)
Total Revenues	6,489,658	6,489,658	6,059,518
<b>EXPENDITURES</b>			
Community Development			
Contractual Services	966,926	996,926	2,253,338
Capital Outlay	5,483,249	5,053,249	3,615,093
Total Expenditures	6,450,175	6,050,175	5,868,431
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	39,483	439,483	191,087
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer (Out)	(1,068,663)	(1,068,663)	(1,068,663)
Total Other Financing Sources (Uses)	(1,068,663)	(1,068,663)	(1,068,663)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,029,180)</u>	<u>\$ (629,180)</u>	(877,576)
<b>FUND BALANCE, JULY 1</b>			<u>2,596,538</u>
<b>FUND BALANCE, JUNE 30</b>			<u><u>\$ 1,718,962</u></u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 1,329,665	\$ 1,329,665	\$ 1,216,455
Investment Income	-	-	53,089
Total Revenues	1,329,665	1,329,665	1,269,544
<b>EXPENDITURES</b>			
Community Development			
Contractual Services	301,463	311,463	287,360
Capital Outlay	1,690,000	2,080,000	192,082
Total Expenditures	1,991,463	2,391,463	479,442
NET CHANGE IN FUND BALANCE	<u>\$ (661,798)</u>	<u>\$ (1,061,798)</u>	790,102
FUND BALANCE, JULY 1			<u>7,661,414</u>
FUND BALANCE, JUNE 30			<u><u>\$ 8,451,516</u></u>

(See independent auditor's report.)

## **CITY OF DEKALB, ILLINOIS**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

---

#### **1. BUDGETS**

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

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

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

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

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

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

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

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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

### **SPECIAL REVENUE FUNDS**

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

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

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

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

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 4,270,540	\$ 4,270,540	\$ 4,231,993
Home Rule Sales	7,000,000	7,000,000	6,511,982
Utilities	3,410,000	3,410,000	3,202,384
Franchise	470,000	470,000	498,852
Restaurant/Bar	1,825,000	1,825,000	1,913,222
Miscellaneous	745,000	745,000	746,535
Total Taxes	17,720,540	17,720,540	17,104,968
Licenses and Permits			
Licenses			
Amusement	2,900	2,900	1,875
Liquor	215,000	215,000	236,764
Rooming House	13,500	13,500	14,300
Other	45,000	45,000	83,352
Permits			
Building and Electrical	485,401	485,401	464,639
Plumbing	20,000	20,000	24,208
HVAC	15,000	15,000	25,399
Sewer	3,750	3,750	3,780
Parking	3,240	3,240	2,151
Other	5,500	5,500	20,320
Total Licenses and Permits	809,291	809,291	876,788
Intergovernmental			
State Sales	5,400,000	5,400,000	5,289,536
Income	4,358,970	4,358,970	4,462,992
Local Use	900,000	900,000	1,040,616
Replacement	150,000	150,000	129,241
Federal Grants	15,000	232,273	282,704
TIF Property Tax Surplus	180,000	180,000	190,222
TIF Sales Tax Surplus	350,000	350,000	349,668
State Grants	-	-	3,190
Total Intergovernmental	11,353,970	11,571,243	11,748,169
Charges for Services			
Fire Services	800,000	800,000	894,082
Ambulance Fees	820,000	820,000	904,968
Police Services	4,000	4,000	10,264
Zoning Fees	5,300	5,300	11,457
Administration Fees	112,500	112,500	33,750
Fuel Sales	150,000	150,000	87,703
Rental Crime Free Registration	190,000	190,000	192,655
Development Inspection Fees	-	-	229
Hotel Inspection Fees	4,000	4,000	5,409
Finger Print Fee	-	-	3,098
Total Charges for Services	2,085,800	2,085,800	2,143,615

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<hr/>			
<b>REVENUES (Continued)</b>			
Fines and Forfeitures			
Circuit Court	\$ 300,000	\$ 300,000	\$ 310,159
Tow	237,000	237,000	217,224
Police	105,000	105,000	105,211
Abatement	10,000	10,000	6,020
False Fire Alarm	2,000	2,000	4,200
Crime Fee Housing	500	500	-
DUI	110,000	110,000	44,274
Other	99,000	99,000	109,302
	<hr/>		
Total Fines and Forfeitures	863,500	863,500	796,390
	<hr/>		
Investment Income	84,950	84,950	(26,140)
	<hr/>		
Miscellaneous			
Refunds/Reimbursements	300,000	300,000	358,654
Miscellaneous	114,800	114,800	32,000
	<hr/>		
Total Miscellaneous	414,800	414,800	390,654
	<hr/>		
<b>TOTAL REVENUES</b>	<b>\$ 33,332,851</b>	<b>\$ 33,550,124</b>	<b>\$ 33,034,444</b>
	<hr/> <hr/>		

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Elected Officials	\$ 257,033	\$ 257,033	\$ 247,097
Municipal Band	60,200	60,200	54,350
City Manager's Office Administration	1,023,154	1,023,154	1,058,728
Human Resources Division	329,228	329,228	253,906
General Fund Support Service	2,873,894	2,972,593	3,001,517
Finance Administration	669,609	669,609	664,946
Information and Technology	789,105	789,105	783,361
Less Administrative Costs Charged to Other Departments and Funds	(1,076,864)	(1,076,864)	(1,051,347)
Total General Government	4,925,359	5,024,058	5,012,558
<b>PUBLIC SAFETY</b>			
Police Protection	12,132,984	12,132,984	11,533,573
Fire Protection	9,735,519	9,974,519	9,863,845
Total Public Safety	21,868,503	22,107,503	21,397,418
<b>HIGHWAYS AND STREETS</b>			
Public Works Administration	207,871	207,871	167,179
Public Facilities and Fleet Maintenance	446,514	446,514	434,231
Streets	2,625,879	2,625,879	2,430,036
Engineering	328,929	328,929	255,324
Total Highways and Streets	3,609,193	3,609,193	3,286,770
<b>COMMUNITY DEVELOPMENT</b>			
Community Development Administration	831,763	831,763	684,264
Building and Code Enforcement	580,575	580,575	363,350
Total Community Improvement	1,412,338	1,412,338	1,047,614
<b>TOTAL EXPENDITURES</b>	<b>\$ 31,815,393</b>	<b>\$ 32,153,092</b>	<b>\$ 30,744,360</b>

(See independent auditor's report.)

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Elected Officials			
Personnel Services	\$ 70,296	\$ 70,296	\$ 67,343
Commodities	100	100	218
Contractual Services	186,637	186,637	179,536
Total Elected Officials	257,033	257,033	247,097
Municipal Band			
Commodities	2,300	2,300	1,650
Contractual Services	57,900	57,900	52,700
Total Municipal Band	60,200	60,200	54,350
City Manager's Office Administration			
Personnel Services	745,506	745,506	754,220
Commodities	12,500	12,500	14,388
Contractual Services	264,648	264,648	289,671
Capital Outlay	500	500	449
Total City Manager's Office Administration	1,023,154	1,023,154	1,058,728
Human Resources Division			
Personnel Services	225,774	225,774	170,390
Commodities	2,198	2,198	2,193
Contractual Services	98,256	98,256	66,829
Capital Outlay	3,000	3,000	14,494
Total Human Resource Division	329,228	329,228	253,906
General Fund Support Service			
Personnel Services	1,211,194	1,211,194	1,161,601
Contractual Services	1,662,700	1,703,913	1,824,947
Capital Outlay	-	57,486	14,969
Total General Fund Support Service	2,873,894	2,972,593	3,001,517

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT (Continued)</b>			
Finance Administration			
Personnel Services	\$ 600,883	\$ 600,883	\$ 603,410
Commodities	10,965	10,965	11,410
Contractual Services	57,761	57,761	50,126
Total Finance Administration	669,609	669,609	664,946
Information and Technology			
Personnel Services	431,335	431,335	398,738
Commodities	73,817	73,817	86,666
Contractual Services	269,953	269,953	282,763
Capital Outlay	14,000	14,000	15,194
Total Information and Technology	789,105	789,105	783,361
Less Administrative Costs Charged to Other Departments and Funds	(1,076,864)	(1,076,864)	(1,051,347)
Total General Government	4,925,359	5,024,058	5,012,558
<b>PUBLIC SAFETY</b>			
Police Protection			
Police Department Administration			
Personnel Services	824,106	824,106	826,706
Commodities	169,847	169,847	118,175
Contractual Services	186,287	186,287	150,786
Capital Outlay	2,925	2,925	647
Total Police Department Administration	1,183,165	1,183,165	1,096,314
Patrol Services			
Personnel Services	6,527,348	6,527,348	6,448,448
Commodities	157,281	157,281	145,462
Contractual Services	85,228	85,228	78,013
Capital Outlay	84,534	84,534	48,220
Total Patrol Services	6,854,391	6,854,391	6,720,143

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police Protection (Continued)			
Communications			
Personnel Services	\$ 1,239,388	\$ 1,239,388	\$ 1,093,459
Commodities	3,866	3,866	1,748
Contractual Services	18,797	18,797	14,137
Capital Outlay	2,490	2,490	1,662
Total Communications	1,264,541	1,264,541	1,111,006
Criminal Investigations			
Personnel Services	1,933,165	1,933,165	1,796,497
Commodities	25,205	25,205	19,279
Contractual Services	23,884	23,884	14,104
Capital Outlay	-	-	-
Total Criminal Investigations	1,982,254	1,982,254	1,829,880
Police Department Special Services			
Personnel Services	517,300	517,300	477,948
Commodities	15,787	15,787	3,369
Contractual Services	20,895	20,895	5,420
Capital Outlay	925	925	405
Total Police Department Special Services	554,907	554,907	487,142
Crime Free Housing and Inspection			
Personnel Services	267,851	267,851	275,980
Commodities	12,437	12,437	6,159
Contractual Services	13,083	13,083	6,833
Capital Outlay	355	355	116
Total Crime Free Housing and Inspection	293,726	293,726	289,088
Total Police Protection	12,132,984	12,132,984	11,533,573

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Fire Protection			
Fire Department Administration			
Personnel Services	\$ 749,480	\$ 749,480	\$ 704,333
Commodities	56,668	56,668	33,688
Contractual Services	44,574	44,574	39,557
Total Fire Department Administration	850,722	850,722	777,578
Fire Department Operations			
Personnel Services	8,551,627	8,551,627	8,550,059
Commodities	137,053	137,053	120,293
Contractual Services	185,031	185,031	171,651
Capital Outlay	11,086	250,086	244,264
Total Fire Department Operations	8,884,797	9,123,797	9,086,267
Total Fire Protection	9,735,519	9,974,519	9,863,845
Total Public Safety	21,868,503	22,107,503	21,397,418
<b>HIGHWAYS AND STREETS</b>			
Public Works Administration			
Personnel Services	183,750	183,750	138,355
Commodities	1,150	1,150	300
Contractual Services	22,971	22,971	28,024
Capital Outlay	-	-	500
Total Public Works Administration	207,871	207,871	167,179
Public Facilities and Fleet Maintenance			
Personnel Services	181,854	181,854	162,629
Commodities	29,800	29,800	24,767
Contractual Services	234,260	234,260	246,625
Capital Outlay	600	600	210
Total Public Facilities and Fleet Maintenance	446,514	446,514	434,231

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>HIGHWAYS AND STREETS (Continued)</b>			
Streets			
Personnel Services	\$ 1,745,119	\$ 1,745,119	\$ 1,719,777
Commodities	604,100	604,100	473,035
Contractual Services	260,660	260,660	220,997
Capital Outlay	16,000	16,000	16,227
Total Streets	2,625,879	2,625,879	2,430,036
Engineering			
Personnel Services	219,015	219,015	214,886
Commodities	23,747	23,747	4,973
Contractual Services	80,167	80,167	32,933
Capital Outlay	6,000	6,000	2,532
Total Engineering	328,929	328,929	255,324
Total Highways and Streets	3,609,193	3,609,193	3,286,770
<b>COMMUNITY DEVELOPMENT</b>			
Community Development Administration			
Personnel Services	536,507	536,507	490,253
Commodities	17,360	17,360	12,146
Contractual Services	277,896	277,896	181,865
Total Community Development Administration	831,763	831,763	684,264
Building and Code Enforcement			
Personnel Services	143,467	143,467	85,400
Commodities	7,900	7,900	-
Contractual Services	426,708	426,708	276,066
Capital Outlay	2,500	2,500	1,884
Total Building and Code Enforcement	580,575	580,575	363,350
Total Community Development	1,412,338	1,412,338	1,047,614
<b>TOTAL EXPENDITURES</b>	<b>\$ 31,815,393</b>	<b>\$ 32,153,092</b>	<b>\$ 30,744,360</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

### **DEBT SERVICE FUNDS**

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **CAPITAL PROJECTS FUNDS**

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

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

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



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

June 30, 2016

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and Investments	\$ 103,817	\$ 407	\$ 538,407	\$ 642,631
Receivables				
Property Taxes	9,393	-	-	9,393
Other	-	28,080	-	28,080
Due from Other Governments	5,904	-	31,402	37,306
<b>TOTAL ASSETS</b>	<b>\$ 119,114</b>	<b>\$ 28,487</b>	<b>\$ 569,809</b>	<b>\$ 717,410</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,892	\$ -	\$ 135,558	\$ 143,450
Unearned Revenues	-	-	76,000	76,000
Due to Other Funds	6,923	42,000	-	48,923
<b>Total Liabilities</b>	<b>14,815</b>	<b>42,000</b>	<b>211,558</b>	<b>268,373</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Property Taxes	17,502	-	-	17,502
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>32,317</b>	<b>42,000</b>	<b>211,558</b>	<b>285,875</b>
<b>FUND BALANCES</b>				
Restricted for Public Safety	27,262	-	-	27,262
Restricted for Specific Purpose	69,809	-	-	69,809
Assigned for Capital Projects	-	-	358,251	358,251
Unassigned (Deficit)	(10,274)	(13,513)	-	(23,787)
<b>Total Fund Balances (Deficit)</b>	<b>86,797</b>	<b>(13,513)</b>	<b>358,251</b>	<b>431,535</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 119,114</b>	<b>\$ 28,487</b>	<b>\$ 569,809</b>	<b>\$ 717,410</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 63,487	\$ 311,862	358,945	\$ 734,294
Intergovernmental	496,251	-	-	496,251
Charges for Services	-	-	141,793	141,793
Fines and Forfeitures	-	58,101	-	58,101
Investment Income	56	-	-	56
Miscellaneous	1,787	-	206,825	208,612
<b>Total Revenues</b>	<b>561,581</b>	<b>369,963</b>	<b>707,563</b>	<b>1,639,107</b>
<b>EXPENDITURES</b>				
General Government	135,170	-	52,869	188,039
Public Safety	20,836	-	-	20,836
Capital Outlay	85,686	-	852,061	937,747
Debt Service				
Principal Retirement	-	2,048,350	16,667	2,065,017
Interest and Fiscal Charges	-	911,606	-	911,606
<b>Total Expenditures</b>	<b>241,692</b>	<b>2,959,956</b>	<b>921,597</b>	<b>4,123,245</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>319,889</b>	<b>(2,589,993)</b>	<b>(214,034)</b>	<b>(2,484,138)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	16,443	2,572,729	-	2,589,172
Transfers (Out)	(337,571)	-	-	(337,571)
Proceeds from Sale of Capital Assets	-	-	1,245	1,245
<b>Total Other Financing Sources (Uses)</b>	<b>(321,128)</b>	<b>2,572,729</b>	<b>1,245</b>	<b>2,252,846</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,239)</b>	<b>(17,264)</b>	<b>(212,789)</b>	<b>(231,292)</b>
<b>FUND BALANCES, JULY 1</b>	<b>88,036</b>	<b>3,751</b>	<b>571,040</b>	<b>662,827</b>
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ 86,797</b>	<b>\$ (13,513)</b>	<b>\$ 358,251</b>	<b>\$ 431,535</b>

(See independent auditor's report.)

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

June 30, 2016

	<b>Foreign Fire Insurance Tax</b>	<b>Housing Rehabilitation</b>	<b>Community Development Block Grant</b>
<b>ASSETS</b>			
Cash and Investments	\$ 30,073	\$ 63,715	\$ 38
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Due from Other Governments	-	-	5,904
<b>TOTAL ASSETS</b>	<b>\$ 30,073</b>	<b>\$ 63,715</b>	<b>\$ 5,942</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,811	\$ -	\$ 119
Due to Other Funds	-	-	5,823
<b>Total Liabilities</b>	<b>2,811</b>	<b>-</b>	<b>5,942</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,811</b>	<b>-</b>	<b>5,942</b>
<b>FUND BALANCES</b>			
Restricted for Public Safety	27,262	-	-
Restricted for Specific Purpose	-	63,715	-
Unassigned (Deficit)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>27,262</b>	<b>63,715</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 30,073</b>	<b>\$ 63,715</b>	<b>\$ 5,942</b>

<b>Heritage Ridge Special Service Area #3</b>	<b>Knolls Special Service Area #4</b>	<b>Greek Row Special Service Area #6</b>	<b>Heartland Fields Special Service Area #14</b>	<b>Total</b>
\$ 4,924	\$ 2,416	\$ 75	\$ 2,576	\$ 103,817
-	2,392	5,786	1,215	9,393
-	-	-	-	5,904
\$ 4,924	\$ 4,808	\$ 5,861	\$ 3,791	\$ 119,114
\$ -	\$ 1,250	\$ 3,591	\$ 121	\$ 7,892
-	-	1,100	-	6,923
-	1,250	4,691	121	14,815
-	5,001	10,001	2,500	17,502
-	6,251	14,692	2,621	32,317
-	-	-	-	27,262
4,924	-	-	1,170	69,809
-	(1,443)	(8,831)	-	(10,274)
4,924	(1,443)	(8,831)	1,170	86,797
\$ 4,924	\$ 4,808	\$ 5,861	\$ 3,791	\$ 119,114

(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 June 30, 2016

	<b>Foreign Fire Insurance Tax</b>	<b>Housing Rehabilitation</b>	<b>Community Development Block Grant</b>
<b>REVENUES</b>			
Taxes	\$ 46,581	\$ -	\$ -
Intergovernmental	-	-	496,251
Investment Income	-	56	-
Miscellaneous	126	1,661	-
Total Revenues	46,707	1,717	496,251
<b>EXPENDITURES</b>			
General Government	-	287	125,028
Public Safety	20,836	-	-
Capital Outlay	12,279	2,006	50,096
Total Expenditures	33,115	2,293	175,124
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	13,592	(576)	321,127
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	16,443	-
Transfers (Out)	-	-	(337,571)
Total Other Financing Sources (Uses)	-	16,443	(337,571)
<b>NET CHANGE IN FUND BALANCES</b>	13,592	15,867	(16,444)
<b>FUND BALANCES, JULY 1</b>	13,670	47,848	16,444
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ 27,262	\$ 63,715	\$ -

<b>Heritage Ridge Special Service Area #3</b>	<b>Knolls Special Service Area #4</b>	<b>Greek Row Special Service Area #6</b>	<b>Heartland Fields Special Service Area #14</b>	<b>Total</b>
\$ -	\$ 4,406	\$ 10,000	\$ 2,500	\$ 63,487
-	-	-	-	496,251
-	-	-	-	56
-	-	-	-	1,787
-	4,406	10,000	2,500	561,581
1,162	5,873	500	2,320	135,170
-	-	-	-	20,836
-	-	21,305	-	85,686
1,162	5,873	21,805	2,320	241,692
(1,162)	(1,467)	(11,805)	180	319,889
-	-	-	-	16,443
-	-	-	-	(337,571)
-	-	-	-	(321,128)
(1,162)	(1,467)	(11,805)	180	(1,239)
6,086	24	2,974	990	88,036
\$ 4,924	\$ (1,443)	\$ (8,831)	\$ 1,170	\$ 86,797

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Foreign Fire Insurance Tax	\$ 45,000	\$ 45,000	\$ 46,581
Miscellaneous	-	-	126
Total Revenues	45,000	45,000	46,707
<b>EXPENDITURES</b>			
Public Safety			
Commodities	23,777	23,777	19,324
Contractual Services	2,217	2,217	1,512
Capital Outlay	20,590	20,590	12,279
Total Expenditures	46,584	46,584	33,115
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (1,584)</u></u>	<u><u>\$ (1,584)</u></u>	13,592
<b>FUND BALANCE, JULY 1</b>			<u>13,670</u>
<b>FUND BALANCE, JUNE 30</b>			<u><u>\$ 27,262</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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Investment Income	\$ 35	\$ 35	\$ 56
Miscellaneous	6,000	6,000	1,661
Total Revenues	6,035	6,035	1,717
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	12,000	12,000	287
Capital Outlay	24,000	24,000	2,006
Total Expenditures	36,000	36,000	2,293
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,965)	(29,965)	(576)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	16,443
Total Other Financing Sources (Uses)	-	-	16,443
NET CHANGE IN FUND BALANCE	<u>\$ (29,965)</u>	<u>\$ (29,965)</u>	15,867
FUND BALANCE, JULY 1			<u>47,848</u>
FUND BALANCE, JUNE 30			<u><u>\$ 63,715</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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental Grants	\$ 728,632	\$ 728,632	\$ 496,251
Total Revenues	728,632	728,632	496,251
<b>EXPENDITURES</b>			
General Government Commodities	1,000	1,000	-
Contractual Services	236,053	236,053	125,028
Capital Outlay	491,579	491,579	50,096
Total Expenditures	728,632	728,632	175,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	321,127
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	-	-	(337,571)
Total Other Financing Sources (Uses)	-	-	(337,571)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(16,444)
FUND BALANCE, JULY 1			16,444
FUND BALANCE, JUNE 30			\$ -

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
General Government			
Contractual Services	1,250	1,250	1,162
Total Expenditures	1,250	1,250	1,162
NET CHANGE IN FUND BALANCE	<u>\$ (1,250)</u>	<u>\$ (1,250)</u>	(1,162)
FUND BALANCE, JULY 1			<u>6,086</u>
<b>FUND BALANCE, JUNE 30</b>			<u><u>\$ 4,924</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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 4,406	\$ 4,406	\$ 4,406
Total Revenues	4,406	4,406	4,406
<b>EXPENDITURES</b>			
General Government			
Contractual Services	3,500	5,874	5,873
Total Expenditures	3,500	5,874	5,873
NET CHANGE IN FUND BALANCE	\$ 906	\$ (1,468)	(1,467)
FUND BALANCE, JULY 1			24
<b>FUND BALANCE (DEFICIT), JUNE 30</b>			<b>\$ (1,443)</b>

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 10,000	\$ 10,000	\$ 10,000
Total Revenues	10,000	10,000	10,000
<b>EXPENDITURES</b>			
General Government			
Contractual Services	500	500	500
Capital Outlay	7,500	21,305	21,305
Total Expenditures	8,000	21,805	21,805
NET CHANGE IN FUND BALANCE	\$ 2,000	\$ (11,805)	(11,805)
FUND BALANCE, JULY 1			2,974
FUND BALANCE (DEFICIT), JUNE 30			\$ (8,831)

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<hr/>			
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 2,500	\$ 2,500	\$ 2,500
	<hr/>		
Total Revenues	2,500	2,500	2,500
	<hr/>		
<b>EXPENDITURES</b>			
General Government			
Contractual Services	1,000	2,320	2,320
	<hr/>		
Total Expenditures	1,000	2,320	2,320
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 1,500	\$ 180	180
	<hr/>		
FUND BALANCE, JULY 1			990
	<hr/>		
FUND BALANCE, JUNE 30			\$ 1,170
	<hr/>		

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS**

June 30, 2016

---

	<b>General</b>	<b>TIF</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 407	\$ -	\$ 407
Other receivable	28,080	-	28,080
<b>TOTAL ASSETS</b>	<b>\$ 28,487</b>	<b>\$ -</b>	<b>\$ 28,487</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to Other Funds	\$ 42,000	\$ -	\$ 42,000
Total Liabilities	42,000	-	42,000
<b>FUND BALANCES</b>			
Unassigned (Deficit)	(13,513)	-	(13,513)
Total Fund Balances (Deficit)	(13,513)	-	(13,513)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 28,487</b>	<b>\$ -</b>	<b>\$ 28,487</b>

(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 June 30, 2016

	<b>General</b>	<b>TIF</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	\$ 311,862	\$ -	\$ 311,862
Fines and Forfeitures	58,101	-	58,101
Total Revenues	369,963	-	369,963
<b>EXPENDITURES</b>			
Debt Service			
Principal	1,223,350	825,000	2,048,350
Interest and Fiscal Charges	667,943	243,663	911,606
Total Expenditures	1,891,293	1,068,663	2,959,956
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,521,330)	(1,068,663)	(2,589,993)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,504,066	1,068,663	2,572,729
Total Other Financing Sources (Uses)	1,504,066	1,068,663	2,572,729
NET CHANGE IN FUND BALANCES	(17,264)	-	(17,264)
FUND BALANCES, JULY 1	3,751	-	3,751
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ (13,513)</b>	<b>\$ -</b>	<b>\$ (13,513)</b>

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Hotel/Motel	\$ 43,417	\$ 43,417	\$ 42,367
Local Fuel Tax	245,000	245,000	269,495
Fines and Forfeitures	100,000	100,000	58,101
Total Revenues	388,417	388,417	369,963
<b>EXPENDITURES</b>			
Debt Service			
Principal Retirement	1,223,350	1,223,350	1,223,350
Interest and Fiscal Charges	669,133	669,133	667,943
Total Expenditures	1,892,483	1,892,483	1,891,293
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,504,066)</b>	<b>(1,504,066)</b>	<b>(1,521,330)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	1,504,066	1,504,066	1,504,066
Total Other Financing Sources (Uses)	1,504,066	1,504,066	1,504,066
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(17,264)</b>
<b>FUND BALANCE, JULY 1</b>			<b>3,751</b>
<b>FUND BALANCE (DEFICIT), JUNE 30</b>			<b>\$ (13,513)</b>

(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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Debt Service			
Principal Retirement	825,000	825,000	825,000
Interest and Fiscal Charges	243,663	243,663	243,663
Total Expenditures	1,068,663	1,068,663	1,068,663
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,068,663)	(1,068,663)	(1,068,663)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	1,068,663	1,068,663	1,068,663
Total Other Financing Sources (Uses)	1,068,663	1,068,663	1,068,663
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			\$ -

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

June 30, 2016

	<b>Capital Projects</b>	<b>Equipment</b>	<b>Fleet Replacement</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Investments	\$ 137,815	\$ 325,067	\$ 75,525	\$ 538,407
Due from Other Governments	31,402	-	-	31,402
<b>TOTAL ASSETS</b>	<b>\$ 169,217</b>	<b>\$ 325,067</b>	<b>\$ 75,525</b>	<b>\$ 569,809</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 32,942	\$ 102,616	\$ -	\$ 135,558
Unearned Revenues	-	76,000	-	76,000
Total Liabilities	32,942	178,616	-	211,558
<b>FUND BALANCES</b>				
Assigned for Capital Projects	136,275	146,451	75,525	358,251
Total Fund Balances	136,275	146,451	75,525	358,251
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 169,217</b>	<b>\$ 325,067</b>	<b>\$ 75,525</b>	<b>\$ 569,809</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Capital Projects</b>	<b>Equipment</b>	<b>Fleet Replacement</b>	<b>Total</b>
<b>REVENUES</b>				
Taxes	\$ 358,945	\$ -	\$ -	\$ 358,945
Charges for Services	-	-	141,793	141,793
Miscellaneous Income	500	160,000	46,325	206,825
Total Revenues	359,445	160,000	188,118	707,563
<b>EXPENDITURES</b>				
General Government				
Contractual Services	9,297	43,572	-	52,869
Capital Outlay	333,894	126,688	391,479	852,061
Debt Service				
Principal	-	-	16,667	16,667
Total Expenditures	343,191	170,260	408,146	921,597
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,254	(10,260)	(220,028)	(214,034)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	1,245	1,245
Total Other Financing Sources (Uses)	-	-	1,245	1,245
NET CHANGE IN FUND BALANCES	16,254	(10,260)	(218,783)	(212,789)
FUND BALANCES, JULY 1	120,021	156,711	294,308	571,040
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 136,275</b>	<b>\$ 146,451</b>	<b>\$ 75,525</b>	<b>\$ 358,251</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Local Motor Fuel Taxes	\$ 355,000	\$ 355,000	\$ 358,945
Miscellaneous Income	-	-	500
Total Revenues	355,000	355,000	359,445
<b>EXPENDITURES</b>			
General Government			
Contractual Services	50,000	50,000	9,297
Capital Outlay	420,000	420,000	333,894
Total Expenditures	470,000	470,000	343,191
NET CHANGE IN FUND BALANCE	<u>\$ (115,000)</u>	<u>\$ (115,000)</u>	16,254
FUND BALANCE, JULY 1			<u>120,021</u>
FUND BALANCE, JUNE 30			<u>\$ 136,275</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 June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Miscellaneous Income	144,000	144,000	160,000
Total Revenues	144,000	144,000	160,000
<b>EXPENDITURES</b>			
General Government			
Contractual Services	55,000	55,000	43,572
Capital Outlay	131,300	131,300	126,688
Total Expenditures	186,300	186,300	170,260
NET CHANGE IN FUND BALANCE	<u>\$ (42,300)</u>	<u>\$ (42,300)</u>	(10,260)
FUND BALANCE, JULY 1			<u>156,711</u>
FUND BALANCE, JUNE 30			<u>\$ 146,451</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Charges for Services			
Rental Income	\$ 145,000	\$ 145,000	\$ 141,793
Miscellaneous Income	-	-	46,325
Total Revenues	145,000	145,000	188,118
<b>EXPENDITURES</b>			
Capital Outlay	115,000	393,000	391,479
Debt Service			
Principal	16,667	16,667	16,667
Total Expenditures	131,667	409,667	408,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,333	(264,667)	(220,028)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Capital Assets	-	-	1,245
Total Other Financing Sources (Uses)	-	-	1,245
NET CHANGE IN FUND BALANCE	\$ 13,333	\$ (264,667)	(218,783)
FUND BALANCE, JULY 1			294,308
FUND BALANCE, JUNE 30			\$ 75,525

(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 June 30, 2016

	Operations and Maintenance			System Construction			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>									
Charges for Services									
Water Sales	\$ 4,965,122	\$ 4,965,122	\$ 5,262,483	\$ -	\$ -	\$ -	\$ 4,965,122	\$ 4,965,122	\$ 5,262,483
Permits	16,500	16,500	32,348	50,000	50,000	96,845	66,500	66,500	129,193
Miscellaneous	20,000	20,000	23,472	-	-	-	20,000	20,000	23,472
Total Operating Revenues	5,001,622	5,001,622	5,318,303	50,000	50,000	96,845	5,051,622	5,051,622	5,415,148
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>									
Personal Services	2,556,534	2,556,534	2,855,377	-	-	-	2,556,534	2,556,534	2,855,377
Commodities	444,075	444,075	396,175	-	-	-	444,075	444,075	396,175
Contractual Services	696,106	696,106	636,208	-	-	-	696,106	696,106	636,208
Other Services/Expenses	44,000	44,000	196,896	-	-	-	44,000	44,000	196,896
Equipment	735,800	1,216,841	1,290,654	-	-	-	735,800	1,216,841	1,290,654
Total Operating Expenses	4,476,515	4,957,556	5,375,310	-	-	-	4,476,515	4,957,556	5,375,310
OPERATING INCOME	525,107	44,066	(57,007)	50,000	50,000	96,845	575,107	94,066	39,838
<b>NON-OPERATING REVENUES (EXPENSES)</b>									
Investment Income	-	-	38,668	-	-	-	-	-	38,668
Gain on Sale of Capital Assets	2,000	2,000	1,724	-	-	-	2,000	2,000	1,724
Interest Expense	(143,384)	(143,384)	(91,956)	-	-	-	(143,384)	(143,384)	(91,956)
Principal	(453,423)	(453,423)	(453,423)	-	-	-	(453,423)	(453,423)	(453,423)
Total Non-operating Revenues (Expenses)	(594,807)	(594,807)	(504,987)	-	-	-	(594,807)	(594,807)	(504,987)
NET INCOME BEFORE TRANSFERS	(69,700)	(550,741)	(561,994)	50,000	50,000	96,845	(19,700)	(500,741)	(465,149)



	Operations and Maintenance			System Construction			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>TRANSFERS</b>									
Transfers In	\$ -	\$ -	\$ 321,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,128
Transfers (Out)	(258,965)	(258,965)	(258,965)	-	-	-	(258,965)	(258,965)	(258,965)
Total Transfers	(258,965)	(258,965)	62,163	-	-	-	(258,965)	(258,965)	62,163
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ (328,665)	\$ (809,706)	(499,831)	\$ 50,000	\$ 50,000	96,845	\$ (278,665)	\$ (759,706)	(402,986)
<b>ADJUSTMENTS TO GAAP BASIS</b>									
Additions to capital assets			1,159,623			-			1,159,623
Depreciation and Amortization			(1,046,871)			-			(1,046,871)
Principal payments			453,423			-			453,423
Total adjustment to GAAP basis			566,175			-			566,175
CHANGE IN NET POSITION			66,344			96,845			163,189
NET POSITION, JULY 1			25,390,987			999,745			26,390,732
Prior Period Adjustment			(453,732)			-			(453,732)
NET POSITION, JULY 1, RESTATED			24,937,255			999,745			25,937,000
<b>NET POSITION, JUNE 30</b>			<u>\$ 25,003,599</u>			<u>\$ 1,096,590</u>			<u>\$ 26,100,189</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Rents/Taxes	\$ 380,030	\$ 380,030	\$ 229,969
Fuel Sales	340,000	340,000	238,141
Airport Operations	33,000	33,000	-
Miscellaneous	88,200	88,200	24,646
Total Operating Revenues	841,230	841,230	492,756
<b>OPERATING EXPENSES</b>			
Personal Services	325,449	325,449	329,620
Commodities	280,525	280,525	219,851
Contractual Services	208,906	208,906	213,249
Other Services	35,230	35,230	39,467
Equipment	27,680	27,680	45,892
Permanent Improvements	1,367,395	1,367,395	150,101
Total Operating Expenses	2,245,185	2,245,185	998,180
<b>OPERATING INCOME (LOSS)</b>	(1,403,955)	(1,403,955)	(505,424)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	5	5	4
Interest Expense	(7,166)	(7,166)	(5,849)
Principal	(75,650)	(75,650)	(75,650)
Total Non-Operating Revenues (Expenses)	(82,811)	(82,811)	(81,495)
<b>CONTRIBUTIONS</b>			
Contributions - Capital Grant Revenue	1,280,450	1,280,450	81,555
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	\$ (206,316)	\$ (206,316)	(505,364)
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Additions to capital assets			136,978
Depreciation and Amortization			(396,476)
Principal payments			75,650
Total adjustments to GAAP basis			(183,848)
<b>CHANGE IN NET POSITION</b>			(689,212)
<b>NET POSITION, JULY 1</b>			30,518,985
<b>NET POSITION, JUNE 30</b>			\$ 29,829,773

(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 June 30, 2016

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,070,500	\$ 2,070,500	\$ 2,047,188
Miscellaneous	-	-	59,500
Total Operating Revenues	2,070,500	2,070,500	2,106,688
<b>OPERATING EXPENSES</b>			
Contractual Services	2,100,590	2,110,658	2,110,657
Total Operating Expenses	2,100,590	2,110,658	2,110,657
CHANGE IN NET POSITION	<u>\$ (30,090)</u>	<u>\$ (40,158)</u>	(3,969)
NET POSITION, JULY 1			<u>961</u>
NET POSITION (DEFICIT), JUNE 30			<u>\$ (3,008)</u>

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

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

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

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

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>Liability/ Property Insurance</b>	<b>Total</b>
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 1,658,458	\$ 169,832	\$ 185,466	\$ 2,013,756
Receivables				
Accrued Interest	2,698	-	-	2,698
Other	-	56,840	3,128	59,968
Prepaid Expenses	365,249	-	30,000	395,249
Total Current Assets	2,026,405	226,672	218,594	2,471,671
<b>CURRENT LIABILITIES</b>				
Accounts Payable	17,022	6,080	4,014	27,116
Claims Payable	261,019	-	38,327	299,346
Unearned Revenue	-	901	-	901
Total Current Liabilities	278,041	6,981	42,341	327,363
<b>NONCURRENT LIABILITIES</b>				
Claims Payable	261,019	-	38,326	299,345
Total Noncurrent Liabilities	261,019	-	38,326	299,345
Total Liabilities	539,060	6,981	80,667	626,708
<b>NET POSITION</b>				
Unrestricted	1,487,345	219,691	137,927	1,844,963
<b>TOTAL NET POSITION</b>	<b>\$ 1,487,345</b>	<b>\$ 219,691</b>	<b>\$ 137,927</b>	<b>\$ 1,844,963</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	Workers' Compensation			Health Insurance		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>						
Charges for Services						
Contributions	\$ 1,203,200	\$ 1,203,200	\$ 1,203,200	\$ 5,472,987	\$ 5,472,987	\$ 5,382,257
Miscellaneous	-	-	38	-	-	-
Total Operating Revenues	1,203,200	1,203,200	1,203,238	5,472,987	5,472,987	5,382,257
<b>OPERATING EXPENSES</b>						
Administration	634,019	634,019	626,537	5,375,460	5,519,359	5,519,358
Claims	650,000	650,000	229,847	-	-	-
Total Operating Expenses	1,284,019	1,284,019	856,384	5,375,460	5,519,359	5,519,358
OPERATING INCOME (LOSS)	(80,819)	(80,819)	346,854	97,527	(46,372)	(137,101)
<b>NON-OPERATING REVENUES</b>						
Investment Income	-	-	26,281	10	10	3,600
Total Non-Operating Revenues	-	-	26,281	10	10	3,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,819)	(80,819)	373,135	97,537	(46,362)	(133,501)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers (Out)	(250,000)	(250,000)	(250,000)	-	-	-
Total Other Financing Sources (Uses)	(250,000)	(250,000)	(250,000)	-	-	-
CHANGE IN NET POSITION	<u>\$ (330,819)</u>	<u>\$ (330,819)</u>	123,135	<u>\$ 97,537</u>	<u>\$ (46,362)</u>	(133,501)
NET POSITION, JULY 1			<u>1,364,210</u>			<u>353,192</u>
NET POSITION, JUNE 30			<u>\$ 1,487,345</u>			<u>\$ 219,691</u>

Liability/ Property Insurance			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 130,000	\$ 130,000	\$ 130,000	\$ 6,806,187	\$ 6,806,187	\$ 6,715,457
15,000	15,000	34,349	15,000	15,000	34,387
145,000	145,000	164,349	6,821,187	6,821,187	6,749,844
25,808	25,808	29,754	6,035,287	6,179,186	6,175,649
100,000	100,000	44,182	750,000	750,000	274,029
125,808	125,808	73,936	6,785,287	6,929,186	6,449,678
19,192	19,192	90,413	35,900	(107,999)	300,166
-	-	-	10	10	29,881
-	-	-	10	10	29,881
19,192	19,192	90,413	35,910	(107,989)	330,047
-	-	-	(250,000)	(250,000)	(250,000)
-	-	-	(250,000)	(250,000)	(250,000)
<u>\$ 19,192</u>	<u>\$ 19,192</u>	90,413	<u>\$ (214,090)</u>	<u>\$ (357,989)</u>	80,047
		<u>47,514</u>			<u>1,764,916</u>
		<u>\$ 137,927</u>			<u>\$ 1,844,963</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

For the Year Ended June 30, 2016

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>Liability/ Property Insurance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Interfund Services Transactions	\$ 1,202,074	\$ 3,919,545	\$ 128,776	\$ 5,250,395
Receipts from Employees and Others	-	1,499,457	-	1,499,457
Receipts from Miscellaneous Revenue	38	-	34,349	34,387
Payments to Employees	-	(6,117)	-	(6,117)
Payments to Suppliers	(897,303)	(5,516,980)	(61,989)	(6,476,272)
Net Cash from Operating Activities	304,809	(104,095)	101,136	301,850
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers (Out)	(250,000)	-	-	(250,000)
Net Cash from Noncapital Financing Activities	(250,000)	-	-	(250,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None	-	-	-	-
Net Cash from Capital and Related Financing Activities	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	26,281	3,600	-	29,881
Net Cash from Investing Activities	26,281	3,600	-	29,881
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	81,090	(100,495)	101,136	81,731
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	1,577,368	270,327	84,330	1,932,025
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 1,658,458</u>	<u>\$ 169,832</u>	<u>\$ 185,466</u>	<u>\$ 2,013,756</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 346,854	\$ (137,101)	\$ 90,413	\$ 300,166
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Changes in Assets and Liabilities				
Receivables	(1,126)	35,844	(1,224)	33,494
Prepaid Expenses	111,695	-	-	111,695
Accounts Payable	(18,042)	2,378	(3,753)	(19,417)
Claims Payable	(134,572)	-	15,700	(118,872)
Accrued Payroll	-	(6,117)	-	(6,117)
Unearned Revenue	-	901	-	901
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 304,809</u>	<u>\$ (104,095)</u>	<u>\$ 101,136</u>	<u>\$ 301,850</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**

June 30, 2016

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 1,034,000	\$ 1,287,076	\$ 2,321,076
Investments			
U.S. Treasury Obligations	2,096,927	6,376,849	8,473,776
U.S. Agency Obligations	5,516,015	1,988,964	7,504,979
Corporate Bonds	2,879,836	-	2,879,836
Mutual Funds	17,797,214	14,879,320	32,676,534
Equity Securities	170,841	-	170,841
Receivables			
Accrued Interest	34,857	44,439	79,296
Prepaid Expenses	7,669	-	7,669
Total Assets	29,537,359	24,576,648	54,114,007
<b>LIABILITIES</b>			
Accounts Payable	10,860	5,465	16,325
Total Liabilities	10,860	5,465	16,325
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Taxes	826,564	1,099,722	1,926,286
Total Deferred Inflows of Resources	826,564	1,099,722	1,926,286
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	\$ 28,699,935	\$ 23,471,461	\$ 52,171,396

(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 June 30, 2016

	<b>Police Pension</b>			<b>Firefighters' Pension</b>			<b>Total</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>									
Contributions									
Employer Contributions	\$ 1,636,885	\$ 1,636,885	\$ 1,622,105	\$ 2,177,836	\$ 2,177,836	\$ 2,158,156	\$ 3,814,721	\$ 3,814,721	\$ 3,780,261
Employee Contributions	568,388	568,388	727,853	465,674	465,674	477,022	1,034,062	1,034,062	1,204,875
Total Contributions	2,205,273	2,205,273	2,349,958	2,643,510	2,643,510	2,635,178	4,848,783	4,848,783	4,985,136
Investment Income									
Net Depreciation in Fair Value of Investments	-	-	(568,927)	-	-	(1,145,748)	-	-	(1,714,675)
Interest	2,050,000	2,050,000	629,179	1,879,835	1,879,835	785,659	3,929,835	3,929,835	1,414,838
Total Investment Income	2,050,000	2,050,000	60,252	1,879,835	1,879,835	(360,089)	3,929,835	3,929,835	(299,837)
Less Investment Expense	-	-	(42,938)	-	-	(43,831)	-	-	(86,769)
Net Investment Income	2,050,000	2,050,000	17,314	1,879,835	1,879,835	(403,920)	3,929,835	3,929,835	(386,606)
Total Additions	4,255,273	4,255,273	2,367,272	4,523,345	4,523,345	2,231,258	8,778,618	8,778,618	4,598,530
<b>DEDUCTIONS</b>									
Administrative Expenses	57,128	57,128	44,990	71,433	71,433	41,613	128,561	128,561	86,603
Benefits and Refunds	2,384,757	2,610,149	2,579,348	3,061,625	3,086,424	3,072,413	5,446,382	5,696,573	5,651,761
Total Deductions	2,441,885	2,667,277	2,624,338	3,133,058	3,157,857	3,114,026	5,574,943	5,825,134	5,738,364
NET INCREASE (DECREASE)	\$ 1,813,388	\$ 1,587,996	(257,066)	\$ 1,390,287	\$ 1,365,488	(882,768)	\$ 3,203,675	\$ 2,953,484	(1,139,834)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>									
July 1			28,957,001			24,354,229			53,311,230
June 30			\$ 28,699,935			\$ 23,471,461			\$ 52,171,396

(See independent auditor's report.)

**COMPONENT UNIT - DEKALB PUBLIC LIBRARY**

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

STATEMENT OF NET POSITION AND BALANCE SHEET

June 30, 2016

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Current Assets						
Cash and Investments	\$ 1,448,951	\$ 35,479	\$ 223,332	\$ 1,707,762	\$ -	\$ 1,707,762
Receivables (Net Where Applicable of Allowance for Uncollectibles)						
Property taxes	1,382,928	-	-	1,382,928	-	1,382,928
Accounts	87,111	47	293	87,451	-	87,451
Accrued Interest	123	-	-	123	-	123
Prepaid Expenses	16,559	-	-	16,559	-	16,559
Total Current Assets	2,935,672	35,526	223,625	3,194,823	-	3,194,823
Noncurrent Assets						
Capital Assets						
Not Depreciated	-	-	-	-	22,999,773	22,999,773
Depreciated (Net of Accumulated Depreciation)	-	-	-	-	298,998	298,998
Total Noncurrent Assets	-	-	-	-	23,298,771	23,298,771
Total Assets	2,935,672	35,526	223,625	3,194,823	23,298,771	26,493,594
Deferred Outflows of Resources						
Pension Items - IMRF	-	-	-	-	567,863	567,863
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,935,672</b>	<b>\$ 35,526</b>	<b>\$ 223,625</b>	<b>\$ 3,194,823</b>	<b>\$ 23,866,634</b>	<b>\$ 27,061,457</b>

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 367,044	\$ -	\$ -	\$ 367,044	\$ -	\$ 367,044
Accrued Payroll	38,198	-	-	38,198	-	38,198
Accrued Interest Payable	4,972	-	-	4,972	126,873	131,845
Line of Credit	1,591,079	-	-	1,591,079	-	1,591,079
Long-Term Liabilities						
Due Within One Year	-	-	-	-	2,399,124	2,399,124
Due in More than One Year	-	-	-	-	7,609,517	7,609,517
Total Liabilities	2,001,293	-	-	2,001,293	10,135,514	12,136,807
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Property Taxes	2,793,535	-	-	2,793,535	-	2,793,535
Total Deferred Inflows of Resources	2,793,535	-	-	2,793,535	-	2,793,535
Total Liabilities and Deferred Inflows of Resources	4,794,828	-	-	4,794,828	10,135,514	14,930,342
<b>FUND BALANCES/NET POSITION</b>						
Net Investment in Capital Assets	-	-	-	-	13,002,136	13,002,136
Nonspendable - Prepays	16,559	-	-	16,559	(16,559)	-
Restricted - Endowments	-	-	223,625	223,625	-	223,625
Assigned	-	35,526	-	35,526	(35,526)	-
Unrestricted (Deficit)	(1,875,715)	-	-	(1,875,715)	781,069	(1,094,646)
Total Fund Balances (Deficit)	(1,859,156)	35,526	223,625	(1,600,005)	13,731,120	12,131,115
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION</b>						
	\$ 2,935,672	\$ 35,526	\$ 223,625	\$ 3,194,823	\$ 23,866,634	\$ 27,061,457

(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 - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2016

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
<b>REVENUES</b>						
Taxes						
Property Taxes	\$ 2,267,424	\$ -	\$ -	\$ 2,267,424	\$ -	\$ 2,267,424
TIF Surplus	71,821	-	-	71,821	-	71,821
Replacement Taxes	31,144	-	-	31,144	-	31,144
Grants	525,241	-	-	525,241	-	525,241
Charges for Services	43,324	-	-	43,324	-	43,324
Investment Income	3,380	123	(1,195)	2,308	-	2,308
Miscellaneous	4,189	-	-	4,189	-	4,189
Total Revenues	2,946,523	123	(1,195)	2,945,451	-	2,945,451
<b>EXPENDITURES</b>						
Current						
Culture and Recreation	11,874,232	-	-	11,874,232	(9,769,741)	2,104,491
Debt Service						
Principal	1,381,111	-	-	1,381,111	(1,381,111)	-
Interest and Fiscal Charges	348,284	-	-	348,284	(10,048)	338,236
Total Expenditures	13,603,627	-	-	13,603,627	(11,160,900)	2,442,727
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	(10,657,104)	123	(1,195)	(10,658,176)	11,160,900	502,724

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	\$ 10,217	\$ 35,000	\$ 12,101	\$ 57,318	\$ -	\$ 57,318
Transfers (Out)	(47,101)	-	(10,217)	(57,318)	-	(57,318)
Total Other Financing Sources (Uses)	(36,884)	35,000	1,884	-	-	-
NET CHANGE IN FUND BALANCES/NET POSITION	(10,693,988)	35,123	689	(10,658,176)	11,160,900	502,724
FUND BALANCES/NET POSITION, JULY 1	8,834,832	403	222,936	9,058,171	2,707,141	11,765,312
Prior Period Adjustment	-	-	-	-	(136,921)	(136,921)
FUND BALANCES/NET POSITION, JULY 1, RESTATED	8,834,832	403	222,936	9,058,171	2,570,220	11,628,391
<b>FUND BALANCES (DEFICIT)/NET POSITION, JUNE 30</b>	<b>\$ (1,859,156)</b>	<b>\$ 35,526</b>	<b>\$ 223,625</b>	<b>\$ (1,600,005)</b>	<b>\$ 13,731,120</b>	<b>\$ 12,131,115</b>

(See independent auditor's report.)



## **SUPPLEMENTAL FINANCIAL INFORMATION**

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>December 1</b>	<b>Amount</b>	<b>June 1</b>	<b>Amount</b>
2015	\$ 845,000	\$ 220,675	\$ 1,065,675	2016	\$ 116,675	2017	\$ 104,000
2016	870,000	190,600	1,060,600	2017	104,000	2018	86,600
2017	1,020,000	152,800	1,172,800	2018	86,600	2019	66,200
2018	1,060,000	111,200	1,171,200	2019	66,200	2020	45,000
2019	1,105,000	67,900	1,172,900	2020	45,000	2021	22,900
2020	1,145,000	22,900	1,167,900	2021	22,900	2022	-
	<u>\$ 6,045,000</u>	<u>\$ 766,075</u>	<u>\$ 6,811,075</u>		<u>\$ 441,375</u>		<u>\$ 324,700</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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	July 1	Amount	January 1	Amount
2015	\$ -	\$ 175,968	\$ 175,968	2016	\$ 87,984	2017	\$ 87,984
2016	-	175,968	175,968	2017	87,984	2018	87,984
2017	-	175,968	175,968	2018	87,984	2019	87,984
2018	-	175,968	175,968	2019	87,984	2020	87,984
2019	-	175,968	175,968	2020	87,984	2021	87,984
2020	-	175,968	175,968	2021	87,984	2022	87,984
2021	-	175,968	175,968	2022	87,984	2023	87,984
2022	150,000	169,592	319,592	2023	84,796	2024	84,796
2023	840,000	133,052	973,052	2024	66,526	2025	66,526
2024	875,000	94,115	969,115	2025	47,058	2026	47,057
2025	915,000	52,482	967,482	2026	26,241	2027	26,241
2026	955,000	8,070	963,070	2027	4,038	2028	4,032
2027	170,000	-	170,000	2028	-	2029	-
	<u>\$ 3,905,000</u>	<u>\$ 1,689,087</u>	<u>\$ 5,594,087</u>		<u>\$ 844,547</u>		<u>\$ 844,540</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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	July 1	Amount	January 1	Amount
2015	\$ 205,000	\$ 219,792	\$ 424,792	2016	\$ 109,896	2017	\$ 109,896
2016	620,000	211,900	831,900	2017	105,950	2018	105,950
2017	650,000	184,930	834,930	2018	92,465	2019	92,465
2018	680,000	154,380	834,380	2019	77,190	2020	77,190
2019	715,000	119,700	834,700	2020	59,850	2021	59,850
2020	755,000	81,090	836,090	2021	40,545	2022	40,545
2021	645,000	38,056	683,056	2022	19,028	2023	19,028
	<u>\$ 4,270,000</u>	<u>\$ 1,009,848</u>	<u>\$ 5,279,848</u>		<u>\$ 504,924</u>		<u>\$ 504,924</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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 IL
Purpose	Police Station Construction

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	July 1	Amount	January 1	Amount
2015	\$ 650,000	\$ 167,882	\$ 817,882	2016	\$ 83,941	2017	\$ 83,941
2016	660,000	154,882	814,882	2017	77,441	2018	77,441
2017	550,000	141,682	691,682	2018	70,841	2019	70,841
2018	-	130,682	130,682	2019	65,341	2020	65,341
2019	-	130,682	130,682	2020	65,341	2021	65,341
2020	-	130,682	130,682	2021	65,341	2022	65,341
2021	765,000	130,682	895,682	2022	65,341	2023	65,341
2022	780,000	115,382	895,382	2023	57,691	2024	57,691
2023	795,000	99,782	894,782	2024	49,891	2025	49,891
2024	810,000	83,881	893,881	2025	41,941	2026	41,941
2025	830,000	67,682	897,682	2026	33,841	2027	33,841
2026	845,000	50,044	895,044	2027	25,022	2028	25,022
2027	865,000	32,088	897,088	2028	16,044	2029	16,044
2028	505,000	12,624	517,624	2029	6,312	2030	6,311
	<u>\$ 8,055,000</u>	<u>\$ 1,448,657</u>	<u>\$ 9,503,657</u>		<u>\$ 724,329</u>		<u>\$ 724,328</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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 IL
Purpose	Police Station Construction

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	July 1	Amount	January 1	Amount
2015	\$ 10,000	\$ 69,506	\$ 79,506	2016	\$ 34,753	2017	\$ 34,753
2016	15,000	69,376	84,376	2017	34,688	2018	34,688
2017	135,000	69,150	204,150	2018	34,575	2019	34,575
2018	700,000	65,100	765,100	2019	32,550	2020	32,550
2019	725,000	44,100	769,100	2020	22,050	2021	22,050
2020	745,000	22,350	767,350	2021	11,175	2022	11,175
<u>\$ 2,330,000 \$ 339,582 \$ 2,669,582</u>				<u>\$ 169,791</u>			

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy Year</b>	<b>Requirements</b>			<b>Interest Due on</b>					
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>July 1</b>	<b>Amount</b>	<b>January 1</b>	<b>Amount</b>		
2015	\$ 750,000	\$ 32,734	\$ 782,734	2016	\$ 16,367	2017	\$ 16,367		
2016	340,000	21,152	361,152	2017	10,576	2018	10,576		
2017	345,000	15,904	360,904	2018	7,952	2019	7,952		
2018	340,000	10,576	350,576	2019	5,288	2020	5,288		
2019	345,000	5,328	350,328	2020	2,664	2021	2,664		
	<u>\$ 2,120,000</u>	<u>\$ 85,694</u>	<u>\$ 2,205,694</u>		<u>\$ 42,847</u>		<u>\$ 42,847</u>		

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>July 1</b>	<b>Amount</b>	<b>January 1</b>	<b>Amount</b>
2015	\$ 393,425	\$ 6,074	\$ 399,499	2016	\$ 3,037	2017	\$ 3,037
	<u>\$ 393,425</u>	<u>\$ 6,074</u>	<u>\$ 399,499</u>		<u>\$ 3,037</u>		<u>\$ 3,037</u>

(See independent auditor's report.)



**CITY OF DEKALB, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014 (WATER FUND SHARE)**

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			<b>Amount</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>July 1</b>	<b>Amount</b>	<b>January 1</b>	<b>Amount</b>
2015	\$ 286,325	\$ 21,394	\$ 307,719	2016	\$ 10,697	2017	\$ 10,697
2016	273,875	16,972	290,847	2017	8,486	2018	8,486
2017	275,500	12,744	288,244	2018	6,372	2019	6,372
2018	273,875	8,490	282,365	2019	4,245	2020	4,245
2019	276,000	4,262	280,262	2020	2,131	2021	2,131
	<u>\$ 1,385,575</u>	<u>\$ 63,862</u>	<u>\$ 1,449,437</u>		<u>\$ 31,931</u>		<u>\$ 31,931</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014 (AIRPORT FUND SHARE)**

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			Amount
	Principal	Interest	Total	July 1	Amount	January 1	
2015	\$ 70,250	\$ 5,266	\$ 75,516	2016	\$ 2,633	2017	\$ 2,633
2016	66,125	4,180	70,305	2017	2,090	2018	2,090
2017	69,500	3,160	72,660	2018	1,580	2019	1,580
2018	66,125	2,086	68,211	2019	1,043	2020	1,043
2019	69,000	1,066	70,066	2020	533	2021	533
	<u>\$ 341,000</u>	<u>\$ 15,758</u>	<u>\$ 356,758</u>		<u>\$ 7,879</u>		<u>\$ 7,879</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 236,431	\$ 30,047	\$ 266,478
2018	242,462	24,016	266,478
2019	248,648	17,830	266,478
2020	254,991	11,487	266,478
2021	261,496	4,982	266,478
	<u>\$ 1,244,028</u>	<u>\$ 88,362</u>	<u>\$ 1,332,390</u>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 194,139	\$ 24,673	\$ 218,812
2018	199,094	19,718	218,812
2019	204,170	14,642	218,812
2020	209,379	9,433	218,812
2021	214,720	4,092	218,812
	<b>\$ 1,021,502</b>	<b>\$ 72,558</b>	<b>\$ 1,094,060</b>

(See independent auditor's report.)

**CITY OF DEKALB, ILLINOIS**

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 12,785	\$ 5,739	\$ 18,524
2018	13,080	5,444	18,524
2019	13,382	5,142	18,524
2020	13,691	4,833	18,524
2021	14,007	4,517	18,524
2022	14,330	4,194	18,524
2023	14,661	3,863	18,524
2024	15,000	3,524	18,524
2025	15,347	3,177	18,524
2026	15,700	2,824	18,524
2027	16,062	2,462	18,524
2028	16,433	2,091	18,524
2029	16,812	1,712	18,524
2030	17,200	1,324	18,524
2031	17,598	926	18,524
2032	18,003	521	18,524
2033	9,160	110	9,270
	<u>\$ 253,251</u>	<u>\$ 52,403</u>	<u>\$ 305,654</u>

(See independent auditor's report.)

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

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

June 30, 2016

---

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 280,000	\$ 210,025	\$ 490,025
2018	285,000	201,625	486,625
2019	295,000	193,075	488,075
2020	305,000	184,225	489,225
2021	315,000	175,075	490,075
2022	325,000	165,625	490,625
2023	335,000	155,875	490,875
2024	345,000	145,825	490,825
2025	355,000	135,475	490,475
2026	365,000	124,825	489,825
2027	375,000	112,963	487,963
2028	390,000	99,838	489,838
2029	405,000	86,188	491,188
2030	420,000	71,000	491,000
2031	435,000	54,200	489,200
2032	450,000	36,800	486,800
2033	470,000	18,800	488,800
	<u>\$ 6,150,000</u>	<u>\$ 2,171,439</u>	<u>\$ 8,321,439</u>

(See independent auditor's report.)

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

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

June 30, 2016

---

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, NE
Purpose	Library Expansion

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 2,000,000	\$ 32,500	\$ 2,032,500
	\$ 2,000,000	\$ 32,500	\$ 2,032,500

(See independent auditor's report.)

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

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

June 30, 2016

---

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, IL
Purpose	Library Expansion

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2017	\$ 111,111	\$ 16,444	\$ 127,555
2018	111,111	13,156	124,267
2019	111,111	9,867	120,978
2020	111,111	6,578	117,689
2021	111,112	3,289	114,401
	<u>\$ 555,556</u>	<u>\$ 49,334</u>	<u>\$ 604,890</u>

(See independent auditor's report.)



## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	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

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 109,228,834	\$ 113,947,561	\$ 116,350,547	\$ 116,154,934
Restricted	3,159,513	10,131,297	10,401,769	15,569,514
Unrestricted (Deficit)	(10,790,695)	(16,660,106)	(14,726,824)	(20,131,463)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 101,597,652</b>	<b>\$ 107,418,752</b>	<b>\$ 112,025,492</b>	<b>\$ 111,592,985</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 45,585,845	\$ 46,840,204	\$ 48,402,014	\$ 48,482,070
Unrestricted	(805,537)	(985,741)	(724,236)	(463,724)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 44,780,308</b>	<b>\$ 45,854,463</b>	<b>\$ 47,677,778</b>	<b>\$ 48,018,346</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 154,814,679	\$ 160,787,765	\$ 164,752,561	\$ 164,637,004
Restricted	3,159,513	10,131,297	10,401,769	15,569,514
Unrestricted	(11,596,232)	(17,645,847)	(15,451,060)	(20,595,187)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 146,377,960</b>	<b>\$ 153,273,215</b>	<b>\$ 159,703,270</b>	<b>\$ 159,611,331</b>

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

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016
\$ 119,410,592	\$ 120,169,717	\$ 118,266,115	\$ 116,047,087	\$ 113,826,017	\$ 111,898,622
11,857,498	12,358,010	12,182,850	11,764,636	12,897,923	13,365,048
(17,715,142)	(15,138,497)	(13,241,757)	(11,899,046)	(69,597,568)	(79,546,145)
\$ 113,552,948	\$ 117,389,230	\$ 117,207,208	\$ 115,912,677	\$ 57,126,372	\$ 45,717,525
\$ 48,222,651	\$ 48,123,532	\$ 47,928,816	\$ 49,590,809	\$ 52,605,345	\$ 52,803,874
2,919,291	4,179,066	4,899,564	4,329,375	4,305,333	3,123,080
\$ 51,141,942	\$ 52,302,598	\$ 52,828,380	\$ 53,920,184	\$ 56,910,678	\$ 55,926,954
\$ 167,633,243	\$ 168,293,249	\$ 166,194,931	\$ 165,637,896	\$ 166,431,362	\$ 164,702,496
11,857,498	12,358,010	12,182,850	11,764,636	12,897,923	13,365,048
(14,795,851)	(10,959,431)	(8,342,193)	(7,569,671)	(65,292,235)	(76,423,065)
\$ 164,694,890	\$ 169,691,828	\$ 170,035,588	\$ 169,832,861	\$ 114,037,050	\$ 101,644,479

## CITY OF DEKALB, ILLINOIS

## CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 8,553,164	\$ 9,084,220	\$ 10,441,675	\$ 9,268,403
Public Safety	16,371,735	17,889,697	19,020,552	19,606,432
Highways and Streets	6,133,081	7,844,631	6,074,929	9,415,300
Community Development	4,888,810	4,068,000	6,022,846	5,083,380
Interest	960,500	1,010,059	902,204	723,651
Total Governmental Activities Expenses	36,907,290	39,896,607	42,462,206	44,097,166
Business-Type Activities				
Water and Sewer	4,206,023	4,146,713	4,347,248	4,222,070
Airport	1,039,450	994,597	1,111,227	914,295
Refuse	1,403,778	1,466,215	1,656,645	1,671,915
Developmental Services	249,295	365,050	378,497	380,574
Total Business-Type Activities Expenses	6,898,546	6,972,575	7,493,617	7,188,854
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 43,805,836</u>	<u>\$ 46,869,182</u>	<u>\$ 49,955,823</u>	<u>\$ 51,286,020</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 259,887	\$ 303,453	\$ 292,071	\$ 340,015
Public Safety	2,325,586	2,440,715	2,631,448	2,710,546
Highways and Streets	433,385	333,154	325,866	210,319
Community Development	-	75,291	403,355	402,209
Operating Grants and Contributions	2,148,087	2,481,892	3,656,334	2,488,211
Capital Grants and Contributions	1,609,289	2,083,090	2,013,494	2,471,003
<b>TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES</b>	6,776,234	7,717,595	9,322,568	8,622,303
<b>BUSINESS-TYPE ACTIVITIES</b>				
Charges for Services				
Water and Sewer	4,185,161	4,387,320	4,788,391	5,136,193
Airport	235,999	262,783	261,655	247,364
Refuse	1,501,041	1,584,288	1,623,529	1,625,213
Developmental Services	230,060	96,580	88,319	38,835
Operating Grants and Contributions	-	611	-	-
Capital Grants and Contributions	2,865,831	359,444	2,673,502	760,930
Total Business-Type Activities Program Revenues	9,018,092	6,691,026	9,435,396	7,808,535
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 15,794,326</u>	<u>\$ 14,408,621</u>	<u>\$ 18,757,964</u>	<u>\$ 16,430,838</u>
<b>NET (EXPENSE) REVENUE</b>				
Governmental Activities	\$ (30,131,056)	\$ (32,179,012)	\$ (33,139,638)	\$ (35,474,863)
Business-Type Activities	2,119,546	(281,549)	1,941,779	619,681
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<u>\$ (28,011,510)</u>	<u>\$ (32,460,561)</u>	<u>\$ (31,197,859)</u>	<u>\$ (34,855,182)</u>

	2011		2012		2013		2014		2015		2016
\$	10,647,791	\$	8,859,145	\$	11,865,375	\$	9,744,441	\$	12,795,131	\$	8,456,094
	19,660,618		20,989,072		19,017,122		20,797,002		22,259,920		33,400,660
	4,465,186		2,207,978		1,449,053		5,016,398		4,158,954		8,086,082
	7,929,922		10,738,364		13,208,902		10,726,424		8,859,472		6,984,506
	857,764		1,016,815		1,080,709		1,209,191		987,476		1,057,938
	43,561,281		43,811,374		46,621,161		47,493,456		49,060,953		57,985,280
	4,438,481		4,159,836		4,081,382		4,080,350		4,288,137		5,354,514
	1,154,982		1,318,730		1,641,540		1,322,518		1,410,722		1,263,527
	1,736,937		1,670,364		1,756,850		1,844,724		1,920,958		2,110,657
	-		-		-		-		-		-
	7,330,400		7,148,930		7,479,772		7,247,592		7,619,817		8,728,698
\$	50,891,681	\$	50,960,304	\$	54,100,933	\$	54,741,048	\$	56,680,770	\$	66,713,978
\$	325,169	\$	238,190	\$	330,222	\$	485,114	\$	417,915	\$	456,082
	2,739,272		2,462,313		2,090,752		2,504,342		3,608,300		2,875,539
	496,852		212,232		125,794		144,137		107,317		-
	395,147		237,838		422,991		460,458		4,588,613		685,065
	3,257,775		1,143,618		1,131,494		1,166,973		1,114,773		1,218,315
	4,144,333		6,075,050		4,843,630		4,072,079		4,375,595		3,933,596
	11,358,548		10,369,241		8,944,883		8,833,103		14,212,513		9,168,597
	5,454,296		5,367,480		5,503,049		5,179,180		5,377,744		5,391,676
	405,332		846,375		1,094,127		772,805		658,557		468,110
	1,696,466		1,757,410		1,773,670		2,053,424		2,010,485		2,047,188
	-		-		-		-		-		-
	-		-		-		-		-		-
	392,373		562,770		130,658		959,182		2,566,070		81,555
	7,948,467		8,534,035		8,501,504		8,964,591		10,612,856		7,988,529
\$	19,307,015	\$	18,903,276	\$	17,446,387	\$	17,797,694	\$	24,825,369	\$	17,157,126
\$	(32,202,733)	\$	(33,442,133)	\$	(37,676,278)	\$	(38,660,353)	\$	(34,848,440)	\$	(48,816,683)
	618,067		1,385,105		1,021,732		1,716,999		2,993,039		(740,169)
\$	(31,584,666)	\$	(32,057,028)	\$	(36,654,546)	\$	(36,943,354)	\$	(31,855,401)	\$	(49,556,852)

**CITY OF DEKALB, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 8,799,430	\$ 10,366,305	\$ 12,446,812	\$ 13,371,039
Sales	10,160,582	10,251,569	11,297,335	11,413,254
Utility	4,077,785	4,230,240	4,012,575	3,739,824
Income	3,689,547	4,274,684	3,954,000	3,472,035
Other	2,469,560	2,695,564	2,575,341	2,484,759
Investment Income	428,938	347,511	189,302	75,779
Miscellaneous	2,677,000	5,618,738	2,972,237	188,830
Gain on Sale of Assets	-	-	-	-
Transfers In (Out)	168,837	232,052	229,413	296,836
Total Governmental Activities	32,471,679	38,016,663	37,677,015	35,042,356
Business-Type Activities				
Investment Income	-	132	300	16
Miscellaneous	3,245,071	1,452,830	110,649	42,707
Transfers In (Out)	(168,837)	(232,052)	(229,413)	(321,836)
Total Business-Type Activities	3,076,234	1,220,910	(118,464)	(279,113)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 35,547,913</b>	<b>\$ 39,237,573</b>	<b>\$ 37,558,551</b>	<b>\$ 34,763,243</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 2,340,623	\$ 5,837,651	\$ 4,537,377	\$ (432,507)
Business-Type Activities	5,195,780	939,361	1,823,315	340,568
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 7,536,403</b>	<b>\$ 6,777,012</b>	<b>\$ 6,360,692</b>	<b>\$ (91,939)</b>

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

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

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	13,405,653	\$ 12,733,599	\$ 12,673,310	\$ 12,392,230	\$ 11,981,519	\$ 11,812,941
	11,426,292	11,132,604	11,078,544	10,435,096	11,092,497	11,801,518
	4,449,288	3,788,953	3,534,755	3,600,059	3,433,879	3,202,384
	3,561,130	3,745,298	4,130,363	4,197,440	4,515,729	4,462,992
	3,426,431	4,775,612	4,835,868	4,994,817	5,340,751	5,585,744
	71,691	37,782	124,029	164,693	182,353	(257,706)
	157,306	839,167	623,137	953,687	1,258,401	598,730
	-	-	-	-	-	1,741
	(2,453,290)	225,400	494,250	627,800	(29,377)	(62,163)
	34,044,501	37,278,415	37,494,256	37,365,822	37,775,752	37,146,181
	16	380	4,338	113	27	38,672
	28,384	571	(6,038)	2,492	4,326	109,342
	2,453,290	(225,400)	(494,250)	(627,800)	29,337	62,163
	2,481,690	(224,449)	(495,950)	(625,195)	33,690	210,177
\$	36,526,191	\$ 37,053,966	\$ 36,998,306	\$ 36,740,627	\$ 37,809,442	\$ 37,356,358
\$	1,841,768	\$ 3,836,282	\$ (182,022)	\$ (1,294,531)	\$ 2,927,312	\$ (11,670,502)
	3,099,757	1,160,656	525,782	1,091,804	3,026,729	(529,992)
\$	4,941,525	\$ 4,996,938	\$ 343,760	\$ (202,727)	\$ 5,954,041	\$ (12,200,494)



**CITY OF DEKALB, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL FUND</b>				
Reserved	\$ 147,508	\$ 738,577	\$ 2,067,865	\$ 2,177,003
Unreserved	3,155,669	2,161,911	1,633,753	1,331,219
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 3,303,177</b>	<b>\$ 2,900,488</b>	<b>\$ 3,701,618</b>	<b>\$ 3,508,222</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 3,166,191	\$ 1,808,174	\$ 2,653,139	\$ 2,783,493
Unreserved, Undesignated (Deficit) Reported in				
Special Revenue Funds	(8,808)	(445)	(362)	(383)
Capital Project Funds	(1,076,165)	9,104,021	8,552,208	13,352,510
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 2,081,218</b>	<b>\$ 10,911,750</b>	<b>\$ 11,204,985</b>	<b>\$ 16,135,620</b>

Data Source

Audited Financial Statements

2011		2012		2013		2014		2015		2016	
\$	6,257	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	50,934		61,660		37,161		30,216		22,865		361,584
	-		-		-		104,523		173,187		-
	-		6,262		6,262		6,262		6,447		-
	2,692,928		4,669,218		5,177,514		5,916,598		8,018,754		9,123,076
\$	2,750,119	\$	4,737,140	\$	5,220,937	\$	6,057,599	\$	8,221,253	\$	9,484,660
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	-		-		-		-		-		-
	3,650		1,500		-		-		-		-
	11,725,897		12,537,031		12,176,588		11,660,113		12,728,487		13,365,048
	340,327		219,840		3,739,068		498,285		571,040		358,251
	-		-		-		(205,934)		-		(23,787)
\$	12,069,874	\$	12,758,371	\$	15,915,656	\$	11,952,464	\$	13,299,527	\$	13,699,512

**CITY OF DEKALB, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>REVENUES</b>				
Taxes	\$ 29,097,231	\$ 31,898,673	\$ 34,305,038	\$ 34,111,071
Intergovernmental	3,724,715	4,347,447	6,070,086	5,344,122
Licenses, Permits and Fees	448,192	364,103	354,375	346,229
Charges for Services	1,685,991	1,721,234	1,772,322	1,916,012
Fines and Forfeitures	672,403	766,504	728,572	647,913
Investment Income	428,938	347,511	189,302	75,779
Miscellaneous	515,750	734,928	737,263	549,695
Total Revenues	36,573,220	40,180,400	44,156,958	42,990,821
<b>EXPENDITURES</b>				
General Government	6,740,822	6,925,455	8,604,319	7,839,924
Public Safety	15,719,852	16,666,201	17,407,054	18,074,077
Highways and Streets	1,843,360	2,322,976	1,797,965	1,550,121
Community Development	4,425,779	4,529,707	3,930,979	3,730,883
Capital Outlay	6,647,200	6,843,723	8,163,413	13,281,421
Debt Service				
Principal Retirement	2,835,214	4,465,000	2,605,000	12,825,000
Interest and Fiscal Charges	906,585	882,467	859,247	775,771
Total Expenditures	39,118,812	42,635,529	43,367,977	58,077,197
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,545,592)	(2,455,129)	788,981	(15,086,376)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,054,351	4,032,407	5,679,484	10,104,589
Transfers (Out)	(3,885,514)	(3,800,355)	(5,450,071)	(9,807,753)
Bonds Issued	1,079,114	10,607,240	-	19,183,291
Premium (Discount) on Bonds Issued	-	-	-	336,326
Payment to Bond Escrow Agent	-	-	-	-
Sale of Capital Assets	36,433	60,231	6,608	7,162
Total Other Financing Sources (Uses)	1,284,384	10,899,523	236,021	19,823,615
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,261,208)</b>	<b>\$ 8,444,394</b>	<b>\$ 1,025,002</b>	<b>\$ 4,737,239</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	11.25%	10.38%	13.44%	8.70%

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

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	36,266,887	\$ 24,753,767	\$ 24,330,856	\$ 24,430,463	\$ 24,733,924	\$ 25,403,303
	6,576,584	18,750,569	17,863,890	16,384,065	18,199,099	16,614,186
	499,938	396,095	483,375	554,740	713,565	876,788
	2,137,997	2,149,403	1,727,442	1,961,818	2,003,002	2,285,408
	639,450	605,075	758,942	1,077,493	1,005,578	854,491
	71,691	37,681	120,520	163,453	182,313	(257,706)
	517,485	839,167	623,137	953,687	1,258,401	600,698
	46,710,032	47,531,757	45,908,162	45,525,719	48,095,882	46,377,168
	9,582,025	8,981,636	10,496,713	9,356,378	11,547,939	8,310,899
	18,267,633	19,371,392	18,642,683	19,942,140	20,479,288	21,418,254
	1,045,409	609,488	750,074	800,879	537,655	3,773,836
	2,933,330	3,185,002	4,083,703	4,015,770	8,500,421	3,588,312
	12,011,245	10,359,355	18,631,978	10,892,511	1,547,500	4,835,430
	5,940,000	2,129,920	2,268,121	2,548,453	2,296,031	2,065,017
	808,239	938,679	835,209	1,054,116	988,529	911,606
	50,587,881	45,575,472	55,708,481	48,610,247	45,897,363	44,903,354
	(3,877,849)	1,956,285	(9,800,319)	(3,084,528)	2,198,519	1,473,814
	5,461,545	5,113,090	5,138,884	6,123,312	5,655,359	3,130,209
	(8,529,492)	(4,420,390)	(4,707,634)	(6,220,512)	(6,034,736)	(2,942,372)
	9,320,000	-	12,910,969	-	776,775	-
	(41,304)	-	87,782	-	-	-
	(7,158,799)	-	-	-	(776,775)	-
	2,050	26,533	11,400	55,198	6,920	1,741
	(946,000)	719,233	13,441,401	(42,002)	(372,457)	189,578
\$	(4,823,849)	\$ 2,675,518	\$ 3,641,082	\$ (3,126,530)	\$ 1,826,062	\$ 1,663,392
	14.62%	7.38%	6.99%	8.00%	7.35%	6.79%

**CITY OF DEKALB, ILLINOIS**

**TAXABLE SALES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Merchandise	\$ 170,225,753	\$ 171,985,064	\$ 164,736,328	\$ 154,138,547	\$ 161,257,806	\$ 129,818,177	\$ 149,564,784	\$ 145,091,378	\$ 145,331,012	\$ 142,983,051
Food	47,170,335	53,207,066	60,740,900	55,760,959	56,012,687	67,456,918	65,852,747	65,400,022	65,602,683	62,574,399
Drinking and Eating Places	60,927,328	65,260,253	67,402,498	64,478,308	66,461,264	66,649,641	68,587,766	67,411,032	72,375,099	73,690,804
Apparel	10,754,613	9,626,133	7,332,715	6,235,098	5,912,150	30,582,619	7,128,112	8,019,269	9,156,209	9,682,582
Furniture, H.H., and Radio	29,988,920	33,834,022	28,883,333	24,677,414	25,081,450	22,181,422	20,684,998	20,194,461	20,299,326	22,219,433
Lumber, Building Hardware	27,977,040	26,936,010	24,505,165	22,566,265	21,682,737	21,563,108	22,120,923	23,492,009	26,215,248	26,667,559
Automobile and Filling Stations	91,978,172	93,408,943	94,746,090	76,117,806	81,678,462	84,369,200	90,624,448	81,838,781	83,933,383	81,644,714
Drugs and Miscellaneous Retail	81,006,583	83,283,571	84,314,769	81,599,087	79,606,161	76,036,417	74,197,724	78,920,501	81,900,819	86,883,148
Agriculture and All Others	48,715,922	41,446,148	39,136,195	28,154,513	28,623,247	29,011,979	29,448,085	30,174,323	30,610,577	26,789,604
Manufacturers	12,975,167	15,254,811	18,224,889	13,889,966	15,507,914	7,289,300	1,546,592	3,116,244	3,392,915	1,455,793
<b>TOTAL</b>	<b>\$ 581,719,833</b>	<b>\$ 594,242,021</b>	<b>\$ 590,022,882</b>	<b>\$ 527,617,963</b>	<b>\$ 541,823,878</b>	<b>\$ 534,958,781</b>	<b>\$ 529,756,179</b>	<b>\$ 523,658,020</b>	<b>\$ 538,817,271</b>	<b>\$ 534,591,087</b>
<b>CITY DIRECT SALES</b>										
<b>TAX RATE</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Data Source

Illinois Department of Revenue

**CITY OF DEKALB, ILLINOIS**

**TAXABLE SALES BY CATEGORY - HOME RULE**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008*</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Merchandise	\$ 111,235,234	\$ 110,641,629	\$ 105,718,900	\$ 99,635,725	\$ 106,361,293	\$ 87,558,389	\$ 99,024,929	\$ 96,069,313	\$ 95,614,092	\$ 94,092,573
Food	14,228,867	16,220,246	17,771,292	16,039,202	18,341,512	30,104,054	29,741,123	28,856,277	28,086,495	24,719,290
Drinking and Eating Places	59,524,764	63,696,181	65,892,248	63,016,745	64,921,928	65,295,493	67,176,678	66,489,229	70,711,436	71,004,958
Apparel	10,750,251	9,619,122	7,316,764	6,230,748	5,911,746	19,317,301	7,046,287	7,946,743	9,091,595	9,583,535
Furniture, H.H. and Radio	29,956,258	33,782,135	28,777,827	24,555,874	24,340,125	21,984,344	20,503,154	20,039,027	20,419,645	22,061,903
Lumber, Building Hardware	27,950,165	26,884,766	24,259,864	22,394,973	21,589,323	21,526,692	22,070,597	23,431,577	26,161,570	26,623,933
Automobile and Filling Stations	38,130,323	43,057,278	44,642,599	36,573,132	42,992,984	46,695,364	47,519,288	48,575,366	46,268,699	38,844,447
Drugs and Miscellaneous Retail	58,390,055	58,432,889	59,739,818	58,394,357	57,668,525	56,027,770	56,447,398	58,367,979	59,423,173	59,678,688
Agriculture and All Others	41,914,235	37,826,626	35,885,916	26,970,847	27,405,131	28,250,729	28,487,957	28,584,214	29,168,574	25,247,798
Manufacturers	12,663,868	14,914,125	17,841,691	13,412,811	15,166,169	6,981,465	1,250,597	2,801,034	3,018,957	1,149,345
<b>TOTAL</b>	<b>\$ 404,744,020</b>	<b>\$ 415,074,997</b>	<b>\$ 407,846,919</b>	<b>\$ 367,224,414</b>	<b>\$ 384,698,736</b>	<b>\$ 383,741,601</b>	<b>\$ 379,268,008</b>	<b>\$ 381,160,759</b>	<b>\$ 387,964,236</b>	<b>\$ 373,006,470</b>
<b>CITY DIRECT SALES</b>										
<b>TAX RATE</b>	1.25%	1.25%	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

---

<b>Calendar Year</b>	<b>City Home Rule Rate</b>	<b>Municipal Retailers Occupation Tax</b>	<b>County Rate</b>	<b>State Rate</b>	<b>Total</b>
2007	1.25%	1.00%	0.25%	5.00%	7.50%
2008	1.75%	1.00%	0.25%	5.00%	8.00%
2009	1.75%	1.00%	0.25%	5.00%	8.00%
2010	1.75%	1.00%	0.25%	5.00%	8.00%
2011	1.75%	1.00%	0.25%	5.00%	8.00%
2012	1.75%	1.00%	0.25%	5.00%	8.00%
2013	1.75%	1.00%	0.25%	5.00%	8.00%
2014	1.75%	1.00%	0.25%	5.00%	8.00%
2015	1.75%	1.00%	0.25%	5.00%	8.00%
2016	1.75%	1.00%	0.25%	5.00%	8.00%

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

#### Data Source

City, County, and State Records

**CITY OF DEKALB, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Farm</b>	<b>Railroad</b>	<b>Total</b>	<b>Total Direct Tax Rate*</b>
2006	\$ 369,659,572	\$ 155,565,480	\$ 43,514,766	\$ 494,098	\$ 572,356	\$ 569,806,272	0.8091
2007	407,662,378	163,615,149	51,250,520	666,539	628,255	623,822,841	0.8437
2008	420,413,802	172,166,813	51,905,133	686,727	682,620	645,855,095	0.8509
2009	413,507,993	176,052,268	52,801,237	721,404	833,695	643,916,597	0.9293
2010	389,625,409	167,457,427	49,380,638	825,082	1,044,391	608,332,947	0.9856
2011	365,267,969	167,604,810	47,742,181	782,590	1,107,165	582,504,715	1.0293
2012	331,382,501	156,902,473	43,536,967	731,665	1,252,297	533,805,903	1.1321
2013	300,043,381	143,720,391	39,939,551	673,596	1,546,704	485,923,623	1.3510
2014	285,032,206	138,851,901	38,459,111	1,010,413	1,612,750	464,966,381	1.4113
2015	313,041,585	160,710,755	46,654,911	1,012,840	1,615,750	523,035,841	1.6853

Note: The City only reports the rate setting EAV.

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

Data Source

Office of the County Clerk



**CITY OF DEKALB, ILLINOIS**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>TAX RATES</b>										
City of DeKalb	0.5967	0.6000	0.6000	0.6500	0.6899	0.7205	0.7952	0.9809	1.0245	1.1942
DeKalb Library	0.2124	0.2437	0.2509	0.2793	0.2957	0.3088	0.3369	0.3701	0.3868	0.4911
	0.8091	0.8437	0.8509	0.9293	0.9856	1.0293	1.1321	1.3510	1.4113	1.6853
DeKalb County	0.8668	0.8449	0.8495	0.8539	0.9052	0.9694	1.0892	1.2013	1.2483	1.2364
DeKalb Township	0.1151	0.1116	0.1130	0.1149	0.1260	0.1350	0.1508	0.1687	0.1797	0.1820
DeKalb Road & Bridge	0.1933	0.1874	0.1808	0.1839	0.1477	0.1548	0.1768	0.1977	0.2106	0.2133
Forest Preserve District	0.0548	0.0677	0.0678	0.0663	0.0700	0.0740	0.0797	0.0852	0.0876	0.0853
Sanitary District	0.0952	0.0913	0.0927	0.0944	0.1036	0.1110	0.1244	0.1393	0.1486	0.1504
DeKalb School District #428	4.8927	4.7288	5.2079	5.2606	5.7414	6.2148	7.0275	7.8215	8.2714	8.2500
Kishwaukee Community College	0.5435	0.5497	0.5468	0.5638	0.5601	0.5758	0.6416	0.7294	0.7123	0.6972
Park District	0.5494	0.5247	0.5131	0.5208	0.5606	0.5987	0.6745	0.7519	0.7969	0.7960
<b>TOTAL TAX RATE</b>										
<b>PER \$100 EQUALIZED</b>										
<b>ASSESSED VALUATION</b>	8.1199	7.9498	8.4225	8.5879	9.2002	9.8628	11.0966	12.4460	13.0667	13.2959
<b>SHARE OF TOTAL</b>										
<b>TAX RATE LEVIED</b>										
<b>BY CITY OF</b>										
<b>DEKALB AND THE</b>										
<b>DEKALB LIBRARY</b>	9.96%	10.61%	10.10%	10.82%	10.71%	10.44%	10.20%	10.85%	10.80%	12.68%

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

June 30, 2016

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

### Data Sources

County Assessors Office (not adjusted for unreported title transfers)  
City of DeKalb

**CITY OF DEKALB, ILLINOIS**

**PROPERTY TAX RATES, LEVIES, AND COLLECTIONS**

Last Ten Levy Years

Tax Levy Year	Rates per \$100	City of DeKalb						DeKalb Library						
		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
2006	0.5967	\$ 3,400,000	\$ 3,400,000	100.00%	\$ -	\$ 3,400,000	100.00%	0.2124	\$ 1,210,003	\$ 1,210,003	100.00%	\$ -	\$ 1,210,003	100.00%
2007	0.6000	3,742,937	3,679,970	98.32%	-	3,679,970	98.32%	0.2437	1,520,000	1,492,137	98.17%	-	1,492,137	98.17%
2008	0.6000	3,889,007	3,765,927	96.84%	-	3,765,927	96.84%	0.2509	1,620,420	1,574,213	97.15%	-	1,574,213	97.15%
2009	0.6500	4,185,332	4,160,967	99.42%	-	4,160,967	99.42%	0.2793	1,798,500	1,796,093	99.87%	-	1,796,093	99.87%
2010	0.6899	4,196,805	4,107,807	97.88%	-	4,107,807	97.88%	0.2957	1,798,523	1,760,288	97.87%	-	1,760,288	97.87%
2011	0.7205	4,196,890	4,127,590	98.35%	-	4,127,590	98.35%	0.3088	1,798,536	1,767,397	98.27%	-	1,767,397	98.27%
2012	0.7952	4,244,718	4,161,753	98.05%	-	4,161,753	98.05%	0.3369	1,798,552	1,762,669	98.00%	-	1,762,669	98.00%
2013	0.9809	4,270,457	4,203,106	98.42%	-	4,203,106	98.42%	0.3701	1,798,549	1,769,239	98.37%	-	1,769,239	98.37%
2014	1.0245	4,270,540	4,231,993	99.10%	-	4,231,993	99.10%	0.3868	2,289,658	2,257,413	98.59%	-	2,257,413	98.59%
2015	1.1942	5,094,730	2,850,683	55.95%	-	2,850,683	55.95%	0.4911	2,298,589	1,160,681	50.50%	-	1,160,681	50.50%

\* Amount reflects collections through June 30, 2016

Data Sources

Office of the County Clerk  
Office of the County Treasurer

Rates per \$100	Total Tax Levy Requested	Total Collections within the Levy Year			Total Collections to Date	
		Amount	Percent of	Collections in Subsequent Years	Amount	Percent of
			Levy Collected			Levy Collected
0.8091	\$ 4,610,003	\$ 4,610,003	100.00%	\$ -	\$ 4,610,003	100.00%
0.8437	5,262,937	5,172,107	98.27%	-	5,172,107	98.27%
0.8509	5,509,427	5,340,140	96.93%	-	5,340,140	96.93%
0.9293	5,983,832	5,957,060	99.55%	-	5,957,060	99.55%
0.9856	5,995,328	5,868,095	97.88%	-	5,868,095	97.88%
1.0293	5,995,426	5,894,987	98.32%	-	5,894,987	98.32%
1.1321	6,043,270	5,924,422	98.03%	-	5,924,422	98.03%
1.3510	6,069,006	5,972,345	98.41%	-	5,972,345	98.41%
1.4113	6,560,198	6,489,406	98.92%	-	6,489,406	98.92%
1.6853	7,393,319	4,011,364	54.26%	-	4,011,364	54.26%

**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			
2007	\$ 15,355,328	\$ 3,000,000	\$ 1,498,998	\$ 3,365,000	\$ -	\$ 1,028,621	\$ 4,590,000	\$ -	\$ 5,689,292	\$ 252,789	\$ 34,780,028	4.68%	\$ 760.24
2008	13,433,931	10,500,000	998,998	2,795,000	-	1,888,540	4,395,000	-	5,346,065	245,519	39,603,053	5.31%	862.87
2009	11,452,534	10,500,000	498,998	2,145,000	-	1,583,900	4,180,000	-	4,994,081	188,714	35,543,227	4.76%	774.16
2010	20,952,108	4,000,000	1,337,055	1,430,000	-	1,245,095	3,950,000	-	4,633,118	128,674	37,676,050	4.84%	858.97
2011	22,377,250	-	-	655,000	-	892,257	3,710,000	-	4,262,947	66,093	31,963,547	4.11%	728.65
2012	20,828,534	-	-	345,000	-	578,302	3,537,172	-	3,883,332	25,516	29,197,856	3.59%	663.14
2013	31,587,600	-	-	-	-	851,150	3,269,269	-	3,673,988	13,786	39,395,793	4.68%	894.75
2014	29,313,530	-	-	-	-	527,697	2,996,366	-	3,370,464	7,038	36,215,095	4.23%	822.51
2015	27,274,168	-	-	-	-	216,666	2,093,225	-	2,951,138	-	32,535,197	3.86%	738.53
2016	25,305,591	-	-	-	-	199,999	1,726,575	-	2,518,781	-	29,750,946	3.54%	675.70

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.

# CITY OF DEKALB, ILLINOIS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Total Taxable Assessed Value of Property*</b>	<b>Per Capita**</b>
2007	\$ 19,945,328	\$ 648,125	\$ 19,297,203	4.23%	\$ 421.81
2008	17,828,931	524,966	17,303,965	3.04%	377.02
2009	15,632,534	578,835	15,053,699	2.41%	327.88
2010	24,902,108	560,413	24,341,695	3.77%	554.96
2011	26,087,250	231,049	25,856,201	4.02%	589.42
2012	24,365,706	185,283	24,180,423	3.97%	549.18
2013	34,856,869	-	34,856,869	5.98%	791.66
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

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

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

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

**CITY OF DEKALB, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

June 30, 2016

<b>Governmental Unit</b>	<b>Gross Bonded Debt</b>	<b>Percentage of Debt Applicable to the City*</b>	<b>City's Share of Debt</b>
City of DeKalb	\$ 27,232,165	100.00%	\$ 27,232,165
<u>Overlapping</u>			
DeKalb County	13,770,000	26.88%	3,701,376
DeKalb Community Unit School District #428	96,496,356	74.80%	72,179,274
Kishwaukee College #523	50,141,101	24.18%	12,124,118
DeKalb Sanitary District	53,031,556	0.85%	450,768
DeKalb Park District	<u>665,000</u>	99.23%	<u>659,880</u>
Total Overlapping	<u>\$ 214,104,013</u>		<u>\$ 89,115,416</u>
Total Direct and Overlapping	<u>\$ 241,336,178</u>		<u>\$ 116,347,581</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**

June 30, 2016

---

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

<b>Fiscal Year</b>	<b>Tax Increment Financing Bonds and Notes</b>						
	<b>Incremental Property Taxes</b>	<b>Incremental Sales Tax</b>	<b>Less Excluded Contractual Obligations</b>	<b>Available for Debt Service</b>	<b>Debt Service</b>		<b>Coverage</b>
					<b>Principal</b>	<b>Interest</b>	
2007*	\$ 4,596,145	\$ 1,506,288	\$ (500,000)	\$ 5,602,433	\$ 1,005,214	\$ 112,592	\$ 5.01
2008	5,360,771	1,576,559	(500,000)	6,437,330	570,000	87,629	9.79
2009	6,597,332	1,645,810	(498,998)	7,744,144	650,000	87,122	10.51
2010	6,883,479	1,477,587	(1,337,055)	7,024,011	715,000	76,212	8.88
2011	6,937,664	1,400,702	-	8,338,366	775,000	48,464	10.13
2012	6,691,097	1,368,512	-	8,059,609	310,000	9,831	25.20
2013**	6,679,893	1,330,744	-	8,010,637	345,000	9,212	22.62
2014	6,604,296	-	-	6,604,296	-	-	N/A
2015	6,439,568	-	-	6,439,568	-	-	N/A
2016	6,347,586	-	-	6,347,586	-	-	N/A

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

NA - Information Unavailable

\*The City issued Tax Increment Financing Notes in the amount of \$1,000,000 which were paid off in FY11.

\*\*The City issued Tax Increment Financing Revenue Bonds in the amount of \$4,350,000 which were paid off in FY13.

**CITY OF DEKALB, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

---

<b>Fiscal Year</b>	<b>Population</b>	<b>Equalized Assessed Value</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Family Income</b>	<b>Unemployment Rate</b>
2007	45,749	\$ 569,806,272	\$ 743,924,489	\$ 16,261	\$ 53,017	4.1%
2008	45,897	623,822,841	746,331,117	16,261	53,017	5.3%
2009	45,912	645,855,095	746,575,032	16,261	53,017	9.8%
2010	43,862	643,916,597	777,673,260	17,730	60,571	9.8%
2011	43,867	608,332,947	777,761,910	17,730	60,571	10.0%
2012	44,030	582,504,715	814,026,640	18,488	60,571	9.6%
2013	44,030	533,805,903	841,853,600	19,120	60,571	10.3%
2014	44,030	485,923,623	856,999,920	19,464	60,571	6.9%
2015	44,054	464,966,381	843,854,370	19,155	60,571	5.0%
2016	44,030	532,032,841	840,444,640	19,088	59,588	5.2%

Data Sources

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

# CITY OF DEKALB, ILLINOIS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2016			2007		
	Rank	Employees	% of Total City Population	Rank	Employees	% of Total City Population
Northern Illinois University	1	3,523	8.00%	1	3,600	7.87%
KishHealth System	2	1,200	2.73%	2	700	1.53%
DeKalb School District	3	885	2.01%			
Sonoco - Alloyd Company	4	500	1.14%	5	325	0.71%
3M	5	480	1.09%	6	325	0.71%
Targe Distribution Center	6	435	0.99%	3	650	1.42%
Wal-Mart Super Center	7	360	0.82%	4	600	1.31%
Nestle Distribution	8	250	0.57%	8	250	0.55%
City of DeKalb	9	202	0.46%			
Panduit	10	200	0.45%			
GE Motors				10	120	0.26%
Ideal Industries (DeKalb)				9	125	0.27%
Jewel/Osco				7	260	0.57%

### Data Sources

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

**CITY OF DEKALB, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Government</b>				
Legislative**	9.00	9.00	9.00	9.00
Administrative Services	25.00	25.00	24.00	23.00
City Clerk	1.50	1.50	1.50	1.50
Legal	4.50	4.50	4.50	4.50
	<u>40.00</u>	<u>40.00</u>	<u>39.00</u>	<u>38.00</u>
<b>Public Safety</b>				
Police				
Officers	61.00	63.00	63.00	61.00
Civilians	27.50	26.50	25.50	25.50
	<u>88.50</u>	<u>89.50</u>	<u>88.50</u>	<u>86.50</u>
Fire				
Firefighters	60.00	60.00	60.00	58.00
Staff	2.00	2.00	2.00	2.00
	<u>62.00</u>	<u>62.00</u>	<u>62.00</u>	<u>60.00</u>
<b>Community Improvement</b>				
Community Development	20.00	21.00	16.50	13.00
Engineering Services	5.50	5.50	5.50	8.00
Public Works				
Administration	1.00	1.00	1.00	1.00
Public Facilities	2.50	2.50	1.00	1.00
Engineering	1.00	1.00	1.00	1.00
Streets	21.00	21.00	19.00	19.00
	<u>51.00</u>	<u>52.00</u>	<u>44.00</u>	<u>43.00</u>
Water and Sewer	17.50	17.50	16.00	16.00
Airport Division	1.50	1.50	1.50	1.50
Development Services	2.00	2.00	1.00	-
Mass Transit	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Full-Time</b>				
Equivalent Employees	<u>262.50</u>	<u>264.50</u>	<u>252.00</u>	<u>245.00</u>

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

Data Source

City Budget Records

2011	2012	2013	2014	2015	2016
9.00	9.00	9.00	9.00	9.00	9.00
17.50	16.50	20.00	20.50	22.50	24.00
0.50	0.50	-	-	-	-
3.50	2.00	-	-	-	-
30.50	28.00	29.00	29.50	31.50	33.00
60.00	61.00	63.00	65.00	65.00	65.00
24.50	24.50	30.00	30.50	34.00	34.00
84.50	85.50	93.00	95.50	99.00	99.00
54.00	53.00	52.00	57.00	57.00	57.00
1.00	1.00	1.00	1.00	1.50	2.00
55.00	54.00	53.00	58.00	58.50	59.00
-	-	7.50	8.00	6.50	6.00
-	-	-	-	-	-
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
-	-	0.50	0.50	0.50	2.00
20.00	20.00	21.00	21.00	21.00	21.00
23.00	23.00	32.00	32.50	31.00	32.00
10.00	10.00	10.00	10.50	10.50	10.50
2.50	4.50	4.50	6.00	6.00	6.00
6.50	6.00	-	-	-	-
2.50	2.50	2.00	2.00	3.50	3.50
214.50	213.50	223.50	234.00	240.00	243.00

**CITY OF DEKALB, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL GOVERNMENT</b>				
Community Development				
Building Permits Issued				
Residential Permits Issued				
New Construction	76	43	3	8
Remodel	84	48	82	69
Industrial/Commercial Permits Issued				
New Construction	27	22	9	10
Remodel	23	28	25	31
Other Permits	805	653	681	745
Total Number of Permits	1,015	794	800	863
Total Building Permit Valuation	\$ 23,371,977	\$ 31,125,085	\$ 11,102,307	\$ 8,455,270
<b>PUBLIC SAFETY</b>				
Police				
Physical Arrests	2,396	2,359	3,023	2,480
Traffic Violations	6,149	6,102	10,530	8,273
Parking Violations	17,405	13,386	12,986	13,965
Fire				
Fire Responses (Fire and Non-Fire)	2,333	2,908	2,641	3,129
Emergency Medical Services Responses	4,035	4,091	4,018	4,334
<b>PUBLIC WORKS</b>				
Vehicles Maintained by Department	126	130	132	131
Street Construction (Miles)	0.43	-	-	-
Street Reconstruction (Miles)	-	1.30	0.45	1.15
Street Resurfacing (Miles)	0.92	1.48	1.48	1.70
<b>WATER</b>				
Average Daily Consumption 12/31				
Industrial/Commercial	567,998	531,537	488,491	431,992
Residential	2,372,037	2,284,357	2,275,385	2,171,686
Government/Church/School	690,318	677,174	702,852	636,183
Water Billing Accounts on 12/31				
Industrial/Commercial	747	774	787	761
Residential	9,838	9,993	10,007	10,011
Government/Church/School	210	230	239	221

Data Source

Various City Departments

2011	2012	2013	2014	2015	2016
2	1	1	4	3	6
55	63	67	52	49	54
20	16	15	21	19	16
12	21	20	25	27	33
764	647	634	651	580	595
853	748	737	753	678	704
\$ 30,110,627	\$ 11,637,858	\$ 11,611,226	\$ 8,958,807	\$ 54,359,021	\$ 66,276,980
2,689	2,799	2,917	2,795	2,987	2,911
4,829	6,136	4,729	4,253	3,956	3,788
13,967	12,211	9,733	7,144	6,335	5,555
3,199	3,516	3,437	3,489	3,948	4,084
4,476	5,005	5,236	5,207	5,196	5,344
128	124	133	135	142	144
-	-	-	-	-	-
0.65	0.16	0.51	0.43	-	-
1.73	2.86	2.17	1.22	1.66	1.77
417,353	395,288	402,758	401,301	400,450	437,786
2,185,873	2,114,983	2,117,781	2,124,660	1,997,021	1,922,611
561,908	615,165	589,752	562,971	513,539	502,681
767	756	753	731	717	682
10,020	10,104	10,015	9,960	9,963	10,030
224	224	225	222	211	217

**CITY OF DEKALB, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

---

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	26	26	28	27	27	26	28	28	29	29
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	5	5	6	7	6	6
Fire Trucks	5	5	4	4	4	4	4	4	5	5
<b>PUBLIC WORKS</b>										
Residential Streets (Miles)	125	125	126	128	128	128	128	128	128	128
Traffic Signals	20	21	22	22	23	24	24	24	24	24
<b>WATER</b>										
Water Towers	4	4	4	4	4	4	4	4	4	4
Storage capacity (MG)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Water Wells	9	9	9	9	9	9	9	9	9	9
Water Mains (miles)	170	172	175	175	175	177	177	177	177	178

Data Source

Various City Departments