

RESOLUTION 2020-059

PASSED: JUNE 22, 2020

RECEIVING AND FILING THE FY2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), AUDIT REPORT, AND MANAGEMENT LETTER.

WHEREAS, the City of DeKalb is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

WHEREAS, the City Council has reviewed the Comprehensive Annual Financial Report, Audit Report, and Management Letter for Fiscal Year 2019; and

WHEREAS, in accordance with Illinois law, such reports are subject to receipt by the Council and filing of the same.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: The City of DeKalb does hereby receive, file and approve the Comprehensive Annual Financial Report and Management Letter attached hereto as Exhibit A. The City Manager or his designee are hereby authorized and directed to file and electronically submit the Comprehensive Annual Financial Report with the Office of the Comptroller of the State of Illinois in accordance with 65 ILCS 5/8-8-3(f).

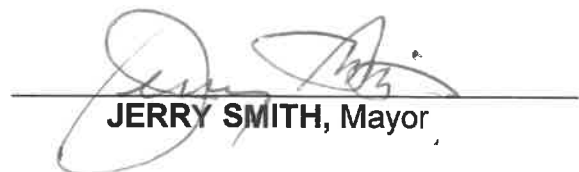
SECTION 2: That the City Clerk or the Executive Assistant of the City of DeKalb, Illinois be authorized and directed to attest the Mayor's Signature and shall be effective thereupon.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 22nd day of June 2020 and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: None.

ATTEST:



RUTH A. SCOTT, Executive Assistant



JERRY SMITH, Mayor



FILED

JUN 30 2020

DeKalb County Clerk



Comprehensive
Annual Financial Report
Year Ended
December 31, 2019

City of DeKalb, Illinois



FILED

JUN 30 2020

DeKalb County Clerk

CITY OF DEKALB, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended December 31, 2019



SIKICH.COM



FILED

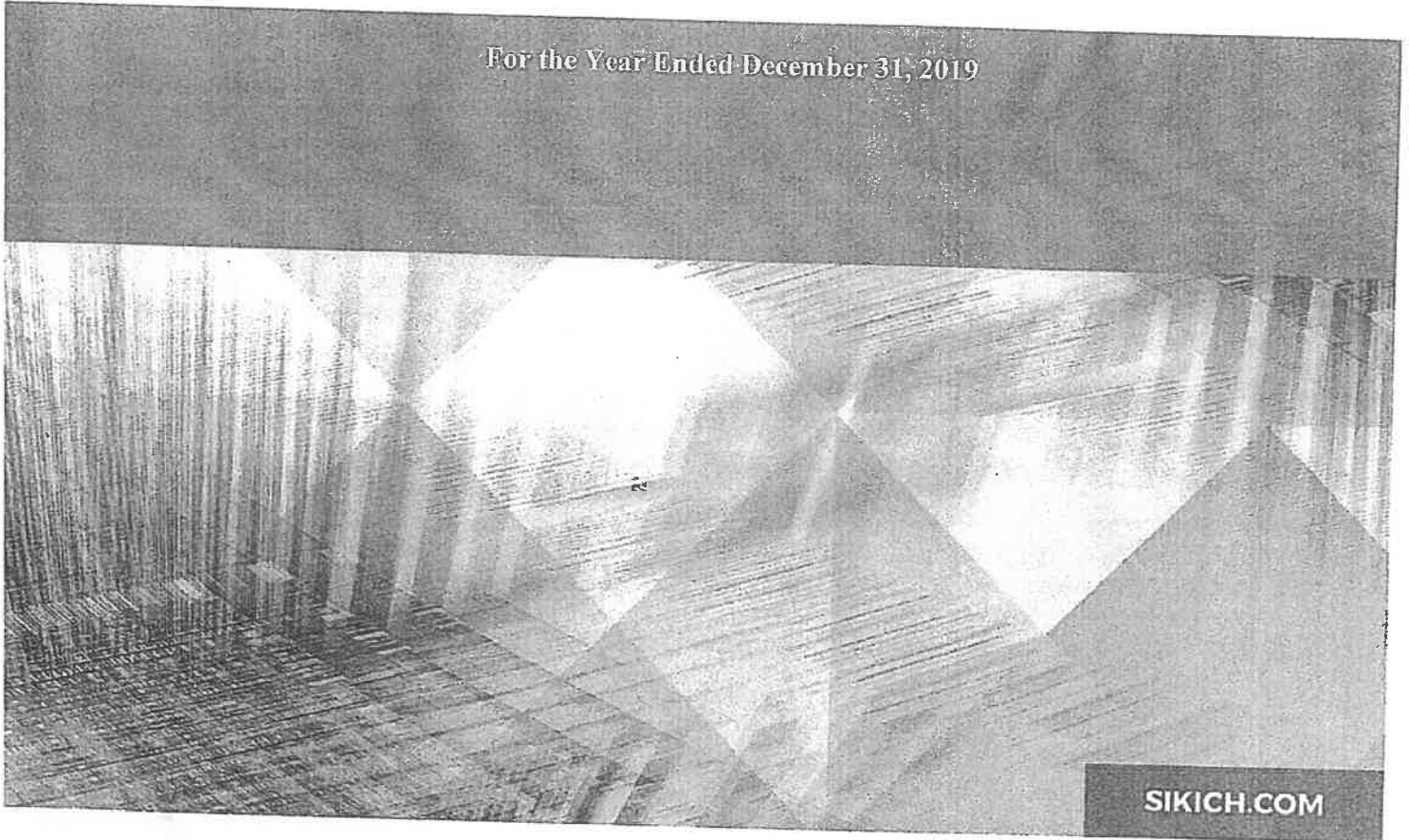
JUN 30 2020

DeKalb County Clerk

CITY OF DEKALB, ILLINOIS

**AUDITOR'S COMMUNICATION TO THE
CITY COUNCIL AND MANAGEMENT**

For the Year Ended December 31, 2019





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

SIKICH.COM

Res 2020-059
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Members of American Institute of Certified Public Accountants

June 17, 2020

Mr. Bill Nicklas
City of DeKalb
200 S. 4th Street
DeKalb, Illinois 60115

Dear Bill:

Three hard copies of your 2019 Annual Financial Report are enclosed. We have submitted your 2019 Annual Financial Report (AFR) via the Internet. No hard copies of the AFR need to be sent to the State Comptroller's Office.

Also, a copy of the AFR and a copy of the audit should be sent to the County Clerk's Office. If you have any questions, please do not hesitate to call at (630) 566-8505.

Yours truly,

Brian D. LeFevre, CPA
Partner

↓ Sent
with
Don
Prombo

Enclosure

on 6-30-2020

to Recorder's office for
filing.

Scott, Ruth

From: Nick Bava <Nick.Bava@sikich.com>
Sent: Friday, June 19, 2020 1:01 PM
To: Scott, Ruth
Cc: Nicklas, Bill
Subject: RE: City of DeKalb AFR Approval Form 6/22/2020

[**NOTICE:** This message originated outside of the City Of DeKalb mail system -- **DO NOT CLICK** on links or open **attachments** unless you are sure the content is safe.]

Thank you Ruth!

From: Scott, Ruth <Ruth.Scott@CITYOFDEKALB.com>
Sent: Friday, June 19, 2020 12:59 PM
To: Nick Bava <Nick.Bava@sikich.com>
Cc: Nicklas, Bill <bill.nicklas@CITYOFDEKALB.com>
Subject: City of DeKalb AFR Approval Form 6/22/2020

Mr. Bava,

The attached document is provided on behalf of City Manager Bill Nicklas.

Please feel free to contact me if I can be of further assistance.

Sincerely,

Ruth A. Scott
Executive Assistant
City of DeKalb
164 E. Lincoln Highway
DeKalb, Illinois 60115
Phone: (815) 748-2090
Fax: (815) 748-2091
Email: ruth.scott@cityofdekalb.com



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AFR Approval Form

I have reviewed the Annual Financial Report sent to me by Sikich LLP, and agree with all representations made within this report. I give Sikich LLP permission to submit the AFR via the Internet to the State Comptrollers Office.


Signature

City of Newark
Government's Name

6/22/2020
Date

Please email your response to nick.bava@sikich.com.



STATE OF ILLINOIS
COMPTROLLER

SUSANA A. MENDOZA

DO NOT SEND THIS PAPER COPY - THIS IS YOUR COPY.

MAKE SURE YOU HAVE CLICKED THE SUBMIT BUTTON IN
THE COMPTROLLER CONNECT PROGRAM. THIS WILL
PROVIDE THE COMPTROLLER'S OFFICE WITH A COPY
OF YOUR ANNUAL FINANCIAL REPORT.

FY 2019 Annual Financial Report

Multi-Purpose Long Form

CCIF Copy - 6/17/2020 11:54:43 AM

Unit Name : Dekalb City

County : Dekalb

Unit Code : 019/015/30

I attest that, to the best of my knowledge, this report represents a complete and accurate statement of the financial position, the Contact Information, the TIF status, the FEIN status, the Total Appropriations, and the Legal Debt Limitation of Dekalb City as of the end of this fiscal year.

Written signature of government official
Bill Nicklas, Manager

Please Sign :

Date :

6/22/2020

Unit Name : Dekalb City

Unit Code : 019/015/30

Please be sure to fill out this section accurately. The information you provide below is (1) our primary way of contacting your government, (2) the information we supply to external agencies, and (3) is the name and title we will list on our website. This section should NOT contain ANY of your Accounting Professional's information.

STEP 1: ENTER CONTACT INFORMATION

Is the following information correct and complete? _____ Yes _____ No

A. Contact Person (elected or appointed official responsible for filling out this form.)		B. Chief Executive Officer (Enter your name here ONLY if you are the elected or appointed official <u>responsible</u> for the EXECUTIVE ADMINISTRATION, i.e. mayor, supervisor, or chairman. Your name will be listed with this responsibility on our website.)		C. Chief Financial Officer (Enter your name here ONLY if you are the elected or appointed official <u>responsible</u> for MAINTAINING THE GOVERNMENT'S FINANCIAL RECORDS. Your name will be listed with this responsibility on our website.)	
Bill	Nicklas	Jerry	Smith	Bill	Nicklas
Manager		Mayor		Manager	
200 S. 4th Street		200 S. 4th Street		200 S 4th Street	
DeKalb		DeKalb		DeKalb	
IL 60115		IL 60115		IL 60115	
Phone: (815) 748-2000 Ext.		Phone: (815) 748-2099 Ext.		Phone: (815) 748-2000 Ext.	
Fax: (815) 748-2304		Fax: (815) 748-2091		Fax: (815) 748-2304	
E-Mail: bill.nicklas@cityofdekalb.com		E-Mail: jerry.smith@cityofdekalb.com		E-Mail: bill.nicklas@cityofdekalb.com	
D. Purchasing Agent (Enter the Purchasing Agent or if there is no Purchasing Agent, the name of the person responsible for oversight of all competitively bid contracts should be listed.)		E. FOIA Officer (Enter the FOIA Officer or if there is no FOIA Officer, the name of the person responsible for oversight of all FOIA requests should be listed.)		F. TIF Officer (Enter the TIF Officer or if there is no TIF Officer, the name of the person responsible for oversight of all TIF Districts should be listed.)	
Bill	Nicklas	Bill	Nicklas		
Manager		Manager			
200 S 4th Street		200 S 4th Street			
DeKalb		DeKalb			
IL 60115		IL 60115			
Phone: (815) 748-2000 Ext.		Phone: (815) 748-2000 Ext.		Phone:	
Fax: (815) 748-2304		Fax: (815) 748-2304		Fax:	
E-Mail: bill.nicklas@cityofdekalb.com		E-Mail: bill.nicklas@cityofdekalb.com		E-Mail:	

☐

If the Chief Executive Officer and the Chief Financial Officer are the same person as the Contact Person, please check this box and skip to Step 2.

Unit Name : Dekalb City

Unit Code : 019/015/30

STEP 2: VERIFY FISCAL YEAR END

FY END DATE: 12/31/2019

If the fiscal year end date listed above is incorrect, follow the steps outlined in the Comptroller Connect application to provide your official documentation that confirms your fiscal year end date. Upon receipt and approval of this documentation, your fiscal year end date can be officially amended.

STEP 3: GASB 34, ACCOUNTING SYSTEM, DEBT, UTILITY, HOME RULE, TIF, AND PENSION / RETIREMENT BENEFITS

P1. Has your government commenced dissolution proceedings? ☐ Yes ☒ No **Dissolution Filing Date**

A. Has your government implemented GASB 34 in FY 2019 reporting or in previous reporting years? ☒ Yes ☐ No

B. Which type of accounting system does Dekalb City use?

☐ Cash - with no assets (Cash Basis) ☒ Modified Accrual/Accrual
☐ Cash - with assets (Modified Cash Basis) ☐ Combination (Explain)

C. Does the government have bonded debt this reporting fiscal year? ☒ Yes ☐ No

If "Yes", indicate the type(s) of debt and complete the Statement of Indebtedness and Debt Limitations and Future Debt pages, located on page F7 and F8.

☒ G.O.Bonds ☐ Revenue Bonds ☐ Alternative Revenue Bonds

D. Does the government have debt, other than bonded debt this reporting fiscal year? ☒ Yes ☐ No

If "Yes", indicate the type(s) of debt and complete the Statement of Indebtedness and Debt Limitations and Future Debt pages, located on page F7 and F8.

☒ Contractual Commitments ☒ Other (Explain) Compensated absences, net pension liabilities, OPEB, IEPA loans, ARO

E. Does the government own or operate a public utility company? ☒ Yes ☐ No

If "Yes", indicate the type(s) of utilities and enter the expenditures in Code 271.

☒ Water/Sewer ☐ Electric/Gas/Transit ☐ 911 Telephone/Telecommunications ☐ Other

F. Is your government a home rule unit? ☒ Yes ☐ No

G. Does the government have a Tax Increment Finance (TIF) district? ☒ Yes ☐ No

H. Does the government have a pension funds or other retirement benefits this reporting fiscal year? ☒ Yes ☐ No

If Yes, indicate the type(s) of pension funds or other retirement benefits and complete the Pension Funds/Retirement Benefits section.

☒ Illinois Municipal Retirement Fund (IMRF) ☒ Police Pension ☒ Fire Pension ☐ Sheriff's Law Enforcement Personnel Plan (SLEP)
☐ Other Pension ☒ Other Post Employment Benefits (OPEB)

Unit Name : Dekalb City

Unit Code : 019/015/30

STEP 4: POPULATION, EAV AND EMPLOYEES

What is the total population of Dekalb City?^	44,030
What is the total EAV of Dekalb City?	\$585,726,839
How many full time employees are paid?*	181
How many part time employees are paid?*	34
What is the total salary paid to all employees?	\$20,031,821

^ Or provide estimated population.

* Do not include contractual employees.

STEPS 5 AND 6: COMPONENT UNITS AND APPROPRIATIONS

Provide the appropriation for the primary government listed in the first row of the table below.

In the remaining rows, provide the names of all component units along with their appropriations. Indicate if the component units are blended or discretely presented, its fiscal year end date and if the component unit was funded with governmental fund types or enterprise fund types. If the component units are already indicated, that data is based on forms submitted last year. If you have more component units than the rows provided below, please indicate them on an attachment.

If you need assistance with the terms indicated below, refer to the *Chart of Accounts and Definitions* and the *How to Fill Out An AFR* documents.

Name of Unit/Component FUNDS SHOULD NOT BE LISTED HERE*	Appropriation^	Type of Component Unit (Blended or Discretely Presented)	Fiscal Year End	Enterprise Fund Type or Governmental Fund Type
Dekalb City	\$82,868,917		12/31	
Firefighters' Pension	\$6,532,588	B	12/31	Governmental
Library	\$2,854,004	DP	12/31	Governmental
Police Pension	\$5,709,437	B	12/31	Governmental
Total Appropriations	\$97,964,946			

* Do not enter funds such as Joint Bridge, Permanent Road, Town Fund, Equipment, Water & Sewer, General Assistance, etc. These funds should be included in Step 8.

^ If the Primary Government or Component Unit does NOT budget or levy taxes, please enter the unit's TOTAL EXPENDITURES.

Unit Name : Dekalb City

Unit Code : 019/015/30

STEP 7: OTHER GOVERNMENTS

Indicate any payments Dekalb City made to other governments for services or programs (include programs performed on a reimbursement, cost-sharing basis or federal payroll taxes).

Intergovernmental agreements - indicate how much was paid	\$0
Federal government payroll taxes	\$716,203
All other intergovernmental payments	\$0

STEP 8: FUND LISTING & ACCOUNT GROUPS

A. List all funds and how much was spent in FY 2019 for each fund. Also, indicate the Fund Type (Fund Types are at the top of each column beginning on page F1). If any fund names appear below, the data is based on forms submitted last year. Please make all necessary corrections. If you have more fund names than the rows provided below, please indicate them on an attachment.

Fund Name	Expenditure	Fund Type	FY End
Airport	\$1,499,191	Enterprise Fund	12/31
Capital Projects	\$808,173	Capital Projects Fund	12/31
Community Development Block Grant	\$594,811	Special Revenue Fund	12/31
Equipment	\$156,626	Capital Projects Fund	12/31
Firefighter Pension	\$3,974,780	Fiduciary Fund	12/31
Foreign Fire Insurance Tax	\$58,458	Special Revenue Fund	12/31
General	\$33,991,588	General Fund	12/31
General Debt Service	\$2,007,298	Debt Service Fund	12/31
Greek Row Special Service Area #6	\$6,676	Special Revenue Fund	12/31
Health Insurance	\$6,035,290	Internal Service Fund	12/31
Heartland Fields Special Service Area #14	\$1,100	Special Revenue Fund	12/31
Heritage Ridge Special Service Area #3	\$1,021	Special Revenue Fund	12/31
Housing Rehabilitation	\$2,900	Special Revenue Fund	12/31
Knolls Special Service Area #4	\$3,550	Special Revenue Fund	12/31
Mass Transit	\$8,514,983	Special Revenue Fund	12/31
Motor Fuel Tax	\$1,320,509	Special Revenue Fund	12/31
Police Pension	\$3,626,443	Fiduciary Fund	12/31
Refuse	\$1,869,548	Enterprise Fund	12/31
TIF #1	\$6,986,241	Special Revenue Fund	12/31
TIF #2	\$2,164,976	Special Revenue Fund	12/31
TIF #3	\$500,000	Special Revenue Fund	12/31
TIF Debt Service	\$1,192,400	Debt Service Fund	12/31
Water	\$5,262,804	Enterprise Fund	12/31
Worker's Compensation	\$764,869	Internal Service Fund	12/31
Total Expenditures	\$81,344,235		

B. Does Dekalb City have assets or liabilities that should be recorded as a part of Account Groups? See Chart of Accounts and Definitions and the How to Fill Out An AFR documents for more information about Account Groups.

Yes ☒ No ☐

Office of the Comptroller, Susana A. Mendoza
FY 2019 AFR
Multi-Purpose Form

Unit Name : Dekalb City

Unit Code : 019/015/30

STEP 9: GOVERNMENTAL ENTITIES

List of governmental entities that are part of or related to the primary government. Exclude component units detailed in Steps 5 & 6. Most small governments do not have governmental entities.

Entity Name	Relationship

STEP 10: REPORTING

Check any state or local entity where financial reports are filed.

STATE AGENCIES	
<input type="checkbox"/> - Board of Education	<input type="checkbox"/> - Board of Higher Education
<input type="checkbox"/> - DCEO	<input checked="" type="checkbox"/> - Department of Insurance
OTHER STATE OR LOCAL OFFICES	
<input checked="" type="checkbox"/> - Illinois Comptroller	<input type="checkbox"/> - Secretary of State
<input type="checkbox"/> - General Assembly - House	<input type="checkbox"/> - General Assembly - Senate
<input checked="" type="checkbox"/> - County Clerk	<input type="checkbox"/> - Circuit Clerk
<input type="checkbox"/> - Governor's Office	<input type="checkbox"/> - Other - _____

Assets					
Code	Enter All Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Assets					
101t	Cash and Cash Equivalent	\$26,090,134	\$5,786,361	\$5,972,700	\$1,635,589
102t	Investments	\$0	\$0	\$65,715,530	\$0
115t	Receivables	\$21,503,170	\$1,913,891	\$102,103	\$2,853,318
109t	Inventories	\$28,814	\$37,903	\$0	\$0
112t	Other Assets (Explain)	\$7,499	\$136	\$3,300	\$0
Non-Current Assets					
116t	Capital Assets/Net of Accumulated Depreciation	\$83,072,937	\$35,821,828	\$0	\$22,616,431
117t	Other Capital Assets (Explain)	\$36,414,983	\$20,938,710	\$0	\$1,558,032
120t	Total Assets	\$167,117,537	\$64,498,829	\$71,793,633	\$28,663,370
150t	Deferred Outflow of Resources	\$13,939,654	\$688,823	\$0	\$112,832
Liabilities					
Code	Enter All Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Liabilities					
122t	All Payables	\$10,460,029	\$1,805,963	\$16,139	\$175,030
132t	Deferred Revenues	\$1,250,834	\$223,464	\$0	\$0
128t	Other Liabilities (Explain)	\$0	\$0	\$0	\$0
Non-Current/Long Term Liabilities					
129t	Due Within One Year	\$4,985,131	\$991,082	\$0	\$692,361
130t	Due Beyond One Year	\$138,607,494	\$4,451,966	\$0	\$6,318,542
131t	Other Non-Current/Long Term Liabilities (Explain)	\$0	\$0	\$0	\$0
135t	Total Liabilities	\$155,303,488	\$7,472,475	\$16,139	\$7,185,933
155t	Deferred Inflow of Resources	\$18,462,300	\$676,493	\$0	\$3,086,802
Net Position					
Code	Enter All Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
143t	Investments in Capital Assets/Net of Related Debt	\$104,229,352	\$54,475,444	\$0	\$18,160,578
148t	Net Position - Restricted	\$9,053,404	\$0	\$71,777,494	\$206,585
149t	Net Position - Unrestricted	(\$105,991,353)	\$2,563,240	\$0	\$136,304
146t	Total Net Position	\$7,291,403	\$57,038,684	\$71,777,494	\$18,503,467

Revenues and Receipts

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Local Taxes		Report In Whole Numbers							
201t	Property Tax	\$5,897,168	\$8,622,018	\$0	\$0	\$0	\$0	\$0	\$1,607,323
202t	Local Sales Tax	\$6,583,319	\$0	\$0	\$0	\$7,431	\$0	\$0	\$0
203t	Utilities Tax	\$3,148,963	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203a	Electric Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203b	Water Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203c	Communications Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203d	Other Utilities (Explain)	\$3,148,963	\$0	\$0	\$0	\$0	\$0	\$0	\$0
204t	Other Taxes (Explain)	\$3,329,228	\$58,669	\$714,856	\$46,195	\$268,072	\$0	\$0	\$92,388
Intergovernmental Receipts & Grants									
211t	State Income Tax	\$4,686,511	\$0	\$0	\$0	\$0	\$0	\$0	\$0
212t	State Sales Tax	\$5,609,406	\$0	\$0	\$0	\$4,036	\$0	\$0	\$0
213t	State Motor Fuel Tax	\$0	\$1,454,409	\$0	\$0	\$0	\$0	\$0	\$0
214t	State Replacement Tax	\$180,785	\$0	\$0	\$0	\$0	\$0	\$0	\$41,768
205t	State Gaming Tax(es)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215t	Other State Sources (Explain)	\$2,257,988	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215a	General Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215b	Public Welfare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215c	Health and/or Hospitals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215d	Streets and Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215e	Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215f	Housing/Comm. Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215g	Water Supply System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215h	Electric/Gas Power System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215i	Mass Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215j	Other (Explain)	\$2,257,988	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225t	Federal Sources	\$136,405	\$11,392,049	\$0	\$0	\$0	\$0	\$0	\$134,727
225a	General Support	\$136,405	\$11,392,049	\$0	\$0	\$0	\$0	\$0	\$63,580

Revenues and Receipts

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Intergovernmental Receipts & Grants									
225b	Public Welfare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225c	Health and/or Hospitals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225d	Streets and Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225e	Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225f	Housing/Comm. Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225g	Water Supply System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225h	Electric/Gas Power System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225i	Mass Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225j	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,147
226t	Other Intergovernmental Sources (Explain)	\$0	\$0	\$0	\$0	\$36,230	\$0	\$0	\$0
Other Sources									
231t	Licenses and Permits	\$786,023	\$0	\$0	\$0	\$22,921	\$0	\$0	\$0
233t	Fines and Forfeitures	\$636,770	\$0	\$0	\$41,504	\$0	\$0	\$0	\$0
234t	Charges for Services	\$4,009,430	\$0	\$217,155	\$0	\$8,599,390	\$7,112,966	\$0	\$37,138
234a	Water Utilities	\$0	\$0	\$0	\$0	\$5,911,398	\$0	\$0	\$0
234b	Gas Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234c	Electric Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234d	Transit Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234e	Sewer Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234f	Refuse and Disposal Charges	\$0	\$0	\$0	\$0	\$1,871,079	\$0	\$0	\$0
234g	Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234h	Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234i	Highway or Bridge Tolls	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234j	Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234k	Other (Explain)	\$4,009,430	\$0	\$217,155	\$0	\$816,913	\$7,112,966	\$0	\$37,138
235t	Interest	\$345,261	\$401,566	\$490	\$0	\$5,894	\$4,547	\$11,037,382	\$54,187
236t	Miscellaneous (Explain)	\$484,712	\$95,706	\$206,714	\$0	\$38,273	\$77,601	\$7,694,941	\$15,984
240t	Total Receipts and Revenue	\$38,091,969	\$22,024,417	\$1,139,215	\$87,699	\$8,982,247	\$7,195,114	\$18,732,323	\$1,983,515

Disbursements, Expenditures and Expenses

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
251t	General Government	\$4,838,638	\$8,227,387	\$123,830	\$0	\$0	\$0	\$0	\$0
251a	Financial Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
251b	General Administrative Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
251c	Central Administration	\$4,838,638	\$8,227,387	\$123,830	\$0	\$0	\$0	\$0	\$0
251d	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
252t	Public Safety	\$24,802,417	\$43,362	\$0	\$0	\$0	\$0	\$0	\$0
252a	Police	\$13,361,054	\$0	\$0	\$0	\$0	\$0	\$0	\$0
252b	Fire	\$11,441,363	\$0	\$0	\$0	\$0	\$0	\$0	\$0
252c	Regulation - Building Inspection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
252d	Other (Explain)	\$0	\$43,362	\$0	\$0	\$0	\$0	\$0	\$0
253t	Corrections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
254t	Judiciary and Legal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
255t	Transportation and Public Works	\$3,075,302	\$439,474	\$0	\$0	\$1,111,209	\$0	\$0	\$0
255a	Streets and Highways	\$3,075,302	\$439,474	\$0	\$0	\$0	\$0	\$0	\$0
255b	Airports	\$0	\$0	\$0	\$0	\$1,111,209	\$0	\$0	\$0
255c	Parking Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
255d	Parking Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
255e	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256t	Social Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256a	Welfare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256b	Health (Other than hospitals)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256c	Hospital Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256d	Cemeteries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256e	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Disbursements, Expenditures and Expenses

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
257t	Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,713,046
257a	Library	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,713,046
257b	Parks	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
257c	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
258t	Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
275t	Environment	\$0	\$0	\$0	\$0	\$1,869,548	\$0	\$0	\$0
275a	Sewage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
275b	Solid Waste Management	\$0	\$0	\$0	\$0	\$1,869,548	\$0	\$0	\$0
275c	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
259t	Debt	\$0	\$0	\$16,667	\$3,199,698	\$45,419	\$0	\$0	\$226,373
259a	Interest	\$0	\$0	\$0	\$716,793	\$45,419	\$0	\$0	\$226,373
259b	Principal	\$0	\$0	\$16,667	\$2,482,905	\$0	\$0	\$0	\$0
271t	Public Utility Company	\$0	\$0	\$0	\$0	\$4,080,442	\$0	\$0	\$0
271a	Water	\$0	\$0	\$0	\$0	\$4,080,442	\$0	\$0	\$0
271b	Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
271c	Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
271d	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
272t	Depreciation	\$0	\$0	\$0	\$0	\$1,524,925	\$0	\$0	\$0
280t	Capital Outlay	\$72,249	\$5,927,987	\$824,302	\$0	\$0	\$0	\$0	\$0
260t	Other Expenditures/Expenses (Explain)	\$1,202,982	\$5,517,015	\$0	\$0	\$0	\$6,800,159	\$7,601,223	\$0
270t	Total Expenditures/Expense	\$33,991,588	\$20,155,225	\$964,799	\$3,199,698	\$8,631,543	\$6,800,159	\$7,601,223	\$2,939,419

Fund Balances and Other Financing Sources (Uses)

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
301t	Excess of receipts/revenues over (under) expenditures/expenses (240t-270t)	\$4,100,381	\$1,869,192	\$174,416	(\$3,111,999)	\$350,704	\$394,955	\$11,131,100	(\$955,904)
302t	Operating transfers in	\$321,800	\$0	\$111,756	\$2,994,227	\$0	\$0	\$0	\$0
303t	Operating transfers out	(\$1,913,583)	(\$1,192,400)	\$0	\$0	(\$321,800)	\$0	\$0	\$0
304t	Bond proceeds	\$0	\$0	\$0	\$3,925,000	\$0	\$0	\$0	\$0
305t	Other long term debt (Explain)	\$2,089	\$46,604	\$152,472	(\$3,891,000)	\$0	\$0	\$0	\$0
306t	Net increase (decrease) in fund balance (301t + 302t - 303t + 304t + 305t)	\$2,510,687	\$723,396	\$438,644	(\$83,772)	\$28,904	\$394,955	\$11,131,100	(\$955,904)
307t	Previous year fund balance	\$7,402,857	\$7,997,893	\$782,790	(\$6,073)	\$57,009,780	\$1,694,212	\$60,646,394	\$19,283,472
308t	Other (Explain)	\$611,160	(\$322,782)	\$0	\$0	\$0	\$0	\$0	\$175,899
310t	Current Year Ending Fund Balance (306t + 307t + 308t)	\$10,524,704	\$8,398,507	\$1,221,434	(\$89,845)	\$57,038,684	\$2,089,167	\$71,777,494	\$18,503,467

Office of the Comptroller, Susana A. Mendoza
FY 2019 AFR
Multi-Purpose Form

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Statement of Indebtedness (Governmental & Proprietary combined)

Debt Instruments for All Funds	Code	Outstanding Beginning of Year	Code	Issued Current Fiscal Year	Code	Retired Current Fiscal Year	Code	Outstanding End of Year	Original Issue Amount	Final Maturity Date	Interest Rate Ranges-Lowest	Interest Rate Ranges-Highest
Report In Whole Numbers												
General Obligation Bonds	400	\$20,740,000	406	\$3,925,000	412	\$6,645,000	418	\$18,020,000	\$0			
Water	400a	\$825,375	406a	\$0	412a	\$275,500	418a	\$549,875	\$0		0.00%	0.00%
Electric	400b	\$0	406b	\$0	412b	\$0	418b	\$0	\$0		0.00%	0.00%
Transportation	400c	\$0	406c	\$0	412c	\$0	418c	\$0	\$0		0.00%	0.00%
Housing	400d	\$0	406d	\$0	412d	\$0	418d	\$0	\$0		0.00%	0.00%
Other (Explain)	400e	\$19,914,625	406e	\$3,925,000	412e	\$6,369,500	418e	\$17,470,125	\$0		0.00%	0.00%
Revenue Bonds	401	\$0	407	\$0	413	\$0	419	\$0	\$0			
Water	401a	\$0	407a	\$0	413a	\$0	419a	\$0	\$0		0.00%	0.00%
Electric	401b	\$0	407b	\$0	413b	\$0	419b	\$0	\$0		0.00%	0.00%
Transportation	401c	\$0	407c	\$0	413c	\$0	419c	\$0	\$0		0.00%	0.00%
Housing	401d	\$0	407d	\$0	413d	\$0	419d	\$0	\$0		0.00%	0.00%
Other (Explain)	401e	\$0	407e	\$0	413e	\$0	419e	\$0	\$0		0.00%	0.00%
Alternate Revenue Bonds	402	\$0	408	\$0	414	\$0	420	\$0	\$0		0.00%	0.00%
Contractual Commitments	403	\$149,998	409	\$0	415	\$16,667	421	\$133,331	\$0		0.00%	0.00%
Other (Explain)	404	\$135,967,998	410	\$4,453,338	416	\$10,108,989	422	\$130,312,347	\$0		0.00%	0.00%
Total Debt	405	\$156,857,996	411	\$8,378,338	417	\$16,770,656	423	\$148,465,678				

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Office of the Comptroller, Susana A. Mendoza
FY 2019 AFR
Multi-Purpose Form

Debt Limitations and Future Debt

Future Debt Service Requirements for Bonded Debt listed above			
Year Ending	Principal	Interest	Total
2020	\$2,825,000	\$469,484	\$3,294,484
2021	\$2,950,000	\$384,017	\$3,334,017
2022	\$1,535,000	\$272,181	\$1,807,181
2023	\$1,595,000	\$210,809	\$1,805,809
2024	\$1,650,000	\$166,731	\$1,816,731
2025-2029	\$6,960,000	\$371,206	\$7,331,206
2030-2034	\$505,000	\$6,313	\$511,313
2035-2039	\$0	\$0	\$0
TOTAL	\$ 18,020,000	\$ 1,880,741	\$ 19,900,741

Please provide a summary of the authorized debt limitations, including any statutory references.

The City is a home rule municipality.

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

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

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

Pension Funds / Retirement Benefits

Code	Enter All Amounts in Whole Numbers	IMRF			Police Pension			Fire Pension		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
500	Actuarial Valuation Date (VD)	12/31/2017	12/31/2018	12/31/2019	12/31/2017	12/31/2018	12/31/2019	12/31/2017	12/31/2018	12/31/2019
500a	Reporting Date (RD)	12/31/2017	12/31/2018	12/31/2019	12/31/2017	12/31/2018	12/31/2019	12/31/2017	12/31/2018	12/31/2019
500b	Measurement Date (MD)	12/31/2017	12/31/2018	12/31/2019	12/31/2017	12/31/2018	12/31/2019	12/31/2017	12/31/2018	12/31/2019
501	Total Pension Liability (TPL)	\$56,193,936	\$60,163,155	\$61,610,893	\$70,815,865	\$76,320,800	\$79,927,589	\$71,824,358	\$77,847,061	\$82,056,149
502	Plan Fiduciary Net Position (FNP)	\$52,843,534	\$49,496,901	\$56,864,567	\$35,206,228	\$33,378,723	\$40,099,145	\$29,305,878	\$27,267,671	\$31,678,349
503	Net Pension Liability (NPL)	\$3,350,402	\$10,666,254	\$4,746,326	\$35,609,637	\$42,942,077	\$39,828,444	\$42,518,480	\$50,579,390	\$50,377,800
504	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.03%	82.27%	92.29%	49.71%	43.73%	50.16%	40.80%	35.02%	38.60%
505	Net Pension Obligation/ Net OPEB Obligation	\$3,350,402	\$10,666,254	\$4,746,326	\$35,609,637	\$42,942,077	\$39,828,444	\$42,518,480	\$50,579,390	\$50,377,800

Enter All Amounts in Whole Numbers

Code		SLEP			Other Pension			OPEB (Net)		
		Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	2017	2018	2019
500	Actuarial Valuation Date (VD)							12/31/2017	12/31/2018	12/31/2019
500a	Reporting Date (RD)							12/31/2017	12/31/2018	12/31/2019
500b	Measurement Date (MD)							12/31/2017	12/31/2018	12/31/2019
501	Total Pension Liability (TPL)	\$0	\$0	\$0	\$0	\$0	\$0	\$26488728	\$26,606,290	\$29,168,203
502	Plan Fiduciary Net Position (FNP)	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1
503	Net Pension Liability (NPL)	\$0	\$0	\$0	\$0	\$0	\$0	\$26,488,727	\$26,606,289	\$29,168,202
504	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
505	Net Pension Obligation / Net OPEB Obligation	\$0	\$0	\$0	\$0	\$0	\$0	\$7,587,321	\$26,606,290	\$29,168,203

Capital Outlay*

Code	Function	These are not funds	
		Construction	Land, Structures, and Equipment
601t	General Government	\$0	\$0
602t	Law Enforcement	\$0	\$30,274
603t	Corrections	\$0	\$0
604t	Fire	\$0	\$0
605t	Sewerage	\$0	\$0
606t	Sanitation and Wastewater	\$0	\$0
607t	Parks and Recreation	\$0	\$0
608t	Housing and Community Development	\$0	\$294,144
609t	Highways, Roads and Bridges	\$388,650	\$0
610t	Parking Facilities	\$0	\$0
611t	Welfare	\$0	\$0
612t	Hospital	\$0	\$0
613t	Water	\$68,475	\$830,650
614t	Nursing Homes	\$0	\$0
615t	Conservation and Natural Resources	\$0	\$0
616t	Libraries	\$0	\$0
617t	Other	\$38,138	\$0

*This page should only be filled out if you have spent funds for capital projects or development.

*The Capital Outlay page is requested by the U.S. Census Bureau and is considered optional by the State Comptroller.

*If you complete this page you WILL NOT have to complete the Survey of Government Finances from the U.S. Census Bureau.

*If you do NOT complete this page the U.S. Census Bureau will contact you for further information.

Type	Explanation
112t	Prepaid expenses
117t	Land and construction in progress
203d	Municipal utility tax and telecommunications tax
204t	Franchise fees, restaurant tax, TIF surplus, hotel/motel tax, local fuel tax, foreign fire insurance tax, and other miscellaneous taxes.
215j	TIF property tax surplus, TIF sales tax surplus, state grants, and local use tax.
225j	Donations
226t	Contributions
234k	Various charges for services (fire, ambulance, police, zoning, administrative fees, fuel sales, rental crime free registration, development inspection fees, hotel inspection fees, finger print fee), rental income, airport fuel sales, airport rentals and taxes, contributions to internal service funds, and Library fees for services.
236t	Refunds and reimbursements, contributions to police and fire pension funds, and gains on sale of assets.
252d	Foreign fire insurance tax
260t	Community development administration, building and code enforcement, internal service fund administration and claims, pension fund administrative expenses, benefits, and refunds.
305t	Proceeds on the sale of capital assets and payment to escrow agent.
308t	Prior period adjustment
400e	Airport, Series 2010A, 2010C, 2012A, 2013B, 2014, 2019, General
404t	Compensated absences, NOPEBO, NPL (IMRF, PPEN, FPEN, IEPA Loans, and ARO.
406e	Airport, Series 2010A, 2010C, 2012A, 2013B, 2014, 2019, General
410t	Compensated absences, OPEB Liability, NPL (IMRF, PPEN, FPEN) IEPA loans, and Asset Retirement Obligation.
412e	Airport, series 2010A, 2010B, 2010C, 2012A, 2013B, 2014, and general
416t	Compensated absences, OPEB Liability, NPL (IMRF, PPEN, FPEN) IEPA loans, and Asset Retirement Obligation.
422t	Compensated absences, OPEB Liability, NPL (IMRF, PPEN, FPEN) IEPA loans, and Asset Retirement Obligation.

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Office of the Comptroller, Susana A. Mendoza
FY 2019 AFR
Multi-Purpose Form

CPA Information

According to the Governmental Account Audit Act [50 ILCS 310], an Annual Audit submitted to the IL Office of the Comptroller shall be performed by a licensed public accountant, with a valid certificate as a public accountant under the Illinois Public Accounting Act [225 ILCS 450]. Please access the website of the Illinois General Assembly (www.ilga.gov/legislation/ilcs/ilcs.asp) to view these Acts. **If your government is required to submit an Annual Audit, please complete the following:**

Is the Licensed Certified Public Accountant performing your audit working as an individual licensed in Illinois, or are they working in association with a Public Accounting Firm or a Professional Service Corporation licensed in Illinois, or are they licensed in another state? Please use a checkmark to select one choice:

☐

Individual Licensed Certified Public Accountant

☒

Public Accounting Firm (IL License)

☐

Professional Service Corporation (IL License)

☐

Out-of-State (Individual / Public Accounting Firm / Professional Service Corporation)

Is the Licensed Certified Public Accountant performing your audit working as an individual licensed in Illinois, or are they working in association with a Public Accounting Firm or a Professional Service Corporation licensed in Illinois, or are they licensed in another state? Please use a checkmark to select one choice:

Enter the active 9-digit License#: 066003284

License Status: ACTIVE

Business Name: SIKICH LLP

Address: 1415 W Diehl Rd Ste 400

Address 2: _____

City: Naperville

State: IL

ZIP: 60563-2349

Phone: _____

Ext. _____

Fax: _____

E-Mail: _____

Last Name: LeFevre

First Name: Brian

Title: Partner

Phone: 6305668400

Ext. _____

E-Mail: brian.lefevre@sikich.com

Non-Critical

More than 2 Component Units?



Comprehensive
Annual Financial Report
Year Ended
December 31, 2019

City of DeKalb, Illinois

CITY OF DEKALB, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2019

Prepared by the City of DeKalb Finance Department

CITY OF DEKALB, ILLINOIS
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INTRODUCTORY SECTION

List of Principal Officials – December 31, 2019

Legislative

Jerry Smith, Mayor

Carolyn Morris, Alderman - Ward One

Bill Finucane, Alderman - Ward Two

Tracy Smith, Alderman - Ward Three

Greg Perkins, Alderman - Ward Four

Scott McAdams, Alderman - Ward Five

Mike Verbic, Alderman - Ward Six

Anthony Faivre, Alderman - Ward Seven

Lynn Fazekas, City Clerk

Administrative

Bill Nicklas, City Manager

Raymond Munch, Assistant City Manager

John Petragallo, Interim Police Chief

Jeff McMaster, Fire Chief

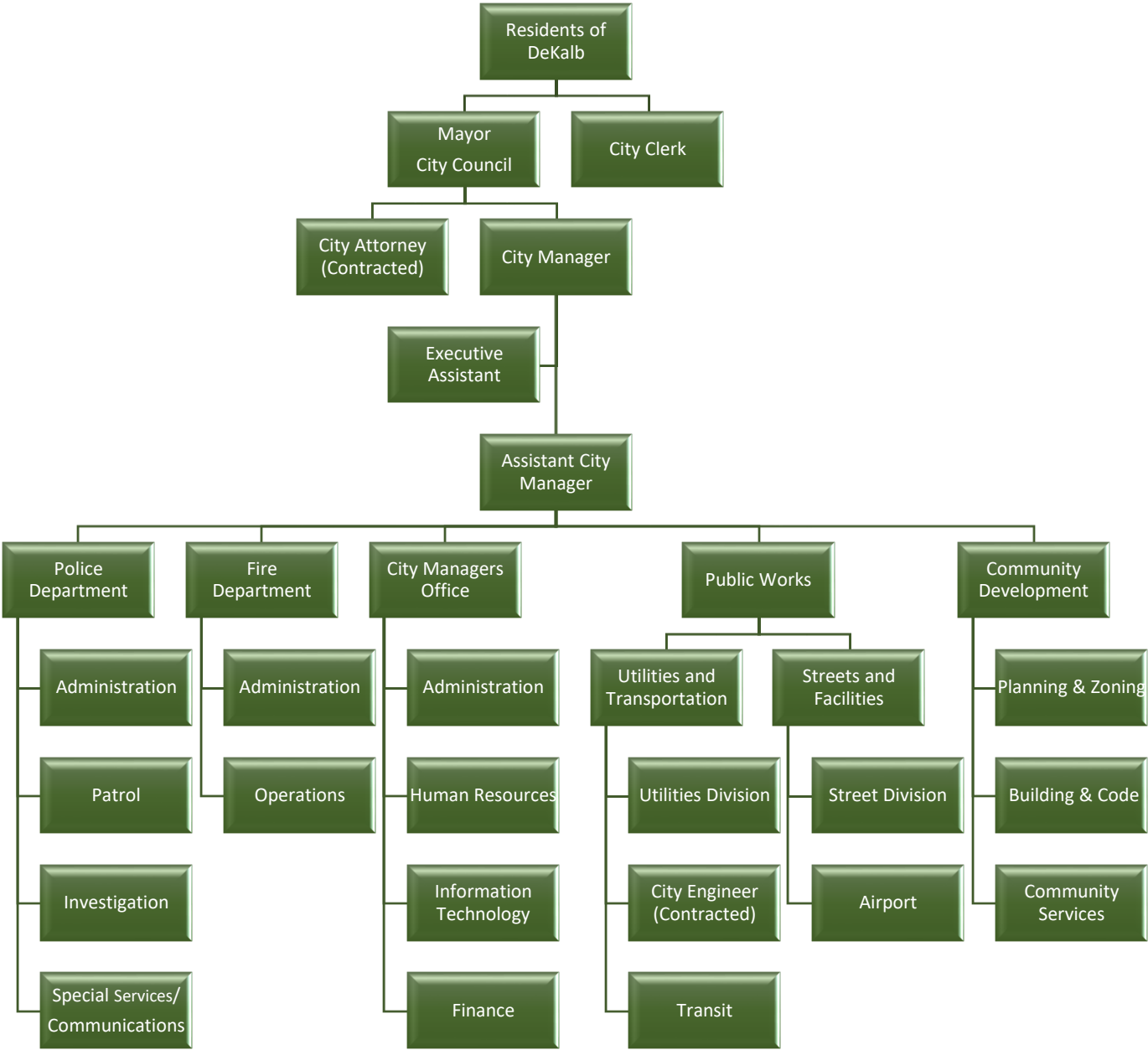
Bryan Faivre, Director of Utilities & Transportation

Andy Raih, Director of Streets and Facilities

Dan Olson, Principal Planner

Dawn Harper, Chief Building Official

Organizational Chart





Government Finance Officers Association

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

Presented to

**City of DeKalb
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

June 15, 2020

Residents of the City of DeKalb
Mayor Jerry Smith
Members of the DeKalb City Council

The Comprehensive Annual Financial Report of the City of DeKalb for the fiscal year ended December 31, 2019, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City of DeKalb to issue annually a report of its financial position and activity, and that this report is audited by an independent firm of certified public accountants.

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

Sikich, LLP, has issued an unmodified ("clean") opinion on the City of DeKalb's financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the City of DeKalb

The City of DeKalb was incorporated in 1856 and is located in the center of DeKalb County, Illinois. Located 60 miles west of Chicago, the City of DeKalb's current land area is 15.55 square miles with approximately 130 miles of streets. Despite its proximity to the Chicago region, the City remains apart, maintaining its own unique character as a university community with both urban and rural roots. Many of its older neighborhoods have brick paved streets and well-kept historic homes while the edge of the City bustles with newer residential, commercial and industrial development. The City of DeKalb has a 2018 estimated population of 42,611 according to the U.S. Census Bureau. The City is a home rule community because its population exceeds 25,000. Home rule communities in the State of Illinois have greater control of their finances because of additional revenue-generating abilities afforded to them. As a home-rule unit of government under the 1970

Illinois Constitution, the City has no tax rate limit or debt limit, nor is it required to seek referendum approval to raise its tax rate or to issue debt.

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

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

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

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

Local Economy

The local economy is largely impacted by regional, state and national economic conditions. The City's three largest sources of revenue have started to show signs of economic vitality in recent years. These three largest sources of revenue are property taxes, sales taxes (both municipal and home rule), and income tax. The City's equalized assessed value (EAV) has shown an increase over the last several years. The City's total rate setting EAV increased by 6.9% in 2019 compared to a 5.1% increase from the previous year. Five consecutive years of EAV growth indicate relative strength in the local economy.

The City's income tax revenue continues to trend upward with an increase of 10.0%, or \$469,931, from FY18. This per-capita revenue source is based more on the state economy and unemployment rate rather than the local economy. The State of Illinois' unemployment rate had dropped to 3.7% in December of 2019. The low unemployment rate combined with wage growth has resulted in the increasing returns for state income tax revenue.



State and home rule sales tax revenues also continue to show signs of improvement. In FY19, these two revenues totaled \$12,192,725, which is an increase of 1.9% from FY18. During the previous reporting period, these revenue lines had increased by less than 1%. Local use tax, which is a per-capita shared revenue, continues to see gains as a result of the increase in e-commerce. In FY19, local use tax increased by \$192,242, or 14.9% from FY18.

Overall, General Fund revenues exceeded budgeted parameters by \$925,179. Even more significant than the stronger than expected revenues was the reduction in expenditures in 2019. Actual General Fund expenditures and transfers for 2019 were \$35,581,282, which is \$736,490 below budget. As a result, the General Fund fund balance ended at \$10,524,704 or 29.6% of annual expenditures, including transfers. This is \$3,121,847 higher than the actual FY18 fiscal-year end balance of \$7,402,857 (20% of actual expenditures).

Long-term Financial Planning

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

1. The City implemented a 10-year strategic plan in 2015 to ensure that its long-term goals are reviewed, updated and implemented to continue to address the City's mission to "Deliver high-quality municipal services to those who live, work, learn in, or visit our community." All elected officials, appointed board and commission chairpersons, executive team members, and many DeKalb residents participated in the planning sessions that helped to create this final 2025 Strategic Plan Document.
2. The City has established several key written financial policies including a Budget policy, a Reserve & Fund Balance Policy, a Revenue & Expenditure policy, an Accounting, Auditing & Financial Reporting policy, a Debt Management policy and an Investment policy. The General Fund unassigned fund balance policy calls for a minimum balance equal to 25% of the total General Fund annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls and possible delays and changes in state distribution of shared revenues.
3. The City's Purchasing Manual, adopted in 2015, establishes guidelines for City staff in procuring goods and services in a manner that is consistent with the highest standards of public service in obtaining quality goods and services at the lowest possible price.
4. The City adopted a 10-year capital improvement plan for the Water Fund and structured the necessary fees in order to maintain the Utility Division's capital equipment and infrastructure and maintain or enhance the current levels of service.
5. The City adopted a five-year Capital Improvement Plan during the FY17 budget process for general capital infrastructure of streets, fleet, and equipment. Funding sources necessary to implement this plan are reviewed as part of the annual budget process.
6. The City attempts to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. All fees and charges were reviewed, and several



recommendations were implemented in FY16.5 and FY17. These were increases to the ambulance transport fees, an increase in the video gaming licensing fees, and an increase to the fuel surcharge. The City will continue to review revenues during the budget season each year.

Relevant Financial Policies

The following Council-approved financial management policies went into effect on January 9, 2017: 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. Additionally, during the FY17 budget process a Capital Equipment Replacement Funding Policy was adopted as a component of the City's five-year Capital Improvement Plan.

Excluding amounts restricted, committed, or assigned for various purposes, the unassigned fund balance in the General Fund was \$10,524,704 or 29.6% of actual expenditures, including transfers, for FY19. This represents an increase of \$3,121,847 (42.2%) over the FY18 year-end balance of \$7,402,857.

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

Major Initiatives

During FY19, the City was able to initiate and/or complete a variety of projects, programs, and activities designed to meet identified community needs. These included:

- The City Manager initiated a management restructuring plan, which reduced the overall number of management employees to significantly reduce expenditures.
- Renewed focus on large scale industrial development, particularly south of I-88, which led Ferrara Candy Company, an international food manufacturer and distributor, as well as "Project Ventus," an international high-tech firm, to plant roots in DeKalb.
- Implementation of an aggressive sale of underutilized vacant lots and other real property owned by the City resulted in additional revenue.
- Final conversion from an outdated financial software system to a true Enterprise Resource Planning (ERP) system created efficiencies across the City.
- Continued to fund the Police and Fire Pension Funds at the higher funding methodology to help sustain the City's bond rating with Moody's.
- Achieved the Government Finance Officers Association Award for "Excellence in Financial Reporting" for the 26th consecutive year.
- Implemented a new debt collection process and continued our partnership with the State of Illinois Comptroller's Office to collect outstanding debts owed to the City through the Illinois Debt Recovery Program.
- Redesigned the City's existing website.



- Achieved police department accreditation through the Illinois Law Enforcement Accreditation Program.
- Established a Police Community Relations Team to focus on efforts to enhance the relationship between police and community members.
- Implemented additional training in the areas of cultural diversity, de-escalation and procedural justice in the police department.
- Reviewed Fire Department operational response guidelines.
- Enhanced Fire Department special response teams, such as Hazardous Materials and Technical Rescue, through additional training and replacement of aging equipment.
- Replaced approximately 4,000 feet of water main.
- Implemented a parkway tree maintenance program to trim city trees on a recurring cycle.
- Enhanced the appearance of the central business district through the replacement of lightpole banners and other small projects.
- Expanded transit services to include a daily shuttle to the Elburn Train Station and service to the Park 88 industrial park.
- Approved several TIF redevelopment projects including Agora Tower, a large mixed-use development, the Egyptian Theatre addition, and renovation of Lovell's Discount Tire and Hometown Sports Bar.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of DeKalb for its Comprehensive Annual Financial Report for the year ended December 31, 2018. This was the 26th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Bill Nicklas
City Manager



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois (the City), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The City adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2020 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 15, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DEKALB, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

As the management of the City of DeKalb (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal included earlier in this report.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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 18 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 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

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

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

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. Data from the two fiduciary funds are combined into a single, aggregated 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 19 and 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 83 of this report.

Financial Analysis of the City as a Whole

Beyond presenting current year financial information in the government-wide and major individual fund formats, the City also presents comparative information from the prior year in Management’s Discussion and Analysis. By doing so, the City is providing the best means of analyzing its financial condition and position as of December 31, 2019.

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
For the Fiscal Periods Ended December 31, 2018 and December 31, 2019

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>FY19</i>	<i>FY18</i>	<i>FY19</i>	<i>FY18</i>	<i>FY19</i>	<i>FY18</i>
Current and Other Assets \$	47,629,617	47,861,043	7,724,741	7,303,075	55,354,358	55,164,118
Capital Assets	119,487,920	123,304,372	56,760,538	57,348,199	176,248,458	180,652,571
Total Assets	167,117,537	171,165,415	64,485,279	64,651,274	231,602,816	235,816,689
Deferred Outflows	13,939,654	21,956,052	688,823	1,138,005	14,628,477	23,094,057
Total Assets and Deferred Outflows	181,057,191	193,121,467	65,174,102	65,789,279	246,231,293	258,910,746
Long-Term Liabilities	143,592,625	151,273,289	5,443,048	6,422,063	149,035,673	157,695,352
Other Liabilities	11,710,863	14,626,558	2,015,877	2,140,053	13,726,740	16,766,611
Total Liabilities	155,303,488	165,899,847	7,458,925	8,562,116	162,762,413	174,461,963
Deferred Inflows	18,462,300	17,699,693	676,493	217,383	19,138,793	17,917,076
Total Liabilities and Deferred Inflows	173,765,788	183,599,540	8,135,418	8,779,499	181,901,206	192,379,039
Net Position:					-	-
Net Investment in						
Capital Assets	104,229,352	106,591,976	54,475,444	54,929,044	158,704,796	161,521,020
Restricted	9,053,404	8,135,923	-	-	9,053,404	8,135,923
Unrestricted	(105,991,353)	(105,205,972)	2,563,240	2,080,736	(103,428,113)	(103,125,236)
Total Net Position	7,291,403	9,521,927	57,038,684	57,009,780	64,330,087	66,531,707

The City's combined net position decreased from \$66,531,707 to \$64,330,087 for the fiscal year ending December 31, 2019.

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

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

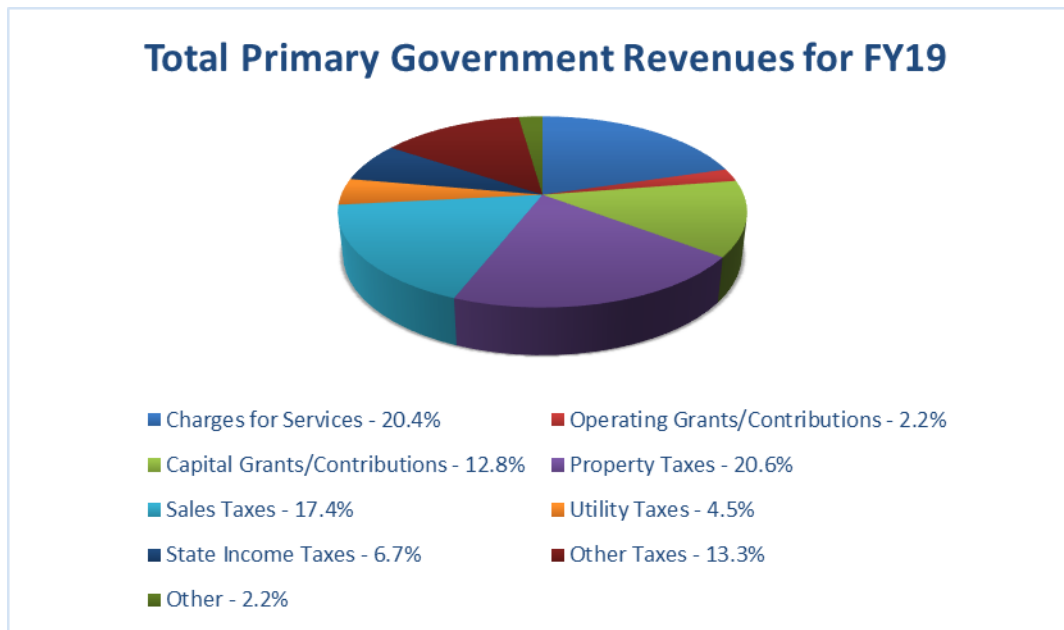
Activities

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

Table 2
Changes in Net Position
For the Fiscal Periods Ended December 31, 2018 and December 31, 2019

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY19	FY18	FY19	FY18	FY19	FY18
Revenues						
Program Revenues:						
Charges for Services	\$ 5,690,881	4,264,603	8,622,311	8,582,925	14,313,192	12,847,528
Operating Grants/Contributions	1,537,111	1,308,752	-	-	1,537,111	1,308,752
Capital Grants/Contributions	8,945,753	3,960,020	36,230	478,930	8,981,983	4,438,950
General Revenues						
Property Taxes	14,519,186	14,454,907	-	-	14,519,186	14,454,907
Sales Taxes	12,192,725	11,966,582	11,467	12,864	12,204,192	11,979,446
Utility Taxes	3,148,963	3,252,309	-	-	3,148,963	3,252,309
State Income Taxes	4,686,511	4,216,580	-	-	4,686,511	4,216,580
Other Taxes	9,087,721	5,966,613	268,072	284,299	9,355,793	6,250,912
Other	1,534,449	1,327,743	44,167	62,165	1,578,616	1,389,908
Total Revenues	61,343,300	50,718,109	8,982,247	9,421,183	70,325,547	60,139,292
Expenses						
General Government	13,266,076	8,430,414	-	-	13,266,076	8,430,414
Public Safety	30,633,036	30,080,212	-	-	30,633,036	30,080,212
Highways and Streets	8,642,569	8,903,634	-	-	8,642,569	8,903,634
Community Development	11,074,609	13,587,704	-	-	11,074,609	13,587,704
Interest on Long-Term Debt	567,712	695,210	-	-	567,712	695,210
Water	-	-	5,262,804	5,246,979	5,262,804	5,246,979
Airport	-	-	1,499,191	1,481,000	1,499,191	1,481,000
Refuse	-	-	1,869,548	2,086,409	1,869,548	2,086,409
Total Expenses	64,184,002	61,697,174	8,631,543	8,814,388	72,815,545	70,511,562
<i>Change in Net Position Before Transfers</i>	(2,840,702)	(10,979,065)	350,704	606,795	(2,489,998)	(10,372,270)
<i>Transfers</i>	321,800	(299,600)	(321,800)	299,600	-	-
Change in Net Position	(2,518,902)	(11,278,665)	28,904	906,395	(2,489,998)	(10,372,270)
Net Position, January 1	9,521,927	40,737,113	57,009,780	56,615,208	66,531,707	97,352,321
Restatement	288,378	(19,936,521)	-	(511,823)	288,378	(20,448,344)
Net Position, December 31	7,291,403	9,521,927	57,038,684	57,009,780	64,330,087	66,531,707

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



For the fiscal year ended December 31, 2019, revenues totaled \$70,325,547. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$14,519,186 or 20.6% of total revenues, which includes levied property tax revenues and incremental property tax revenues related to the City’s tax increment financing (TIF) districts. Property taxes, excluding TIF incremental revenues, are dedicated entirely to supporting the City’s contribution to the Fire and Police Pension Funds. Property tax revenues increased over last fiscal year as the City continued to fund the Fire and Police Pension Funds based on the actuarial valuation, which continues to increase year over year. Property tax revenues collected in FY19 were based on the 2018 equalized assessed valuation (EAV) and property tax rate. The City’s 2019 EAV increased to \$585,726,839 due to new commercial development and general reassessments. The EAV approximates 33 1/3% of the total market value of real estate within the corporate limits of the City. The property tax rate for 2017 was \$1.2268 per \$100 of EAV.

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

For FY19, general sales tax revenues were \$5,609,406 compared to \$5,425,742 for FY18, while home rule sales tax revenues were \$6,583,319 compared to \$6,540,840 for FY18. Overall, sales tax revenues have been stable to marginally improving over the last five years.

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

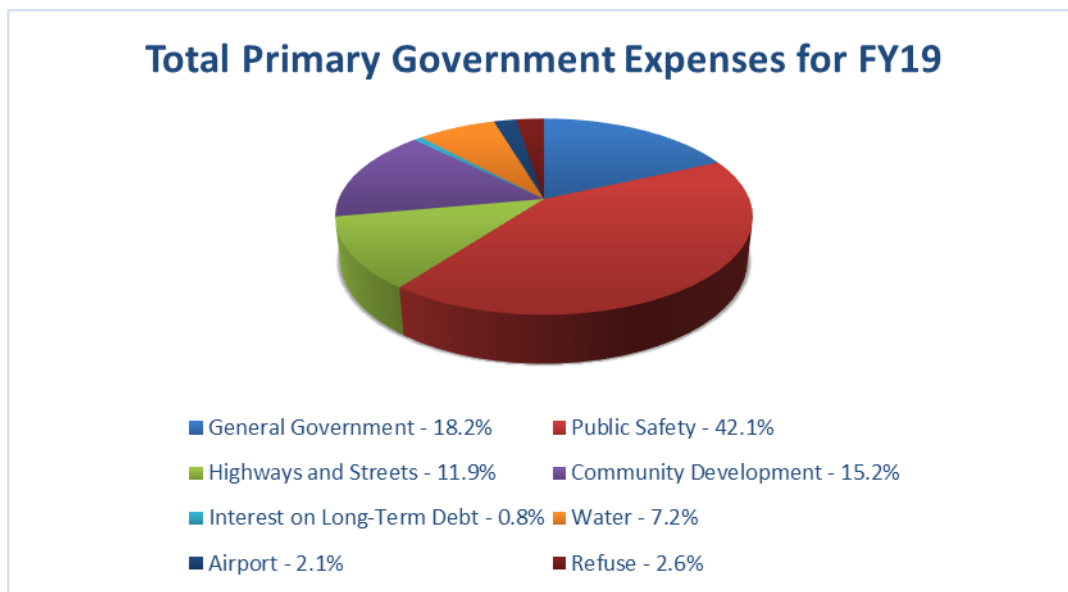
Income taxes are shared with municipalities by the State on a per-capita basis. The City’s income tax revenue was \$4,686,511 in FY19 compared to \$4,216,580 in FY18. This per-capita revenue source is based more on the state’s economy and unemployment rate rather than the local economy. The State of Illinois’ unemployment rate averaged 3.9% over 12 months in 2019.

Restaurant, Bar, & Packaged Liquor taxes are collected by the City. The City’s current tax rate for this category of sales is 2%. A total of \$1,967,612 was collected in FY19 compared to \$1,944,235 that was collected in FY18. This revenue source has been stable over the past several years and typically trends in line with other sales tax revenues.

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 FY19, \$1, 485,645 was collected compared to the \$1,293,403 collected in FY18. This revenue source continues to increase due to the State’s increased collection efforts along with the increase in taxable internet sales that contribute to use tax revenue.

The major revenue component of the “charges for services” classification is fees from the City’s water utility. Water-related revenue was \$5,934,319 in FY19 compared to \$5,694,671 in FY18. In the case of the Water Fund, the economy is still having an impact on water revenue. Water sales revenue has experienced some minor declines in recent years based on population trends and the general trend towards using water-saving fixtures.

Capital grants and contributions revenue were \$8,981,983 in FY19 compared to \$4,438,950 in FY18. The City’s Mass Transit Fund incorporates the majority of the FY19 capital grant revenue. Most of that grant revenue is paid to a third party to provide transit services for the City. Airport-related capital grants and contributions totaled \$36,230 in FY19.



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

The City’s expenses totaled \$72,815,545 in FY19 compared to \$70,511,562 in FY18. General government expenses were 18.2% of the total or \$13,266,076.

Public safety expenses related to the operations of both the Police Department and Fire Department accounted for the largest share of expenses at \$30,633,036 or 42.1% of the total. This represents an 1.8% increase from the FY18 total of \$30,080,212.

Highways and Streets related expenses were \$8,642,569 or 11.9% of the total. This represents an 2.9% decrease from the FY18 total of \$8,903,634.

Community Development related expenses accounted for 15.2% of the total or \$11,074,609. This represents an 18.5% decrease from the FY18 total of \$13,587,704.

Water-related expenses were \$5,262,804 or 7.2% of the total for FY19. This represents a 0.3% decrease from the FY18 total of \$5,246,979.

Airport-related expenses were \$1,499,191 or 2.1% of the total. This represents a 1.2% increase from the FY18 total of \$1,481,000.

The Refuse Fund (\$1,869,548 or 2.6% of total expenses) and interest on long-term debt (\$567,712 or 0.8% of total expenses) account for the balance of the FY19 expenses.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

On December 31, 2019, the governmental funds had a combined fund balance of \$20,054,800. This reflects an increase of \$3,877,333 or 23.9% increase from the prior fiscal year. The General Fund balance reflects \$10,524,704 of the combined fund balance, which is an increase of \$3,121,847 or 42.2% from FY18. Originally, the General Fund was budgeted to have fund balance of \$8,131,951 at the end of FY19. This difference between the budgeted and actual General Fund balance can be attributed to a significant reduction in General Fund expenditures. The Motor Fuel Tax Fund balance increased by \$203,031 or 7.3%. The Mass Transit Fund balance increased by \$2,383,179 or 98.6% due to the implementation of a local intergovernmental agreement specific to transit services. The combined TIF District Funds (#1 and #2) fund balances decreased by \$1,697,651 or 33.8%. The funding of several TIF projects and the closing of TIF Fund #2 accounted for the decrease in fund balance in FY19. Finally, the fund balances of non-major governmental funds decreased by \$133,073. Those funds typically include 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 December 31, 2019

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>
Revenues			
Taxes	\$ 19,499,545	19,499,545	18,958,678
Licenses & Permits	770,893	770,893	786,023
Intergovernmental	12,326,286	12,326,286	12,871,095
Charges for Services	3,111,720	3,111,720	4,009,430
Fines & Forfeitures	844,292	844,292	636,770
Miscellaneous	614,054	614,054	829,973
Total Revenues	37,166,790	37,166,790	38,091,969
Expenditures and Transfers			
General Government	(5,100,586)	(5,100,586)	(4,851,148)
Public Safety	(24,898,375)	(24,898,375)	(24,851,670)
Highways and Streets	(3,281,347)	(3,281,347)	(3,085,788)
Community Development	(1,482,455)	(1,482,455)	(1,202,982)
Disposal of Capital Assets	-	-	2,089
Transfers In	321,800	321,800	321,800
Transfers Out	(1,821,827)	(1,876,827)	(1,913,583)
Total Expenditures and Transfers	(36,262,790)	(36,317,790)	(35,581,282)
Change in Fund Balance	904,000	849,000	2,510,687

The City had originally budgeted for a \$904,000 increase to the General Fund unassigned balance. The City conducts periodic budget reviews throughout the fiscal year to identify revenue and expenditure line items that require amendments and, accordingly, the City Council approves amendments to the budget as needed throughout the year. Those amendments accounted for any unanticipated changes in revenues or expenditures that occurred since the initial budget was adopted. These budget amendments decreased the projected General Fund unassigned balance by \$54,982. However, actual results for FY19 indicated a significant increase in fund balance of \$2,510,687. This increase can be attributed to a number of factors, including a reduction in personnel related expenditures that resulted from management restructuring.

With respect to the business-type activities, the Water Fund had a increase in net position of \$366,913. The Airport Fund showed a decrease in net position at the end of FY19 of \$340,022. The City has established a fund balance policy for these funds to ensure reserves are available for operations first before committing any funds to capital projects.

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

Capital Assets

The following schedule reflects the City’s capital asset balances as of December 31, 2019 and December 31, 2018.

Table 4
Capital Assets
As of December 31, 2018 and December 31, 2019

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>FY19</i>	<i>FY18</i>	<i>FY19</i>	<i>FY18</i>	<i>FY19</i>	<i>FY18</i>
Land	\$ 10,290,919	10,616,279	19,386,047	19,386,047	29,676,966	30,002,326
Land Right of Way	25,742,257	25,742,257	1,552,663	1,552,663	27,294,920	27,294,920
Construction in Progress	381,807	712,100	-	951,645	381,807	1,663,745
Buildings and Improvements	21,056,756	20,814,645	4,804,864	4,804,864	25,861,620	25,619,509
Equipment	3,289,785	3,024,702	888,468	658,640	4,178,253	3,683,342
Vehicles	9,706,979	9,420,595	1,026,814	969,314	10,733,793	10,389,909
Infrastructure	153,479,168	153,267,418	13,782,004	12,953,573	167,261,172	166,220,991
Water Distribution System	-	-	45,717,973	44,944,823	45,717,973	44,944,823
Less:						
Accumulated Depreciateion	(104,459,751)	(100,293,624)	(30,398,295)	(28,873,370)	(134,858,046)	(129,166,994)
Total	119,487,920	123,304,372	56,760,538	57,348,199	176,248,458	180,652,571

At year-end, the City’s investment in capital assets for both its governmental and business-type activities was \$176,248,458 (net of accumulated depreciation). This represents a decrease of \$4,404,113 or 2.4% from FY18. This decrease is the result of the capitalization of new capital assets acquired or constructed during FY19 offset by the current year’s depreciation expense for all depreciable capital assets. The decrease can be attributed to several land sales and depreciation of current assets.

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

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

Long-Term Debt

As of December 31, 2019, the City had a total of \$149,035,673 in long-term debt and obligations outstanding. The table below summarizes the City's bonded and similar indebtedness.

Table 5
Bonded and Similar Indebtedness
As of December 31, 2019

	Governmental Activities		Business-type Activities		Total	
	FY19	FY18	FY19	FY18	FY19	FY18
General Obligation Bonds	\$ 17,335,000	19,710,000	685,000	1,030,000	18,020,000	20,740,000
Premium on Bonds	132,275	182,949	-	-	132,275	182,949
Discount on Bonds	-	(20,551)	-	-	-	(20,551)
Capital Leases	133,331	149,998	-	-	133,331	149,998
IEPA Loan	-	-	1,600,094	1,389,155	1,600,094	1,389,155
Compensated Absences	4,519,814	4,760,604	453,603	468,185	4,973,417	5,228,789
Net Pension Liability	93,300,848	100,475,865	1,107,318	2,488,437	94,408,166	102,964,302
Net OPEB Obligation	27,601,362	25,177,068	1,147,033	1,046,286	28,748,395	26,223,354
Claims Payable	569,995	837,356	-	-	569,995	837,356
Asset Retirement	-	-	450,000	-	450,000	-
Total	143,592,625	151,273,289	5,443,048	6,422,063	149,035,673	157,695,352

Regarding governmental activities, \$17,335,000 is outstanding from General Obligation Bonds and \$133,331 is outstanding for capital leases. Additionally, as of December 31, 2019, \$4,519,814 is outstanding for compensated absences payable, \$25,601,362 is outstanding for net other post-employment benefit (OPEB) obligations, \$93,300,848 is outstanding for net pension liabilities, \$569,995 is outstanding for claims payable, and \$132,275 in unamortized premium on bonds was outstanding. The increase of \$7,680,664 in long term debt is attributable mostly to an increase in net OPEB liability.

Business-type activity debt includes \$685,000 outstanding from the General Obligation Refunding Bonds issued to advance refund the 2004 General Obligation Refunding Bonds issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. Another \$1,600,094 is outstanding IEPA loans. Outstanding business-type activity debt in the form of compensated absences payable as of December 31, 2019 totaled \$453,603, \$1,107,318 is outstanding for net pension liabilities, and \$1,147,033 is outstanding for net OPEB obligations. The \$979,015 overall decrease is attributable to a reduction in net pension liabilities.

The City's credit rating of A1 remained unchanged in 2019.

See Note 5 to the financial statements beginning on page 36 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 2019, the equalized assessed valuation (EAV) for residential properties was \$336,652,943 or 57.5% of the total EAV. Commercial EAV was \$182,469,081 or 31.2% of the total EAV. Farm, industrial and other EAV was \$66,604,815 or 11.4% 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 revenue tied to sales/use taxes and state income tax. In FY19, modest increases were seen across most tax revenue categories with notably increases in local use tax and state income tax. Other general revenues experiencing notably increases in FY19 included ambulance services, personal property replacement tax, and building permits.

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

The 2010 census found that the City’s population was 43,862 which is an increase of 12.4% over the 2000 census population of 39,018. The City’s population estimate for 2019 is 42,847 according to the U.S. Census Bureau. Due to the increase in population over the years, the City has experienced increased per-capita revenue from the State of Illinois for income taxes, motor fuel taxes, and use taxes. The City’s population will be reassessed during the 2020 census, which may impact shared revenues from the State.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Bill Nicklas, City Manager, City of DeKalb, 164 E. Lincoln Highway, DeKalb, Illinois 60115.

BASIC FINANCIAL STATEMENTS

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
ASSETS				
Cash and Investments	\$ 26,090,134	\$ 5,786,361	\$ 31,876,495	\$ 1,635,589
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	13,400,743	-	13,400,743	2,760,765
Accounts Receivable	1,571,073	1,856,156	3,427,229	92,553
Accrued Interest	886	-	886	-
Other	2,033,555	22,505	2,056,060	-
Prepaid Items	7,499	136	7,635	-
Inventory	28,814	37,903	66,717	-
Due from Other Governments	4,496,913	35,230	4,532,143	-
Capital Assets				
Not Depreciated	36,414,983	20,938,710	57,353,693	1,558,032
Depreciated (Net of Accumulated Depreciation)	83,072,937	35,821,828	118,894,765	22,616,431
Total Assets	167,117,537	64,498,829	231,616,366	28,663,370
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	476,618	170,545	647,163	83,847
Pension Items - Police Pension	4,963,769	-	4,963,769	-
Pension Items - Firefighters' Pension	6,501,550	-	6,501,550	-
Pension Items - OPEB	1,905,679	79,195	1,984,874	28,985
Asset Retirement Obligation	-	439,083	439,083	-
Unamortized Loss on Refunding	92,038	-	92,038	-
Total Deferred Outflows of Resources	13,939,654	688,823	14,628,477	112,832
Total Assets and Deferred Outflows of Resources	181,057,191	65,187,652	246,244,843	28,776,202
LIABILITIES				
Accounts Payable	9,354,629	1,660,725	11,015,354	25,891
Accrued Payroll	909,449	91,031	1,000,480	54,143
Accrued Interest Payable	195,951	11,597	207,548	94,996
Unearned Revenue	1,250,834	223,464	1,474,298	-
Deposits Payable	-	42,610	42,610	-
Long-Term Liabilities				
Due Within One Year	4,985,131	991,082	5,976,213	692,361
Due in More than One Year	138,607,494	4,451,966	143,059,460	6,318,542
Total Liabilities	155,303,488	7,472,475	162,775,963	7,185,933
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	1,744,786	624,323	2,369,109	306,943
Pension Items - Firefighters' Pension	400,590	-	400,590	-
Pension Items - Police Pension	1,660,794	-	1,660,794	-
Pension Items - OPEB	1,255,387	52,170	1,307,557	19,094
Deferred Property Taxes	13,400,743	-	13,400,743	2,760,765
Total Deferred Inflows of Resources	18,462,300	676,493	19,138,793	3,086,802
Total Liabilities and Deferred Inflows of Resources	173,765,788	8,148,968	181,914,756	10,272,735

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
NET POSITION				
Net Investment in Capital Assets	\$ 104,229,352	\$ 54,475,444	\$ 158,704,796	\$ 18,160,578
Restricted for				
Public Safety	217,816	-	217,816	-
Highways and Streets	3,000,334	-	3,000,334	-
Transit Services	2,416,704	-	2,416,704	-
Economic Development	3,418,550	-	3,418,550	-
Endowments	-	-	-	206,585
Unrestricted (Deficit)	(105,991,353)	2,563,240	(103,428,113)	136,304
TOTAL NET POSITION	<u>\$ 7,291,403</u>	<u>\$ 57,038,684</u>	<u>\$ 64,330,087</u>	<u>\$ 18,503,467</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 13,266,076	\$ 545,288	\$ -	\$ 8,297,238
Public Safety	30,633,036	4,455,679	5,000	53,704
Highways and Streets	8,642,569	-	1,532,111	594,811
Community Development	11,074,609	689,914	-	-
Interest	567,712	-	-	-
Total Governmental Activities	64,184,002	5,690,881	1,537,111	8,945,753
Business-Type Activities				
Water	5,262,804	5,934,319	-	-
Airport	1,499,191	816,913	-	36,230
Refuse	1,869,548	1,871,079	-	-
Total Business-Type Activities	8,631,543	8,622,311	-	36,230
TOTAL PRIMARY GOVERNMENT	\$ 72,815,545	\$ 14,313,192	\$ 1,537,111	\$ 8,981,983
COMPONENT UNIT				
Library	\$ 2,939,419	\$ 37,138	\$ -	\$ 134,727

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Library	
\$ (4,423,550)	\$ -	\$ (4,423,550)	\$ -	
(26,118,653)	-	(26,118,653)	-	
(6,515,647)	-	(6,515,647)	-	
(10,384,695)	-	(10,384,695)	-	
(567,712)	-	(567,712)	-	
(48,010,257)	-	(48,010,257)	-	
-	671,515	671,515	-	
-	(646,048)	(646,048)	-	
-	1,531	1,531	-	
-	26,998	26,998	-	
(48,010,257)	26,998	(47,983,259)	-	
-	-	-	(2,767,554)	
General Revenues				
Taxes				
Property	14,519,186	-	14,519,186	1,699,711
Home Rule Sales	6,583,319	7,431	6,590,750	-
Utility	3,148,963	-	3,148,963	-
Restaurant/Bar	1,967,612	-	1,967,612	-
Hotel/Motel	345,211	-	345,211	-
Other	1,836,125	268,072	2,104,197	-
Intergovernmental				
State Sales Taxes	5,609,406	4,036	5,613,442	-
Income Taxes	4,686,511	-	4,686,511	-
Local Use Taxes	1,485,645	-	1,485,645	-
Replacement Taxes	180,785	-	180,785	41,768
Other	3,272,343	-	3,272,343	-
Investment Income	747,317	5,894	753,211	54,187
Miscellaneous	787,132	38,273	825,405	15,984
Transfers In (Out)	321,800	(321,800)	-	-
Total	45,491,355	1,906	45,493,261	1,811,650
CHANGE IN NET POSITION	(2,518,902)	28,904	(2,489,998)	(955,904)
NET POSITION, JANUARY 1	9,521,927	57,009,780	66,531,707	19,283,472
Prior Period Adjustment	288,378	-	288,378	175,899
NET POSITION, JANUARY 1, RESTATED	9,810,305	57,009,780	66,820,085	19,459,371
NET POSITION, DECEMBER 31	\$ 7,291,403	\$ 57,038,684	\$ 64,330,087	\$ 18,503,467

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue		
	General	Motor Fuel Tax	Mass Transit
ASSETS			
Cash and Investments	\$ 5,622,049	\$ 3,205,843	\$ 4,758,532
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	6,423,800	-	-
Accounts Receivable	1,571,073	-	-
Accrued Interest	886	-	-
Other	1,515,852	-	-
Prepaid Items	7,424	-	-
Inventory	28,814	-	-
Due from Other Governments	3,944,423	193,278	252,893
Due from Other Funds	91,791	-	-
TOTAL ASSETS	\$ 19,206,112	\$ 3,399,121	\$ 5,011,425
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,327,713	\$ 398,787	\$ 1,381,236
Accrued Payroll	900,489	-	8,960
Unearned Revenue	29,406	-	1,204,525
Due to Library	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	2,257,608	398,787	2,594,721
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenues	6,423,800	-	-
Total Deferred Inflows of Resources	6,423,800	-	-
Total Liabilities and Deferred Inflows of Resources	8,681,408	398,787	2,594,721
FUND BALANCES			
Nonspendable			
Prepays	7,424	-	-
Inventory	28,814	-	-
Restricted			
Public Safety	154,897	-	-
Highways and Streets	-	3,000,334	-
Transit Services	-	-	2,416,704
Economic Development	-	-	-
Assigned for Capital Projects	-	-	-
Unassigned (Deficit)	10,333,569	-	-
Total Fund Balances	10,524,704	3,000,334	2,416,704
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 19,206,112	\$ 3,399,121	\$ 5,011,425

Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
Tax Increment Financing #1	Tax Increment Financing #2		
\$ 6,769,639	\$ 2,157,698	\$ 1,331,743	\$ 23,845,504
6,645,315	-	331,628	13,400,743
-	-	-	1,571,073
-	-	-	886
-	-	18,561	1,534,413
-	-	-	7,424
-	-	-	28,814
-	-	106,319	4,496,913
-	-	-	91,791
<u>\$ 13,414,954</u>	<u>\$ 2,157,698</u>	<u>\$ 1,788,251</u>	<u>\$ 44,977,561</u>
\$ 3,515,887	\$ 2,082,698	\$ 575,324	\$ 9,281,645
-	-	-	909,449
-	-	5,202	1,239,133
-	-	-	-
-	-	91,791	91,791
<u>3,515,887</u>	<u>2,082,698</u>	<u>672,317</u>	<u>11,522,018</u>
<u>6,645,315</u>	<u>-</u>	<u>331,628</u>	<u>13,400,743</u>
<u>6,645,315</u>	<u>-</u>	<u>331,628</u>	<u>13,400,743</u>
<u>10,161,202</u>	<u>2,082,698</u>	<u>1,003,945</u>	<u>24,922,761</u>
-	-	-	7,424
-	-	-	28,814
-	-	62,919	217,816
-	-	-	3,000,334
-	-	-	2,416,704
3,253,752	75,000	89,798	3,418,550
-	-	1,221,434	1,221,434
-	-	(589,845)	9,743,724
<u>3,253,752</u>	<u>75,000</u>	<u>784,306</u>	<u>20,054,800</u>
<u>\$ 13,414,954</u>	<u>\$ 2,157,698</u>	<u>\$ 1,788,251</u>	<u>\$ 44,977,561</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**

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 20,054,800
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	119,487,920
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	3,302,975
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	6,100,960
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(1,268,168)
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the total OPEB liability are recognized as deferred outflows and inflows of resources on the statement of net position	650,292
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(17,335,000)
Capital leases	(133,331)
Net pension liability - Police Pension	(39,828,444)
Net pension liability - Firefighters' Pension	(50,377,800)
Net pension liability - IMRF	(3,094,604)
Premium on bonds payable	(132,275)
Unamortized loss on refunding	92,038
Compensated absences payable	(4,519,814)
Total OPEB liability	(27,601,362)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(195,951)
The net position of the Internal Service Funds is included in the governmental activities in the statement of net position	<u>2,089,167</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 7,291,403</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

		Special Revenue	
	General	Motor Fuel Tax	Mass Transit
REVENUES			
Taxes	\$ 18,958,678	\$ -	\$ -
Licenses and Permits	786,023	-	-
Intergovernmental	12,871,095	1,454,409	10,797,238
Charges for Services	4,009,430	-	-
Fines and Forfeitures	636,770	-	-
Investment Income	345,261	69,131	3,348
Miscellaneous	484,712	-	50,972
Total Revenues	38,091,969	1,523,540	10,851,558
EXPENDITURES			
Current			
General Government	4,851,148	-	8,020,215
Public Safety	24,851,670	-	-
Highways and Streets	3,085,788	439,474	-
Community Development	1,202,982	-	-
Capital Outlay	-	881,035	494,768
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Payment to Escrow Agent	-	-	-
Total Expenditures	33,991,588	1,320,509	8,514,983
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,100,381	203,031	2,336,575
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	2,089	-	46,604
Bonds Issued, at Par	-	-	-
Payment to Escrow Agent	-	-	-
Transfers In	321,800	-	-
Transfers (Out)	(1,913,583)	-	-
Total Other Financing Sources (Uses)	(1,589,694)	-	46,604
NET CHANGE IN FUND BALANCES	2,510,687	203,031	2,383,179
FUND BALANCES, JANUARY 1	7,402,857	2,797,303	33,525
Prior Period Adjustment	611,160	-	-
FUND BALANCES, JANUARY 1 (RESTATED)	8,014,017	2,797,303	33,525
FUND BALANCES, DECEMBER 31	\$ 10,524,704	\$ 3,000,334	\$ 2,416,704

Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
Tax Increment Financing #1	Tax Increment Financing #2		
\$ 7,031,778	\$ 1,564,865	\$ 845,095	\$ 28,400,416
-	-	-	786,023
-	-	594,811	25,717,553
-	-	217,155	4,226,585
-	-	41,504	678,274
306,695	22,023	859	747,317
43,387	-	208,061	787,132
7,381,860	1,586,888	1,907,485	61,343,300
-	-	331,002	13,202,365
-	-	43,362	24,895,032
-	-	-	3,525,262
3,601,188	1,915,827	-	6,719,997
3,385,053	249,149	1,742,284	6,752,289
-	-	2,411,667	2,411,667
-	-	716,793	716,793
-	-	87,905	87,905
6,986,241	2,164,976	5,333,013	58,311,310
395,619	(578,088)	(3,425,528)	3,031,990
-	-	152,472	201,165
-	-	3,925,000	3,925,000
-	-	(3,891,000)	(3,891,000)
-	-	3,105,983	3,427,783
(1,192,400)	-	-	(3,105,983)
(1,192,400)	-	3,292,455	556,965
(796,781)	(578,088)	(133,073)	3,588,955
4,373,315	653,088	917,379	16,177,467
(322,782)	-	-	288,378
4,050,533	653,088	917,379	16,465,845
\$ 3,253,752	\$ 75,000	\$ 784,306	\$ 20,054,800

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

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

\$ 3,588,955

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	713,069
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,181,182)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(348,339)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(3,925,000)
The payment to escrow agent for the refunding of long-term debt is reported as an other financing source in the governmental funds but as a decrease in principal outstanding on the statement of net position	3,978,905
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	2,411,667
Amortization of premium on bonds is reported as a reduction of interest expense on the statement of activities	50,674
Amortization of discount on bonds is reported as a reduction of interest expense on the statement of activities	(2,418)
The change of accrued interest payable is reported as an expense on the statement of activities	100,825
The change in compensated absences payable does not require a current financial resource	240,789
The change in the total OPEB liability and deferred outflows/inflows of resources	(267,538)
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	(2,104,478)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(3,013,608)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(156,179)
The change in net position of Internal Service Funds is reported in governmental activities	394,956

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (2,518,902)

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

December 31, 2019

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds		Internal Service Funds
	Water	Airport	Refuse	Total	
CURRENT ASSETS					
Cash and Investments	\$ 5,350,920	\$ 50,516	\$ 384,925	\$ 5,786,361	\$ 2,244,630
Receivables					
Accounts Receivable	1,703,204	-	152,952	1,856,156	-
Other	18,244	4,261	-	22,505	499,142
Prepaid Expenses	36	100	-	136	75
Inventory	-	37,903	-	37,903	-
Due from Other Governments	-	35,230	-	35,230	-
Total Current Assets	7,072,404	128,010	537,877	7,738,291	2,743,847
NONCURRENT ASSETS					
Capital Assets					
Nondepreciable	528,648	20,410,062	-	20,938,710	-
Depreciable	49,667,399	16,552,724	-	66,220,123	-
Accumulated Depreciation	(24,268,190)	(6,130,105)	-	(30,398,295)	-
Total Noncurrent Assets	25,927,857	30,832,681	-	56,760,538	-
Total Assets	33,000,261	30,960,691	537,877	64,498,829	2,743,847
DEFERRED OUTFLOWS OF RESOURCES					
Pension Items - IMRF	157,533	13,012	-	170,545	-
Pension Items - OPEB	76,839	2,356	-	79,195	-
Asset Retirement Obligation	439,083	-	-	439,083	-
Total Deferred Outflows of Resources	673,455	15,368	-	688,823	-
Total Assets and Deferred Outflows of Resources	33,673,716	30,976,059	537,877	65,187,652	2,743,847
CURRENT LIABILITIES					
Accounts Payable	1,440,894	42,114	177,717	1,660,725	72,984
Accrued Payroll	77,954	13,077	-	91,031	-
Accrued Interest Payable	10,554	1,043	-	11,597	-
Deposits Payable	16,550	26,060	-	42,610	-
Unearned Revenue	40,052	30,460	152,952	223,464	11,701
Claims Payable	-	-	-	-	284,997
General Obligation Bonds Payable	273,875	66,125	-	340,000	-
Total OPEB Liability	52,196	1,600	-	53,796	-
IEPA Loans Payable	513,517	-	-	513,517	-
Compensated Absences Payable	81,452	2,317	-	83,769	-
Total Current Liabilities	2,507,044	182,796	330,669	3,020,509	369,682
LONG-TERM LIABILITIES					
General Obligation Bonds Payable	276,000	69,000	-	345,000	-
Net Pension Liability - IMRF	1,022,833	84,485	-	1,107,318	-
Total OPEB Liability	1,060,719	32,518	-	1,093,237	-
IEPA Loans Payable	1,086,577	-	-	1,086,577	-
Compensated Absences Payable	325,808	44,026	-	369,834	-
Claims Payable	-	-	-	-	284,998
Asset Retirement Obligation	450,000	-	-	450,000	-
Total Long-Term Liabilities	4,221,937	230,029	-	4,451,966	284,998
Total Liabilities	6,728,981	412,825	330,669	7,472,475	654,680

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2019

	Business-Type Activities			Governmental Activities	
	Water	Airport	Nonmajor Enterprise Funds Refuse	Total	Internal Service Funds
DEFERRED INFLOWS OF RESOURCES					
Pension Items - IMRF	\$ 576,689	\$ 47,634	\$ -	\$ 624,323	\$ -
Pension Items - OPEB	50,618	1,552	-	52,170	-
Total Deferred Inflows of Resources	627,307	49,186	-	676,493	-
Total Liabilities and Deferred Inflows of Resources	7,356,288	462,011	330,669	8,148,968	654,680
NET POSITION					
Net Investment in Capital Assets	23,777,888	30,697,556	-	54,475,444	-
Unrestricted (Deficit)	2,539,540	(183,508)	207,208	2,563,240	2,089,167
TOTAL NET POSITION	\$ 26,317,428	\$ 30,514,048	\$ 207,208	\$ 57,038,684	\$ 2,089,167

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Business-Type Activities			Governmental Activities
			Nonmajor Enterprise Funds	
	Water	Airport	Refuse	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 5,934,319	\$ 816,913	\$ 1,871,079	\$ 8,622,311
Miscellaneous	12,333	25,851	89	38,273
Total Operating Revenues	5,946,652	842,764	1,871,168	8,660,584
OPERATING EXPENSES				
Administration	-	-	-	6,800,159
Operations	4,080,442	1,111,209	1,869,548	7,061,199
Depreciation	1,139,018	385,907	-	1,524,925
Total Operating Expenses	5,219,460	1,497,116	1,869,548	8,586,124
OPERATING INCOME (LOSS)	727,192	(654,352)	1,620	74,460
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	4,865	636	393	5,894
State Sales Tax	-	4,036	-	4,036
Home Rule Sales Tax	-	7,431	-	7,431
Home Rule Motor Fuel Tax	-	268,072	-	268,072
Interest Expense	(43,344)	(2,075)	-	(45,419)
Total Non-Operating Revenues (Expenses)	(38,479)	278,100	393	240,014
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	688,713	(376,252)	2,013	314,474
CONTRIBUTIONS				
Capital Contributions	-	36,230	-	36,230
Total Contributions	-	36,230	-	36,230
TRANSFERS				
Transfers (Out)	(321,800)	-	-	(321,800)
Total Transfers	(321,800)	-	-	(321,800)
CHANGE IN NET POSITION	366,913	(340,022)	2,013	28,904
NET POSITION, JANUARY 1	25,950,515	30,854,070	205,195	57,009,780
NET POSITION, DECEMBER 31	\$ 26,317,428	\$ 30,514,048	\$ 207,208	\$ 57,038,684

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities
	Nonmajor Enterprise Funds				Internal Service Funds
	Water	Airport	Refuse	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 5,934,664	\$ 831,038	\$ 1,869,383	\$ 8,635,085	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	5,251,930
Receipts from Employees and Others	-	-	-	-	1,572,570
Receipts from Miscellaneous Revenues	12,333	25,851	89	38,273	77,601
Payments to Other Funds	(772,729)	(84,552)	(124,000)	(981,281)	-
Payments to Suppliers	(654,007)	(817,632)	(1,741,693)	(3,213,332)	(7,082,458)
Payments to Employees	(2,598,918)	(339,680)	-	(2,938,598)	-
Net Cash from Operating Activities	1,921,343	(384,975)	3,779	1,540,147	(180,357)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Non-Operating Revenues - Home Rule Fuel Tax	-	268,072	-	268,072	-
Non-Operating Revenues - Home Rule Sales Tax	-	7,431	-	7,431	-
Non-Operating Revenues - State Sales Tax	-	4,036	-	4,036	-
Transfers (Out)	(321,800)	-	-	(321,800)	-
Net Cash from Noncapital Financing Activities	(321,800)	279,539	-	(42,261)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	(899,126)	(38,137)	-	(937,263)	-
Proceeds Related to Future Development	-	36,230	-	36,230	-
Proceeds From Issuance of IEPA Loans	694,701	-	-	694,701	-
Principal Payments on Long-Term Debt	(759,262)	(69,500)	-	(828,762)	-
Interest Payments on Long-Term Debt	(49,003)	(2,611)	-	(51,614)	-
Net Cash from Capital and Related Financing Activities	(1,012,690)	(74,018)	-	(1,086,708)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	4,865	633	393	5,891	4,547
Net Cash from Investing Activities	4,865	633	393	5,891	4,547
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	591,718	(178,821)	4,172	417,069	(175,810)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,759,202	229,337	380,753	5,369,292	2,420,440
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 5,350,920	\$ 50,516	\$ 384,925	\$ 5,786,361	\$ 2,244,630

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities				Governmental
	Water	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Refuse		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 727,192	\$ (654,352)	\$ 1,620	\$ 74,460	\$ 390,408
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation	1,139,018	385,907	-	1,524,925	-
Changes in Assets and Liabilities					
Accounts Receivable	(38,458)	5,788	(10,117)	(42,787)	-
Other Receivables	20,300	-	-	20,300	(298,105)
Prepaid Expenses	2,033	417	-	2,450	(75)
Inventory	-	1,890	-	1,890	-
Accounts Payable	(9,962)	(139,610)	3,855	(145,717)	(14,863)
Accrued Payroll	3,935	1,840	-	5,775	-
Claims Payable	-	-	-	-	(267,361)
Other Payables	1,100	1,042	-	2,142	-
Unearned Revenue	18,503	6,447	8,421	33,371	9,639
Pension Items - IMRF	1,327,365	109,639	-	1,437,004	-
Net Pension Liability - IMRF	(1,275,745)	(105,374)	-	(1,381,119)	-
Pension Items - OPEB	(86,963)	(2,666)	-	(89,629)	-
Total OPEB Liability	97,750	2,997	-	100,747	-
Compensated Absences	(15,642)	1,060	-	(14,582)	-
Deferred Outflows - Asset Retirement Obligation	(439,083)	-	-	(439,083)	-
Asset Retirement Obligation	450,000	-	-	450,000	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 1,921,343</u>	<u>\$ (384,975)</u>	<u>\$ 3,779</u>	<u>\$ 1,540,147</u>	<u>\$ (180,357)</u>
NONCASH TRANSACTIONS					
None	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NONCASH TRANSACTIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

ASSETS

Cash and Short-Term Investments	\$ 5,972,700
Investments	
U.S. Treasury Obligations	5,923,301
U.S. Agency Obligations	5,244,180
Corporate Bonds	7,897,324
Municipal Bonds	483,385
Mutual Funds	46,167,340
Receivables	
Accrued Interest	102,103
Prepaid Expenses	<u>3,300</u>
Total Assets	<u>71,793,633</u>

LIABILITIES

Accounts Payable	<u>16,139</u>
Total Liabilities	<u>16,139</u>

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 71,777,494

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

ADDITIONS

Contributions	
Employer Contributions	\$ 6,582,771
Employee Contributions	<u>1,112,170</u>
Total Contributions	<u>7,694,941</u>
Investment Income	
Net Appreciation in Fair Value of Investments	9,427,423
Interest	<u>1,609,959</u>
Total Investment Income	11,037,382
Less Investment Expense	<u>(99,847)</u>
Net Investment Income	<u>10,937,535</u>
Total Additions	<u>18,632,476</u>

DEDUCTIONS

Administrative Expenses	83,681
Benefits and Refunds	<u>7,417,695</u>
Total Deductions	<u>7,501,376</u>

NET INCREASE	11,131,100
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**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>60,646,394</u>
December 31	<u><u>\$ 71,777,494</u></u>

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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 two fiduciary component units and one discretely presented component unit.

Fiduciary Component Units

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected by pension beneficiaries, and two elected police employees constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Fiduciary Component Units (Continued)

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

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. The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity and are fiduciary component units of the City.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

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

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

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

E. Cash and Investments

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Interfund Receivables/Payables

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

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

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

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

G. Property Taxes

Property taxes for 2018 are levied in December 2018 and attach as an enforceable lien on the property on January 1, 2018. Tax bills are prepared by the County and issued on or about May 1, 2019 and August 1, 2019, and are due and collectible on or about June 1, 2019 and September 1, 2019. The County collects the taxes and remits them periodically to the City. Those 2018 taxes were intended to finance the fiscal year ended December 31, 2019. The 2019 levy, which attached as a lien on property as January 1, 2019, is intended to finance the 2020 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

H. Inventories and Prepaid Items/Expenses

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

J. Compensated Absences

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

K. Long-Term Obligations

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations (Continued)

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.

M. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager through the fund balance policy adopted by the City Council. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

The City has established a fund balance reserve policy for several of its funds. The policy requires unassigned fund balances to be maintained in the General Fund equivalent to 25% of the fund's annual operating expenditures. The Tax Increment

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance/Net Position (Continued)

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

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

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

N. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

2. DEPOSITS AND INVESTMENTS (Continued)

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

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

Deposits with Financial Institutions

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

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured at fair value as of December 31, 2019.

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

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

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.

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

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at December 31, 2019:

GOVERNMENTAL ACTIVITIES	
Local Use Tax	\$ 455,931
Sales Tax - State	1,494,487
Sales Tax - City	1,794,564
Auto Rental Sales Tax	5,088
Video Gaming Tax	46,327
Telecommunication Tax	128,384
Grants	517,457
State Motor Fuel Tax	<u>54,675</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,496,913</u>
BUSINESS-TYPE ACTIVITIES	
Airport Grants	<u>\$ 35,230</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 35,230</u>
DISCRETELY PRESENTED COMPONENT UNIT	
None	<u>\$ -</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT	<u>\$ -</u>

The following receivables are included in other receivables on the statement of net position at December 31, 2019:

GOVERNMENTAL ACTIVITIES	
Hotel/Motel Tax	\$ 18,459
Restaurant and Bar Tax	188,692
Utility Tax	271,343
Business Licensing Tax	10,539
TIF Surplus Property Tax	829,562
IPBC Terminal Reserve	446,233
Miscellaneous	<u>268,727</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 2,033,555</u>
BUSINESS-TYPE ACTIVITIES	
Water Miscellaneous	<u>\$ 18,244</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 18,244</u>
DISCRETELY PRESENTED COMPONENT UNIT	
None	<u>\$ -</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT	<u>\$ -</u>

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 10,616,279	\$ -	\$ 325,360	\$ 10,290,919
Land Right of Way	25,742,257	-	-	25,742,257
Construction in Progress	712,100	388,650	718,943	381,807
Total Capital Assets Not Being Depreciated	37,070,636	388,650	1,044,303	36,414,983
Capital Assets being Depreciated				
Buildings and Improvements	20,814,645	242,111	-	21,056,756
Equipment	3,024,702	265,083	-	3,289,785
Vehicles	9,420,595	324,418	38,034	9,706,979
Infrastructure	153,267,418	211,750	-	153,479,168
Total Capital Assets Being Depreciated	186,527,360	1,043,362	38,034	187,532,688
Less Accumulated Depreciation for				
Buildings and Improvements	5,653,004	383,955	-	6,036,959
Equipment	2,220,972	163,860	-	2,384,832
Vehicles	6,326,470	581,627	15,055	6,893,042
Infrastructure	86,093,178	3,051,740	-	89,144,918
Total Accumulated Depreciation	100,293,624	4,181,182	15,055	104,459,751
Total Capital Assets Being Depreciated, Net	86,233,736	(3,137,820)	22,979	83,072,937
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 123,304,372	\$ (2,749,170)	\$ 1,067,282	\$119,487,920
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 19,386,047	\$ -	\$ -	\$ 19,386,047
Land Improvements	1,552,663	-	-	1,552,663
Construction in Progress	951,645	106,613	1,058,258	-
Total Capital Assets Not Being Depreciated	21,890,355	106,613	1,058,258	20,938,710
Capital Assets being Depreciated				
Buildings and Improvements	4,804,864	-	-	4,804,864
Equipment	658,640	229,828	-	888,468
Vehicles	969,314	57,500	-	1,026,814
Airport Infrastructure	12,953,573	828,431	-	13,782,004
Water Distribution System	44,944,823	773,150	-	45,717,973
Total Capital Assets Being Depreciated	64,331,214	1,888,909	-	66,220,123

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
(Continued)				
Less Accumulated Depreciation for				
Building and Improvements	\$ 2,275,492	\$ 93,652	\$ -	\$ 2,369,144
Equipment	393,322	40,839	-	434,161
Vehicles	821,942	33,783	-	855,725
Airport Infrastructure	4,088,413	326,061	-	4,414,474
Water Distribution System	21,294,201	1,030,590	-	22,324,791
Total Accumulated Depreciation	28,873,370	1,524,925	-	30,398,295
 Total Capital Assets Being Depreciated, Net	 35,457,844	 363,984	 -	 35,821,828
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 57,348,199	\$ 470,597	\$ 1,058,258	\$ 56,760,538

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 89,123
Public Safety	542,101
Community Development	303,049
Highways and Streets	3,246,909
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 4,181,182
BUSINESS-TYPE ACTIVITIES	
Water	\$ 1,139,018
Airport	385,907
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 1,524,925

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 79,779
Public Safety	30,274
Community Development	466,725
Highways and Streets	136,291
TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES	\$ 713,069

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

5. LONG-TERM DEBT

A. General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$10,800,000 2010A Series General Obligation Refunding Bonds, dated May 27, 2010, due in annual installments of \$755,000 to \$1,145,000, plus interest of 2% to 4% through December 2, 2021	TIF Debt Service	\$ 3,310,000	\$ -	\$ 1,060,000	\$ 2,250,000	\$ 1,105,000
\$3,905,000 2010B Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$150,000 to \$955,000, plus interest of 4.25% to 4.75% through January 1, 2028	General Debt Service	3,905,000	-	3,905,000	-	-
\$5,415,000 2010C Series General Obligation Refunding Bonds, dated December 1, 2010, due in annual installments of \$180,000 to \$755,000, plus interest of 1.90% to 5.90% through January 1, 2023	General Debt Service	3,445,000	-	650,000	2,795,000	680,000
\$9,905,000 2012A Series General Obligation Bonds, dated October 25, 2012, due in annual installments of \$505,000 to \$845,000, plus interest of 2.00% to 2.50% through January 1, 2030	General Debt Service	6,745,000	-	550,000	6,195,000	-

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$2,380,000 2013B Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$40,000 to \$745,000, plus interest of 0.80% to 3.00% through January 1, 2022	General Debt Service	\$ 2,305,000	\$ -	\$ 135,000	\$ 2,170,000	\$ 700,000
\$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	825,375	-	275,500	549,875	273,875
	Airport	204,625	-	69,500	135,125	66,125
\$3,925,000 2019 Series General Obligation Refunding Bonds, dated October 23, 2019, due in annual installments of \$20,000 to \$920,000, plus interest of 1.82% through January 1, 2028	General Debt Service	-	3,925,000	-	3,925,000	-
TOTAL		\$ 20,740,000	\$ 3,925,000	\$ 6,645,000	\$ 18,020,000	\$ 2,825,000

B. Illinois Environmental Protection Agency Loan Contracts Payable

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$4,072,711 IEPA Loan #L17133700 Contract Payable of 1999, due in semiannual installments of \$133,239 including interest at 2.535% through January 8, 2021	Water	\$ 641,594	\$ -	\$ 251,799	\$ 389,795	\$ 258,223

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

5. LONG-TERM DEBT (Continued)

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$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	\$ 526,828	\$ -	\$ 206,759	\$ 320,069	\$ 212,033
\$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	220,733	-	13,536	207,197	13,848
\$694,701 IEPA Loan #L175473 Contract Payable of 2019, due in semiannual installments ranging from \$16,831 to \$20,923 including interest at 1.84% through June 30, 2039.	Water	-	694,701	11,668	683,033	29,413
TOTAL		\$ 1,389,155	\$ 694,701	\$ 483,762	\$ 1,600,094	\$ 513,517

C. Capital Leases

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

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Equipment	Capital Projects	\$ 149,998	\$ -	\$ 16,667	\$ 133,331	\$ 16,667
TOTAL		\$ 149,998	\$ -	\$ 16,667	\$ 133,331	\$ 16,667

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

5. LONG-TERM DEBT (Continued)

D. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 2,485,000	\$ 461,532	\$ 340,000	\$ 7,952
2021	2,605,000	381,354	345,000	2,663
2022	1,535,000	272,181	-	-
2023	1,595,000	210,809	-	-
2024	1,650,000	166,731	-	-
2025	1,680,000	135,011	-	-
2026	1,715,000	102,672	-	-
2027	1,750,000	69,146	-	-
2028	950,000	42,021	-	-
2029	865,000	22,356	-	-
2030	505,000	6,313	-	-
TOTAL	\$ 17,335,000	\$ 1,870,126	\$ 685,000	\$ 10,615
Year Ending December 31,	IEPA Loan Contracts		Capital Leases	
	Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2020	\$ 513,517	\$ 32,143	\$ 16,667	\$ -
2021	283,732	19,283	16,667	-
2022	45,005	15,365	16,667	-
2023	45,903	14,467	16,667	-
2024	46,820	13,550	16,667	-
2025	47,755	12,615	16,667	-
2026	48,709	11,661	16,667	-
2027	49,682	10,687	16,662	-
2028	50,675	9,694	-	-
2029	51,689	8,681	-	-
2030	52,722	7,648	-	-
2031	53,777	6,593	-	-
2032	54,853	5,517	-	-
2033	37,320	4,526	-	-
2034	38,009	3,836	-	-
2035	38,712	3,133	-	-
2036	39,428	2,418	-	-
2037	40,156	1,689	-	-
2038	40,899	947	-	-
2039	20,731	191	-	-
TOTAL	\$ 1,600,094	\$ 184,644	\$ 133,331	\$ -

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

5. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities

During the year ended December 31, 2019, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 19,710,000	\$ 3,925,000	\$ 6,300,000	\$ 17,335,000	\$ 2,485,000
Premium on Bonds Payable	182,949	-	50,674	132,275	-
Discount on Bonds Payable	(20,551)	-	(20,551)	-	-
Capital Leases	149,998	-	16,667	133,331	16,667
Compensated Absences Payable	4,760,604	711,333	952,123	4,519,814	903,963
Net Pension Liability - IMRF	6,954,398	-	3,859,794	3,094,604	-
Net Pension Liability - Police Pension	42,942,077	-	3,113,633	39,828,444	-
Net Pension Liability - Firefighters' Pension	50,579,390	-	201,590	50,377,800	-
Total OPEB Liability	25,177,068	2,424,294	-	27,601,362	1,294,504
Claims Payable	837,356	202,607	469,968	569,995	284,997
TOTAL GOVERNMENTAL ACTIVITIES	\$ 151,273,289	\$ 7,263,234	\$ 14,943,898	\$ 143,592,625	\$ 4,985,131

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds					
Water	\$ 825,375	\$ -	\$ 275,500	\$ 549,875	\$ 273,875
Airport	204,625	-	69,500	135,125	66,125
Total General Obligation Bonds	1,030,000	-	345,000	685,000	340,000
IEPA Loans					
Water	1,389,155	694,701	483,762	1,600,094	513,517
Net Pension Liability - IMRF					
Water	2,298,578	-	1,275,745	1,022,833	-
Airport	189,859	-	105,374	84,485	-
Total Net Pension Liability - IMRF	2,488,437	-	1,381,119	1,107,318	-

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

5. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities (Continued)

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
(Continued)					
Compensated Absences					
Water	\$ 422,902	\$ 68,939	\$ 84,581	\$ 407,260	\$ 81,452
Airport	45,283	3,324	2,264	46,343	2,317
Total Compensated Absences	468,185	72,263	86,845	453,603	83,769
Total OPEB Liability					
Water	1,015,165	97,750	-	1,112,915	52,196
Airport	31,121	2,997	-	34,118	1,600
Total OPEB Liability	1,046,286	100,747	-	1,147,033	53,796
Asset Retirement Obligation					
Water	-	450,000	-	450,000	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 6,422,063	\$ 1,317,711	\$ 2,296,726	\$ 5,443,048	\$ 991,082

F. Legal Debt Margin

The City is a home rule municipality.

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

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

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

5. LONG-TERM DEBT (Continued)

G. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2019, there were four IDRBs outstanding totaling \$7,876,130.

H. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells range from 30 to 50 years.

6. RISK MANAGEMENT

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

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.

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (Continued)

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 84% 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 16% of the City's employees and retirees are HMO participants.

The City makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The City makes monthly payments to IPBC for administration of the plan. The City had terminal reserve net of deficit of other accounts as of December 31, 2019 of \$446,233. This amount was declared as a dividend to the City and, therefore, has been recorded as a receivable in the Health Insurance Fund of \$446,233 as of December 31, 2019.

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.

The City has contracted with third party administrators (TPAs) to administer the workers' compensation program and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop-loss coverage to limit the City's exposure to losses. Prior to May 2012, the City was completely self-insured for workers' compensation with no specific or aggregate stop-loss policies; however, as of December 31, 2019, 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.

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

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (Continued)

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

A reconciliation of claims payable for the fiscal years ended December 31, 2018 and 2019 are as follows:

	Workers' Compensation and Liability/Property	
	2018	2019
CLAIMS PAYABLE, JANUARY 1	\$ 591,129	\$ 837,356
Add Claims Incurred	598,354	202,607
Less Claims Paid	(352,127)	(469,968)
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 837,356</u>	<u>\$ 569,995</u>

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

	Due From	Due To
General		
Nonmajor Governmental	\$ 91,791	\$ -
Total General	<u>91,791</u>	<u>-</u>
Nonmajor Governmental		
General Debt Service Fund	-	91,791
Total Nonmajor Governmental Funds	<u>-</u>	<u>91,791</u>
TOTAL	<u>\$ 91,791</u>	<u>\$ 91,791</u>

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

- \$91,791 due to the General Fund from the General Debt Service Fund to cover fund cash overdraft. Repayment is expected within one year.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2019 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Nonmajor Governmental	\$ -	\$ 1,913,583
Water	321,800	-
Total General	<u>321,800</u>	<u>1,913,583</u>
Tax Increment Financing #1		
Nonmajor Governmental	-	1,192,400
Total Tax Increment Financing #1	<u>-</u>	<u>1,192,400</u>
Nonmajor Governmental		
General	1,913,583	-
Tax Increment Financing #1	1,192,400	-
Total Nonmajor Governmental	<u>3,105,983</u>	<u>-</u>
Water		
General	-	321,800
Total Water	<u>-</u>	<u>321,800</u>
TOTAL	<u>\$ 3,427,783</u>	<u>\$ 3,427,783</u>

The purpose of significant transfers is as follows:

- \$1,801,827 transferred from the General Fund to the Nonmajor Governmental Fund (General Debt Service) to cover debt service payments. This transfer will not be repaid.
- \$321,800 transferred from the Water Fund to the General Fund to cover payment in lieu of taxes. This transfer will not be repaid.
- \$36,756 transferred from the General Fund to the Nonmajor Government Fund (Capital Projects) to transfer funds for the City Hall remodel. This transfer will not be repaid.
- \$75,000 transferred from the General Fund to the Nonmajor Governmental Fund (Capital Equipment) to fund vehicle and equipment purchases. This transfer will not be repaid.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers (Continued)

- \$1,192,400 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Governmental Fund (TIF Debt Service Fund) to cover debt service payments. This transfer will not be repaid.

8. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances/Net Position of Individual Funds

The following funds had deficit fund balances/net position as of December 31, 2019:

<u>Fund</u>	<u>Deficit Balance</u>
General Debt Service	\$ 89,845
Tax Increment Financing #3	500,000

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

C. Sales Tax Sharing

The City has entered into intergovernmental agreement with DeKalb County to share in the sales tax revenues generated from companies located within certain property developments through the fiscal year 2033. The total rebate expenditures incurred during the year ended December 31, 2019 was \$1,835,699 and the total rebate revenue earned during the year ended December 31, 2019 was \$175,089.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

	City	Library	Total
Beginning OPEB			
Liability at January 1, 2019	\$ 26,223,354	\$ 382,936	\$ 26,606,290
Ending OPEB			
at December 31, 2019	28,748,394	419,809	29,168,203

B. Benefits Provided

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

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Membership

At December 31, 2018 (most recent data available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	144
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>205</u>
TOTAL	<u>349</u>
Participating Employers	<u>1</u>

D. Total OPEB Liability

The City's total OPEB liability of \$29,168,203 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2018.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of December 31, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	Market Value
Inflation	2.50%
Discount Rate	3.26%
Healthcare Cost Trend Rates	8.00% Initial to 4.00% Ultimate

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

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	\$ 26,606,290
Changes for the Period	
Service Cost	472,536
Interest	1,082,975
Changes in Assumptions	2,349,501
Benefit Payments	<u>(1,343,099)</u>
Net Changes	<u>2,561,913</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 29,168,203</u>

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

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.26% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability - City	\$ 31,964,660	\$ 28,748,394	\$ 26,025,954
Total OPEB Liability - Library	466,776	419,809	380,053
TOTAL	<u>\$ 32,431,436</u>	<u>\$ 29,168,203</u>	<u>\$ 26,406,007</u>

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Rate Sensitivity (Continued)

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

	1% Decrease (3% to 7%)	Current Healthcare Rate (4% to 8%)	1% Increase (5% to 9%)
Total OPEB Liability - City	\$ 25,561,747	\$ 28,748,394	\$ 32,557,716
Total OPEB Liability - Library	373,275	419,809	475,436
TOTAL	\$ 25,935,022	\$ 29,168,203	\$ 33,033,152

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$1,627,324. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	2,013,859	1,326,651
TOTAL	\$ 2,013,859	\$ 1,326,651

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

Year Ending December 31,	City	Library	Total
2020	\$ 69,301	\$ 1,012	\$ 70,313
2021	69,301	1,012	70,313
2022	69,301	1,012	70,313
2023	69,301	1,012	70,313
2024	69,301	1,012	70,313
Thereafter	330,812	4,831	335,643
TOTAL	\$ 677,317	\$ 9,891	\$ 687,208

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

11. DEFINED BENEFIT PENSION PLANS

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2019:

	IMRF	Police Pension	Firefighters' Pension	Total
Net Pension Liability	\$ 4,746,326	\$ 39,828,444	\$ 50,377,800	\$ 94,952,570
Deferred Outflows of Resources	731,010	4,963,769	6,501,550	12,196,329
Deferred Inflows of Resources	2,676,052	1,660,794	400,590	4,737,436
Pension Expense	1,055,384	5,183,917	6,516,940	12,756,241

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, 2019, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	174
Inactive Employees Entitled to but not yet Receiving Benefits	108
Active Employees	92
TOTAL	374

11. DEFINED BENEFIT PENSION PLANS

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2019 was 12.19% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2019 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial Valuation Date	December 31, 2019
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	3.35% to 14.25%
Interest Rate	7.25%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 60,163,155	\$ 49,496,901	\$ 10,666,254
Changes for the Period			
Service Cost	681,980	-	681,980
Interest	4,268,558	-	4,268,558
Difference Between Expected and Actual Experience	(247,821)	-	(247,821)
Changes in Assumptions	-	-	-
Employer Contributions	-	807,655	(807,655)
Employee Contributions	-	352,798	(352,798)
Net Investment Income	-	9,422,576	(9,422,576)
Benefit Payments and Refunds	(3,254,979)	(3,254,979)	-
Other (Net Transfer)	-	39,616	(39,616)
Net Changes	1,447,738	7,367,666	(5,919,928)
BALANCES AT DECEMBER 31, 2019	\$ 61,610,893	\$ 56,864,567	\$ 4,746,326
	City	Library	Total
Beginning Net Pension Liability at January 1, 2019	\$ 9,442,835	\$ 1,223,419	\$ 10,666,254
Employer Contributions	727,472	93,368	820,840
Ending Net Pension Liability at December 31, 2019	4,201,922	544,404	4,746,326

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

For the year ended December 31, 2019, the City recognized pension expense of \$939,536 and the Library recognized pension expense of \$115,848.

At December 31, 2019, 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	\$ 209,271	\$ 161,002
Changes in Assumption	521,739	64,646
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,450,404
TOTAL	\$ 731,010	\$ 2,676,052

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

<u>Year Ending December 31,</u>	<u>City</u>	<u>Library</u>	<u>Total</u>
2020	\$ (123,598)	\$ (15,856)	\$ (139,454)
2021	(736,870)	(94,530)	(831,400)
2022	183,926	23,595	207,521
2023	(1,047,349)	(134,360)	(1,181,709)
2024	-	-	-
Thereafter	-	-	-
TOTAL	\$ (1,723,891)	\$ (221,151)	\$ (1,945,042)

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	City	Library	Total
Share of Deferred Outflows	\$ 647,163	\$ 83,847	\$ 731,010
Share of Deferred Inflows	(2,369,109)	(306,943)	(2,676,052)
TOTAL	\$ (1,721,946)	\$ (223,096)	\$ (1,945,042)

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset) - City	\$ 10,781,876	\$ 4,201,922	\$ (1,200,616)
Net Pension Liability (Asset) - Library	1,396,906	544,404	(155,552)
TOTAL	\$ 12,178,782	\$ 4,746,326	\$ (1,356,168)

Police Pension Plan

Plan Administration

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Administration (Continued)

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

Plan Membership

At December 31, 2019, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	56
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>60</u>
TOTAL	<u><u>124</u></u>

Benefits Provided

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2019, the City's contribution was 54.73% of covered payroll.

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services,

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The investment policy was not modified during the year ended December 31, 2019.

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%	(.10%)
Fixed Income	32%	
Aggregate Bonds		1.10%
Investment Grade Corporates		1.40%
Intermediate U.S. Treasuries		.70%
High Yield		3.20%
Equities	65%	

Further, the policy diversifies in the following equity categories:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities	55%	
Large Caps		3.60%
Mid Caps		3.90%
Small Caps		4.50%
Commodities		0.50%
International Equities	5%	
Developed Foreign		5.20%
Emerging Markets		7.20%
Real Estate	5%	4.00%

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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

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

Investment Concentrations

At December 31, 2019, the Fund had no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 3,886,237	\$ -	\$ 3,886,237	\$ -	\$ -
U.S. Agency Obligations	3,024,762	1,500,495	1,524,267	-	-
Corporate Bonds	2,855,792	599,892	2,255,900	-	-
TOTAL	\$ 9,766,791	\$ 2,100,387	\$ 7,666,404	\$ -	\$ -

Interest Valuations

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

The Fund has the following recurring fair value measurements as of December 31, 2019: Mutual funds of \$25,943,589, are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations, and corporate bonds of \$9,766,789 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government and corporate bonds in the top three investment classes by a national rating agency. The corporate bonds are rated A to AA+, and the U.S. agencies and treasuries are rated AA+ to 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 at December 31, 2019 was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 76,320,800	\$ 33,378,723	\$ 42,942,077
Changes for the Period			
Service Cost	1,317,747	-	1,317,747
Interest	5,311,220	-	5,311,220
Difference Between Expected and Actual Experience	216,761	-	216,761
Changes in Assumptions	-	-	-
Changes in Benefit Terms	289,014	-	289,014
Employer Contributions	-	3,079,439	(3,079,439)
Employee Contributions	-	579,091	(579,091)
Net Investment Income	-	6,634,742	(6,634,742)
Benefit Payments and Refunds	(3,527,953)	(3,527,953)	-
Administrative Expense	-	(44,897)	44,897
Net Changes	3,606,789	6,720,422	(3,113,633)
BALANCES AT DECEMBER 31, 2019	\$ 79,927,589	\$ 40,099,145	\$ 39,828,444

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date	December 31, 2019
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.00%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

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

Discount Rate Sensitivity

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 51,402,523	\$ 39,828,444	\$ 30,397,118

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2019, the City recognized pension expense of \$5,183,917. At December 31, 2019, 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	\$ 472,463	\$ 258,251
Changes in Assumptions	4,491,306	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,402,543
TOTAL	\$ 4,963,769	\$ 1,660,794

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

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

<u>Year Ending December 31,</u>	
2020	\$ 925,221
2021	834,913
2022	1,130,822
2023	(1,169)
2024	413,188
Thereafter	-
TOTAL	\$ 3,302,975

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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

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

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

Plan Membership

At December 31, 2019, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	60
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>52</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 2.50% of

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions (Continued)

are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2019, the City's contribution was 70.09% of covered payroll.

Investment Policy

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	1%	0.40%
Fixed Income Intermediate	36%	1.70%

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities		
Large Cap	6%	4.45%
Large Cap Value	7%	4.70%
Mid Cap Value	7%	5.20%
Small Cap	7%	5.60%
Small Cap Value	7%	6.50%
International Developed	6%	4.45%
International Value	6%	6.60%
International Small	6%	7.45%
Emerging Markets	8%	7.50%
U.S. Real Estate	3%	3.90%

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

The long-term expected real rates of return are net of a 3% factor for inflation and investment expense. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Concentrations

At December 31, 2019, the Fund had no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Deposits with Financial Institutions

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

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,037,064	\$ 150,977	\$ 435,046	\$ 1,097,655	\$ 353,386
U.S. Agency Obligations	2,219,418	-	657,014	789,469	772,935
Corporate Bonds	5,041,532	556,731	3,079,698	1,177,598	227,505
Municipal Bonds	483,385	100,443	346,046	36,896	-
TOTAL	\$ 9,781,399	\$ 808,151	\$ 4,517,804	\$ 3,101,618	\$ 1,353,826

Investment Valuations

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

The Fund has the following recurring fair value measurements as of December 31, 2019: Mutual funds of \$20,223,751 are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations, corporate bonds, and municipal bonds of \$9,781,401 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Valuations (Continued)

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.

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, Municipal Bonds, and Corporate Bonds. The U.S. agencies are rated A+ to AA+ and U.S. treasuries are rated AA+ by Standard and Poor's. The corporate bonds are rated BBB- to AAA and municipal bonds are rated A to AA+ by Standard and Poor's.

Custodial Credit Risk

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

Discount Rate

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 77,847,061	\$ 27,267,671	\$ 50,579,390
Changes for the Period			
Service Cost	1,242,933	-	1,242,933
Interest	5,400,159	-	5,400,159
Difference Between Expected and Actual Experience	1,121,118	-	1,121,118
Changes in Assumptions	-	-	-
Changes in Benefit Terms	334,620	-	334,620
Employer Contributions	-	3,503,332	(3,503,332)
Employee Contributions	-	533,079	(533,079)
Net Investment Income	-	4,302,793	(4,302,793)
Benefit Payments and Refunds	(3,889,742)	(3,889,742)	-
Administrative Expense	-	(38,784)	38,784
Net Changes	4,209,088	4,410,678	(201,590)
BALANCES AT DECEMBER 31, 2019	\$ 82,056,149	\$ 31,678,349	\$ 50,377,800

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date	December 31, 2019
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Interest Rate	7.00%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

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

Discount Rate Sensitivity

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 61,881,671	\$ 50,377,800	\$ 40,966,372

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2019, the City recognized pension expense of \$6,516,940. At December 31, 2019, 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	\$ 1,234,123	\$ 400,590
Changes in Assumption	4,905,183	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	362,244	-
TOTAL	\$ 6,501,550	\$ 400,590

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

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

Year Ending
December 31,

2020	\$ 1,724,783
2021	1,566,498
2022	1,634,057
2023	507,126
2024	668,496
Thereafter	-
TOTAL	\$ 6,100,960

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 4,359,635	\$ 1,613,065	\$ 5,972,700
Investments			
U.S. Treasury Obligations	3,886,237	2,037,064	5,923,301
U.S. Agency Obligations	3,024,762	2,219,418	5,244,180
Corporate Bonds	2,855,792	5,041,532	7,897,324
Municipal Bonds	-	483,385	483,385
Mutual Funds	25,943,589	20,223,751	46,167,340
Receivables			
Accrued Interest	41,174	60,929	102,103
Prepaid Expenses	3,050	250	3,300
Total Assets	40,114,239	31,679,394	71,793,633
LIABILITIES			
Accounts Payable	15,094	1,045	16,139
Total Liabilities	15,094	1,045	16,139
NET POSITION RESTRICTED FOR PENSIONS			
	\$ 40,099,145	\$ 31,678,349	\$ 71,777,494

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,079,439	\$ 3,503,332	\$ 6,582,771
Employee	579,091	533,079	1,112,170
Total Contributions	3,658,530	4,036,411	7,694,941
Investment Income			
Net Appreciation in Fair Value of Investments	5,993,757	3,433,666	9,427,423
Interest	694,578	915,381	1,609,959
Total Investment Income	6,688,335	4,349,047	11,037,382
Less Investment Expense	(53,593)	(46,254)	(99,847)
Net Investment Income	6,634,742	4,302,793	10,937,535
Total Additions	10,293,272	8,339,204	18,632,476
DEDUCTIONS			
Administrative Expenses	44,897	38,784	83,681
Benefits and Refunds	3,527,953	3,889,742	7,417,695
Total Deductions	3,572,850	3,928,526	7,501,376
NET INCREASE	6,720,422	4,410,678	11,131,100
NET POSITION RESTRICTED FOR PENSIONS			
January 1	33,378,723	27,267,671	60,646,394
December 31	\$ 40,099,145	\$ 31,678,349	\$ 71,777,494

12. DISCRETELY PRESENTED COMPONENT UNIT - DEKALB PUBLIC LIBRARY

A. Financial Information

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

B. Deposits and Investments

Library Deposits with Financial Institutions

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

Library Investments

The following table presents the investments and maturities of the Library's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ 245,734	\$ 170,407	\$ 75,327	\$ -	\$ -
TOTAL	\$ 245,734	\$ 170,407	\$ 75,327	\$ -	\$ -

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

The Library has the following recurring fair value measurements as of December 31, 2019: negotiable certificates of deposit of \$245,734 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. The negotiable certificates of deposit are not rated.

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

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

C. Receivables

Property taxes for 2018 are levied in December 2018 and attach as an enforceable lien on the property on January 1, 2018. Tax bills are prepared by the County and issued on or about May 1, 2019 and August 1, 2019, and are due and collectible on or about June 1, 2019 and September 1, 2019. The County collects the taxes and remits them periodically to the City. Those 2018 taxes were intended to finance the year ended December 31, 2019. The 2019 levy, which attached as a lien on property as January 1, 2019, is intended to finance the 2020 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

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

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

D. Capital Assets

The following is a summary of the capital asset activity for the year ended December 31, 2019:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 1,558,032	\$ -	\$ -	\$ 1,558,032
Total Capital Assets not Being Depreciated	1,558,032	-	-	1,558,032
Capital Assets Being Depreciated				
Buildings and Improvements	24,496,293	-	-	24,496,293
Equipment and Furniture	227,010	-	-	227,010
Total Capital Assets Being Depreciated	24,723,303	-	-	24,723,303
Less Accumulated Depreciation for				
Buildings and Improvements	1,291,369	606,024	-	1,897,393
Equipment and Furniture	194,221	15,258	-	209,479
Total Accumulated Depreciation	1,485,590	621,282	-	2,106,872
Total Capital Assets Being Depreciated, Net	23,237,713	(621,282)	-	22,616,431
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 24,795,745	\$ (621,282)	\$ -	\$ 24,174,463

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

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 621,282</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u><u>\$ 621,282</u></u>

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

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

E. Long-Term Debt

General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$6,685,000 2013A Series General Obligation Bonds, dated June 18, 2013, due in annual installments of \$265,000 to \$470,000, plus interest of 3% to 4% through January 1, 2033	Library General	\$ 5,585,000	\$ -	\$ 295,000	\$ 5,290,000	\$ 305,000
TOTAL		\$ 5,585,000	\$ -	\$ 295,000	\$ 5,290,000	\$ 305,000

Loans Payable

The Library enters into loans payable for the acquisition of capital equipment. The loans payable were issued directly to a bank. Loans payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$3,000,000 Loan Payable of 2015 by direct placement dated June 5, 2015 matures on March 17, 2018, plus interest at prime rate (3.75%) at December 31, 2017	Library General	\$ 1,120,000	\$ -	\$ 507,226	\$ 612,774	\$ 250,000
TOTAL		\$ 1,120,000	\$ -	\$ 507,226	\$ 612,774	\$ 250,000

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

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

E. Long-Term Debt (Continued)

Debt Certificates

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

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$1,000,000 2011 Series Debt Certificates by direct placement, dated December 16, 2011, due in annual installments of \$111,000, plus interest of 2.96% through July 1, 2020	Library General	\$ 222,223	\$ -	\$ 111,112	\$ 111,111	\$ 111,111
TOTAL		\$ 222,223	\$ -	\$ 111,112	\$ 111,111	\$ 111,111

Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds		Loans Payable - Direct Placement	
	Principal	Interest	Principal	Interest
2020	\$ 305,000	\$ 179,650	\$ 250,000	\$ 32,244
2021	315,000	170,350	250,000	18,303
2022	325,000	160,750	112,774	5,573
2023	335,000	150,850	-	-
2024	345,000	140,650	-	-
2025	355,000	130,150	-	-
2026	365,000	118,894	-	-
2027	375,000	106,400	-	-
2028	390,000	93,013	-	-
2029	405,000	78,594	-	-
2030	420,000	62,600	-	-
2031	435,000	45,500	-	-
2032	450,000	27,800	-	-
2033	470,000	9,400	-	-
TOTAL	\$ 5,290,000	\$ 1,474,601	\$ 612,774	\$ 56,120

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

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

E. Long-Term Debt (Continued)

Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Debt Certificates - Direct Placement	
	Principal	Interest
2020	\$ 111,111	\$ 3,289
TOTAL	\$ 111,111	\$ 3,289

Changes in Long-Term Liabilities

During the year ended December 31, 2019, the following changes occurred in long-term liabilities for Library:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 5,585,000	\$ -	\$ 295,000	\$ 5,290,000	\$ 305,000
Loans Payable - Direct Placement	1,120,000	-	507,226	612,774	250,000
Debt Certificates Payable - Direct Placement	222,223	-	111,112	111,111	111,111
Compensated Absences Payable	36,021	3,988	7,204	32,805	6,561
Net Pension Liability - IMRF	1,223,419	-	679,015	544,404	-
Total OPEB Liability	382,936	36,873	-	419,809	19,689
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,569,599	\$ 40,861	\$ 1,599,557	\$ 7,010,903	\$ 692,361

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

13. TAX ABATEMENTS

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

13. TAX ABATEMENTS (Continued)

For the year ended December 31, 2019, the City rebated 80% of the City portion of the property tax levy for the 3M distribution center located at 1650 Macom Drive. This is the second year of the five-year abatement. The abatement for the year amounted to \$124,025. The City also rebated 50% of the City portion of the property tax levy for the Right Pointe development located at 2754 Wagner Court. This is the fifth year of the five-year abatement. The abatement for the year amounted to \$3,687.

14. PRIOR PERIOD ADJUSTMENT

Beginning net position has been restated by an increase of \$611,160 for the General Fund, a decrease of \$(322,782) for the Tax Increment Financing #1 Fund, totaling to a net increase of \$288,378 for the governmental activities, and an increase of \$175,899 for the discretely presented unit, to record the proper tax increment financing surplus distribution receivable as of January 1, 2019.

15. SUBSEQUENT EVENT

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Police and Firefighter's Pension Funds have experienced significant declines in quoted prices on active markets. Management of the Police and Firefighters' Pension Funds are carefully monitoring the situation and evaluating options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

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

Last Six Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
Actuarially Determined Contribution	\$ 1,234,927	\$ 1,106,410	\$ 610,585	\$ 1,120,679	\$ 1,068,890	\$ 807,655
Contribution in Relation to the Actuarially Determined Contribution	1,234,927	1,106,410	610,585	1,120,679	1,068,890	807,655
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,664,236	\$ 6,850,602	\$ 3,739,039	\$ 7,312,033	\$ 7,266,420	\$ 6,624,393
Contributions as a Percentage of Covered Payroll	21.80%	16.15%	16.33%	15.33%	14.71%	12.19%

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

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually, and postretirement benefit increases of 2.75% compounded annually.

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
Actuarially Determined Contribution	\$ 1,379,234	\$ 1,627,268	\$ 1,730,712	\$ 1,080,991	\$ 2,502,904	\$ 2,680,967	\$ 3,079,438
Contribution in Relation to the Actuarially Determined Contribution	1,352,291	1,448,949	1,622,105	2,085,233	2,485,107	2,989,632	3,079,439
CONTRIBUTION DEFICIENCY (Excess)	\$ 26,943	\$ 178,319	\$ 108,607	\$ (1,004,242)	\$ 17,797	\$ (308,665)	\$ (1)
Covered Payroll	\$ 5,215,818	\$ 5,565,214	\$ 5,638,291	\$ 5,417,619	\$ 5,831,117	\$ 5,937,493	\$ 5,626,249
Contributions as a Percentage of Covered Payroll	25.93%	26.04%	28.77%	38.49%	42.62%	50.35%	54.73%

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

Notes to the Required Supplementary Information

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

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Seven Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
Actuarially Determined Contribution	\$ 2,078,061	\$ 2,250,772	\$ 2,373,253	\$ 1,312,560	\$ 2,990,000	\$ 3,183,910	\$ 3,503,332
Contribution in Relation to the Actuarially Determined Contribution	2,037,490	2,024,522	2,158,166	2,512,630	2,968,723	3,466,072	3,503,332
CONTRIBUTION DEFICIENCY (Excess)	\$ 40,571	\$ 226,250	\$ 215,087	\$ (1,200,070)	\$ 21,277	\$ (282,162)	\$ -
Covered Payroll	\$ 4,649,060	\$ 4,846,412	\$ 4,941,381	\$ 4,895,248	\$ 5,102,831	\$ 5,080,355	\$ 4,998,383
Contributions as a Percentage of Covered Payroll	43.83%	41.77%	43.68%	51.33%	58.18%	68.22%	70.09%

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

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of December 31 of two years prior. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7% annually and projected salary increase assumption of 4.50%.

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Six Fiscal Years

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

2014 - Changes in assumptions related to the investment rate of return, retirement age, and mortality rates.

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

2016 - Changes in assumption related to the discount rate.

2017 - Changes in assumption related to the mortality rate.

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

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

			2017	2018	2019
\$	759,129	\$	697,252	\$	681,980
	4,124,175		4,123,636		4,268,558
	-		-		-
	(135,610)		649,797		(247,821)
	(1,715,186)		1,620,019		-
	(2,896,009)		(3,121,485)		(3,254,979)
	136,499		3,969,219		1,447,738
	56,057,437		56,193,936		60,163,155
\$	56,193,936	\$	60,163,155	\$	61,610,893
\$	1,120,679	\$	1,068,890	\$	807,655
	331,025		328,546		352,798
	8,294,534		(2,996,024)		9,422,576
	(2,896,009)		(3,121,485)		(3,254,979)
	(651,218)		1,373,440		39,616
	6,199,011		(3,346,633)		7,367,666
	46,644,523		52,843,534		49,496,901
\$	52,843,534	\$	49,496,901	\$	56,864,567
\$	3,350,402	\$	10,666,254	\$	4,746,326
	94.00%		82.30%		92.30%
\$	7,312,033	\$	7,266,420	\$	6,624,393
	45.80%		146.80%		71.60%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Seven Fiscal Years

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

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

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

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

<hr/>			
DECEMBER 31, 2016**	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
<hr/>			
\$ 581,851	\$ 1,128,282	\$ 1,277,570	\$ 1,317,747
2,278,348	4,836,434	4,929,583	5,311,220
-	-	-	289,014
(30,834)	295,761	171,947	216,761
2,685,767	2,817,069	2,467,482	-
11,240	-	-	-
(1,447,549)	(3,238,369)	(3,341,647)	(3,527,953)
<hr/>			
4,078,823	5,839,177	5,504,935	3,606,789
<hr/>			
60,897,865	64,976,688	70,815,865	76,320,800
<hr/>			
\$ 64,976,688	\$ 70,815,865	\$ 76,320,800	\$ 79,927,589
<hr/>			
\$ 2,085,233	\$ 2,485,107	\$ 2,989,632	\$ 3,079,439
282,997	579,016	653,454	579,091
11,240	-	-	-
1,516,374	4,291,762	(2,080,446)	6,634,742
(1,447,549)	(3,238,369)	(3,341,647)	(3,527,953)
(21,998)	(37,520)	(48,498)	(44,897)
<hr/>			
2,426,297	4,079,996	(1,827,505)	6,720,422
<hr/>			
28,699,935	31,126,232	35,206,228	33,378,723
<hr/>			
\$ 31,126,232	\$ 35,206,228	\$ 33,378,723	\$ 40,099,145
<hr/>			
\$ 33,850,456	\$ 35,609,637	\$ 42,942,077	\$ 39,828,444
<hr/>			
47.90%	49.70%	43.70%	50.20%
\$ 5,417,619	\$ 5,831,117	\$ 5,937,493	\$ 5,626,249
<hr/>			
624.80%	610.70%	723.20%	707.90%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Seven Fiscal Years

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

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

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

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

<hr/>			
DECEMBER 31, 2016**	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
<hr/>			
\$ 560,373	\$ 1,122,905	\$ 1,205,485	\$ 1,242,933
2,345,602	4,976,209	4,988,105	5,400,159
-	-	-	334,620
26,697	(656,039)	404,229	1,121,118
2,745,788	2,872,839	2,967,274	-
80,812	-	-	-
(1,607,243)	(3,436,210)	(3,542,390)	(3,889,742)
<hr/>			
4,152,029	4,879,704	6,022,703	4,209,088
<hr/>			
62,792,625	66,944,654	71,824,358	77,847,061
<hr/>			
\$ 66,944,654	\$ 71,824,358	\$ 77,847,061	\$ 82,056,149
<hr/>			
\$ 2,512,630	\$ 2,968,723	\$ 3,466,072	\$ 3,503,332
257,245	521,427	496,108	533,079
80,812	-	-	-
1,447,151	3,139,804	(2,414,863)	4,302,793
(1,607,243)	(3,436,210)	(3,542,390)	(3,889,742)
(17,540)	(32,382)	(43,134)	(38,784)
<hr/>			
2,673,055	3,161,362	(2,038,207)	4,410,678
<hr/>			
23,471,461	26,144,516	29,305,878	27,267,671
<hr/>			
\$ 26,144,516	\$ 29,305,878	\$ 27,267,671	\$ 31,678,349
<hr/>			
\$ 40,800,138	\$ 42,518,480	\$ 50,579,390	\$ 50,377,800
<hr/>			
39.10%	40.80%	35.00%	38.60%
\$ 4,895,248	\$ 5,102,831	\$ 5,080,355	\$ 4,998,383
<hr/>			
833.50%	833.20%	995.60%	1,007.90%

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.36%	1.05%	(0.90%)	5.12%	14.21%	(5.92%)	19.93%

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

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Seven Fiscal Years

FISCAL YEAR ENDED	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2016	DECEMBER 31, 2016*	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.67%	0.73%	(1.53%)	5.93%	12.26%	(8.28%)	16.36%

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

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019
TOTAL OPEB LIABILITY		
Service Cost	\$ 515,219	\$ 472,536
Interest	967,344	1,082,975
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	(1,857,311)	2,349,501
Benefit Payments, including Refunds of Member Contributions	(1,237,879)	(1,343,099)
Net Change in Total OPEB Liability	(1,612,627)	2,561,913
Total OPEB Liability - Beginning	28,218,917	26,606,290
TOTAL OPEB LIABILITY - ENDING	\$ 26,606,290	\$ 29,168,203
Covered Payroll	\$ 16,439,764	\$ 17,291,344
Employer's Total OPEB Liability as a Percentage of Covered Payroll	161.84%	168.69%

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

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

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

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 19,499,545	\$ 19,499,545	\$ 18,958,678
Licenses and Permits	770,893	770,893	786,023
Intergovernmental	12,326,286	12,326,286	12,871,095
Charges for Services	3,111,720	3,111,720	4,009,430
Fines and Forfeitures	844,292	844,292	636,770
Investment Income	120,600	120,600	345,261
Miscellaneous	493,454	493,454	484,712
Total Revenues	37,166,790	37,166,790	38,091,969
EXPENDITURES			
General Government	5,100,586	5,100,586	4,851,148
Public Safety	24,898,375	24,898,375	24,851,670
Highways and Streets	3,281,347	3,281,347	3,085,788
Community Development	1,482,455	1,482,455	1,202,982
Total Expenditures	34,762,763	34,762,763	33,991,588
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,404,027	2,404,027	4,100,381
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Capital Assets	-	-	2,089
Transfers In	321,800	321,800	321,800
Transfers (Out)	(1,821,827)	(1,876,827)	(1,913,583)
Total Other Financing Sources (Uses)	(1,500,027)	(1,555,027)	(1,589,694)
NET CHANGE IN FUND BALANCE	<u>\$ 904,000</u>	<u>\$ 849,000</u>	2,510,687
FUND BALANCE, JANUARY 1			7,402,857
Prior Period Adjustment			<u>611,160</u>
FUND BALANCE, JANUARY 1 (RESTATED)			<u>8,014,017</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 10,524,704</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 1,111,757	\$ 1,111,757	\$ 1,454,409
Federal Grants	-	-	-
Investment Income	50,000	50,000	69,131
Miscellaneous	-	-	-
Total Revenues	<u>1,161,757</u>	<u>1,161,757</u>	<u>1,523,540</u>
EXPENDITURES			
Highways and Streets			
Commodities	100,000	100,000	99,944
Contractual Services	625,000	625,000	339,530
Capital Outlay	815,000	1,778,623	881,035
Total Expenditures	<u>1,540,000</u>	<u>2,503,623</u>	<u>1,320,509</u>
NET CHANGE IN FUND BALANCE	<u>\$ (378,243)</u>	<u>\$ (1,341,866)</u>	203,031
FUND BALANCE, JANUARY 1			<u>2,797,303</u>
FUND BALANCE, DECEMBER 31			<u>\$ 3,000,334</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Federal Grants	\$ 8,771,889	\$ 8,771,889	\$ 8,297,238
Integrated Transit Services	2,500,000	2,500,000	2,500,000
Interest Income	-	-	3,348
Miscellaneous	19,444	19,444	50,972
Total Revenues	11,291,333	11,291,333	10,851,558
EXPENDITURES			
General Government			
Personal Services	381,664	381,664	245,375
Commodities	56,610	56,610	32,801
Contractual Services	9,220,588	9,220,588	7,742,039
Capital Outlay	885,997	885,997	494,768
Total Expenditures	10,544,859	10,544,859	8,514,983
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	746,474	746,474	2,336,575
OTHER FINANCING SOURCES (USES)			
Proceeds on Sales of Capital Assets	-	-	46,604
Total Other Financing Sources (Uses)	-	-	46,604
NET CHANGE IN FUND BALANCE	\$ 746,474	\$ 746,474	2,383,179
FUND BALANCE, JANUARY 1			33,525
FUND BALANCE, DECEMBER 31			\$ 2,416,704

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 7,289,311	\$ 7,289,311	\$ 7,031,778
Investment Income	200,000	200,000	306,695
Miscellaneous	-	-	43,387
Total Revenues	7,489,311	7,489,311	7,381,860
EXPENDITURES			
Community Development			
Contractual Services	4,083,299	4,083,299	3,601,188
Capital Outlay	6,906,294	6,906,294	3,385,053
Total Expenditures	10,989,593	10,989,593	6,986,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,500,282)	(3,500,282)	395,619
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,192,400)	(1,192,400)	(1,192,400)
Total Other Financing Sources (Uses)	(1,192,400)	(1,192,400)	(1,192,400)
NET CHANGE IN FUND BALANCE	\$ (4,692,682)	\$ (4,692,682)	(796,781)
FUND BALANCE, JANUARY 1			4,373,315
Prior Period Adjustment			(322,782)
FUND BALANCE, JANUARY 1 (RESTATED)			4,050,533
FUND BALANCE, DECEMBER 31			\$ 3,253,752

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,521,644	\$ 1,521,644	\$ 1,564,865
Investment Income	5,000	5,000	22,023
Total Revenues	1,526,644	1,526,644	1,586,888
EXPENDITURES			
Community Development			
Contractual Services	110,700	1,915,937	1,915,827
Capital Outlay	147,910	249,039	249,149
Total Expenditures	258,610	2,164,976	2,164,976
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,268,034	(638,332)	(578,088)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 1,268,034	\$ (638,332)	(578,088)
FUND BALANCE, JANUARY 1			653,088
FUND BALANCE, DECEMBER 31			\$ 75,000

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

1. BUDGETS

Annual budgets are adopted for all governmental (except for the Tax Increment Financing #3 Fund and Special Service Area #28 Fund) 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 re-appropriated.

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

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

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

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

The following fund had expenditures in excess of budget:

Fund	Final Budget	Actual
Firefighters' Pension Fund	\$ 3,972,780	\$ 3,974,780
General Debt Service Fund	1,919,393	2,007,298

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 6,017,140	\$ 6,017,140	\$ 5,897,168
Home Rule Sales	6,743,880	6,743,880	6,583,319
Utilities	3,205,333	3,205,333	3,148,963
Franchise	506,875	506,875	452,848
Restaurant/Bar	2,066,514	2,066,514	1,967,612
Miscellaneous	959,803	959,803	908,768
Total Taxes	19,499,545	19,499,545	18,958,678
Licenses and Permits			
Licenses			
Amusement	3,119	3,119	3,800
Liquor	252,144	252,144	260,861
Rooming House	3,119	3,119	11,150
Other	112,579	112,579	70,122
Permits			
Building and Electrical	367,181	367,181	425,111
Parking	3,800	3,800	1,189
Other	28,951	28,951	13,790
Total Licenses and Permits	770,893	770,893	786,023
Intergovernmental			
State Sales	5,601,709	5,601,709	5,609,406
Income	4,347,082	4,347,082	4,686,511
Local Use	1,189,691	1,189,691	1,485,645
Replacement	140,434	140,434	180,785
Federal Grants	-	-	136,405
TIF Property Tax Surplus	773,533	773,533	481,034
TIF Sales Tax Surplus	273,837	273,837	291,309
Total Intergovernmental	12,326,286	12,326,286	12,871,095

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for Services			
Fire Services	\$ 1,024,080	\$ 1,024,080	\$ 1,150,088
Ambulance Fees	1,618,872	1,618,872	2,366,470
Police Services	10,200	10,200	65,771
Zoning Fees	12,240	12,240	13,500
Inspection Fees	5,100	5,100	8,850
Administration Fees	139,128	139,128	141,276
Fuel Sales	107,100	107,100	53,641
Rental Crime Free Registration	195,000	195,000	174,676
Plan Review Fees	-	-	32,406
Background Check Fee	-	-	2,752
Total Charges for Services	3,111,720	3,111,720	4,009,430
Fines and Forfeitures			
Circuit Court	317,220	317,220	187,420
Tow	198,592	198,592	134,366
Police	163,138	163,138	143,895
Abatement	5,100	5,100	150
False Fire Alarm	29,682	29,682	50,750
DUI	40,800	40,800	19,153
Other	89,760	89,760	101,036
Total Fines and Forfeitures	844,292	844,292	636,770
Investment Income	120,600	120,600	345,261
Miscellaneous			
Refunds/Reimbursements	385,764	385,764	449,786
Miscellaneous	107,690	107,690	34,926
Total Miscellaneous	493,454	493,454	484,712
TOTAL REVENUES	\$ 37,166,790	\$ 37,166,790	\$ 38,091,969

(See independent auditor's report.)

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Elected Officials	\$ 89,735	\$ 89,735	\$ 85,108
Municipal Band	33,250	38,250	38,250
City Manager's Office Administration	861,838	861,838	769,680
Human Resources Division	275,010	270,010	224,153
General Fund Support Service	2,721,472	2,721,472	2,824,171
Finance Administration	523,863	523,863	378,340
Information and Technology	963,000	963,000	815,250
Less Administrative Costs Charged to Other Departments and Funds	(367,582)	(367,582)	(283,804)
Total General Government	5,100,586	5,100,586	4,851,148
PUBLIC SAFETY			
Police Protection	13,610,277	13,610,277	13,407,692
Fire Protection	11,288,098	11,288,098	11,443,978
Total Public Safety	24,898,375	24,898,375	24,851,670
HIGHWAYS AND STREETS			
Public Works Administration	173,787	173,787	146,005
Public Facilities and Fleet Maintenance	471,491	471,491	383,326
Streets	2,484,344	2,484,344	2,420,311
Engineering	151,725	151,725	136,146
Total Highways and Streets	3,281,347	3,281,347	3,085,788
COMMUNITY DEVELOPMENT			
Community Development Administration	862,880	862,880	631,794
Building and Code Enforcement	619,575	619,575	571,188
Total Community Development	1,482,455	1,482,455	1,202,982
TOTAL EXPENDITURES	\$ 34,762,763	\$ 34,762,763	\$ 33,991,588

(See independent auditor's report.)

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Elected Officials			
Personnel Services	\$ 70,110	\$ 70,110	\$ 68,758
Commodities	790	790	990
Contractual Services	18,835	18,835	15,360
Total Elected Officials	89,735	89,735	85,108
Municipal Band			
Commodities	-	-	-
Contractual Services	33,250	38,250	38,250
Total Municipal Band	33,250	38,250	38,250
City Manager's Office Administration			
Personnel Services	596,806	596,806	537,301
Commodities	5,450	5,450	1,850
Contractual Services	259,082	259,082	230,529
Capital Outlay	500	500	-
Total City Manager's Office Administration	861,838	861,838	769,680
Human Resources Division			
Personnel Services	192,180	192,180	182,816
Commodities	4,385	4,385	976
Contractual Services	78,445	73,445	40,361
Capital Outlay	-	-	-
Total Human Resource Division	275,010	270,010	224,153
General Fund Support Service			
Personnel Services	918,472	918,472	918,472
Contractual Services	1,803,000	1,803,000	1,905,699
Total General Fund Support Service	2,721,472	2,721,472	2,824,171

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance Administration			
Personnel Services	\$ 440,430	\$ 440,430	\$ 319,217
Commodities	19,180	19,180	6,859
Contractual Services	64,253	64,253	52,264
Total Finance Administration	523,863	523,863	378,340
Information and Technology			
Personnel Services	468,232	468,232	364,064
Commodities	45,939	45,939	38,547
Contractual Services	425,929	425,929	400,129
Capital Outlay	22,900	22,900	12,510
Total Information and Technology	963,000	963,000	815,250
Less Administrative Costs Charged to Other Departments and Funds	(367,582)	(367,582)	(283,804)
Total General Government	5,100,586	5,100,586	4,851,148
PUBLIC SAFETY			
Police Protection			
Police Department Administration			
Personnel Services	856,635	856,635	651,538
Commodities	122,471	122,471	89,005
Contractual Services	86,406	86,406	71,661
Capital Outlay	33,040	33,040	37,149
Total Police Department Administration	1,098,552	1,098,552	849,353
Patrol Services			
Personnel Services	7,788,242	7,788,242	8,194,214
Commodities	120,427	120,427	115,193
Contractual Services	95,101	95,101	64,222
Capital Outlay	21,718	21,718	8,349
Total Patrol Services	8,025,488	8,025,488	8,381,978

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police Protection (Continued)			
Communications			
Personnel Services	\$ 1,398,769	\$ 1,398,769	\$ 1,304,803
Commodities	2,656	2,656	2,232
Contractual Services	15,924	15,924	11,166
Capital Outlay	1,300	1,300	916
Total Communications	1,418,649	1,418,649	1,319,117
Criminal Investigations			
Personnel Services	2,372,522	2,372,522	2,128,870
Commodities	21,141	21,141	23,509
Contractual Services	29,360	29,360	15,885
Total Criminal Investigations	2,423,023	2,423,023	2,168,264
Police Department Special Services			
Personnel Services	617,673	617,673	673,474
Commodities	9,078	9,078	7,260
Contractual Services	17,556	17,556	8,022
Capital Outlay	258	258	224
Total Police Department Special Services	644,565	644,565	688,980
Total Police Protection	13,610,277	13,610,277	13,407,692
Fire Protection			
Fire Department Administration			
Personnel Services	716,651	716,651	708,484
Commodities	42,264	42,264	41,939
Contractual Services	83,390	83,390	89,260
Total Fire Department Administration	842,305	842,305	839,683

(This schedule is continued on the following pages.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire Protection (Continued)			
Fire Department Operations			
Personnel Services	\$ 10,161,402	\$ 10,161,402	\$ 10,351,068
Commodities	115,275	115,275	103,109
Contractual Services	163,880	163,880	147,503
Capital Outlay	5,236	5,236	2,615
Total Fire Department Operations	10,445,793	10,445,793	10,604,295
Total Fire Protection	11,288,098	11,288,098	11,443,978
Total Public Safety	24,898,375	24,898,375	24,851,670
HIGHWAYS AND STREETS			
Public Works Administration			
Personnel Services	162,003	162,003	136,173
Commodities	700	700	20
Contractual Services	11,084	11,084	9,812
Total Public Works Administration	173,787	173,787	146,005
Public Facilities and Fleet Maintenance			
Personnel Services	169,441	169,441	161,306
Commodities	40,150	40,150	21,940
Contractual Services	260,900	260,900	200,080
Capital Outlay	1,000	1,000	-
Total Public Facilities and Fleet Maintenance	471,491	471,491	383,326
Streets			
Personnel Services	1,680,271	1,680,271	1,664,573
Commodities	522,400	522,400	501,271
Contractual Services	268,173	268,173	243,981
Capital Outlay	13,500	13,500	10,486
Total Streets	2,484,344	2,484,344	2,420,311

(This schedule is continued on the following page.)

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Engineering			
Personnel Services	\$ 13,370	\$ 13,370	\$ 9,425
Commodities	5,755	5,755	4,114
Contractual Services	132,600	132,600	122,607
Total Engineering	151,725	151,725	136,146
Total Highways and Streets	3,281,347	3,281,347	3,085,788
COMMUNITY DEVELOPMENT			
Community Development Administration			
Personnel Services	542,730	542,730	351,625
Commodities	12,800	12,800	7,073
Contractual Services	307,350	307,350	273,096
Total Community Development Administration	862,880	862,880	631,794
Building and Code Enforcement			
Personnel Services	544,036	544,036	494,877
Commodities	7,200	7,200	4,027
Contractual Services	68,139	68,139	72,277
Capital Outlay	200	200	7
Total Building and Code Enforcement	619,575	619,575	571,188
Total Community Development	1,482,455	1,482,455	1,202,982
TOTAL EXPENDITURES	\$ 34,762,763	\$ 34,762,763	\$ 33,991,588

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

The Tax Increment Financing #3 Fund is used to account for redevelopment activities with another defined area of the community in order to eliminate blighted conditions in that area.

DEBT SERVICE FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

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

CITY OF DEKALB, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 156,009	\$ -	\$ 1,175,734	\$ 1,331,743
Receivables				
Property Taxes	331,628	-	-	331,628
Other	-	2,461	16,100	18,561
Due from Other Governments	51,644	-	54,675	106,319
TOTAL ASSETS	\$ 539,281	\$ 2,461	\$ 1,246,509	\$ 1,788,251
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES				
LIABILITIES				
Accounts Payable	\$ 554,936	\$ 515	\$ 19,873	\$ 575,324
Unearned Revenue	-	-	5,202	5,202
Due to Other Funds	-	91,791	-	91,791
Total Liabilities	554,936	92,306	25,075	672,317
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	331,628	-	-	331,628
Total Liabilities and Deferred Inflows of Resources	886,564	92,306	25,075	1,003,945
FUND BALANCES				
Restricted				
Public Safety	62,919	-	-	62,919
Specific Purpose	89,798	-	-	89,798
Assigned for Capital Projects	-	-	1,221,434	1,221,434
Unassigned (Deficit)	(500,000)	(89,845)	-	(589,845)
Total Fund Balances (Deficit)	(347,283)	(89,845)	1,221,434	784,306
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 539,281	\$ 2,461	\$ 1,246,509	\$ 1,788,251

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 84,044	\$ 46,195	\$ 714,856	\$ 845,095
Intergovernmental	594,811	-	-	594,811
Charges for Services	-	-	217,155	217,155
Fines and Forfeitures	-	41,504	-	41,504
Investment Income	369	-	490	859
Miscellaneous	1,347	-	206,714	208,061
Total Revenues	680,571	87,699	1,139,215	1,907,485
EXPENDITURES				
General Government	207,172	-	123,830	331,002
Public Safety	43,362	-	-	43,362
Capital Outlay	917,982	-	824,302	1,742,284
Debt Service				
Principal Retirement	-	2,395,000	16,667	2,411,667
Interest and Fiscal Charges	-	716,793	-	716,793
Payment to Escrow Agent	-	87,905	-	87,905
Total Expenditures	1,168,516	3,199,698	964,799	5,333,013
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(487,945)	(3,111,999)	174,416	(3,425,528)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,994,227	111,756	3,105,983
Bonds Issued, at Par	-	3,925,000	-	3,925,000
Payment to Escrow Agent	-	(3,891,000)	-	(3,891,000)
Proceeds from Sale of Capital Assets	-	-	152,472	152,472
Total Other Financing Sources (Uses)	-	3,028,227	264,228	3,292,455
NET CHANGE IN FUND BALANCES	(487,945)	(83,772)	438,644	(133,073)
FUND BALANCES (DEFICIT), JANUARY 1	140,662	(6,073)	782,790	917,379
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (347,283)	\$ (89,845)	\$ 1,221,434	\$ 784,306

(See independent auditor's report.)

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

December 31, 2019

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block Grant
ASSETS			
Cash and Investments	\$ 62,919	\$ 65,934	\$ 38
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	-	-	-
Due from Other Governments	-	-	51,644
TOTAL ASSETS	\$ 62,919	\$ 65,934	\$ 51,682
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 51,682
Total Liabilities	-	-	51,682
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	51,682
FUND BALANCES			
Restricted			
Public Safety	62,919	-	-
Specific Purpose	-	65,934	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	62,919	65,934	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 62,919	\$ 65,934	\$ 51,682

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Special Service Area #28	TIF Increment Financing #3	Total
\$ 3,608	\$ 6,409	\$ 9,754	\$ 7,347	\$ -	\$ -	\$ 156,009
1,000	5,502	16,400	2,500	8,704	297,522	331,628
-	-	-	-	-	-	51,644
\$ 4,608	\$ 11,911	\$ 26,154	\$ 9,847	\$ 8,704	\$ 297,522	\$ 539,281
\$ 475	\$ 2,379	\$ -	\$ 400	\$ -	\$ 500,000	\$ 554,936
475	2,379	-	400	-	500,000	554,936
1,000	5,502	16,400	2,500	8,704	297,522	331,628
1,475	7,881	16,400	2,900	8,704	797,522	886,564
-	-	-	-	-	-	62,919
3,133	4,030	9,754	6,947	-	-	89,798
-	-	-	-	-	(500,000)	(500,000)
3,133	4,030	9,754	6,947	-	(500,000)	(347,283)
\$ 4,608	\$ 11,911	\$ 26,154	\$ 9,847	\$ 8,704	\$ 297,522	\$ 539,281

(See independent auditor's report.)

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

For the Year Ended December 31, 2019

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block Grant
REVENUES			
Taxes	\$ 58,669	\$ -	\$ -
Intergovernmental	-	-	594,811
Investment Income	-	337	-
Miscellaneous	426	921	-
Total Revenues	59,095	1,258	594,811
EXPENDITURES			
General Government	-	2,725	198,276
Public Safety	43,362	-	-
Capital Outlay	15,096	175	396,535
Total Expenditures	58,458	2,900	594,811
NET CHANGE IN FUND BALANCES	637	(1,642)	-
FUND BALANCES, JANUARY 1	62,282	67,576	-
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 62,919	\$ 65,934	\$ -

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	TIF Increment Financing #3	Total
\$ 1,000	\$ 5,482	\$ 16,400	\$ 2,493	\$ -	\$ 84,044
-	-	-	-	-	594,811
-	8	16	8	-	369
-	-	-	-	-	1,347
1,000	5,490	16,416	2,501	-	680,571
1,021	3,550	500	1,100	-	207,172
-	-	-	-	-	43,362
-	-	6,176	-	500,000	917,982
1,021	3,550	6,676	1,100	500,000	1,168,516
(21)	1,940	9,740	1,401	(500,000)	(487,945)
3,154	2,090	14	5,546	-	140,662
\$ 3,133	\$ 4,030	\$ 9,754	\$ 6,947	\$ (500,000)	\$ (347,283)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign Fire Insurance Tax	\$ 48,000	\$ 48,000	\$ 58,669
Miscellaneous	-	-	426
Total Revenues	48,000	48,000	59,095
EXPENDITURES			
Public Safety			
Commodities	21,000	28,875	34,791
Contractual Services	1,972	6,083	8,571
Capital Outlay	23,500	23,500	15,096
Total Expenditures	46,472	58,458	58,458
NET CHANGE IN FUND BALANCE	<u>\$ 1,528</u>	<u>\$ (10,458)</u>	637
FUND BALANCE, JANUARY 1			<u>62,282</u>
FUND BALANCE, DECEMBER 31			<u>\$ 62,919</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ 50	\$ 50	\$ 337
Miscellaneous	1,000	1,000	921
Total Revenues	1,050	1,050	1,258
EXPENDITURES			
Current			
General Government			
Contractual Services	30,924	30,924	2,725
Capital Outlay	24,000	24,000	175
Total Expenditures	54,924	54,924	2,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,874)	(53,874)	(1,642)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (53,874)</u>	<u>\$ (53,874)</u>	(1,642)
FUND BALANCE, JANUARY 1			<u>67,576</u>
FUND BALANCE, DECEMBER 31			<u>\$ 65,934</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 979,230	\$ 979,230	\$ 594,811
Total Revenues	979,230	979,230	594,811
EXPENDITURES			
General Government			
Commodities	650	650	68
Contractual Services	248,580	248,580	198,208
Capital Outlay	730,000	730,000	396,535
Total Expenditures	979,230	979,230	594,811
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
<hr/>			
REVENUES			
Taxes			
Property Taxes	\$ 1,000	\$ 1,000	\$ 1,000
	<hr/>		
Total Revenues	1,000	1,000	1,000
	<hr/>		
EXPENDITURES			
General Government			
Contractual Services	1,500	1,500	1,021
	<hr/>		
Total Expenditures	1,500	1,500	1,021
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (500)</u>	<u>\$ (500)</u>	(21)
	<hr/>		
FUND BALANCE, JANUARY 1			<u>3,154</u>
	<hr/>		
FUND BALANCE, DECEMBER 31			<u><u>\$ 3,133</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 5,500	\$ 5,500	\$ 5,482
Investment Income	10	10	8
Total Revenues	5,510	5,510	5,490
EXPENDITURES			
General Government			
Contractual Services	4,500	4,500	3,550
Total Expenditures	4,500	4,500	3,550
NET CHANGE IN FUND BALANCE	\$ 1,010	\$ 1,010	1,940
FUND BALANCE, JANUARY 1			2,090
FUND BALANCE, DECEMBER 31			\$ 4,030

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 18,000	\$ 18,000	\$ 16,400
Investment Income	10	10	16
Total Revenues	18,010	18,010	16,416
EXPENDITURES			
General Government			
Contractual Services	500	500	500
Capital Outlay	17,500	17,500	6,176
Total Expenditures	18,000	18,000	6,676
NET CHANGE IN FUND BALANCE	<u>\$ 10</u>	<u>\$ 10</u>	9,740
FUND BALANCE, JANUARY 1			<u>14</u>
FUND BALANCE, DECEMBER 31			<u>\$ 9,754</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes	\$ 2,500	\$ 2,500	\$ 2,493
Investment Income	10	10	8
Total Revenues	2,510	2,510	2,501
EXPENDITURES			
General Government			
Contractual Services	3,000	3,000	1,100
Total Expenditures	3,000	3,000	1,100
NET CHANGE IN FUND BALANCE	<u>\$ (490)</u>	<u>\$ (490)</u>	1,401
FUND BALANCE, JANUARY 1			<u>5,546</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 6,947</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

December 31, 2019

	General	TIF	Total
	Debt Service	Debt Service	
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Other Receivable	2,461	-	2,461
TOTAL ASSETS	\$ 2,461	\$ -	\$ 2,461
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 515	\$ -	\$ 515
Due to Other Funds	91,791	-	91,791
Total Liabilities	92,306	-	92,306
FUND BALANCES			
Unassigned (Deficit)	(89,845)	-	(89,845)
Total Fund Balances (Deficit)	(89,845)	-	(89,845)
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,461	\$ -	\$ 2,461

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	General Debt Service	TIF Debt Service	Total
REVENUES			
Taxes	\$ 46,195	\$ -	\$ 46,195
Fines and Forfeitures	41,504	-	41,504
Total Revenues	87,699	-	87,699
EXPENDITURES			
Debt Service			
Principal	1,335,000	1,060,000	2,395,000
Interest and Fiscal Charges	584,393	132,400	716,793
Payment to Escrow Agent	87,905	-	87,905
Total Expenditures	2,007,298	1,192,400	3,199,698
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,919,599)	(1,192,400)	(3,111,999)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,801,827	1,192,400	2,994,227
Bonds Issued, at Par	3,925,000	-	3,925,000
Payment to Escrow Agent	(3,891,000)	-	(3,891,000)
Total Other Financing Sources (Uses)	1,835,827	1,192,400	3,028,227
NET CHANGE IN FUND BALANCES	(83,772)	-	(83,772)
FUND BALANCES (DEFICIT), JANUARY 1	(6,073)	-	(6,073)
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (89,845)	\$ -	\$ (89,845)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel/Motel	\$ 50,000	\$ 50,000	\$ 46,195
Fines and Forfeitures	41,000	41,000	41,504
Total Revenues	91,000	91,000	87,699
EXPENDITURES			
Debt Service			
Principal Retirement	1,335,000	1,335,000	1,335,000
Interest and Fiscal Charges	550,829	584,393	584,393
Payment to Escrow Agent	-	-	87,905
Total Expenditures	1,885,829	1,919,393	2,007,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,794,829)	(1,828,393)	(1,919,599)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,801,827	1,801,827	1,801,827
Bonds Issued, at Par	-	-	3,925,000
Payment to Escrow Agent	-	-	(3,891,000)
Total Other Financing Sources (Uses)	1,801,827	1,801,827	1,835,827
NET CHANGE IN FUND BALANCE	\$ 6,998	\$ (26,566)	(83,772)
FUND BALANCE (DEFICIT), JANUARY 1			(6,073)
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (89,845)

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Debt Service			
Principal Retirement	1,060,000	1,060,000	1,060,000
Interest and Fiscal Charges	132,400	132,400	132,400
Total Expenditures	1,192,400	1,192,400	1,192,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,192,400)	(1,192,400)	(1,192,400)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,192,400	1,192,400	1,192,400
Total Other Financing Sources (Uses)	1,192,400	1,192,400	1,192,400
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2019

	Capital Projects	Equipment	Total
<hr/>			
ASSETS			
Cash and Investments	\$ 484,860	\$ 690,874	\$ 1,175,734
Accounts Receivable	-	16,100	16,100
Due from Other Governments	54,675	-	54,675
<hr/>			
TOTAL ASSETS	\$ 539,535	\$ 706,974	\$ 1,246,509
<hr/> <hr/>			
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 15,473	\$ 4,400	\$ 19,873
Unearned Revenue	-	5,202	5,202
<hr/>			
Total Liabilities	15,473	9,602	25,075
<hr/>			
FUND BALANCES			
Assigned for Capital Projects	524,062	697,372	1,221,434
<hr/>			
Total Fund Balances	524,062	697,372	1,221,434
<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 539,535	\$ 706,974	\$ 1,246,509
<hr/>			

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Capital Projects	Equipment	Total
REVENUES			
Taxes	\$ 714,856	\$ -	\$ 714,856
Charges for Services	-	217,155	217,155
Investment Income	-	490	490
Miscellaneous Income	-	206,714	206,714
Total Revenues	714,856	424,359	1,139,215
EXPENDITURES			
General Government			
Contractual Services	122,424	1,406	123,830
Capital Outlay	685,749	138,553	824,302
Debt Service			
Principal	-	16,667	16,667
Total Expenditures	808,173	156,626	964,799
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(93,317)	267,733	174,416
OTHER FINANCING SOURCES (USES)			
Transfers In	36,756	75,000	111,756
Proceeds from Sale of Capital Assets	136,632	15,840	152,472
Total Other Financing Sources (Uses)	173,388	90,840	264,228
NET CHANGE IN FUND BALANCES	80,071	358,573	438,644
FUND BALANCES, JANUARY 1	443,991	338,799	782,790
FUND BALANCES, DECEMBER 31	\$ 524,062	\$ 697,372	\$ 1,221,434

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Local Motor Fuel Taxes	\$ 614,719	\$ 614,719	\$ 714,856
Miscellaneous	-	-	-
Total Revenues	614,719	614,719	714,856
EXPENDITURES			
General Government			
Contractual Services	100,000	108,173	122,424
Capital Outlay	700,000	700,000	685,749
Total Expenditures	800,000	808,173	808,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(185,281)	(193,454)	(93,317)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	36,756
Proceeds from Sale of Capital Assets	-	-	136,632
Total Other Financing Sources (Uses)	-	-	173,388
NET CHANGE IN FUND BALANCE	<u>\$ (185,281)</u>	<u>\$ (193,454)</u>	80,071
FUND BALANCE, JANUARY 1			<u>443,991</u>
FUND BALANCE, DECEMBER 31			<u>\$ 524,062</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Charges for Services			
Rental Income	\$ 154,877	\$ 154,877	\$ 217,155
Investment Income	20	20	490
Miscellaneous Income	212,500	212,500	206,714
Total Revenues	367,397	367,397	424,359
EXPENDITURES			
General Government			
Contractual Services	30,000	30,000	1,406
Capital Outlay	100,494	155,494	138,553
Debt Service			
Principal	16,667	16,667	16,667
Total Expenditures	147,161	202,161	156,626
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	220,236	165,236	267,733
OTHER FINANCING SOURCES (USES)			
Transfers In	20,000	75,000	75,000
Proceeds from Sale of Capital Assets	5,000	5,000	15,840
Total Other Financing Sources (Uses)	25,000	80,000	90,840
NET CHANGE IN FUND BALANCE	<u>\$ 245,236</u>	<u>\$ 245,236</u>	358,573
FUND BALANCE, JANUARY 1			<u>338,799</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 697,372</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

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

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

NONMAJOR ENTERPRISE FUNDS

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

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

For the Year Ended December 31, 2019

	Operations and Maintenance			System Construction		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
OPERATING REVENUES						
Charges for Services						
Water Sales	\$ 5,515,943	\$ 5,515,943	\$ 5,450,640	\$ 20,000	\$ 20,000	\$ 4,757
Permits	31,500	31,500	22,921	-	-	-
Miscellaneous	12,000	12,000	12,333	-	-	-
Total Operating Revenues	5,559,443	5,559,443	5,485,894	20,000	20,000	4,757
OPERATING EXPENSES EXCLUDING DEPRECIATION						
Personal Services	2,674,793	2,674,793	2,649,618	-	-	-
Commodities	453,200	453,200	459,919	-	-	-
Contractual Services	1,160,997	1,160,997	694,067	-	-	-
Other Services/Expenses	40,000	40,000	32,442	-	-	-
Equipment	241,134	241,134	179,298	-	-	-
Total Operating Expenses	4,570,124	4,570,124	4,015,344	-	-	-
OPERATING INCOME (LOSS)	989,319	989,319	1,470,550	20,000	20,000	4,757
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	25,000	25,000	2,658	-	-	1,068
Gain on Sale of Capital Assets	2,000	2,000	-	-	-	-
Principal	(747,594)	(747,594)	(759,262)	-	-	-
Interest Expense	(42,338)	(42,338)	(43,344)	-	-	-
Total Non-Operating Revenues (Expenses)	(762,932)	(762,932)	(799,948)	-	-	1,068
NET INCOME (LOSS) BEFORE TRANSFERS	226,387	226,387	670,602	20,000	20,000	5,825
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers (Out)	(821,800)	(821,800)	77,326	-	-	-
Total Transfers	(821,800)	(821,800)	77,326	-	-	-
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ (595,413)	\$ (595,413)	747,928	\$ 20,000	\$ 20,000	5,825
ADJUSTMENTS TO GAAP BASIS						
Additions to Capital Assets			-			-
Principal Payments			759,262			-
Depreciation and Amortization			(1,139,018)			-
Amortization of Asset Retirement Obligation			(10,917)			-
Total Adjustment to GAAP Basis			(390,673)			-
CHANGE IN NET POSITION - GAAP BASIS			357,255			5,825
NET POSITION, JANUARY 1			23,570,288			1,145,454
NET POSITION, DECEMBER 31			<u>\$ 23,927,543</u>			<u>\$ 1,151,279</u>

Capital				Total		
Original Budget	Final Budget	Actual	Eliminations	Original Budget	Final Budget	Actual
\$ 350,000	\$ 350,000	\$ 456,001	\$ -	\$ 5,885,943	\$ 5,885,943	\$ 5,911,398
-	-	-	-	31,500	31,500	22,921
-	-	-	-	12,000	12,000	12,333
350,000	350,000	456,001	-	5,929,443	5,929,443	5,946,652
-	-	-	-	2,674,793	2,674,793	2,649,618
-	-	-	-	453,200	453,200	459,919
-	-	-	-	1,160,997	1,160,997	694,067
-	-	-	-	40,000	40,000	32,442
1,911,977	1,911,977	953,307	-	2,153,111	2,153,111	1,132,605
1,911,977	1,911,977	953,307	-	6,482,101	6,482,101	4,968,651
(1,561,977)	(1,561,977)	(497,306)	-	(552,658)	(552,658)	978,001
-	-	1,139	-	25,000	25,000	4,865
-	-	-	-	2,000	2,000	-
-	-	-	-	(747,594)	(747,594)	(759,262)
-	-	-	-	(42,338)	(42,338)	(43,344)
-	-	1,139	-	(762,932)	(762,932)	(797,741)
(1,561,977)	(1,561,977)	(496,167)	-	(1,315,590)	(1,315,590)	180,260
500,000	500,000	(399,126)	399,126	500,000	500,000	-
-	-	-	(399,126)	(821,800)	(821,800)	(321,800)
500,000	500,000	(399,126)	-	(321,800)	(321,800)	(321,800)
\$ (1,061,977)	\$ (1,061,977)	(895,293)	\$ -	\$ (1,637,390)	\$ (1,637,390)	(141,540)
899,126				899,126		
-				759,262		
-				(1,139,018)		
-				(10,917)		
899,126				508,453		
3,833				366,913		
1,234,773				25,950,515		
\$ 1,238,606				\$ 26,317,428		

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Rents/Taxes	\$ 370,435	\$ 370,435	\$ 337,417
Fuel Sales	500,000	500,000	462,361
Airport Operations	27,000	27,000	17,135
Miscellaneous	32,000	32,000	25,851
Total Operating Revenues	929,435	929,435	842,764
OPERATING EXPENSES			
Personal Services	357,978	357,978	347,176
Commodities	492,200	492,200	431,168
Contractual Services	241,578	244,870	281,525
Other Services	38,600	38,600	39,199
Equipment	15,150	15,150	12,141
Permanent Improvements	-	-	38,137
Total Operating Expenses	1,145,506	1,148,798	1,149,346
OPERATING INCOME (LOSS)	(216,071)	(219,363)	(306,582)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	100	100	636
State Sales Tax	3,000	3,000	4,036
Home Rule Sales Tax	5,000	5,000	7,431
Home Rule Motor Fuel Tax	296,000	296,000	268,072
Principal Expense	(69,500)	(69,500)	(69,500)
Interest Expense	(2,623)	(2,623)	(2,075)
Total Non-Operating Revenues (Expenses)	231,977	231,977	208,600

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 15,906	\$ 12,614	\$ (97,982)
CONTRIBUTIONS			
Capital Contributions	-	-	36,230
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ 15,906	\$ 12,614	\$ (61,752)
ADJUSTMENTS TO GAAP BASIS			
Additions to Capital Assets			38,137
Principal Payments			69,500
Depreciation and Amortization			(385,907)
Total Adjustments to GAAP Basis			(278,270)
CHANGE IN NET POSITION			(340,022)
NET POSITION, JANUARY 1			30,854,070
NET POSITION, DECEMBER 31			\$ 30,514,048

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 2,009,674	\$ 2,009,674	\$ 1,871,079
Miscellaneous	-	-	89
Total Operating Revenues	2,009,674	2,009,674	1,871,168
OPERATING EXPENSES			
Contractual Services	1,982,452	1,982,452	1,868,818
Capital Outlay	6,000	6,000	730
Total Operating Expenses	1,988,452	1,988,452	1,869,548
OPERATING INCOME	21,222	21,222	1,620
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	-	-	393
Total Non-Operating Revenues (Expenses)	-	-	393
CHANGE IN NET POSITION	\$ 21,222	\$ 21,222	2,013
NET POSITION, JANUARY 1			205,195
NET POSITION, DECEMBER 31			\$ 207,208

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

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

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

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

	Workers'	Health	
	Compensation	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 1,986,058	\$ 258,572	\$ 2,244,630
Receivables			
Other	52,728	446,414	499,142
Prepaid Expenses	75	-	75
Total Current Assets	2,038,861	704,986	2,743,847
CURRENT LIABILITIES			
Accounts Payable	21,237	51,747	72,984
Claims Payable	284,997	-	284,997
Unearned Revenue	-	11,701	11,701
Total Current Liabilities	306,234	63,448	369,682
NONCURRENT LIABILITIES			
Claims Payable	284,998	-	284,998
Total Noncurrent Liabilities	284,998	-	284,998
Total Liabilities	591,232	63,448	654,680
NET POSITION			
Unrestricted	1,447,629	641,538	2,089,167
TOTAL NET POSITION	\$ 1,447,629	\$ 641,538	\$ 2,089,167

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Workers' Compensation		
	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Contributions	\$ 881,659	\$ 881,659	\$ 881,892
Miscellaneous	15,000	15,000	77,601
Total Operating Revenues	896,659	896,659	959,493
OPERATING EXPENSES			
Administration	550,852	550,852	562,262
Claims	500,000	500,000	202,607
Total Operating Expenses	1,050,852	1,050,852	764,869
OPERATING INCOME (LOSS)	(154,193)	(154,193)	194,624
NON-OPERATING REVENUES			
Investment Income	1,500	1,500	4,185
Total Non-Operating Revenues	1,500	1,500	4,185
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(152,693)	(152,693)	198,809
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
CHANGE IN NET POSITION	\$ (152,693)	\$ (152,693)	198,809
NET POSITION, JANUARY 1			1,248,820
NET POSITION, DECEMBER 31			\$ 1,447,629

Health Insurance			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 6,298,176	\$ 6,298,176	\$ 6,231,074	\$ 7,179,835	\$ 7,179,835	\$ 7,112,966
-	-	-	15,000	15,000	77,601
6,298,176	6,298,176	6,231,074	7,194,835	7,194,835	7,190,567
6,670,950	6,670,950	6,035,290	7,221,802	7,221,802	6,597,552
-	-	-	500,000	500,000	202,607
6,670,950	6,670,950	6,035,290	7,721,802	7,721,802	6,800,159
(372,774)	(372,774)	195,784	(526,967)	(526,967)	390,408
50	50	362	1,550	1,550	4,547
50	50	362	1,550	1,550	4,547
(372,724)	(372,724)	196,146	(525,417)	(525,417)	394,955
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (372,724)</u>	<u>\$ (372,724)</u>	196,146	<u>\$ (525,417)</u>	<u>\$ (525,417)</u>	394,955
		445,392			1,694,212
		<u>\$ 641,538</u>			<u>\$ 2,089,167</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 849,713	\$ 4,402,217	\$ 5,251,930
Receipts from Employees and Others	-	1,572,570	1,572,570
Receipts from Miscellaneous Revenue	77,601	-	77,601
Payments to Suppliers	(1,035,230)	(6,047,228)	(7,082,458)
Net Cash from Operating Activities	(107,916)	(72,441)	(180,357)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Capital and Related Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	4,185	362	4,547
Net Cash from Investing Activities	4,185	362	4,547
NET DECREASE IN CASH AND CASH EQUIVALENTS	(103,731)	(72,079)	(175,810)
CASH AND CASH EQUIVALENTS, JANUARY 1	2,089,789	330,651	2,420,440
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,986,058</u>	<u>\$ 258,572</u>	<u>\$ 2,244,630</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	\$ 194,624	\$ 195,784	\$ 390,408
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Changes in Assets and Liabilities			
Receivables	(32,179)	(265,926)	(298,105)
Prepaid Expenses	(75)	-	(75)
Accounts Payable	(2,925)	(11,938)	(14,863)
Claims Payable	(267,361)	-	(267,361)
Unearned Revenue	-	9,639	9,639
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (107,916)</u>	<u>\$ (72,441)</u>	<u>\$ (180,357)</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

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

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 4,359,635	\$ 1,613,065	\$ 5,972,700
Investments			
U.S. Treasury Obligations	3,886,237	2,037,064	5,923,301
U.S. Agency Obligations	3,024,762	2,219,418	5,244,180
Corporate Bonds	2,855,792	5,041,532	7,897,324
Municipal Bonds	-	483,385	483,385
Mutual Funds	25,943,589	20,223,751	46,167,340
Receivables			
Accrued Interest	41,174	60,929	102,103
Prepaid Expenses	3,050	250	3,300
Total Assets	40,114,239	31,679,394	71,793,633
LIABILITIES			
Accounts Payable	15,094	1,045	16,139
Total Liabilities	15,094	1,045	16,139
NET POSITION RESTRICTED FOR PENSIONS	\$ 40,099,145	\$ 31,678,349	\$ 71,777,494

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2019

	Police Pension			Firefighters' Pension			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
ADDITIONS									
Contributions									
Employer Contributions	\$ 3,079,438	\$ 3,079,438	\$ 3,079,439	\$ 3,503,332	\$ 3,503,332	\$ 3,503,332	\$ 6,582,770	\$ 6,582,770	\$ 6,582,771
Employee Contributions	599,999	599,999	579,091	477,150	477,150	533,079	1,077,149	1,077,149	1,112,170
Total Contributions	3,679,437	3,679,437	3,658,530	3,980,482	3,980,482	4,036,411	7,659,919	7,659,919	7,694,941
Investment Income									
Net Appreciation in Fair Value of Investments	-	-	5,993,757	1,789,512	1,789,512	3,433,666	1,789,512	1,789,512	9,427,423
Interest	2,030,000	2,030,000	694,578	762,594	762,594	915,381	2,792,594	2,792,594	1,609,959
Total Investment Income	2,030,000	2,030,000	6,688,335	2,552,106	2,552,106	4,349,047	4,582,106	4,582,106	11,037,382
Less Investment Expense	(63,078)	(63,078)	(53,593)	(71,406)	(71,406)	(46,254)	(134,484)	(134,484)	(99,847)
Net Investment Income	1,966,922	1,966,922	6,634,742	2,480,700	2,480,700	4,302,793	4,447,622	4,447,622	10,937,535
Total Additions	5,646,359	5,646,359	10,293,272	6,461,182	6,461,182	8,339,204	12,107,541	12,107,541	18,632,476
DEDUCTIONS									
Administrative Expenses	69,555	69,555	44,897	68,309	68,309	38,784	137,864	137,864	83,681
Benefits and Refunds	3,750,225	3,750,225	3,527,953	3,658,589	3,833,065	3,889,742	7,408,814	7,583,290	7,417,695
Total Deductions	3,819,780	3,819,780	3,572,850	3,726,898	3,901,374	3,928,526	7,546,678	7,721,154	7,501,376
NET INCREASE	<u>\$ 1,826,579</u>	<u>\$ 1,826,579</u>	6,720,422	<u>\$ 2,734,284</u>	<u>\$ 2,559,808</u>	4,410,678	<u>\$ 4,560,863</u>	<u>\$ 4,386,387</u>	11,131,100
NET POSITION RESTRICTED FOR PENSIONS									
January 1			33,378,723			27,267,671			60,646,394
December 31			<u>\$ 40,099,145</u>			<u>\$ 31,678,349</u>			<u>\$ 71,777,494</u>

(See independent auditor's report.)

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

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET

December 31, 2019

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Investments	\$ 1,382,828	\$ 46,176	\$ 206,585	\$ 1,635,589	\$ -	\$ 1,635,589
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)						
Property taxes	2,760,765	-	-	2,760,765	-	2,760,765
Accounts	92,553	-	-	92,553	-	92,553
Total Current Assets	4,236,146	46,176	206,585	4,488,907	-	4,488,907
NONCURRENT ASSETS						
Capital Assets						
Not Depreciated	-	-	-	-	1,558,032	1,558,032
Depreciated (Net of Accumulated Depreciation)	-	-	-	-	22,616,431	22,616,431
Total Noncurrent Assets	-	-	-	-	24,174,463	24,174,463
Total Assets	4,236,146	46,176	206,585	4,488,907	24,174,463	28,663,370
DEFERRED OUTFLOWS OF RESOURCES						
Pension Items - IMRF	-	-	-	-	83,847	83,847
Pension Items - OPEB	-	-	-	-	28,985	28,985
Total Deferred Outflows of Resources	-	-	-	-	112,832	112,832
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,236,146	\$ 46,176	\$ 206,585	\$ 4,488,907	\$ 24,287,295	\$ 28,776,202

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION						
LIABILITIES						
Accounts Payable	\$ 25,891	\$ -	\$ -	\$ 25,891	\$ -	\$ 25,891
Accrued Payroll	54,143	-	-	54,143	-	54,143
Accrued Interest Payable	-	-	-	-	94,996	94,996
Long-Term Liabilities						
Due Within One Year	-	-	-	-	692,361	692,361
Due in More than One Year	-	-	-	-	6,318,542	6,318,542
Total Liabilities	80,034	-	-	80,034	7,105,899	7,185,933
DEFERRED INFLOWS OF RESOURCES						
Pension Items - IMRF	-	-	-	-	306,943	306,943
Pension Items - OPEB	-	-	-	-	19,094	19,094
Unavailable Property Taxes	2,760,765	-	-	2,760,765	-	2,760,765
Total Deferred Inflows of Resources	2,760,765	-	-	2,760,765	326,037	3,086,802
Total Liabilities and Deferred Inflows of Resources	2,840,799	-	-	2,840,799	7,431,936	10,272,735
FUND BALANCES/NET POSITION						
Net Investment in Capital Assets	-	-	-	-	18,160,578	18,160,578
Restricted - Endowments	-	-	206,585	206,585	-	206,585
Assigned	-	46,176	-	46,176	(46,176)	-
Unrestricted	1,395,347	-	-	1,395,347	(1,259,043)	136,304
Total Fund Balances/Net Position	1,395,347	46,176	206,585	1,648,108	16,855,359	18,503,467
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION	\$ 4,236,146	\$ 46,176	\$ 206,585	\$ 4,488,907	\$ 24,287,295	\$ 28,776,202

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

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

For the Year Ended December 31, 2019

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
REVENUES						
Taxes						
Property Taxes	\$ 1,607,323	\$ -	\$ -	\$ 1,607,323	\$ -	\$ 1,607,323
TIF Surplus	92,388	-	-	92,388	-	92,388
Replacement Taxes	41,768	-	-	41,768	-	41,768
Grants	134,727	-	-	134,727	-	134,727
Charges for Services	37,138	-	-	37,138	-	37,138
Investment Income	46,882	1,116	6,189	54,187	-	54,187
Miscellaneous	15,984	-	-	15,984	-	15,984
Total Revenues	1,976,210	1,116	6,189	1,983,515	-	1,983,515
EXPENDITURES						
Current						
Culture and Recreation	2,043,019	-	20,417	2,063,436	649,610	2,713,046
Debt Service						
Principal	913,337	-	-	913,337	(913,337)	-
Interest and Fiscal Charges	232,211	-	-	232,211	(5,838)	226,373
Total Expenditures	3,188,567	-	20,417	3,208,984	(269,565)	2,939,419
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,212,357)	1,116	(14,228)	(1,225,469)	269,565	(955,904)

	General	Capital Projects	Permanent	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES/ NET POSITION	(1,212,357)	1,116	(14,228)	(1,225,469)	269,565	(955,904)
FUND BALANCES/ NET POSITION, JANUARY 1	2,431,805	45,060	220,813	2,697,678	16,585,794	19,283,472
Prior Period Adjustment	175,899	-	-	175,899	-	175,899
FUND BALANCES/ NET POSITION, JANUARY 1 (RESTATED)	2,607,704	45,060	220,813	2,873,577	16,585,794	19,459,371
FUND BALANCES/ NET POSITION, DECEMBER 31	\$ 1,395,347	\$ 46,176	\$ 206,585	\$ 1,648,108	\$ 16,855,359	\$ 18,503,467

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

CITY OF DEKALB, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2019

CSFA Number	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 4,675	\$ -	\$ -	\$ 4,675
482-00-0894	EMS Assistance Fund Grant	-	-	-	-
494-00-0958	Truck Access Route Program	-	-	-	-
494-00-0967	High-Growth Cities Program	9,965	-	-	9,965
494-00-1006	Illinois Special Bridge Program	-	-	-	-
494-00-1488	Motor Fuel Tax Program	1,320,509	-	-	1,320,509
	State and Community Highway Safety/National				
494-10-0343	Priority Safety Program	-	36,302	-	36,302
494-60-0327	Airport Improvement Program	1,907	34,323	-	36,230
494-80-1141	Transit Downstate Operating Assistance Program	6,216,725	-	-	6,216,725
	Transit Downstate Transit Improvement Fund				
494-80-1284	Program	-	-	-	-
	Other grant programs and activities	-	2,730,959	-	2,730,959
	All other costs not allocated	-	-	62,460,180	62,460,180
TOTALS		\$ 7,553,781	\$ 2,801,584	\$ 62,460,180	\$ 72,815,545

(See independent auditor's report.)

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2019	\$ 1,105,000	\$ 90,000	\$ 1,195,000	2020	\$ 45,000	2020	\$ 45,000
2020	1,145,000	45,800	1,190,800	2021	22,900	2021	22,900
	<u>\$ 2,250,000</u>	<u>\$ 135,800</u>	<u>\$ 2,385,800</u>		<u>\$ 67,900</u>		<u>\$ 67,900</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2019	\$ 680,000	\$ 137,040	\$ 817,040	2020	\$ 77,190	2020	\$ 59,850
2020	715,000	100,395	815,395	2021	59,850	2021	40,545
2021	755,000	59,573	814,573	2022	40,545	2022	19,028
2022	645,000	19,028	664,028	2023	19,028	2023	-
	<u>\$ 2,795,000</u>	<u>\$ 316,036</u>	<u>\$ 3,111,036</u>		<u>\$ 196,613</u>		<u>\$ 119,423</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2019	\$ -	\$ 130,680	\$ 130,680	2020	\$ 65,340	2020	\$ 65,340
2020	-	130,680	130,680	2021	65,340	2021	65,340
2021	-	130,680	130,680	2022	65,340	2022	65,340
2022	765,000	123,031	888,031	2023	65,340	2023	57,691
2023	780,000	107,582	887,582	2024	57,691	2024	49,891
2024	795,000	91,832	886,832	2025	49,891	2025	41,941
2025	810,000	75,782	885,782	2026	41,941	2026	33,841
2026	830,000	58,863	888,863	2027	33,841	2027	25,022
2027	845,000	41,066	886,066	2028	25,022	2028	16,044
2028	865,000	22,356	887,356	2029	16,044	2029	6,312
2029	505,000	6,312	511,312	2030	6,312	2030	-
	<u>\$ 6,195,000</u>	<u>\$ 918,864</u>	<u>\$ 7,113,864</u>		<u>\$ 492,102</u>		<u>\$ 426,762</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2019	\$ 340,000	\$ 7,952	\$ 347,952	2020	\$ 5,288	2020	\$ 2,664
2020	345,000	2,664	347,664	2021	2,664	2021	-
	<u>\$ 685,000</u>	<u>\$ 10,616</u>	<u>\$ 695,616</u>		<u>\$ 7,952</u>		<u>\$ 2,664</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			Amount
	Principal	Interest	Total	January 1	Amount	July 1	
2019	\$ 273,875	\$ 6,376	\$ 280,251	2020	\$ 4,245	2020	\$ 2,131
2020	276,000	2,131	278,131	2021	2,131	2021	-
	<u>\$ 549,875</u>	<u>\$ 8,507</u>	<u>\$ 558,382</u>		<u>\$ 6,376</u>		<u>\$ 2,131</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			Amount
	Principal	Interest	Total	January 1	Amount	July 1	
2019	\$ 66,125	\$ 1,576	\$ 67,701	2020	\$ 1,043	2020	\$ 533
2020	69,000	533	69,533	2021	533	2021	-
	<u>\$ 135,125</u>	<u>\$ 2,109</u>	<u>\$ 137,234</u>		<u>\$ 1,576</u>		<u>\$ 533</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2019**

December 31, 2019

Date of Issue	October 23, 2019
Date of Maturity	January 1, 2028
Authorized Issue	\$3,925,000
Denomination of Notes	\$5,000
Interest Rates	1.82%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	JPMorgan Chase Bank, Chicago, Illinois
Purpose	Refund the Refunding Series 2010B Bonds

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2019	\$ -	\$ 49,211	\$ 49,211	2020	\$ -	2020	\$ 49,211
2020	20,000	71,254	91,254	2021	35,718	2021	35,536
2021	35,000	70,753	105,753	2022	35,536	2022	35,217
2022	185,000	68,751	253,751	2023	35,217	2023	33,534
2023	870,000	59,151	929,151	2024	33,534	2024	25,617
2024	885,000	43,180	928,180	2025	25,617	2025	17,563
2025	905,000	26,891	931,891	2026	17,563	2026	9,328
2026	920,000	10,284	930,284	2027	9,328	2027	956
2027	105,000	956	105,956	2028	956	2028	-
	<u>\$ 3,925,000</u>	<u>\$ 400,431</u>	<u>\$ 4,325,431</u>		<u>\$ 193,469</u>		<u>\$ 206,962</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2020	\$ 258,223	\$ 8,255	\$ 266,478
2021	131,572	1,669	133,241
	<u>\$ 389,795</u>	<u>\$ 9,924</u>	<u>\$ 399,719</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2020	\$ 212,033	\$ 6,779	\$ 218,812
2021	108,036	1,369	109,405
	<u>\$ 320,069</u>	<u>\$ 8,148</u>	<u>\$ 328,217</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2020	\$ 13,849	\$ 4,677	\$ 18,526
2021	14,168	4,357	18,525
2022	14,495	4,029	18,524
2023	14,829	3,695	18,524
2024	15,172	3,353	18,525
2025	15,522	3,003	18,525
2026	15,880	2,644	18,524
2027	16,247	2,277	18,524
2028	16,622	1,903	18,525
2029	17,005	1,519	18,524
2030	17,398	1,127	18,525
2031	17,800	725	18,525
2032	18,210	312	18,522
	<u>\$ 207,197</u>	<u>\$ 33,621</u>	<u>\$ 240,818</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA LOAN #L175473 CONTRACT PAYABLE OF 2019**

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2020	\$ 29,413	\$ 12,433	\$ 41,846
2021	29,956	11,889	41,845
2022	30,510	11,336	41,846
2023	31,074	10,772	41,846
2024	31,648	10,197	41,845
2025	32,233	9,612	41,845
2026	32,829	9,016	41,845
2027	33,435	8,409	41,844
2028	34,054	7,792	41,846
2029	34,683	7,163	41,846
2030	35,324	6,521	41,845
2031	35,977	5,868	41,845
2032	36,642	5,203	41,845
2033	37,319	4,525	41,844
2034	38,010	3,836	41,846
2035	38,712	3,133	41,845
2036	39,427	2,418	41,845
2037	40,156	1,689	41,845
2038	40,899	947	41,846
2039	20,732	191	20,923
	<u>\$ 683,033</u>	<u>\$ 132,950</u>	<u>\$ 815,983</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013A

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 305,000	\$ 179,650	\$ 484,650
2021	315,000	170,350	485,350
2022	325,000	160,750	485,750
2023	335,000	150,850	485,850
2024	345,000	140,650	485,650
2025	355,000	130,150	485,150
2026	365,000	118,894	483,894
2027	375,000	106,400	481,400
2028	390,000	93,013	483,013
2029	405,000	78,594	483,594
2030	420,000	62,600	482,600
2031	435,000	45,500	480,500
2032	450,000	27,800	477,800
2033	470,000	9,400	479,400
	<u>\$ 5,290,000</u>	<u>\$ 1,474,601</u>	<u>\$ 6,764,601</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
LOAN PAYABLE OF 2015

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 250,000	\$ 32,244	\$ 282,244
2021	250,000	18,303	268,303
2022	112,774	5,573	118,347
	<u>\$ 612,774</u>	<u>\$ 56,120</u>	<u>\$ 668,894</u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
DEBT CERTIFICATES OF 2011

December 31, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2020	\$ 111,111	\$ 3,289	\$ 114,400
	\$ 111,111	\$ 3,289	\$ 114,400

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	161-170
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	171-178
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.	179-183
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.	184-185
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.	186-190

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

CITY OF DEKALB, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 119,410,592	\$ 120,169,717	\$ 118,266,115	\$ 116,047,087
Restricted	11,857,498	12,358,010	12,182,850	11,764,636
Unrestricted (Deficit)	(17,715,142)	(15,138,497)	(13,241,757)	(11,899,046)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 113,552,948	\$ 117,389,230	\$ 117,207,208	\$ 115,912,677
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 48,222,651	\$ 48,123,532	\$ 47,928,816	\$ 49,590,809
Unrestricted (Deficit)	2,919,291	4,179,066	4,899,564	4,329,375
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 51,141,942	\$ 52,302,598	\$ 52,828,380	\$ 53,920,184
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 167,633,243	\$ 168,293,249	\$ 166,194,931	\$ 165,637,896
Restricted	11,857,498	12,358,010	12,182,850	11,764,636
Unrestricted (Deficit)	(14,795,851)	(10,959,431)	(8,342,193)	(7,569,671)
TOTAL PRIMARY GOVERNMENT	\$ 164,694,890	\$ 169,691,828	\$ 170,035,588	\$ 169,832,861

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

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

Data Source

Audited Financial Statements

2015	2016	2016*	2017	2018	2019
\$ 113,826,017	\$ 111,898,622	\$ 109,971,927	\$ 108,657,023	\$ 106,591,976	\$ 104,229,352
12,897,923	13,365,048	13,940,693	13,672,932	8,135,923	9,053,404
(69,597,568)	(79,546,145)	(78,676,335)	(81,592,842)	(105,205,972)	(105,991,353)
\$ 57,126,372	\$ 45,717,525	\$ 45,236,285	\$ 40,737,113	\$ 9,521,927	\$ 7,291,403
\$ 52,605,345	\$ 52,803,874	\$ 52,481,077	\$ 54,064,502	\$ 54,929,044	\$ 54,475,444
4,305,333	3,123,080	3,146,393	2,550,706	2,080,736	2,563,240
\$ 56,910,678	\$ 55,926,954	\$ 55,627,470	\$ 56,615,208	\$ 57,009,780	\$ 57,038,684
\$ 166,431,362	\$ 164,702,496	\$ 162,453,004	\$ 162,721,525	\$ 161,521,020	\$ 158,704,796
12,897,923	13,365,048	13,940,693	13,672,932	8,135,923	9,053,404
(65,292,235)	(76,423,065)	(75,529,942)	(79,042,136)	(103,125,236)	(103,428,113)
\$ 114,037,050	\$ 101,644,479	\$ 100,863,755	\$ 97,352,321	\$ 66,531,707	\$ 64,330,087

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
EXPENSES				
Governmental Activities				
General Government	\$ 10,647,791	\$ 8,859,145	\$ 11,865,375	\$ 9,744,441
Public Safety	19,660,618	20,989,072	19,017,122	20,797,002
Highways and Streets	4,465,186	2,207,978	1,449,053	5,016,398
Community Development	7,929,922	10,738,364	13,208,902	10,726,424
Interest	857,764	1,016,815	1,080,709	1,209,191
Total Governmental Activities Expenses	43,561,281	43,811,374	46,621,161	47,493,456
Business-Type Activities				
Water and Sewer	4,438,481	4,159,836	4,081,382	4,080,350
Airport	1,154,982	1,318,730	1,641,540	1,322,518
Refuse	1,736,937	1,670,364	1,756,850	1,844,724
Total Business-Type Activities Expenses	7,330,400	7,148,930	7,479,772	7,247,592
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 50,891,681	\$ 50,960,304	\$ 54,100,933	\$ 54,741,048
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 325,169	\$ 238,190	\$ 330,222	\$ 485,114
Public Safety	2,739,272	2,462,313	2,090,752	2,504,342
Highways and Streets	496,852	212,232	125,794	144,137
Community Development	395,147	237,838	422,991	460,458
Operating Grants and Contributions	3,257,775	1,143,618	1,131,494	1,166,973
Capital Grants and Contributions	4,144,333	6,075,050	4,843,630	4,072,079
Total Governmental Activities Program Revenues	11,358,548	10,369,241	8,944,883	8,833,103
Business-Type Activities				
Charges for Services				
Water and Sewer	5,454,296	5,367,480	5,503,049	5,179,180
Airport	405,332	846,375	1,094,127	772,805
Refuse	1,696,466	1,757,410	1,773,670	2,053,424
Capital Grants and Contributions	392,373	562,770	130,658	959,182
Total Business-Type Activities Program Revenues	7,948,467	8,534,035	8,501,504	8,964,591
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 19,307,015	\$ 18,903,276	\$ 17,446,387	\$ 17,797,694
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (32,202,733)	\$ (33,442,133)	\$ (37,676,278)	\$ (38,660,353)
Business-Type Activities	618,067	1,385,105	1,021,732	1,716,999
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (31,584,666)	\$ (32,057,028)	\$ (36,654,546)	\$ (36,943,354)

2015	2016	2016*	2017	2018	2019
\$ 12,795,131	\$ 8,456,094	\$ 5,395,790	\$ 8,247,776	\$ 8,430,414	\$ 13,266,076
22,259,920	33,400,660	13,631,506	26,862,629	30,080,212	30,633,036
4,158,954	8,086,082	4,480,747	4,887,066	8,903,634	8,642,569
8,859,472	6,984,506	7,362,107	12,186,289	13,587,704	11,074,609
987,476	1,057,938	433,303	777,001	695,210	567,712
49,060,953	57,985,280	31,303,453	52,960,761	61,697,174	64,184,002
4,288,137	5,354,514	2,766,772	5,174,324	5,246,979	5,262,804
1,410,722	1,263,527	674,622	1,357,269	1,481,000	1,499,191
1,920,958	2,110,657	1,024,302	2,132,643	2,086,409	1,869,548
7,619,817	8,728,698	4,465,696	8,664,236	8,814,388	8,631,543
\$ 56,680,770	\$ 66,713,978	\$ 35,769,149	\$ 61,624,997	\$ 70,511,562	\$ 72,815,545
\$ 417,915	\$ 456,082	\$ 291,387	\$ 506,158	\$ 538,305	\$ 545,288
3,608,300	2,875,539	1,580,396	2,866,226	3,266,797	4,455,679
107,317	-	-	-	-	-
4,588,613	685,065	231,479	608,386	459,501	689,914
1,114,773	1,218,315	672,466	1,213,286	1,308,752	1,537,111
4,375,595	3,933,596	1,866,646	3,737,849	3,960,020	8,945,753
14,212,513	9,168,597	4,642,374	8,931,905	9,533,375	16,173,745
5,377,744	5,391,676	2,929,368	5,762,896	5,686,158	5,934,319
658,557	468,110	328,053	776,906	837,997	816,913
2,010,485	2,047,188	1,063,382	2,160,482	2,058,770	1,871,079
2,566,070	81,555	42,829	789,468	478,930	36,230
10,612,856	7,988,529	4,363,632	9,489,752	9,061,855	8,658,541
\$ 24,825,369	\$ 17,157,126	\$ 9,006,006	\$ 18,421,657	\$ 18,595,230	\$ 24,832,286
\$ (34,848,440)	\$ (48,816,683)	\$ (26,661,079)	\$ (44,028,856)	\$ (52,163,799)	\$ (48,010,257)
2,993,039	(740,169)	(102,064)	825,516	247,467	26,998
\$ (31,855,401)	\$ (49,556,852)	\$ (26,763,143)	\$ (43,203,340)	\$ (51,916,332)	\$ (47,983,259)

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 13,405,653	\$ 12,733,599	\$ 12,673,310	\$ 12,392,230
Sales	11,426,292	11,132,604	11,078,544	10,435,096
Utility	4,449,288	3,788,953	3,534,755	3,600,059
Income	3,561,130	3,745,298	4,130,363	4,197,440
Other	3,426,431	4,775,612	4,835,868	4,994,817
Investment Income	71,691	37,782	124,029	164,693
Miscellaneous	157,306	839,167	623,137	953,687
Gain on Sale of Assets	-	-	-	-
Transfers In (Out)	(2,453,290)	225,400	494,250	627,800
Total Governmental Activities	34,044,501	37,278,415	37,494,256	37,365,822
Business-Type Activities				
Taxes				
Sales	-	-	-	-
Other	-	-	-	-
Investment Income	16	380	4,338	113
Miscellaneous	28,384	571	(6,038)	2,492
Transfers In (Out)	2,453,290	(225,400)	(494,250)	(627,800)
Total Business-Type Activities	2,481,690	(224,449)	(495,950)	(625,195)
TOTAL PRIMARY GOVERNMENT	\$ 36,526,191	\$ 37,053,966	\$ 36,998,306	\$ 36,740,627
CHANGE IN NET POSITION				
Governmental Activities	\$ 1,841,768	\$ 3,836,282	\$ (182,022)	\$ (1,294,531)
Business-Type Activities	3,099,757	1,160,656	525,782	1,091,804
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ 4,941,525	\$ 4,996,938	\$ 343,760	\$ (202,727)

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

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

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

Data Source

Audited Financial Statements

	2015	2016	2016*	2017	2018	2019
\$	11,981,519	\$ 11,812,941	\$ 12,678,579	\$ 13,783,140	\$ 14,454,907	\$ 14,519,186
	11,092,497	11,801,518	6,197,334	11,857,871	11,966,582	12,192,725
	3,433,879	3,202,384	1,513,310	3,144,611	3,252,309	3,148,963
	4,515,729	4,462,992	1,786,638	4,044,119	4,216,580	4,686,511
	5,340,751	5,585,744	3,279,118	5,648,898	5,966,613	9,087,721
	182,353	(257,706)	103,038	201,169	547,273	747,317
	1,258,401	598,730	344,060	671,129	765,685	787,132
	-	1,741	23,515	10,744	14,785	-
	(29,377)	(62,163)	254,247	168,003	(299,600)	321,800
	37,775,752	37,146,181	26,179,839	39,529,684	40,885,134	45,491,355
	-	-	-	716	12,864	11,467
	-	-	-	267,120	284,299	268,072
	27	38,672	18,951	10,557	739	5,894
	4,326	109,342	37,876	51,832	61,426	38,273
	29,337	62,163	(254,247)	(168,003)	299,600	(321,800)
	33,690	210,177	(197,420)	162,222	658,928	1,906
\$	37,809,442	\$ 37,356,358	\$ 25,982,419	\$ 39,691,906	\$ 41,544,062	\$ 45,493,261
\$	2,927,312	\$ (11,670,502)	\$ (481,240)	\$ (4,499,172)	\$ (11,278,665)	\$ (2,518,902)
	3,026,729	(529,992)	(299,484)	987,738	906,395	28,904
\$	5,954,041	\$ (12,200,494)	\$ (780,724)	\$ (3,511,434)	\$ (10,372,270)	\$ (2,489,998)

CITY OF DEKALB, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011**	2012	2013	2014
GENERAL FUND				
Reserved	\$ 6,257	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	50,934	61,660	37,161	30,216
Restricted	-	-	-	104,523
Committed	-	6,262	6,262	6,262
Unassigned	2,692,928	4,669,218	5,177,514	5,916,598
TOTAL GENERAL FUND	\$ 2,750,119	\$ 4,737,140	\$ 5,220,937	\$ 6,057,599
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated (Deficit) Reported in				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Nonspendable	3,650	1,500	-	-
Restricted	11,725,897	12,537,031	12,176,588	11,660,113
Assigned	340,327	219,840	3,739,068	498,285
Unassigned (Deficit)	-	-	-	(205,934)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 12,069,874	\$ 12,758,371	\$ 15,915,656	\$ 11,952,464

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

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

Data Source

Audited Financial Statements

2015		2016		2016*		2017		2018		2019	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	22,865		361,584		570,613		591,381		78,507		36,238
	173,187		-		283,543		210,625		171,555		154,897
	6,447		-		-		-		-		-
	8,018,754		9,123,076		8,374,964		8,271,793		7,152,795		10,333,569
\$	8,221,253	\$	9,484,660	\$	9,229,120	\$	9,073,799	\$	7,402,857	\$	10,524,704
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		51		-		-		-
	12,728,487		13,365,048		13,679,908		13,462,307		7,964,368		8,898,507
	571,040		358,251		1,130,130		587,790		782,790		1,221,434
	-		(23,787)		(1,583)		(13,977)		27,452		(589,845)
\$	13,299,527	\$	13,699,512	\$	14,808,506	\$	14,036,120	\$	8,774,610	\$	9,530,096

CITY OF DEKALB, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
REVENUES				
Taxes	\$ 36,266,887	\$ 24,753,767	\$ 24,330,856	\$ 24,430,463
Intergovernmental	6,576,584	18,750,569	17,863,890	16,384,065
Licenses, Permits, and Fees	499,938	396,095	483,375	554,740
Charges for Services	2,137,997	2,149,403	1,727,442	1,961,818
Fines and Forfeitures	639,450	605,075	758,942	1,077,493
Investment Income	71,691	37,681	120,520	163,453
Miscellaneous	517,485	839,167	623,137	953,687
Total Revenues	46,710,032	47,531,757	45,908,162	45,525,719
EXPENDITURES				
General Government	9,582,025	8,981,636	10,496,713	9,356,378
Public Safety	18,267,633	19,371,392	18,642,683	19,942,140
Highways and Streets	1,045,409	609,488	750,074	800,879
Community Development	2,933,330	3,185,002	4,083,703	4,015,770
Capital Outlay	12,011,245	10,359,355	18,631,978	10,892,511
Debt Service				
Principal Retirement	5,940,000	2,129,920	2,268,121	2,548,453
Interest and Fiscal Charges	808,239	938,679	835,209	1,054,116
Payment to Escrow Agent	-	-	-	-
Total Expenditures	50,587,881	45,575,472	55,708,481	48,610,247
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,877,849)	1,956,285	(9,800,319)	(3,084,528)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,461,545	5,113,090	5,138,884	6,123,312
Transfers (Out)	(8,529,492)	(4,420,390)	(4,707,634)	(6,220,512)
Bonds Issued	9,320,000	-	12,910,969	-
Premium (Discount) on Bonds Issued	(41,304)	-	87,782	-
Payment to Bond Escrow Agent	(7,158,799)	-	-	-
Sale of Capital Assets	2,050	26,533	11,400	55,198
Total Other Financing Sources (Uses)	(946,000)	719,233	13,441,401	(42,002)
NET CHANGE IN FUND BALANCES	\$ (4,823,849)	\$ 2,675,518	\$ 3,641,082	\$ (3,126,530)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	14.62%	7.38%	6.99%	8.00%

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

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

Data Source

Audited Financial Statements

	2015	2016	2016*	2017	2018	2019
\$	24,733,924	\$ 25,403,303	\$ 19,709,294	\$ 27,155,993	\$ 28,247,127	\$ 28,400,416
	18,199,099	16,614,186	8,284,796	16,273,781	16,878,635	25,717,553
	713,565	876,788	308,697	707,768	539,473	786,023
	2,003,002	2,285,408	1,447,496	2,578,224	3,000,898	4,226,585
	1,005,578	854,491	347,070	694,778	724,233	678,274
	182,313	(257,706)	103,038	201,169	547,273	747,317
	1,258,401	600,698	344,060	671,129	765,685	787,132
	48,095,882	46,377,168	30,544,451	48,282,842	50,703,324	61,343,300
	11,547,939	8,310,899	5,067,474	8,121,452	8,743,307	13,202,365
	20,479,288	21,418,254	13,881,369	23,393,464	24,675,119	24,895,032
	537,655	3,773,836	2,317,801	4,107,314	3,889,329	3,525,262
	8,500,421	3,588,312	1,432,478	2,278,250	7,487,615	6,719,997
	1,547,500	4,835,430	6,213,218	8,636,195	8,841,258	6,752,289
	2,296,031	2,065,017	861,667	2,145,092	2,331,667	2,411,667
	988,529	911,606	437,752	837,529	767,026	716,793
	-	-	-	-	-	87,905
	45,897,363	44,903,354	30,211,759	49,519,296	56,735,321	58,311,310
	2,198,519	1,473,814	332,692	(1,236,454)	(6,031,997)	3,031,990
	5,655,359	3,130,209	2,193,115	3,866,057	6,757,503	3,427,783
	(6,034,736)	(2,942,372)	(1,695,868)	(3,568,054)	(7,307,103)	(3,105,983)
	776,775	-	-	-	-	3,925,000
	-	-	-	-	-	-
	(776,775)	-	-	-	-	(3,891,000)
	6,920	1,741	23,515	10,744	14,785	201,165
	(372,457)	189,578	520,762	308,747	(534,815)	556,965
\$	1,826,062	\$ 1,663,392	\$ 853,454	\$ (927,707)	\$ (6,566,812)	\$ 3,588,955
	7.35%	6.79%	4.32%	6.21%	5.54%	5.58%

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Merchandise	\$ 161,257,806	\$ 129,818,177	\$ 149,564,784	\$ 145,091,378	\$ 145,331,012	\$ 142,983,051	\$ 137,420,731	\$ 134,043,552	\$ 137,457,526	\$ 140,297,236
Food	56,012,687	67,456,918	65,852,747	65,400,022	65,602,683	62,574,399	60,061,923	61,402,912	60,556,999	63,316,542
Drinking and Eating Places	66,461,264	66,649,641	68,587,766	67,411,032	72,375,099	73,690,804	75,136,564	78,199,389	77,415,911	78,536,423
Apparel	5,912,150	30,582,619	7,128,112	8,019,269	9,156,209	9,682,582	9,307,673	8,752,664	8,940,050	8,829,338
Furniture, H.H., and Radio	25,081,450	22,181,422	20,684,998	20,194,461	20,299,326	22,219,433	21,361,547	20,542,886	20,796,026	20,271,123
Lumber, Building Hardware	21,682,737	21,563,108	22,120,923	23,492,009	26,215,248	26,667,559	28,115,438	28,176,775	26,415,723	27,954,666
Automobile and Filling Stations	81,678,462	84,369,200	90,624,448	81,838,781	83,933,383	81,644,714	75,090,664	81,886,476	88,657,779	92,950,445
Drugs and Miscellaneous Retail	79,606,161	76,036,417	74,197,724	78,920,501	81,900,819	86,883,148	89,850,869	88,288,532	90,418,273	93,950,025
Agriculture and All Others	28,623,247	29,011,979	29,448,085	30,174,323	30,610,577	26,789,604	26,717,140	29,536,527	28,344,059	30,044,964
Manufacturers	15,507,914	7,289,300	1,546,592	3,116,244	3,392,915	1,455,793	3,703,355	4,092,447	4,035,268	5,179,972
TOTAL	\$ 541,823,878	\$ 534,958,781	\$ 529,756,179	\$ 523,658,020	\$ 538,817,271	\$ 534,591,087	\$ 526,765,904	\$ 534,922,160	\$ 543,037,614	\$ 561,330,734
CITY DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Data Source

Illinois Department of Revenue

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY - HOME RULE

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Merchandise	\$ 106,361,293	\$ 87,558,389	\$ 99,024,929	\$ 96,069,313	\$ 95,614,092	\$ 94,092,573	\$ 93,307,247	\$ 91,778,515	\$ 91,746,946	\$ 87,715,878
Food	18,341,512	30,104,054	29,741,123	28,856,277	28,086,495	24,719,290	23,139,941	24,029,142	23,108,895	25,661,271
Drinking and Eating Places	64,921,928	65,295,493	67,176,678	66,489,229	70,711,436	71,004,958	74,617,226	77,430,970	76,139,535	77,114,722
Apparel	5,911,746	19,317,301	7,046,287	7,946,743	9,091,595	9,583,535	9,213,771	8,675,507	8,888,619	8,753,242
Furniture, H.H., and Radio	24,340,125	21,984,344	20,503,154	20,039,027	20,419,645	22,061,903	21,256,310	20,441,189	20,702,497	20,186,846
Lumber, Building Hardware	21,589,323	21,526,692	22,070,597	23,431,577	26,161,570	26,623,933	28,061,982	28,122,673	26,358,482	27,900,877
Automobile and Filling Stations	42,992,984	46,695,364	47,519,288	48,575,366	46,268,699	38,844,447	33,810,004	37,358,062	45,233,786	45,730,317
Drugs and Miscellaneous Retail	57,668,525	56,027,770	56,447,398	58,367,979	59,423,173	59,678,688	59,042,749	57,463,105	57,367,783	57,096,451
Agriculture and All Others	27,405,131	28,250,729	28,487,957	28,584,214	29,168,574	25,247,798	25,269,254	27,645,407	26,141,655	26,328,704
Manufacturers	15,166,169	6,981,465	1,250,597	2,801,034	3,018,957	1,149,345	3,446,081	3,871,997	3,840,194	4,992,557
TOTAL	\$ 384,698,736	\$ 383,741,601	\$ 379,268,008	\$ 381,160,759	\$ 387,964,236	\$ 373,006,470	\$ 371,164,565	\$ 376,816,567	\$ 379,528,392	\$ 381,480,865
CITY DIRECT SALES										
TAX RATE	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

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

Data Source

Illinois Department of Revenue

CITY OF DEKALB, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	City Home Rule Rate	Municipal Retailers Occupation Tax	County Rate	State Rate	Total
2010	1.75%	1.00%	0.25%	5.00%	8.00%
2011	1.75%	1.00%	0.25%	5.00%	8.00%
2012	1.75%	1.00%	0.25%	5.00%	8.00%
2013	1.75%	1.00%	0.25%	5.00%	8.00%
2014	1.75%	1.00%	0.25%	5.00%	8.00%
2015	1.75%	1.00%	0.25%	5.00%	8.00%
2016*	1.75%	1.00%	0.25%	5.00%	8.00%
2017	1.75%	1.00%	0.25%	5.00%	8.00%
2018	1.75%	1.00%	0.25%	5.00%	8.00%
2019	1.75%	1.00%	25.00%	5.00%	8.00%

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

Data Source

City, County, and State Records

CITY OF DEKALB, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential	Commercial	Industrial	Farm	Railroad	Total	Total Direct Tax Rate*
2010	\$ 389,625,409	\$ 167,457,427	\$ 49,380,638	\$ 825,082	\$ 1,044,391	\$ 608,332,947	0.9856
2011	365,267,969	167,604,810	47,742,181	782,590	1,107,165	582,504,715	1.0293
2012	331,382,501	156,902,473	43,536,967	731,665	1,252,297	533,805,903	1.1321
2013	300,043,381	143,720,391	39,939,551	673,596	1,546,704	485,923,623	1.3511
2014	285,032,206	138,851,901	38,459,111	1,010,413	1,612,750	464,966,381	1.4113
2015	283,233,886	142,889,179	38,998,251	1,020,259	1,936,167	468,077,742	1.6853
2016**	298,748,883	154,031,848	48,012,868	1,098,215	1,970,015	503,861,829	1.6583
2017	305,785,673	164,843,724	55,827,547	1,162,643	2,009,877	529,629,464	1.6140
2018	316,779,699	170,625,427	57,198,687	1,184,329	2,159,545	547,947,687	1.3964
2019	336,652,943	182,469,081	62,998,697	1,248,640	2,357,478	585,726,839	1.5418

Note: The City only reports the rate setting EAV.

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

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TAX RATES										
City of DeKalb	0.6899	0.7205	0.7952	0.9809	1.0245	1.1942	1.2021	1.2268	1.1883	1.1549
DeKalb Library	0.2957	0.3088	0.3369	0.3701	0.3868	0.4911	0.4562	0.3872	0.2081	0.3868
	0.9856	1.0293	1.1321	1.3510	1.4113	1.6853	1.6583	1.6140	1.3964	1.5417
DeKalb County	0.9052	0.9694	1.0892	1.2013	1.2483	1.2364	1.1429	1.1201	1.0951	1.0752
DeKalb Township	0.1260	0.1350	0.1508	0.1687	0.1797	0.1820	0.1724	0.1709	0.1683	0.1632
DeKalb Road & Bridge	0.1477	0.1548	0.1768	0.1977	0.2106	0.2133	0.2020	0.2006	0.1961	0.1867
Forest Preserve District	0.0700	0.0740	0.0797	0.0852	0.0876	0.0853	0.0799	0.0783	0.0766	0.0748
Sanitary District	0.1036	0.1110	0.1244	0.1393	0.1486	0.1504	0.1425	0.1389	0.1375	0.1360
DeKalb School District #428	5.7414	6.2148	7.0275	7.8215	8.2714	8.2500	7.8132	7.7209	7.3854	7.1838
Kishwaukee Community College	0.5601	0.5758	0.6416	0.7294	0.7123	0.6972	0.6700	0.6669	0.6683	0.6528
Park District	0.5606	0.5987	0.6745	0.7519	0.7969	0.7960	0.7559	0.7450	0.7366	0.7205
TOTAL TAX RATE PER \$100 EQUALIZED ASSESSED VALUATION										
	9.2002	9.8628	11.0966	12.4460	13.0667	13.2959	12.6371	12.4556	11.8603	11.7347
SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY										
	10.71%	10.44%	10.20%	10.85%	10.80%	12.68%	13.12%	12.96%	11.77%	13.14%

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PRINCIPAL TAXPAYERS

Current Year and Nine Years Ago

Taxpayers	Type of Business	2019			2010		
		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
3M	Warehouse/Distribution	\$ 24,311,971	1	4.15%	\$ 3,756,801	9	0.62%
Target	Warehouse/Distribution	13,847,588	2	2.36%	12,499,999	1	2.05%
DeKalb Area Retirement Center	Retirement Center	8,440,668	3	1.44%	3,624,065	10	0.60%
DeKalb 1 Preservation -University Village I & II	Apartments	7,808,300	4	1.33%	-		0.00%
Panduit	Manufacturing	7,620,929	5	1.30%	8,264,205	2	1.36%
ARC - Goodyear	Warehouse/Distribution	7,054,926	6	1.20%	7,738,150	3	1.27%
MCJ Investments LLC - Bedi, Virender & Sukhdrshan	Apartments	6,770,289	7	1.16%	-		0.00%
Nestle - LIT Industrial Limited Partnership	Warehouse/Distribution	6,426,800	8	1.10%	7,483,383	4	1.23%
Mason Properties	Apartments	6,202,375	9	1.06%			0.00%
Fairview MSFP II, LLC	Warehouse/Distribution	4,318,992	10	0.74%	4,675,972	6	0.77%
Northland Plaza	Retail	4,258,363	11	0.73%	6,311,094	5	1.04%
Suso 4 Glidden LP	Retail	4,210,163	12	0.72%	-		0.00%
Dream Fund LLC	Apartments	4,196,978	13	0.72%	4,552,795	7	0.75%
JLAR	Apartments/Retail	3,797,506	14	0.65%	3,888,967	8	0.64%
TOTAL		\$ 109,265,848		18.66%	\$ 62,795,431		10.33%

Data Sources

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

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, LEVIES, AND COLLECTIONS

Last Ten Levy Years

City of DeKalb								DeKalb Library							
Tax Levy Year	Rates per \$100	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	
2010	0.6899	\$ 4,196,805	\$ 4,107,807	97.88%	-	\$ 4,107,807	97.88%	0.2957	\$ 1,798,523	\$ 1,760,288	97.87%	\$ -	\$ 1,760,288	97.87%	
2011	0.7205	4,196,890	4,127,590	98.35%	-	4,127,590	98.35%	0.3088	1,798,536	1,767,397	98.27%	-	1,767,397	98.27%	
2012	0.7952	4,244,718	4,161,753	98.05%	-	4,161,753	98.05%	0.3369	1,798,552	1,762,669	98.00%	-	1,762,669	98.00%	
2013	0.9809	4,270,457	4,203,106	98.42%	-	4,203,106	98.42%	0.3701	1,798,549	1,769,239	98.37%	-	1,769,239	98.37%	
2014	1.0245	4,270,540	4,231,993	99.10%	-	4,231,993	99.10%	0.3868	2,289,658	2,257,413	98.59%	-	2,257,413	98.59%	
2015	1.1942	5,094,730	5,049,737	99.12%	-	5,049,737	99.12%	0.4911	2,786,674	2,768,573	99.35%	-	2,768,573	99.35%	
2016	1.2021	5,565,384	5,523,531	99.25%	-	5,523,531	99.25%	0.4562	2,748,500	2,770,128	100.79%	-	2,770,128	100.79%	
2017	1.2268	6,004,594	5,869,058	97.74%	-	5,869,058	97.74%	0.3872	2,748,500	2,487,807	90.52%	-	2,487,807	90.52%	
2018	1.1883	6,017,140	5,897,168	98.01%	-	5,897,168	98.01%	0.2081	2,621,799	1,122,926	42.83%	-	1,122,926	42.83%	
2019	1.1549	6,269,649	-	0.00%	-	-	0.00%	0.0000	2,754,942	-	0.00%	-	-	0.00%	

Note: Amount reflects collection through December 31, 2019.

Data Sources

Office of the County Clerk
Office of the County Treasurer

Total						
Collections within the Levy Year				Total Collections to Date		
Rates per \$100	Total Tax Levy Requested	Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected
0.9856	\$ 5,995,328	\$ 5,868,095	97.88%	\$ -	\$ 5,868,095	97.88%
1.0293	5,995,426	5,894,987	98.32%	-	5,894,987	98.32%
1.1321	6,043,270	5,924,422	98.03%	-	5,924,422	98.03%
1.3510	6,069,006	5,972,345	98.41%	-	5,972,345	98.41%
1.4113	6,560,198	6,489,406	98.92%	-	6,489,406	98.92%
1.6853	7,881,404	7,818,310	99.20%	-	7,818,310	99.20%
1.6583	8,313,884	8,293,659	99.76%	-	8,293,659	99.76%
1.6140	8,753,094	8,356,865	95.47%	-	8,356,865	95.47%
1.3964	8,638,939	7,020,094	81.26%	-	7,020,094	81.26%
1.1549	9,024,591	-	0.00%	-	-	0.00%

CITY OF DEKALB, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities							Business-Type Activities				Total Primary Government	Percentage of Personal Income*	Per Capita*
	G.O. Bonds	G.O. Bond Anticipation Notes	Due to Other Governments	Tax Increment Financing Revenue Bonds	Tax Increment Financing Note	Capital Leases		G.O. Bonds	G.O. Bond Anticipation Notes	IEPA Loan Payable	Capital Leases			
2011	\$ 22,377,250	\$ -	\$ -	\$ 655,000	\$ -	\$ 892,257		\$ 3,710,000	\$ -	\$ 4,262,947	\$ 66,093	\$ 31,963,547	4.11%	\$ 728.65
2012	20,828,534	-	-	345,000	-	578,302		3,537,172	-	3,883,332	25,516	29,197,856	3.59%	663.14
2013	31,587,600	-	-	-	-	851,150		3,269,269	-	3,673,988	13,786	39,395,793	4.68%	894.75
2014	29,313,530	-	-	-	-	527,697		2,996,366	-	3,370,464	7,038	36,215,095	4.23%	822.51
2015	27,274,168	-	-	-	-	216,666		2,093,225	-	2,951,138	-	32,535,197	3.86%	738.53
2016	25,305,591	-	-	-	-	199,999		1,726,575	-	2,518,781	-	29,750,946	3.54%	675.70
2016**	24,153,425	-	-	-	-	183,333		1,792,865	-	2,480,195	-	28,609,818	3.40%	649.78
2017	22,235,654	-	-	-	-	166,665		1,370,000	-	1,849,536	-	25,621,855	2.89%	581.92
2018	19,872,398	-	-	-	-	149,998		1,030,000	-	1,389,155	-	22,441,551	2.43%	509.69
2019	17,467,275	-	-	-	-	133,331		685,000	-	1,600,094	-	19,885,700	2.01%	451.64

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

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

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

CITY OF DEKALB, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property*	Per Capita**
2011	\$ 26,087,250	\$ 560,413	\$ 25,526,837	3.96%	\$ 581.91
2012	24,365,706	231,049	24,134,657	3.97%	548.14
2013	34,856,869	185,283	34,671,586	5.95%	787.45
2014	32,309,896	-	32,309,896	6.05%	733.42
2015	29,367,393	-	29,367,393	6.04%	666.99
2016	27,032,166	-	27,032,166	5.81%	613.95
2016***	25,946,290	-	25,946,290	5.54%	589.29
2017	23,605,654	-	23,605,654	4.68%	536.13
2018	20,902,398	-	20,902,398	3.95%	474.73
2019	18,152,275	-	18,152,275	3.31%	412.27

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 Information for population data.

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

CITY OF DEKALB, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2019

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to the City*	City's Share of Debt
City of DeKalb	\$ 18,152,275	100.00%	\$ 18,152,275
DeKalb County	43,025,000	25.64%	11,031,610
DeKalb School District #428	77,712,870	71.32%	55,424,819
Kishwaukee Community College #523	42,044,550	23.54%	9,897,287
Sycamore School District #427	54,716,337	0.57%	311,883
DeKalb Park District	-	95.23%	-
Total Overlapping	<u>\$ 217,498,757</u>		<u>\$ 76,665,599</u>
Total Direct and Overlapping	<u>\$ 235,651,032</u>		<u>\$ 94,817,874</u>

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2019

The City is a home rule municipality.

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

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

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

CITY OF DEKALB, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds and Notes							
	Incremental Property Taxes	Incremental Sales Tax	Less Excluded Contractual Obligations	Available for Debt Service	Debt Service		Coverage	
					Principal	Interest		
2011	\$ 6,937,664	\$ 1,400,702	-	\$ 8,338,366	\$ 775,000	\$ 48,464	10.13	
2012	6,691,097	1,368,512	-	8,059,609	310,000	9,831	25.20	
2013**	6,679,893	1,330,744	-	8,010,637	345,000	9,212	22.62	
2014	6,604,296	-	-	6,604,296	-	-	N/A	
2015	6,439,568	-	-	6,439,568	-	-	N/A	
2016	6,347,586	-	-	6,347,586	-	-	N/A	
2016*	6,430,015	-	-	6,430,015	-	-	N/A	
2017	6,845,389	-	-	6,845,389	-	-	N/A	
2018	7,085,132	-	-	7,085,132	-	-	N/A	
2019	7,031,778	-	-	7,031,778	-	-	N/A	

NA - Information Unavailable

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

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

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

CITY OF DEKALB, ILLINOIS**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Per Capita Personal Income	Median Family Income	Unemployment Rate
2011	43,867	\$ 608,332,947	\$ 777,761,910	\$ 17,730	\$ 60,571	10.0%
2012	44,030	582,504,715	814,026,640	18,488	60,571	9.6%
2013	44,030	533,805,903	841,853,600	19,120	60,571	10.3%
2014	44,030	485,923,623	856,999,920	19,464	60,571	6.9%
2015	44,054	464,966,381	843,854,370	19,155	60,571	5.0%
2016	44,030	468,077,742	840,444,640	19,088	59,588	5.2%
2016*	44,030	503,861,829	840,444,640	19,088	59,588	5.2%
2017	44,030	529,629,464	886,588,080	20,136	61,164	4.5%
2018	44,030	547,947,687	924,057,610	20,987	59,671	4.4%
2019	44,030	585,726,839	989,486,190	22,473	44,222	4.1%

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

Data Sources

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

CITY OF DEKALB, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019			2010		
	Rank	Employees	% of Total City Population	Rank	Employees	% of Total City Population
Northern Illinois University	1	3,596	8.17%	1	3,932	8.96%
KishHealth System	2	1,443	3.28%	2	495	1.13%
Target Distribution Center	3	1,250	2.84%			
3M	4	950	2.16%			0.00%
DeKalb School District	5	900	2.04%			0.00%
Wal-Mart Super Center	6	475	1.08%	5	387	0.88%
American Marketing & Publishing	7	358	0.81%			0.00%
Ideal Industries Inc.	8	344	0.78%	10	125	0.28%
Sonoco Corp - Alloyd Brands	9	330	0.75%			0.00%
Nestle Distribution	10	250	0.57%	7	250	0.57%
Jewel/Osco		200	0.45%	8	240	0.55%
Tegant				3	400	0.91%
Caterpillar				6	368	0.84%
Electro Mechanical Devices				4	308	0.70%
A.O. Smith Harvestore				9	203	0.46%

Data Sources

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

CITY OF DEKALB, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
GENERAL GOVERNMENT				
Legislative	9.00	9.00	9.00	9.00
Administrative Services	17.50	16.50	20.00	20.50
City Clerk	0.50	0.50	-	-
Legal	3.50	2.00	-	-
	30.50	28.00	29.00	29.50
PUBLIC SAFETY				
Police				
Officers	60.00	61.00	63.00	65.00
Civilians	24.50	24.50	30.00	30.50
	84.50	85.50	93.00	95.50
Fire				
Firefighters	54.00	53.00	52.00	57.00
Staff	1.00	1.00	1.00	1.00
	55.00	54.00	53.00	58.00
COMMUNITY IMPROVEMENT				
Community Development	-	-	7.50	8.00
Engineering Services	-	-	-	-
Public Works				
Administration	2.00	2.00	2.00	2.00
Public Facilities	1.00	1.00	1.00	1.00
Engineering	-	-	0.50	0.50
Streets	20.00	20.00	21.00	21.00
	23.00	23.00	32.00	32.50
Water and Sewer	10.00	10.00	10.00	10.50
Airport Division	2.50	4.50	4.50	6.00
Development Services	6.50	6.00	-	-
Mass Transit	2.50	2.50	2.00	2.00
TOTAL FULL-TIME EQUIVALENT EMPLOYEES	214.50	213.50	223.50	234.00

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

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

Data Source

City Budget Records

2015	2016	2016*	2017	2018	2019
9.00	9.00	9.00	9.00	9.00	9.00
22.50	24.00	23.50	22.50	22.50	20.00
-	-	-	-	-	-
-	-	-	-	-	-
31.50	33.00	32.50	31.50	31.50	29.00
65.00	65.00	65.00	65.00	63.00	64.00
34.00	34.00	34.00	34.00	24.50	22.00
99.00	99.00	99.00	99.00	87.50	86.00
57.00	57.00	57.00	57.00	57.00	56.00
1.50	2.00	2.00	2.00	2.00	1.50
58.50	59.00	59.00	59.00	59.00	57.50
6.50	6.00	7.50	10.00	11.00	11.00
-	-	-	-	-	-
2.00	2.00	2.00	2.00	3.00	4.00
1.00	1.00	1.00	1.00	2.00	2.00
0.50	2.00	2.00	2.00	0.00	-
21.00	21.00	21.00	21.00	21.00	17.50
31.00	32.00	33.50	36.00	37.00	34.50
10.50	10.50	10.50	10.00	10.00	10.50
6.00	6.00	6.00	6.00	6.00	5.00
-	-	-	-	-	-
3.50	3.50	3.50	3.50	4.00	2.50
240.00	243.00	244.00	245.00	235.00	225.00

CITY OF DEKALB, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
GENERAL GOVERNMENT				
Community Development				
Building Permits Issued				
Residential Permits Issued				
New Construction	2	1	1	4
Remodel	55	63	67	52
Industrial/Commercial Permits Issued				
New Construction	20	16	15	21
Remodel	12	21	20	25
Other Permits	764	647	634	651
Total Number of Permits	853	748	737	753
Total Building Permit Valuation	\$ 30,110,627	\$ 11,637,858	\$ 11,611,226	\$ 8,958,807
PUBLIC SAFETY				
Police				
Physical Arrests	2,689	2,799	2,917	2,795
Traffic Violations	4,829	6,136	4,729	4,253
Parking Violations	13,967	12,211	9,733	7,144
Fire				
Fire Responses (Fire and Non-Fire)	3,199	3,516	3,437	3,489
Emergency Medical Services Responses	4,476	5,005	5,236	5,207
PUBLIC WORKS				
Vehicles Maintained by Department	128	124	133	135
Street Construction (Miles)	-	-	-	-
Street Reconstruction (Miles)	0.65	0.16	0.51	0.43
Street Resurfacing (Miles)	1.73	2.86	2.17	1.22
WATER				
Average Daily Consumption 12/31				
Industrial/Commercial	208,677	197,644	201,379	200,651
Residential	1,092,937	1,057,492	1,058,891	1,062,330
Government/Church/School	280,954	307,583	294,876	281,486
Water Billing Accounts on 12/31				
Industrial/Commercial	767	756	753	731
Residential	10,020	10,104	10,015	9,960
Government/Church/School	224	224	225	222

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

Data Source

Various City Departments

2015	2016	2016*	2017	2018	2019
3	6	-	2	23	5
49	54	25	33	43	48
19	16	5	21	1	12
27	33	22	47	27	33
580	595	355	860	949	981
678	704	407	963	1,043	1,079
\$ 54,359,021	\$ 66,276,980	\$ 3,581,909	\$ 35,210,556	\$ 6,296,207	\$ 43,564,241
2,987	2,911	1,650	2,811	2,954	2,650
3,956	3,788	1,442	3,612	3,222	2,947
6,335	5,555	2,899	5,049	6,261	4,893
3,948	4,084	1,667	4,062	3,549	1,547
5,196	5,344	2,122	5,376	5,829	5,121
142	144	145	142	144	144.00
-	-	-	-	-	-
-	-	-	-	-	-
1.66	1.77	1.14	1.07	1.56	1.56
200,225	218,893	222,383	187,775	180,052	179,796
998,511	961,306	979,803	986,419	967,315	932,695
256,770	251,341	305,061	272,898	236,905	237,628
717	682	749	751	745	741
9,963	10,030	9,964	9,968	9,990	10,009
211	217	217	218	216	216

CITY OF DEKALB, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2016*	2017	2018	2019
PUBLIC SAFETY										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	27	26	28	28	29	29	28	28	31	32
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	6	7	6	6	6	6	6	6
Fire Trucks	4	4	4	4	5	5	5	6	6	6
PUBLIC WORKS										
Residential Streets (Miles)	128	128	128	128	128	128	128	128	128	128
Traffic Signals	23	24	24	24	24	24	24	24	24	25
WATER										
Water Towers	4	4	4	4	4	4	4	4	4	4
Storage Capacity (MG)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Water Wells	9	9	9	9	9	9	9	9	9	9
Water Mains (Miles)	175	177	177	177	177	178	178	178	178	178

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

Data Source

Various City Departments



CITY OF DEKALB, ILLINOIS

AUDITOR'S COMMUNICATION TO THE CITY COUNCIL AND MANAGEMENT

For the Year Ended December 31, 2019

The background of the lower half of the page features a complex, abstract geometric pattern. It consists of numerous overlapping, semi-transparent triangles and polygons in various shades of gray and teal, creating a sense of depth and architectural structure. In the bottom right corner, there is a solid orange rectangular box containing the text 'SIKICH.COM' in white, sans-serif font.

SIKICH.COM

CITY OF DEKALB, ILLINOIS

**AUDITOR’S COMMUNICATION TO THE CITY COUNCIL AND MANAGEMENT
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

June 15, 2020

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

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on January 7, 2020.

In addition, auditing standards require the communication of internal control related matters to management. Our management letter and, communication of deficiencies and required communication to those charged with governance, as well as a listing of future pronouncements that may affect the City, are enclosed within this document.

This information is intended solely for the use of the Mayor, Members of the City Council, and management of the City of DeKalb and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: Brian D. LeFevre, CPA, MBA
Partner

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

SIKICH.COM

June 15, 2020

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

Ladies and Gentlemen:

We have audited the 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 for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2018 except for the implementation of GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the basic financial statements, with the exception of the actuarial assumptions used to calculate the net pension liabilities and total OPEB liability.

Management's estimate of the City's net pension liabilities and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the City's net pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes the uncorrected misstatements, none of which were material individually or in the aggregate, to the basic financial statements taken as a whole. Several of the misstatements on the separate schedule detected as a result of audit procedures were material. All of these were agreed upon with management and corrected.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the basic financial statements but are not RSI. With respect to this information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory section, supplemental financial information and statistical sections, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP

By: Brian D. LeFevre, CPA, MBA
Partner

City of DeKalb
Year End: December 31, 2019
Adjusting Journal Entries
Date: 1/1/2019 To 12/31/2019
Account No: AJE#01 To AJE#18

Number	Date	Name	Account No	Debit	Credit
AJE#01	12/31/2019	A/R-LOCAL MOTOR FUEL TAX	400-00-00-12600 CPF-400		-54,633.35
AJE#01	12/31/2019	HOME RULE MOTOR FUEL TAX	400-00-00-31600 CPF-400	54,633.35	
AJE#01	12/31/2019	A/R-LOCAL MOTOR FUEL TAX	650-00-00-12600 AF-650		-20,487.54
AJE#01	12/31/2019	HOME RULE MOTOR FUEL TAX	650-00-00-31600 AF-650	20,487.54	
		Entry to reverse prior year (FY18) home rule motor fuel tax receivable.			
AJE#02	12/31/2019	CASH - FNB	830-00-00-10100 PPF-830	195.31	
AJE#02	12/31/2019	A/R-INTEREST RECEIVABLE	830-00-00-13800 PPF-830	2,599.83	
AJE#02	12/31/2019	PREPAID EXPENSES	830-00-00-16100 PPF-830		-533.05
AJE#02	12/31/2019	ACCOUNTS PAYABLE	830-00-00-20100 PPF-830		-2,292.83
AJE#02	12/31/2019	INVESTMENT INTEREST	830-00-00-37100 PPF-830		-2,599.83
AJE#02	12/31/2019	INVESTMENT SERVICES	830-00-00-62150 PPF-830	2,838.83	
AJE#02	12/31/2019	OTHER PROFESSIONAL SERVICES	830-00-00-63900 PPF-830	533.05	
AJE#02	12/31/2019	OTHER PROFESSIONAL SERVICES	830-00-00-63900 PPF-830		-546.00
AJE#02	12/31/2019	TRAINING/TRAVEL	830-00-00-66200 PPF-830		-195.31
		Entry to record activity for certain Police Pension Fund accounts.			
AJE#03	12/31/2019	DEFERRED OUTFLOWS - FIRE	890-00-00-19110 GLTDAG-890		-3,326,058.00
AJE#03	12/31/2019	DEFERRED OUTFLOWS - POLICE	890-00-00-19120 GLTDAG-890		-3,984,310.00
AJE#03	12/31/2019	DEFERRED INFLOWS - FIRE	890-00-00-26610 GLTDAG-890	110,860.00	
AJE#03	12/31/2019	DEFERRED INFLOWS-POLICE	890-00-00-26620 GLTDAG-890		-1,233,801.00
AJE#03	12/31/2019	NET PENSION LIABILITY - FIRE	890-00-00-28110 GLTDAG-890	201,590.00	
AJE#03	12/31/2019	NET PENSION LIABILITY - POLICE	890-00-00-28120 GLTDAG-890	3,113,633.00	
AJE#03	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890		-3,113,633.00
AJE#03	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890		-201,590.00
AJE#03	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890	3,984,310.00	
AJE#03	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890	3,326,058.00	
AJE#03	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890	1,233,801.00	
AJE#03	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890		-110,860.00
		Entry to record Police and Fire Pension GASB 68 activity.			
AJE#04	12/31/2019	INFRASTRUCTURE	650-00-00-18300 AF-650	828,430.51	
AJE#04	12/31/2019	CONSTRUCTION IN PROGRESS	650-00-00-18700 AF-650	38,137.09	
AJE#04	12/31/2019	CONSTRUCTION IN PROGRESS	650-00-00-18700 AF-650		-828,430.51
AJE#04	12/31/2019	OTHER CAPITAL IMPROVEMENTS	650-00-00-83900 AF-650		-38,137.09
		entry to record Airport capital asset activity.			
AJE#05	12/31/2019	DEFERRED OUTFLOWS - IMRF	500-1890 LGT-500		-475,644.00
AJE#05	12/31/2019	NET PENSION LIABILITY - IMRF	500-2815 LGT-500	679,015.00	
AJE#05	12/31/2019	DEFERRED INFLOWS - IMRF	500-2890 LGT-500		-230,847.00
AJE#05	12/31/2019	PENSION EXPENSE - LIBRARY	500-8450 LGT-500	27,476.00	
AJE#05	12/31/2019	DEFERRED OUTFLOWS-IMRF	600-00-00-19100 WF-600		-893,646.00
AJE#05	12/31/2019	DEFERRED INFLOWS-IMRF	600-00-00-26600 WF-600		-433,719.00
AJE#05	12/31/2019	NET PENSION LIABILITY-IMRF	600-00-00-28100 WF-600	1,275,745.00	
AJE#05	12/31/2019	IMRF NPO - WATER	600-00-00-48250 WF-600	51,620.00	

Number	Date	Name	Account No	Debit	Credit
AJE#05	12/31/2019	DEFERRED OUTFLOWS-IMRF	650-00-00-19100 AF-650		-73,814.00
AJE#05	12/31/2019	DEFERRED INFLOWS-IMRF	650-00-00-26600 AF-650		-35,825.00
AJE#05	12/31/2019	NET PENSION LIABILITY-IMRF	650-00-00-28100 AF-650	105,374.00	
AJE#05	12/31/2019	IMRF NPO - AIRPORT	650-00-00-48260 AF-650	4,265.00	
AJE#05	12/31/2019	DEFERRED OUTFLOWS-IMRF	890-00-00-19100 GLTDAG-890		-2,703,747.00
AJE#05	12/31/2019	DEFERRED INFLOWS-IMRF	890-00-00-26600 GLTDAG-890		-1,312,226.00
AJE#05	12/31/2019	NET PENSION LIABILITY-IMRF	890-00-00-28100 GLTDAG-890	3,859,793.00	
AJE#05	12/31/2019	IMRF NPO - GENERAL GOVT	890-00-00-48210 GLTDAG-890	51,526.00	
AJE#05	12/31/2019	IMRF NPO - PUBLIC SAFETY	890-00-00-48220 GLTDAG-890	39,068.00	
AJE#05	12/31/2019	IMRF NPO - PUBLIC WORKS	890-00-00-48230 GLTDAG-890	50,064.00	
AJE#05	12/31/2019	IMRF NPO - COMM DEVELOPMENT	890-00-00-48240 GLTDAG-890	15,522.00	

Entry to record IMRF GASB 68 activity.

AJE#06	12/31/2019	Deferred Outflows-OPEB	500-1891 LGT-500	28,985.00	
AJE#06	12/31/2019	NET OPEB LIABILITY	500-2800 LGT-500		-36,873.00
AJE#06	12/31/2019	DEFERRED INFLOWS - OPEB	500-2891 LGT-500	3,819.00	
AJE#06	12/31/2019	Net OPEB - Library	500-8460 LGT-500	4,069.00	
AJE#06	12/31/2019	Deferred Outflows-OPEB	600-00-00-19130 WF-600	76,839.00	
AJE#06	12/31/2019	DEFERRED INFLOWS-OPEB	600-00-00-26630 WF-600	10,124.00	
AJE#06	12/31/2019	NET OPEB LIABILITY	600-00-00-28050 WF-600		-97,750.00
AJE#06	12/31/2019	NET OPEB-WATER	600-00-00-48350 WF-600	10,787.00	
AJE#06	12/31/2019	Deferred Outflows-OPEB	650-00-00-19130 AF-650	2,356.00	
AJE#06	12/31/2019	DEFERRED INFLOWS-OPEB	650-00-00-26630 AF-650	310.00	
AJE#06	12/31/2019	NET OPEB LIABILITY	650-00-00-28050 AF-650		-2,997.00
AJE#06	12/31/2019	NET OPEB-AIRPORT	650-00-00-48360 AF-650	331.00	
AJE#06	12/31/2019	Deferred Outflows-OPEB	890-00-00-19130 GLTDAG-890	1,905,678.00	
AJE#06	12/31/2019	DEFERRED INFLOWS-OPEB	890-00-00-26630 GLTDAG-890	251,077.00	
AJE#06	12/31/2019	NET OPEB LIABILITY	890-00-00-28050 GLTDAG-890		-2,424,293.00
AJE#06	12/31/2019	NET OPEB-GENERAL GOVERNMENT	890-00-00-48310 GLTDAG-890	20,488.00	
AJE#06	12/31/2019	NET OPEB-PUBLIC SAFETY	890-00-00-48320 GLTDAG-890	214,985.00	
AJE#06	12/31/2019	NET OPEB-HIGHWAY & STREETS	890-00-00-48330 GLTDAG-890	28,151.00	
AJE#06	12/31/2019	NET OPEB-COMM DEVELOPMENT	890-00-00-48340 GLTDAG-890	3,914.00	

Entry to record OPEB GASB 75 activity.

AJE#07	12/31/2019	CLAIMS PAYABLE	700-00-00-21200 WCF-700	267,360.95	
AJE#07	12/31/2019	CLAIMS: WORK COMP INSURANCE	700-00-00-69150 WCF-700		-267,360.95

Entry to adjust worker's compensation claims to actual based on subsequent loss reports.

AJE#08	12/31/2019	LAND	895-00-00-18100 GFAAG-895		-325,360.00
AJE#08	12/31/2019	BUILDINGS	895-00-00-18200 GFAAG-895	242,110.50	
AJE#08	12/31/2019	INFRASTRUCTURE	895-00-00-18300 GFAAG-895	211,750.44	
AJE#08	12/31/2019	EQUIPMENT	895-00-00-18400 GFAAG-895	265,082.50	
AJE#08	12/31/2019	VEHICLES	895-00-00-18450 GFAAG-895	324,418.00	
AJE#08	12/31/2019	VEHICLES	895-00-00-18450 GFAAG-895		-38,034.00
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895	1,057.53	
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895	29,357.75	
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895	172,580.80	
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895		-242,110.50
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895	79,778.80	
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895		-265,082.50
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895	105,875.22	
AJE#08	12/31/2019	CONSTRUCTION IN PROGRESS	895-00-00-18700 GFAAG-895		-211,750.44

Number	Date	Name	Account No	Debit	Credit
AJE#08	12/31/2019	ACCUMLTD DEPRECIATION: F/A	895-00-00-18999 GFAAG-895	15,055.13	
AJE#08	12/31/2019	ACCUMLTD DEPRECIATION: F/A	895-00-00-18999 GFAAG-895		-4,181,182.00
AJE#08	12/31/2019	DEPRECIATION-GENERAL GOVERNMENT	895-00-00-72100 GFAAG-895	89,123.00	
AJE#08	12/31/2019	DEPRECIATION-PUBLIC SAFETY	895-00-00-72200 GFAAG-895	542,101.00	
AJE#08	12/31/2019	DEPRECIATION-HIGHWAY & STREET	895-00-00-72300 GFAAG-895	3,246,909.00	
AJE#08	12/31/2019	DEPRECIATION-COMMUNITY IMPROVEMENT	895-00-00-72400 GFAAG-895	303,049.00	
AJE#08	12/31/2019	GAIN/LOSS ON DISPOSAL	895-00-00-75000 GFAAG-895	22,978.87	
AJE#08	12/31/2019	GAIN/LOSS ON DISPOSAL	895-00-00-75000 GFAAG-895	325,360.00	
AJE#08	12/31/2019	ASSETS-GENERAL GOVERNMENT	895-00-00-89100 GFAAG-895		-79,778.80
AJE#08	12/31/2019	ASSETS-PUBLIC SAFETY	895-00-00-89200 GFAAG-895		-30,274.00
AJE#08	12/31/2019	ASSETS-HIGHWAY & STREETS	895-00-00-89300 GFAAG-895		-1,057.53
AJE#08	12/31/2019	ASSETS-HIGHWAY & STREETS	895-00-00-89300 GFAAG-895		-29,357.75
AJE#08	12/31/2019	ASSETS-HIGHWAY & STREETS	895-00-00-89300 GFAAG-895		-105,875.22
AJE#08	12/31/2019	ASSETS-COMMUNITY IMPROVEMENT	895-00-00-89400 GFAAG-895		-172,580.80
AJE#08	12/31/2019	ASSETS-COMMUNITY IMPROVEMENT	895-00-00-89400 GFAAG-895		-294,144.00
		Entry to record current year GFAAG capital asset activity.			
AJE#09	12/31/2019	INFRASTRUCTURE	600-00-00-18300 WF-600	773,149.55	
AJE#09	12/31/2019	EQUIPMENT	600-00-00-18400 WF-600	229,827.50	
AJE#09	12/31/2019	VEHICLES	600-00-00-18450 WF-600	57,500.00	
AJE#09	12/31/2019	CONSTRUCTION IN PROGRESS	600-00-00-18700 WF-600	68,476.20	
AJE#09	12/31/2019	CONSTRUCTION IN PROGRESS	600-00-00-18700 WF-600		-229,827.50
AJE#09	12/31/2019	TRANSFER FROM WATER CAPITAL FUND	600-00-00-39620 WF-600		-68,476.20
AJE#09	12/31/2019	TRANSFER FROM WATER CAPITAL FUND	600-00-00-39620 WF-600		-830,649.55
AJE#09	12/31/2019	WATER MAINS	620-00-00-85000 WCF-620		-693,149.55
AJE#09	12/31/2019	WATER SYSTEM IMPROVEMENTS	620-00-00-85500 WCF-620		-80,000.00
AJE#09	12/31/2019	TECHNOLOGY EQUIPMENT	620-00-00-86100 WCF-620		-68,476.20
AJE#09	12/31/2019	VEHICLES	620-00-00-87000 WCF-620		-57,500.00
AJE#09	12/31/2019	TRANSFER TO THE WATER FUND	620-00-00-91600 WCF-620	68,476.20	
AJE#09	12/31/2019	TRANSFER TO THE WATER FUND	620-00-00-91600 WCF-620	830,649.55	
		Entry to record Water, Water Capital and Airport fund capital asset activity.			
AJE#10	12/31/2019	ACCUMLTD DEPRECIATION: F/A	600-00-00-18999 WF-600		-1,139,017.00
AJE#10	12/31/2019	DEPRECIATION-WATER	600-00-00-72500 WF-600	1,139,017.00	
AJE#10	12/31/2019	ACCUMLTD DEPRECIATION: F/A	650-00-00-18999 AF-650		-385,908.25
AJE#10	12/31/2019	DEPRECIATION-AIRPORT	650-00-00-72600 AF-650	385,908.25	
		Entry to record depreciation expense.			
AJE#11	12/31/2019	UNAMRTZED REFUNDING GAIN/LOSS	890-00-00-28560 GLTDAG-890	92,038.95	
AJE#11	12/31/2019	UNAMORTIZED BOND DISCOUNT/PREM	890-00-00-28570 GLTDAG-890		-18,133.57
AJE#11	12/31/2019	DEBT ISSUE PROCEEDS	890-00-00-38800 GLTDAG-890	3,925,000.00	
AJE#11	12/31/2019	DEBT ISSUE PROCEEDS	890-00-00-38800 GLTDAG-890		-20,000.00
AJE#11	12/31/2019	Payment to Escrow Agent	890-00-00-79800 GLTDAG-890		-3,978,905.38
		Entry to record debt refunding.			
AJE#12	12/31/2019	Deferred Outflow - ARO	600-00-00-19140 WF-600	439,083.33	
AJE#12	12/31/2019	Asset Retirement Obligation	600-00-00-28700 WF-600		-450,000.00
AJE#12	12/31/2019	AMORTIZATION COSTS	600-00-00-79999 WF-600	10,916.67	
		Entry to record the asset retirement obligation relating to the decommissioning of wells.			

Number	Date	Name	Account No	Debit	Credit
AJE#13	12/31/2019	Deferred Rev - Property Tax	000-26500 GF-000		-1,126,346.52
AJE#13	12/31/2019	Property Taxes Receivable	000-1210-00 GF-000	1,126,346.52	
AJE#13	12/31/2019	A/R-PROPERTY TAX	100-00-00-12100 GF-100	254,881.04	
AJE#13	12/31/2019	DEFERRED INFLOW - PROPERTY TAX	100-00-00-26500 GF-100		-254,881.04
AJE#13	12/31/2019	A/R-PROPERTY TAX	248-00-00-12100 SSA-248	8,704.01	
AJE#13	12/31/2019	DEFERRED INFLOW - PROPERTY TAX	248-00-00-26500 SSA-248		-8,704.01
AJE#13	12/31/2019	A/R-PROPERTY TAX	260-00-00-12100 TIF-260		-413,199.58
AJE#13	12/31/2019	DEFERRED INFLOW - PROPERTY TAX	260-00-00-26500 TIF-260	413,199.58	
AJE#13	12/31/2019	A/R-PROPERTY TAX	261-00-00-12100 TIF-261		-1,570,391.00
AJE#13	12/31/2019	DEFERRED INFLOW - PROPERTY TAX	261-00-00-26500 TIF-261	1,570,391.00	
AJE#13	12/31/2019	A/R-PROPERTY TAX	262-00-00-12100 TIF-262	297,521.96	
AJE#13	12/31/2019	DEFERRED INFLOW - PROPERTY TAX	262-00-00-26500 TIF-262		-297,521.96
Entry to record 2019 property tax levy.					
AJE#14	12/31/2019	A/R-STATE GRANTS	200-00-00-13550 MTF-200	283,462.68	
AJE#14	12/31/2019	STATE GRANTS	200-30-37-33200 MTF-200		-283,462.68
To record DOAP money.					
AJE#15	12/31/2019	ACCOUNTS PAYABLE	262-00-00-20100 TIF-262		-500,000.00
AJE#15	12/31/2019	PRIV PROP REHAB/ REDEVELOP	262-00-00-69199 TIF-262	500,000.00	
Entry to record an additional payable for a redevelopment agreement.					
AJE#16	12/31/2019	Transit Services	200-00-00-34600 MTF-200		-2,500,000.00
AJE#16	12/31/2019	MISCELLANEOUS REVENUE	200-30-37-38100 MTF-200	2,500,000.00	
Entry to adjust the transit services for NIU.					
AJE#17	12/31/2019	TIF Property Tax Surplus	000-39850 GF-000	175,898.78	
AJE#17	12/31/2019	Fund Bal. Prior - TIF Surplus	000-3100-08 GF-000		-175,898.78
AJE#17	12/31/2019	FUND BALANCE	100-00-00-29900 GF-100		-611,159.51
AJE#17	12/31/2019	TIF PROPERTY TAX SURPLUS	100-00-00-38850 GF-100	583,158.70	
AJE#17	12/31/2019	TIF SALES TAX SURPLUS	100-00-00-38860 GF-100	28,000.81	
AJE#17	12/31/2019	FUND BALANCE	260-00-00-29900 TIF-260	322,782.00	
AJE#17	12/31/2019	TIF SURPLUS DISTRIBUTION	260-00-00-68600 TIF-260		-322,782.00
Entry to record a prior period adjustment for TIF surplus distributions.					
AJE#18	12/31/2019	ACCOUNTS PAYABLE	850-00-00-20100 FPF-850	600.00	
AJE#18	12/31/2019	OTHER PROFESSIONAL SERVICES	850-00-00-63900 FPF-850		-600.00
Entry to agree to the trial balance provided by L&A.					

PASSED ADJUSTMENTS

	CITY OF DEKALB				GOVERNMENTAL	
	(CLIENT)				(OPINION UNIT)	
	For the Year Ended		<u>12/31/2019</u>			
	All entries posted as Debit (Credit)					
Description	Workpaper Reference	Assets	(Liabilities)	(Net Position/ Fund Balance)	(Profit) Loss	
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$ -	\$ -	\$ -	\$ -	
To record allowance in the general fund for the receivable balance over 1 year	3211	(29,468)	-	26,269	3,199	

PASSED ADJUSTMENTS

CITY OF DEKALB

GENERAL

(CLIENT)

(OPINION UNIT)

For the Year Ended

12/31/2019

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Net Position/ Fund Balance)	(Profit) Loss
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$ -	\$ -	\$ -	\$ -
To record allowance in the general fund for the receivable balance over 1 year.	3211	(29,468)	-	26,269	3,199
Totals		\$ (29,468)	\$ -	\$ 26,269	\$ 3,199

CITY OF DEKALB, ILLINOIS

MANAGEMENT LETTER

December 31, 2019

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

SIKICH.COM

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

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Mayor, the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 15, 2020

CITY OF DEKALB, ILLINOIS

**COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT**

December 31, 2019

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

SIKICH.COM

COMMUNICATION OF DEFICIENCIES IN INTERNAL CONTROL AND OTHER COMMENTS TO MANAGEMENT

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

As part of the annual audit, we are required to communicate internal control matters that we classify as significant deficiencies and material weaknesses to those charged with governance. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

During our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. In addition, we reviewed the status of the comments from the December 31, 2018 audit. The status of these comments is included in Appendix A.

The City's written responses to these matters identified in our audit have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

This memorandum is intended solely for the information and use of management and is not intended and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 15, 2020

DEFICIENCY

Segregation of Duties

Criteria: Strong internal controls require the separation of custody, authorization, and recording of transactions.

Condition/Context: With a limited number of staff at the City, proper segregation of duties is difficult to accomplish. A fundamental element of internal control is the segregation of certain key duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets, in particular cash
- Authorization or approval of related transaction affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction of transaction or transaction activity

An essential feature of segregation of duties within an organization is that no one employee or group of employees has exclusive control over any transaction or group of transactions.

We noted specific lack of segregation of duties listed below. This list would not be considered to be all inclusive as we did not perform a review of all control structures throughout the City.

We consider the following to be deficiencies in internal control for the City:

Utility Billing

Currently the Water Superintendent is the only employee reviewing the reads being imported into the Utility Billing software. The Water Superintendent is also the only employee reviewing the unusual highs/low in the monthly billing register although does provide City staff support of his reviews. We recommend processes are put in place to review the original source billing files to ensure proper entry of data was performed.

Bank Reconciliations

We noted during our audit that bank reconciliations are completed accurately and timely, however, we noted that there is no documentation of the review of the General Fund bank reconciliation. We recommend that bank reconciliations are reviewed by management and initialed that the review was completed. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents.

Recommendation: With limited staff, it is important that department heads, the City Council and the City management remain diligent in their monitoring of financial transactions. A detailed review of financial reports, budget vs. actual results, bank reconciliations, and expense reports greatly enhances internal controls. These reviews should be performed by someone other than the employee responsible for executing and recording the transactions.

DEFICIENCY (Continued)

Segregation of Duties (Continued)

Management Response

City management has recently hired an Account Manager with considerable municipal accounting experience to assure the diligent monitoring of financial transactions, particularly bank reconciliations. A key Water department position budgeted to help with the separation of duties in water billing in FY2020 has been eliminated due to the extraordinary impact of the COVID-19 pandemic on City revenues. Nevertheless, the City will try to train someone in the Water department to review the reads being imported into the Utility Billing software.

OTHER INFORMATION

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may impact the City in the future.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending December 31, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improved required note disclosures. This statement is effective for fiscal year ending December 31, 2021.

GASB Statement No. 92, *Omnibus 2020*, addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal years ending December 30, 2021.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The London Interbank Offered Rate (LIBOR), a result of global reference rate reform, is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for fiscal year ending December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued to address issues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending December 31, 2023.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement, which is effective upon issuance, allows, but does not require, governments to defer implementing the following pronouncements by 1 year from their original effective date as follows:

- Statement 87: and Implementation Guide 2019-3—fiscal years beginning after June 15, 2021, and all reporting periods thereafter
- Statement 89: reporting periods beginning after December 15, 2020
- Statement 91: reporting periods beginning after December 15, 2021
- Statement 92: paragraphs 6 and 7—fiscal years beginning after June 15, 2021
- Statement 92: paragraphs 8, 9, and 12—reporting periods beginning after June 15, 2021
- Statement 92: paragraph 10—government acquisitions occurring in reporting periods beginning after June 15, 2021
- Statement 93: paragraphs 13 and 14—fiscal years beginning after June 15, 2021, and all reporting periods thereafter

We will advise the City of any progress made by GASB in developing this and other future pronouncements that may have an impact on the financial position and changes in financial position of the City.

APPENDIX A
STATUS OF COMMENTS FROM DECEMBER 31, 2018

DEFICIENCIES

1. Year End Financial Close and Reporting

During our audit we identified and proposed several audit adjustments, which were reviewed and approved by management, to present fairly the City's basic financial statements. Adjustments that were proposed included correcting personal property replacement tax revenue, recording additional refuse payables and related expenditures, adjusting police and fire pension balances to actual, adjusting governmental capital asset depreciation to actual, increasing claims payable, adjusting allowance for bad debts in the water fund, and reclassifying the gain of disposal of capital assets. We recommend that the City reviews these accounts at year end to ensure they are properly adjusted and agree to subsidiary ledgers.

Status - Comment is still applicable of December 31, 2019.

Management Response

City management has taken steps to identify and propose audit adjustments to the City Council. On May 26, 2020, Ordinance 2020-036 was approved to retroactively amend the FY2019 Budget to bring it in line with generally accepted accounting principles.

2. Fee Rate Structure

While testing the enterprise revenues at the City, we noted that ordinances that contained the authorized rates to be charged were out of date and not clearly defined as to what the current rate should be. We recommend that the City reviews all of their rates being charged and ensure that they have appropriate authorization to charge those rates.

Status - Comment is still applicable of December 31, 2019.

Management Response

Staff agrees with this comment and will seek to amend the City Code in 2020 to accurately reflect current rates.

3. Documentation of Reviews

We noted during our audit that bank reconciliations are completed accurately and timely, however, we noted that there is no documentation of the review of the General Fund bank reconciliation. We recommend that bank reconciliations are reviewed by management and initialed that the review was completed. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents.

DEFICIENCIES (Continued)

3. Documentation of Reviews (Continued)

Additionally, journal entries created by the Assistant Finance Director are not being reviewed by another individual at the City. We recommend that all journal entries be reviewed and approved by someone other than the person entering and/or creating the journal entry, and to maintain an audit trail that documents both the preparer and reviewer on the original entry.

Finally, during our review of the cash receipting process, we noted that the edit reports are properly being reconciled and reviewed; however, there is no indication that the review was performed. We recommend that these reconciliations be initialed that the review was completed.

Status - See current year segregation of duties comment.

4. Payroll Process

During our review of the payroll transaction cycle, we noted that there is a significant amount of information that gets entered in manually by the payroll clerk for each pay period. Manual calculations and data entry allow for potential of human error, and we recommend the City investigate to see if functionality within the system would allow for automation of these procedures.

Additionally, during our review of the payroll transaction cycle, we noted that the payroll clerk makes all of the employee changes as well as adds new employees into the system. While these changes come from approvals obtained from Human Resources, this creates a segregation of duties issue whereby the payroll clerk helps to process payroll but also can make changes within the system. We recommend the City implement a payroll edit form that gets printed out with each payroll, which would indicate who made changes and what was changed, and to have this form be reviewed and initialed by management. Alternatively, the City could segregate the entering/changing of employee information to another person who then can't access the rest of the payroll module.

Status - Comment considered implemented as of December 31, 2019.

5. Utility Billing

Currently the Water Superintendent is the only employee reviewing the reads being imported in to the Utility Billing software. The Water Superintendent is also the only employee reviewing the unusual highs/lows in the monthly billing register although does provide City staff support of his reviews. We recommend processes are put in place to review the original source billing files to ensure proper entry of data was performed.

Status - See current year segregation of duties comment.

6. Access Controls

During our walkthrough of the City's information technology (IT) controls as well as per review of the City's IT Module access listing, we noted that the City was not performing periodic reviews of all users with access to the accounting system and verifying that users had appropriate access based on their positions at the City. We recommend the City perform a comprehensive review of its access controls and user roles within the system to ensure adequate segregation of duties are maintained and proper controls are implemented.

Status - Comment considered implemented as of December 31, 2019.

FIRM PROFILE



ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

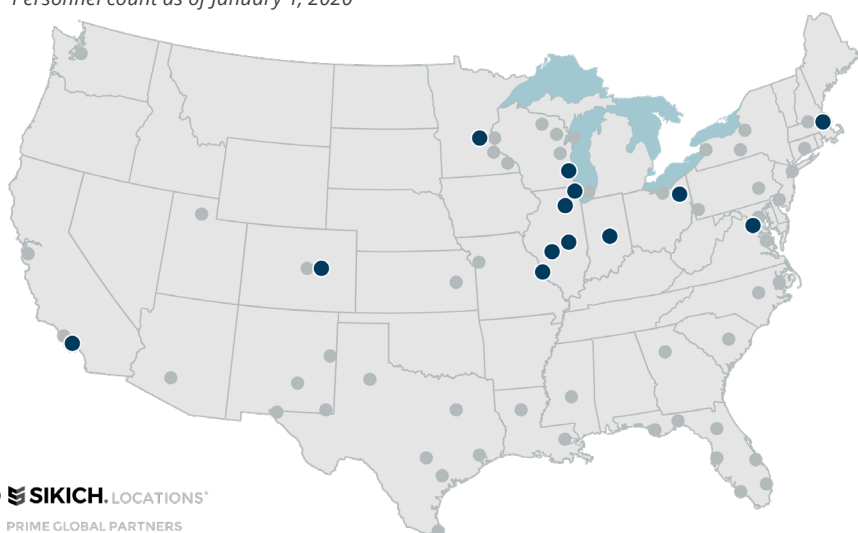
STATISTICS

2019 Revenue\$167.4M

Total Partners 100+

Total Personnel 1,000+

Personnel count as of January 1, 2020



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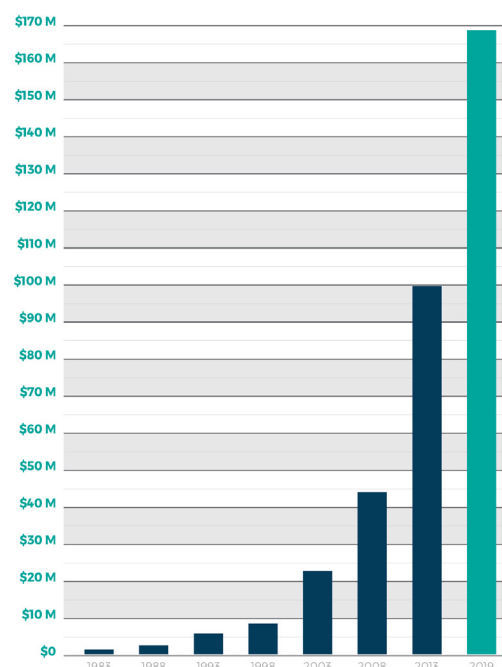
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SIKICH TOTAL REVENUE



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CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality

Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

AWARDS

2018-2020 AWARDS

- 2020 & 2019 Oracle® NetSuite 5 Star Award
- 2019/2020 & 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 Value Added Reseller Stars (VARs)-ranked #8

2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

2019/2020 INNERCIRCLE

for Microsoft Business Applications

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CITY OF DEKALB, ILLINOIS

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended December 31, 2019

The background of the lower half of the page is an abstract composition of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and teal. This creates a complex, layered visual effect. In the bottom right corner, there is a solid orange rectangular box containing the text 'SIKICH.COM' in white, bold, sans-serif capital letters.

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CITY OF DEKALB, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

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

We have examined management's assertion, included in its representation letter dated June 15, 2020 that the City of DeKalb, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2019. Management is responsible for the City's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of DeKalb's compliance with the specified requirements.

In our opinion, management's assertion that the City of DeKalb complied with the aforementioned requirements for the year ended December 31, 2019 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Members of the City Council, management of the City, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 15, 2020

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2019, which collectively comprise the basic financial statements of the City and have issued our report thereon dated June 15, 2020, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information (schedule of revenues, expenditures, and changes in fund balances and schedules of fund balance by source for the Tax Increment Financing #1 Fund, Tax Increment Financing #2 Fund and Tax Increment Financing Debt Service Fund) are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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.

Sikich LLP

Naperville, Illinois
June 15, 2020

SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
TAX INCREMENT FINANCING DISTRICTS REDEVELOPMENT FUNDS

For the Year Ended December 31, 2019

	Special Revenue Funds		Debt Service Fund	
	Tax	Tax	TIF	Total
	Increment	Increment	Debt	(Memorandum
	Financing #1	Financing #2	Service	Only)
REVENUES				
Taxes	\$ 7,031,778	\$ 1,564,865	\$ -	\$ 8,596,643
Investment Income	306,695	22,023	-	328,718
Miscellaneous	43,387	-	-	43,387
Total Revenues	7,381,860	1,586,888	-	8,968,748
EXPENDITURES				
Community Development				
Contractual Services	3,601,188	1,915,827	-	5,517,015
Capital Outlay	3,385,053	249,149	-	3,634,202
Debt Service				
Principal Retirement	-	-	1,060,000	1,060,000
Interest and Fiscal Charges	-	-	132,400	132,400
Total Expenditures	6,986,241	2,164,976	1,192,400	10,343,617
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	395,619	(578,088)	(1,192,400)	(1,374,869)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,192,400	1,192,400
Transfers (Out)	(1,192,400)	-	-	(1,192,400)
Total Other Financing Sources (Uses)	(1,192,400)	-	1,192,400	-
NET CHANGE IN FUND BALANCES	(796,781)	(578,088)	-	(1,374,869)
FUND BALANCES, JANUARY 1	4,373,315	653,088	-	5,026,403
Prior Period Adjustment	(322,782)	-	-	(322,782)
FUND BALANCES, JANUARY 1 (RESTATED)	4,050,533	653,088	-	4,703,621
FUND BALANCES, DECEMBER 31	\$ 3,253,752	\$ 75,000	\$ -	\$ 3,328,752

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE
TAX INCREMENT FINANCING #1 FUND**

For the Year Ended December 31, 2019

BEGINNING BALANCE, JANUARY 1, 2019	\$ 4,373,315
Prior Period Adjustment	<u>(322,782)</u>
BEGINNING BALANCE, JANUARY 1, 2019 (RESTATED)	<u>4,050,533</u>
DEPOSITS	
Property Taxes	7,031,778
Investment Income	306,695
Miscellaneous	43,387
Transfers In	<u>-</u>
Total Deposits	<u>7,381,860</u>
Balance Plus Deposits	<u>11,432,393</u>
EXPENDITURES AND TRANSFERS	
Community Development	3,601,188
Capital Outlay	3,385,053
Transfers Out	<u>1,192,400</u>
Total Expenditures and Transfers	<u>8,178,641</u>
ENDING BALANCE, DECEMBER 31, 2019	<u><u>\$ 3,253,752</u></u>
ENDING BALANCE BY SOURCE	
Property Tax	<u>\$ 3,253,752</u>
Subtotal	3,253,752
Less Surplus Funds	<u>-</u>
ENDING BALANCE	<u><u>\$ 3,253,752</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE
TAX INCREMENT FINANCING #2 FUND**

For the Year Ended December 31, 2019

BEGINNING BALANCE, JANUARY 1, 2019	<u>\$ 653,088</u>
DEPOSITS	
Property Taxes	1,564,865
Investment Income	<u>22,023</u>
Total Deposits	<u>1,586,888</u>
Balance Plus Deposits	<u>2,239,976</u>
EXPENDITURES	
Community Development	1,915,827
Capital Outlay	249,149
Transfers Out	<u>-</u>
Total Expenditures	<u>2,164,976</u>
ENDING BALANCE, DECEMBER 31, 2019	<u><u>\$ 75,000</u></u>
ENDING BALANCE BY SOURCE	
Property Tax	<u>\$ 75,000</u>
Subtotal	75,000
Less Surplus Funds	<u>-</u>
ENDING BALANCE	<u><u>\$ 75,000</u></u>

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE
TIF DEBT SERVICE FUND**

For the Year Ended December 31, 2019

BEGINNING BALANCE, JANUARY 1, 2019	<u>\$ -</u>
DEPOSITS	
Transfers In	<u>1,192,400</u>
Total Deposits	<u>1,192,400</u>
Balance Plus Deposits	<u>1,192,400</u>
EXPENDITURES	
Debt Service	<u>1,192,400</u>
Total Expenditures	<u>1,192,400</u>
ENDING BALANCE, DECEMBER 31, 2019	<u><u>\$ -</u></u>
ENDING BALANCE BY SOURCE	
None	<u>\$ -</u>
Subtotal	-
Less Surplus Funds	<u>-</u>
ENDING BALANCE	<u><u>\$ -</u></u>

(See independent auditor's report.)



CITY OF DEKALB, ILLINOIS

DOWNSTATE OPERATING ASSISTANCE CERTIFICATION AND INDEPENDENT AUDITOR'S REPORTS

For the Year Fiscal Ended June 30, 2019

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CITY OF DEKALB, ILLINOIS
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**INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF REVENUES AND EXPENSES
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-19-21**

Members of the City Council
City of DeKalb
DeKalb, Illinois

We have audited the accompanying schedule of revenues and expenses under downstate operating assistance grant OP-19-21 of City of DeKalb, Illinois for the year ended June 30, 2019.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America and the provisions of the Downstate Operating Assistance Grant Agreement; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the Downstate Operating Assistance Grant Agreement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule 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 entity'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 schedule.

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

Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects schedule of revenues and expenses under downstate operating assistance grant OP-19-21 of City of DeKalb, Illinois for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America and provisions of the Downstate Operating Assistance Grant Agreement.

Sikich LLP

Naperville, IL
June 15, 2020

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES AND EXPENSES
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-19-21-IL**

FOR THE YEAR ENDED JUNE 30, 2019

OPERATING REVENUES AND INCOME

401	Passenger fares for transit services	\$	24,716
402	Special transit fares		-
403	School bus service		-
404	Freight tariffs		-
405	Total charter service revenues		-
406	Auxiliary revenue		-
407	Non-transportation revenue		-
407 .99	Sec. 5307 force acct & admin cost reimbursement		-
411	State cash grants and reimbursement - <i>other than</i> <i>Downstate Operating Assistance</i>		-
412	State special fare assistance		-
413	Federal cash grants & reimbursement		1,090,697
413 .99	Sec. 5307 capital funds applied to state eligible op. expenses		-
.99	Job Access Reverse Commute & New Freedom		-
430	Contributed services		918,805
440	Subsidy from other sectors of operations		-
Total operating revenues and income			\$ 2,034,218

OPERATING EXPENSES

501	Labor	\$	181,997
502	Fringe benefits		57,488
503	Professional services		16,603
504	Materials & supplies consumed		165,995
505	Utilities		-
506	Casualty & liability		-
507	Taxes		35
508	Net purchased transportation		5,349,513
509	Miscellaneous expense		8,013
511	Interest expense		-
512	Leases, rentals, and purchase-lease payments		-
Total operating expenses			5,779,644
Total eligible operating expenses			\$ 5,779,644

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES AND EXPENSES
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-19-21-IL (Continued)**

FOR THE YEAR ENDED JUNE 30, 2019

Total eligible operating expenses	\$ 5,779,644
Total operating revenues and income	<u>2,034,218</u>
Deficit	<u>\$ 3,745,426</u>
65% of eligible expenses	<u>\$ 3,756,769</u>
Maximum contract amount	<u>\$ 5,192,400</u>
FY19 eligible downstate operating assistance (deficit, 65% of eligible expense, or maximum contract amount, whichever is less)	<u>\$ 3,745,426</u>
FY19 downstate operating assistance received (prior to the close of fiscal year)	<u>\$ 4,457,278</u>
FY19 downstate operating assistance receivable (at close of fiscal year and subsequently received)	<u>\$ -</u>
FY19 downstate operating assistance (over) under paid	<u>\$ (711,852)</u>

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS
AND REGULATIONS APPLICABLE TO THE FINANCIAL ASSISTANCE
RECEIVED UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-19-21-IL**

Members of the City Council
City of DeKalb
DeKalb, Illinois

Report on Compliance

We have audited the City of DeKalb's (the City) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the laws and regulations applicable to the financial assistance received under the downstate operating assistance grant.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the City based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the State of Illinois Department of Transportation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state financial assistance occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides as reasonable basis for our opinion on compliance with the laws and regulations applicable to the financial assistance received under the downstate operating assistance grant. However, our audit does not provide a legal determination of the City's compliance.

Opinion

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on the downstate operating assistance grant for the year ended June 30, 2019.

Purpose of this Report

The purpose of this report on is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation. Accordingly, this report is not suitable for any other purpose.

Sikich LLP

Naperville, IL
June 15, 2020

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Findings and Questioned Costs

None

Summary Schedule of Prior Audit Findings

None

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

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Mayor, the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 15, 2020

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**INDEPENDENT ACCOUNTANT'S REPORT ON
NATIONAL TRANSIT DATABASE (NTD)
UNIFORM SYSTEM OF ACCOUNTS (USOA)**

Members of the City Council
City of DeKalb
DeKalb, Illinois

We have examined management of the City of DeKalb's (the City) assertion that the reporting forms listed below have been complied with by the City as required under Title 49 U.S.C. 5335(a), for conformity in all material respects with the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA) for the year ended June 30, 2019. The City's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

The accounting system from which this NTD report is derived is other than the accounting system prescribed by the USOA but uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA. The same internal accounting system has been adopted and was used to compile this NTD report.

Below is a list of the specific financial forms on which audited data are reported:

- NTD Form F-10, Sources of Funds - Funds Expended and Funds Earned form
- NTD Form F-20, Uses of Capital form
- NTD Form F-30, Operating Expenses forms

In our opinion, management's assertion that the City complied with the accounting requirements of FTA as set forth in its USOA is fairly stated in all material respects.

Sikich LLP

Naperville, IL
June 15, 2020



CITY OF DEKALB, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended December 31, 2019

The background of the lower half of the cover is an abstract composition of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and teal. These shapes create a sense of depth and architectural structure.

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CITY OF DEKALB, ILLINOIS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the City Council
City of DeKalb, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2020. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component unit.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 15, 2020

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; AND ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the City Council
City of DeKalb, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of DeKalb, Illinois' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of DeKalb, Illinois', complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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, as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 15, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
June 15, 2020

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2019

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Department of Agriculture	N/A	Law Enforcement Agreements	10.704	N/A	\$ 16,269	\$ -
Department of Homeland Security	Illinois Law Enforcement Alarm System	Homeland Security Grant Program	97.067	Training Reimbursements	20,184	-
Department of Homeland Security	MABAS	Homeland Security Grant Program	97.067	N/A	28,425	-
		Total Department of Homeland Security			48,609	-
Department of Justice	N/A	Bulletproof Vest Partnership Program	16.607	N/A	1,757	-
		CDBG Entitlement Grant Cluster				
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-17-0034	165	165
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-17-0034	46,338	46,338
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-17-0034	189,987	189,987
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-17-0034	236,819	236,819
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-17-0034	121,502	121,502
		Total Department of Housing and Urban Development			594,811	594,811
Department of Transportation	Illinois Department of Transportation	Airport Improvement Program	20.106	3-17-SBGP-95/111N/120N/133N [DKB-4431]	34,323	-

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2019

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Federal Transit Cluster						
Department of Transportation	N/A	Federal Transit Formula Grants	20.507*	IL-90-X800	\$ 33,615	\$ -
Department of Transportation	N/A	Federal Transit Formula Grants	20.507*	IL-90-X735	294,144	-
Department of Transportation	N/A	Federal Transit Formula Grants	20.507*	IL-90-X761	9,208	-
Department of Transportation	N/A	Federal Transit Formula Grants	20.507*	IL-90-X775	204,804	-
Department of Transportation	N/A	Federal Transit Formula Grants	20.507*	IL-90-X790	1,527,742	895,019
		Subtotal Federal Transit Formula Grants			2,069,513	895,019
Highway Safety Cluster						
Department of Transportation	Illinois Department of Transportation	State and Community Highway Safety	20.600	OP-19-0143	30,650	-
Department of Transportation	Illinois Department of Transportation	State and Community Highway Safety	20.600	OP-20-0120	5,652	-
		Subtotal State and Community Highway Safety			36,302	-
		Total Department of Transportation			2,140,138	895,019
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 2,801,584	\$ 1,489,830

*Denotes Major Program

CITY OF DEKALB, ILLINOIS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2019

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. It is a summary of the activity of the City's federal award programs prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

Note B - Illinois Environmental Protection Agency Loans

The City had Illinois Environmental Protection Agency Loans outstanding in the amount of \$1,600,094 at December 31, 2019. The loans have no continuing compliance requirements aside from loan repayment.

Note C - Other Information

The City did not receive any federal insurance or noncash assistance during the year ended December 31, 2019.

The City did not elect to use the 10% federal de minimis indirect cost rate.

CITY OF DEKALB ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditor's report issued on compliance for
major federal programs:

Unmodified (CFDA #20.507)

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR Section 200.516(a)?

_____ yes X no

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.507

Federal Transit Cluster

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2019

Section II - Findings - Financial Statement Audit

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None