ORDINANCE 2020-063 PASSED/ADOPTED: SEPTEMBER 28, 2020

COPY

ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $2,000,000 GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020, OF THE CITY OF DEKALB, ILLINOIS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS, AS FOLLOWS:

Section 1. **Authority and Purpose.** This ordinance is adopted pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and authorizes the issuance of general obligation bonds of the City for the purpose of (i) financing the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (collectively, the "2021 Debt Service"), (ii) capitalizing interest on the bonds authorized by this ordinance and (iii) paying the costs of issuance of the bonds authorized by this ordinance, including any municipal bond insurance policy premium.

Section 2. **Funding Plan.** The City determines to proceed with the financing of the 2021 Debt Service by the issuance of the bonds authorized by this ordinance (the "2020 Bonds"). The City Manager and the other officers and officials of the City are authorized and directed to do, or cause to be done, all things necessary to accomplish the financing of the 2021 Debt Service.

In order to accommodate current market practices and to provide the opportunity to sell the 2020 Bonds under the most favorable terms, the City Council hereby delegates to the City Manager the authority to offer and sell the 2020 Bonds pursuant to a public sale or a private placement and to make the various determinations with respect to the 2021 Debt Service to be funded and the 2020 Bonds, all as provided for in this ordinance, including the determination to obtain a municipal bond insurance policy with respect to the 2020 Bonds or any portion thereof. Such determinations shall be made in a Bond Order to be signed by the City Manager (the "Bond Order"). An executed counterpart of the Bond Order shall be filed with the City Clerk and entered in the records of the City. The delegated authority granted to the City Manager pursuant to this ordinance shall expire on December 31, 2020. In the event that the City Manager determines that he is not able to exercise any delegation set forth in this ordinance, the City Manager may designate the Finance Director of the City to exercise such delegated authority by filing with the City Clerk a certificate setting forth such delegation to the City Finance Director.

Section 3. **Authorization and Terms of Bonds.** To meet part of the estimated cost of funding the 2021 Debt Service, there is hereby appropriated the sum of $2,000,000. Said appropriation is inclusive of amounts required to capitalize interest on the 2020 Bonds (the "Capitalized Interest Amount") for a period not exceeding two years, for the payment of costs of issuance of the 2020 Bonds authorized by this Section, and any municipal bond insurance policy premium.

Pursuant to the home rule powers of the City to incur debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, unlimited tax general obligation bonds

of the City (being the 2020 Bonds) shall be issued and sold in an aggregate principal amount of not to exceed $2,000,000 and shall be designated "General Obligation Refunding Bonds, Taxable Series 2020."

The 2020 Bonds shall be issuable in the denominations of $5,000 or any integral multiple thereof and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of 2020 Bonds; provided that the City may determine in the Bond Order to issue the 2020 Bonds with an authorized minimum denomination greater than $5,000. Each 2020 Bond delivered upon the original issuance of the 2020 Bonds shall be dated as of the date determined in the Bond Order. Each 2020 Bond thereafter issued upon any transfer or exchange of 2020 Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange. The 2020 Bonds shall mature (or be subject to mandatory sinking fund redemption) on January 1 in such years and in such principal amounts as shall be determined in the Bond Order, provided that no 2020 Bond shall mature later than January 1, 2031. Each 2020 Bond shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on an initial interest payment date of July 1, 2021 and semiannually thereafter on each January 1 or July 1, at the rates per annum, not exceeding 5%, to be determined in the Bond Order.

The City Finance Director may serve as bond registrar and paying agent for the 2020 Bonds or, if so determined in the Bond Order, a bank, trust company or national banking association may be appointed to serve as bond registrar and paying agent for the 2020 Bonds.

The principal of the 2020 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the office of the bond registrar. Interest on the 2020 Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the City for such purpose at the office of the bond registrar, as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date. Interest on the 2020 Bonds shall be paid by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to such registered owners at their addresses appearing on the registration books.

Any of the 2020 Bonds may be subject to redemption prior to maturity at the option of the City on such redemption dates and at such redemption prices as shall be determined in the Bond Order.

All 2020 Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The bond registrar is hereby authorized and directed to mail notice of the mandatory sinking fund redemption of the 2020 Bonds in the manner herein provided.

On or prior to the 60th day preceding any sinking fund installment date, the City may purchase 2020 Bonds, which are subject to mandatory redemption on such sinking fund installment date, at such prices as the City shall determine. Any 2020 Bond so purchased shall be cancelled and the

principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment of the 2020 Bonds of the same maturity as the 2020 Bond so purchased.

In the event of the redemption of less than all the 2020 Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the bond registrar shall assign to each 2020 Bond of such maturity a distinctive number for each $5,000 principal amount of such 2020 Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 for each number, shall equal the principal amount of such 2020 Bonds to be redeemed. The 2020 Bonds to be redeemed shall be the 2020 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2020 Bond shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Notice of the redemption of 2020 Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of 2020 Bonds to be redeemed at their last addresses appearing on said registration books. The 2020 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the 2020 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) than from and after the redemption date interest on such 2020 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2020 Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon surrender of such 2020 Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the 2020 Bond so surrendered, bonds of like maturity and of the denomination of $5,000 or any integral multiple thereof.

The bond registrar shall not be required to transfer or exchange any 2020 Bond after notice of the redemption of all or a portion thereof has been mailed. The bond registrar shall not be required to transfer or exchange any 2020 Bond during a period of 15 days next preceding the mailing of a notice of redemption that could designate for redemption all or a portion of such 2020 Bond.

Section 4. **Sale and Delivery.** The 2020 Bonds shall be sold by means of public sale or a direct placement to a purchaser, as determined by the City Manager. In the case of a public sale, Robert W. Baird & Co. Incorporated is hereby selected as the underwriter of the 2020 Bonds. In the case of a private placement, Robert W. Baird & Co. Incorporated is hereby appointed as the placement agent for the sale of the 2020 Bonds.

The principal amount of the 2020 Bonds to be sold and all terms and provisions of the 2020 Bonds not otherwise determined by this ordinance shall be determined in the Bond Order. Authority is hereby delegated to the City Manager to sign the Bond Order and to make the various determinations authorized by this ordinance to be determined pursuant to the Bond Order.

The principal amount of the 2020 Bonds shall not exceed $2,000,000. The purchase price of the 2020 Bonds shall be not less than 98% of the principal amount of the 2020 Bonds.

In the case of a public sale of the 2020 Bonds, the City shall prepare an Official Statement with respect to the 2020 Bonds, which shall be approved and "deemed final." as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The Mayor, City Clerk, the City Manager and the other officials of the City are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the City each and every thing necessary for the issuance of the 2020 Bonds, including the proper execution and delivery of the 2020 Bonds, any Official Statement and any bond purchase agreement.

Section 5. **Execution and Authentication.** Each 2020 Bond shall be executed in the name of the City by the manual or authorized facsimile signature of its Mayor and the corporate seal of the City, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced thereon and attested by the manual or authorized facsimile signature of its City Clerk or Deputy City Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2020 Bond shall cease to hold such office before the issuance of the 2020 Bond, such 2020 Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such 2020 Bond had not ceased to hold such office. Any 2020 Bond may be signed, sealed or attested on behalf of the City by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such 2020 Bond such person may not have held such office. No recourse shall be had for the payment of any 2020 Bonds against any officer who executes the 2020 Bonds.

Each 2020 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2020 Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 6. **Transfer, Exchange and Registry.** The 2020 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2020 Bond shall be transferable only upon the registration books maintained by the City for that purpose at the office of the bond registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such 2020 Bond, the City shall execute and the bond registrar shall authenticate and deliver a new 2020 Bond or 2020 Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2020 Bond. 2020 Bonds, upon surrender thereof at the corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by the registered owner or his attorney

duly authorized in writing, may be exchanged for an equal aggregate principal amount of 2020 Bonds of the same maturity and interest rate and of any authorized denominations.

For every such exchange or registration of transfer of 2020 Bonds, the City or the bond registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced 2020 Bonds.

The City and the bond registrar may deem and treat the person in whose name any 2020 Bond shall be registered upon the registration books as the absolute owner of such 2020 Bond, whether such 2020 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such 2020 Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar shall be affected by any notice to the contrary.

Section 7. **General Obligations.** The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the 2020 Bonds. The 2020 Bonds shall be direct and general obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property in the City for the payment of the 2020 Bonds and the interest thereon, without limitation as to rate or amount.

Section 8. **Form of Bonds.** The 2020 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2020 Bonds are printed:

No. _____

United States of America
State of Illinois
County of DeKalb
CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BOND,
TAXABLE SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE	[CUSIP]
. %	January 1, 20__	_____, 2020	[240775 ___]

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the office of _____, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $_____, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois."

[The bonds of such series maturing on or after January 1, 20___, are subject to redemption prior to maturity at the option of the City on _____ 1, 20___ and on any date thereafter, in such principal amounts and from such maturities as the City shall determine, and by lot within a maturity, at a redemption price equal to the principal amount thereof to be redeemed.]

[The bonds of such series maturing in the years 20___, 20___ and 20___ (the "Term Bonds") are subject to mandatory redemption, in part and by lot, on January 1 in the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

20___ Term Bonds		20___ Term Bonds		20___ Term Bonds	
Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
20__	$,000	20__	$,000	20__	$,000
20__	,000	20__	,000	20__	,000
20__	,000	20__	,000	20__	,000]

[Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.]

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of $_____ or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the

purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: _____, 2020

CITY OF DEKALB

_____
Mayor

Attest:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Taxable Series 2020, described in the within mentioned Ordinance.

_____,
as Bond Registrar

By _____
Authorized Signer

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

_____

the within bond and hereby irrevocably constitutes and appoints _____

_____

attorney to transfer the said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____

_____

Signature Guarantee:

_____

Section 9. **Levy and Extension of Taxes.** (A) For the purpose of providing the money required to pay the interest on the 2020 Bonds when and as the same falls due and to pay and discharge the principal thereof (including mandatory sinking fund payments) as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the 2020 Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, in the amount of $1,000,000 in each of the tax levy years 2020 to 2029, both inclusive.

(B) Interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to the said funds in the amounts thus advanced.

(C) After the sale of the 2020 Bonds and the execution of the Bond Order, an executed copy of the Bond Order and a copy of this ordinance, certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of DeKalb County, Illinois, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2020 to 2029, inclusive, and subject to adjustment as provided in paragraph (D) of this Section, and to extend the same for collection on the tax books in connection with other taxes levied in said years, in and by the City for general corporate purposes of the City, and in said years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected and, when collected, such taxes shall be used for the purpose of paying the principal of and interest on the 2020 Bonds as the same become due and payable.

(D) In the event that 2020 Bonds are to be issued such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the 2020 Bonds, then the City shall cause to be filed with the aforesaid County Clerk, on or prior to the date of delivery of the 2020 Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 10. **Taxes Levied for Payment of 2021 Debt Service.** After the issuance of the 2020 Bonds, the City shall cause to be filed with the County Clerk of DeKalb County, a certificate listing the 2021 Debt Service and the taxes theretofore levied for the payment of the 2021 Debt Service, and said certificate shall direct the abatement of such taxes.

Section 11. **Escrow Deposit Agreement.** The form of 2020 Escrow Deposit Agreement, on file in the office of the City Clerk, is hereby approved. Amalgamated Bank of Chicago is hereby appointed to serve as Escrow Agent under the 2020 Escrow Deposit Agreement. The proper officers of the City are authorized and directed to execute and deliver the 2020 Escrow Deposit Agreement on behalf of the City.

Section 12. Application of Proceeds. The proceeds of sale of the 2020 Bonds shall be deposited as follows:

1. To the General Debt Service Fund of the City, the Capitalized Interest Amount (as determined by the City Manager).

2. To the 2020 Escrow Fund maintained under the 2020 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the payment of the 2021 Debt Service.

3. To the 2020 Expense Fund, the remaining proceeds of sale of the 2020 Bonds.

Section 13. General Debt Service Fund. Moneys derived from taxes herein levied are appropriated and set aside for the purpose of paying principal of and interest on the 2020 Bonds when and as the same come due. All of such moneys, and all other moneys to be used for the payment of the principal of and interest on the 2020 Bonds, shall be deposited in the General Debt Service Fund of the City.

Moneys held in the General Debt Service Fund for the payment of the principal of and the interest on the 2020 Bonds shall be allocated and identified as available for such purpose in the records of the City pertaining to the General Debt Service Fund.

Pursuant to Section 13 of the Local Government Debt Reform Act, the Capitalized Interest Amount and tax receipts derived from the taxes levied pursuant to this ordinance are pledged as security for the payment of the 2020 Bonds. All such tax receipts and the Capitalized Interest Amount shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof.

Section 14. Expense Fund. The "2020 Expense Fund" is hereby established as a special fund of the City. Moneys in the 2020 Expense Fund shall be used for the purpose of paying the costs of issuance of the 2020 Bonds. Moneys in the 2020 Expense Fund may be reappropriated and used for other purposes if such reappropriation is permitted under Illinois law.

Section 15. Investment Regulations. All income derived from such investments in respect of moneys or securities in the General Debt Service Fund, the 2020 Escrow Fund or the 2020 Expense Fund shall be credited in each case to the Fund in which such moneys or securities are held.

Any moneys in the 2020 Escrow Fund may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of the Fiscal Service. The City Finance Director and agents designated by him are hereby authorized to submit, on behalf of the City, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 16. **Tax Status.** The City intends that the interest on the 2020 Bonds shall be subject to federal income taxes.

Section 17. **Continuing Disclosure.** For the benefit of the beneficial owners of the 2020 Bonds, the City covenants and agrees to provide to the Municipal Securities Rulemaking Board (the "MSRB") for disclosure on the Electronic Municipal Market Access ("EMMA") system, in an electronic format as prescribed by the MSRB, (i) an annual report containing certain financial information and operating data relating to the City and (ii) timely notices of the occurrence of certain enumerated events. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

The annual report shall be provided to the MSRB for disclosure on EMMA within 210 days after the close of the City's fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the City and such additional information as noted in any bond purchase agreement with respect to the 2020 Bonds. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be provided promptly after it becomes available.

The City, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the City to provide any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the 2020 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the 2020 Bonds, or other events affecting the tax-exempt status of the 2020 Bonds; (7) modifications to rights of bondholders, if material; (8) 2020 Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2020 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect bondholders, if material; and (16) default, event of acceleration, termination event, modification of terms, or

other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties. For the purposes of the event identified in clause (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in clauses (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule").

It is found and determined that the City has agreed to the undertakings contained in this Section in order to assist participating underwriters of the 2020 Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The City Manager or his designee is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the City, each and every thing necessary to accomplish the undertakings of the City contained in this Section for so long as Rule 15c2-12(b)(5) is applicable to the 2020 Bonds and the City remains an "obligated person" under the Rule with respect to the 2020 Bonds.

The undertakings contained in this Section may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15(c)2-12(b)(5) at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the 2020 Bonds.

Section 18. **Bond Registrar.** The City covenants that it shall at all times retain a bond registrar with respect to the 2020 Bonds, that it will maintain at the designated office of such bond registrar a place where 2020 Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the bond registrar maintain proper registration books and perform the other duties and obligations imposed upon the bond registrar by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

The bond registrar shall signify its acceptance of the duties and obligations imposed upon it by this ordinance by executing the certificate of authentication on any 2020 Bond, and by such execution the bond registrar shall be deemed to have certified to the City that he has accepted such duties and obligations not only with respect to the 2020 Bond so authenticated but with respect to all the 2020 Bonds. The bond registrar is the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or default. The bond registrar shall, however, be responsible for any representation in the certificate of authentication on the 2020 Bonds.

The City may remove the bond registrar at any time. In case at any time the bond registrar shall resign, or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the bond registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the bond registrar or of its property or affairs, the City covenants and agrees that it will thereupon appoint a successor bond registrar. The City shall mail notice of any such appointment made by it to each registered owner of 2020 Bonds within twenty days after such appointment.

Section 19. **Book-Entry System.** The City Manager may determine to issue the 2020 Bonds in book-entry form. In order to provide for the initial issuance of the 2020 Bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered bond for each maturity, in the aggregate principal amount of such maturity, may be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the 2020 Bonds. The City Manager or his designee is authorized to execute and deliver on behalf of the City such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In case at any time the securities depository shall resign or shall become incapable of acting, then the City shall appoint a successor securities depository to provide a system of book-entry only transfers for the 2020 Bonds, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the 2020 Bonds is discontinued, then the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2020 Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the 2020 Bonds, all as shown in the records maintained by the securities depository.

Section 20. **Defeasance and Payment of Bonds.** (A) If the City shall pay or cause to be paid to the registered owners of the 2020 Bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the 2020 Bonds shall be discharged and satisfied.

(B) Any 2020 Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such 2020 Bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such 2020 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2020 Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said 2020 Bonds on and prior to the applicable redemption date or maturity date thereof.

(C) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

Section 21. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the 2020 Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the 2020 Bonds. All of the 2020 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2020 Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance shall constitute full authority for the issuance of the 2020 Bonds and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the City, the provisions of this ordinance shall control. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

In this ordinance, reference to an officer of the City includes any person holding that office on an interim basis, and any person delegated the authority to act on behalf of such officer.

Section 22. **Publication.** The City Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 23. **Effective Date.** This ordinance shall become effective upon its passage and approval.

Passed and adopted this 28th day of September 2020, by roll call vote as follows:

First Reading passed by an 8-0 roll call vote

Ayes: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith.

Nays: None.

Second Reading waived by a 6-2 roll call vote

Ayes: Morris, Finucane, Smith, McAdams, Faivre, Mayor Smith.

Nays: Perkins, Verbic.

Approved: September 28, 2020

Jerry Smith, Mayor

Published in pamphlet form: September 29, 2020

(SEAL)

Attest:

Lynn A. Fazekas, City Clerk

CERTIFICATE

I, LYNN A. FAZEKAS, City Clerk of the City of DeKalb, Illinois, hereby certify that the foregoing ordinance entitled:

ORDINANCE 2020-063

"Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois,"

is a true copy of an original ordinance that was duly adopted by the recorded affirmative votes of a majority of the members of the City Council of the City at a meeting thereof that was duly called and held at 6:00 p.m. on September 28, 2020, in the Yusunas Meeting Room at the DeKalb Public Library, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the Mayor on September 28, 2020, and thereafter published in pamphlet form on September 29, 2020, and recorded in the Ordinance Book of the City and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120, and was continuously available for public review during the 48 hour period preceding the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 29th day of September, 2020.

(SEAL)

CITY OF DEKALB
STATE OF ILLINOIS

Lynn A. Fazekas

LYNN A. FAZEKAS, City Clerk

COPY

CERTIFICATION OF MINUTES AND AGENDA

I, Lynn A. Fazekas, City Clerk of the City of DeKalb, Illinois, hereby certify that annexed hereto is a copy of the minutes of a meeting of the City Council of the City duly called and held on September 28, 2020 and at which a quorum was present and acting throughout.

I further certify that I have compared said copy with the original minutes of said meeting as recorded in the minute book of said City and that said copy is a true and correct copy of the whole of said original minutes.

I further certify that annexed hereto is a copy of the agenda of said meeting and I have compared said copy with the original agenda of said meeting and that said copy is a true and correct copy of the whole of said original agenda.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the seal of said City to be affixed, this 15th day of October, 2020.

Lynn A. Fazekas

Lynn A. Fazekas, City Clerk

(SEAL) CITY OF DEKALB STATE OF ILLINOIS

145714293v1_223885-00047

MINUTES
CITY OF DEKALB
REGULAR CITY COUNCIL MEETING
SEPTEMBER 28, 2020

The City Council of DeKalb, Illinois held a Regular City Council meeting on September 28, 2020, in the Yusunas Meeting Room of the DeKalb Public Library, 309 Oak Street, DeKalb, Illinois.

A. CALL TO ORDER AND ROLL CALL

Mayor Smith called the meeting to order at 6 p.m.

Mayor Smith announced that Alderman Carolyn Morris and City Clerk Lynn Fazekas were attending remotely.

City Clerk Fazekas called the roll, and the following members of City Council were present: Alderman Carolyn Morris, Alderman Bill Finucane, Alderman Tracy Smith, Alderman Greg Perkins, Alderman Scott McAdams, Alderman Mike Verbic, Alderman Tony Faivre, and Mayor Jerry Smith.

Staff present included: City Manager Bill Nicklas.

B. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES

Mayor Smith led the Pledge.

C. APPROVAL OF THE AGENDA

Mayor Smith asked for additions and deletions to the agenda. None were offered.

MOTION
Alderman Finucane moved to approve the agenda. Alderman Faivre seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: none. Mayor Smith declared the agenda approved.

D. PUBLIC PARTICIPATION

Michael Embrey spoke in person. He offered an update about latest placements of a flag and veterans' banners downtown at First and Locust streets and the establishment of "Honorary Veterans Way."

Mayor Smith read a comment submitted online by Pamela Verbic, who commented on the proposal to issue Taxable General Obligation Refunding Bonds, Series 2020 (which, later in the meeting, was to be the subject of a public hearing and ordinance). Ms. Verbic called the bond proposal premature and said the situation required more discussion by Council, Finance Advisory Committee, and citizens. Following an accounting of the additional costs of borrowing, Ms. Verbic acknowledged it would be a difficult decision whether to use reserves or to incur more debt to cover shortfalls, but said the pandemic-related economic downturn appears to be a legitimate use of the General Fund reserve. She asked if bond writers look at overall debt, as well as reserves, as an indicator of fiscal responsibility.

E. PRESENTATIONS

There were none.

F. APPOINTMENTS

1. Appointment of Ann Shult to the Citizens' Environmental Commission for the Completion of a Two-Year Term through December 31, 2021.

Mayor Smith read the subject of the appointment.

MOTION
Alderman McAdams moved to approve the appointment. Alderman Perkins seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Morris, Mayor Smith. Nay: none. Mayor Smith declared approval of the appointment.

G. CONSENT AGENDA

1. Minutes of the Joint City Council and Finance Advisory Committee Meeting of August 17, 2020.
2. Minutes of the Regular City Council Meeting of September 14, 2020.
3. Accounts Payable and Payroll through September 28, 2020, in the Amount of $1,306,469.47.
4. Investment and Bank Balance Summary through July 2020.
5. Year-to-Date Revenues and Expenditures through July 2020.

6. Freedom of Information Act (FOIA) Report – August 2020.

7. Hospitality Recovery Program Update.

Mayor Smith read each item of the consent agenda and asked for requests to remove items for separate approval. No such requests were made.

MOTION
Alderman Smith moved to approve the consent agenda. Alderman Verbic seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Smith, Perkins, McAdams, Verbic, Faivre, Morris, Finucane, Mayor Smith. Nay: none. Mayor Smith declared the consent agenda passed.

H. PUBLIC HEARINGS

1. Public Hearing on the Taxable General Obligation Refunding Bonds, Series 2020.

Mayor Smith read the subject of the public hearing and opened the hearing at 6:14 p.m.

City Manager Nicklas explained what he called a "scoop and toss" proposal, which would give the City short-term relief from debt service to help make up for revenue shortfalls caused by the COVID-19 emergency.

After ascertaining no one else wished to speak to the proposal, Mayor Smith closed the hearing at 6:25 p.m.

I. CONSIDERATIONS

There were none.

J. RESOLUTIONS

1. Resolution 2020-107 Authorizing the Sale of Real Property Located at 805 E. Locust Street (PIN: 08-23-329-004) in the Amount of $1,500.

Mayor Smith read the resolution by title only.

MOTION
Alderman McAdams moved to approve the resolution. Alderman Verbic seconded.

City Manager Nicklas said the property is two-tenths of an acre and would be used for storage of wire spindles. He said the installation of an eight-foot fence is anticipated and the Building Department recommends approval.

VOTE
Motion carried 8-0 on roll call vote. Aye: Perkins, McAdams, Verbic, Faivre, Morris, Finucane, Smith, Mayor Smith. Nay: none.

2. Resolution 2020-108 Authorizing Payment to Syndeo Networks, Inc. in the Amount of $62,345 to Relocate City-Owned Fiber from the Former City Hall Building at 200 S. Fourth Street to 223 S. Fourth Street, and Move an Existing Fiber Handhole into the Right of Way at 200 S. Fourth Street.

Mayor Smith read the resolution by title only.

MOTION
Alderman Perkins moved to pass the resolution. Alderman Faivre seconded.

City Manager Nicklas reminded Council of the City's established relationship with Syndeo, and he noted there were two bids with Syndeo's coming in significantly lower.

VOTE
Motion carried 8-0 on roll call vote. Aye: McAdams, Verbic, Faivre, Morris, Finucane, Smith, Perkins, Mayor Smith. Nay: none.

3. Resolution 2020-109 Authorizing an Intergovernmental Agreement with DeKalb Township Regarding the Ownership and Maintenance of the Roundabout at Peace Road and Gurler Road.

Mayor Smith read the resolution by title only.

MOTION
Alderman Verbic moved to approve the resolution. Alderman Finucane seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Verbic, Faivre, Morris, Finucane, Smith, Perkins, McAdams, Mayor Smith. Nay: none.

K. ORDINANCES – SECOND READING

1. Ordinance 2020-055 Amending Chapter 38 "Intoxicating Liquors," Section 38.07 "Classifications of Liquor Licenses," by Adding a New Classification, "Laundromats."

Mayor Smith read the ordinance by title only.

MOTION
Alderman Finucane moved to approve the ordinance. Alderman Faivre seconded.

City Manager Nicklas said the school board is not supporting the ordinance, perhaps because the driveway of the laundromat in question touches Barb Boulevard and therefore technically does not meet the 100-foot distancing requirement from schools.

Alderman Finucane pointed out the change to Chapter 38 does not automatically grant anyone a liquor license; the laundromat owner who wants one will still need to undertake the licensing process.

VOTE
Motion carried 7-1 on roll call vote. Aye: Faivre, Morris, Finucane, Smith, Perkins, Verbic, Mayor Smith. Nay: McAdams.

L. ORDINANCES – FIRST READING

1. Ordinance 2020-062 Amending the Fiscal Year-End December 31, 2020 Budget.

Mayor Smith read the ordinance by title only.

MOTION
Alderman McAdams moved to pass first reading. Alderman Verbic seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: none. Mayor Smith declared passage of first reading.

MOTION
Alderman Finucane moved to waive second reading and pass the ordinance. Alderman McAdams seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Morris, Mayor Smith. Nay: none. Mayor Smith declared the ordinance passed.

2. Ordinance 2020-063 Authorizing the Issuance of Not to Exceed $2,000,000 in General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois.

Mayor Smith read the ordinance by title only.

MOTION
Alderman McAdams moved to pass first reading. Alderman Faivre seconded.

Council members discussed the General Fund reserve balance and whether it is more beneficial to the City's bond rating to follow the 25% fund balance reserve policy rigidly or to avoid more long-term debt in addressing the budget hole created by the pandemic. However, the city manager asserted the most important factor is the pension crisis, as the pensions require a growing share of property taxes, the most stable revenue source.

VOTE
Motion carried on 8-0 roll call vote. Aye: Smith, Perkins, McAdams, Verbic, Faivre, Morris, Finucane, Mayor Smith. Nay: none.

MOTION
Alderman Finucane moved to waive second reading and approve the ordinance. Alderman McAdams seconded.

VOTE
Motion carried 6-2 on roll call vote. Aye: McAdams, Faivre, Morris, Finucane, Smith, Mayor Smith. Nay: Perkins, Verbic. Mayor Smith declared the ordinance passed.

M. REPORTS AND COMMUNICATIONS

Mayor Smith reported the Centers for Disease Control (CDC) have categorized Halloween trick-or-treating as a high-risk activity in terms of potential COVID-19 transmission. He asked Council to discuss how it might be conducted. Consensus was to acknowledge the difficulty in enforcing restrictions citywide, though most supported communication of guidance measures and/or referring parents/guardians to CDC guidelines. Other suggestions included coordination with other communities in the county and reducing the number of official trick-or-treat hours. Alderman Morris said she had circulated a survey of about 425 residents and found 79% support traditional Halloween trick-or-treating.

1. Council Member Reports

Alderman Morris reported a family member had tested positive for COVID-19. She said her family is following a health department recommendation to quarantine for 24 days.

Alderman Finucane reminded the audience to wear their masks.

Alderman McAdams urged residents to complete their census forms.

Alderman Verbic welcomed Home2Suites and Pizza Hut to his ward.

2. City Clerk Report

City Clerk Fazekas made no report.

3. City Manager Report

City Manager Nicklas made no report.

N. EXECUTIVE SESSION PURSUANT TO 5 ILCS (120/2)

Approval to Hold an Executive Session in Order to Discuss:

1. Personnel as Provided for in 5 ILCS 120/2(c)(1); and

2. Pending or Imminent Litigation as Provided for in 5 ILCS 120/2(c)(11).

Mayor Smith read the items to be authorized for executive session and asked for a motion to recess.

MOTION
Alderman Verbic moved to recess. Alderman Faivre seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Verbic, Faivre, Morris, Finucane, Smith, Perkins, McAdams, Mayor Smith. Nay: none.

Mayor Smith announced that Alderman Morris and City Clerk Fazekas would be excluded from executive session for security reasons related to their remote participation. He then declared recess for executive session at 7:13 p.m.

O. ADJOURNMENT

MOTION

Following adjournment of executive session, Alderman McAdams moved to adjourn the regular meeting. Alderman Perkins seconded.

VOTE
Motion carried 7-0-1 on roll call vote. Aye: Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: none. Absent: Morris. Mayor Smith declared adjournment at 7:52 p.m.

LYNN A. FAZEKAS, City Clerk

Approved by City Council on October 12, 2020.

City of DeKalb
opportunity · innovation

DEKALB CITY COUNCIL AGENDA
SEPTEMBER 28, 2020
6:00 P.M.

DeKalb Public Library
Yusunas Meeting Room
309 Oak Street
DeKalb, Illinois 60115

REGULAR CITY COUNCIL MEETING

COVID-19 Notice: This meeting will be conducted in-person with a physically present quorum and open to the public. The corporate authorities of the City of DeKalb intend to conduct this meeting in compliance with all applicable social distancing and public health requirements. All persons attending this meeting in-person shall be required to wear protective face masks/coverings. Furthermore, the corporate authorities of the City of DeKalb intend to conduct this meeting pursuant to Illinois Governor JB Pritzker's Executive Order 2020-43 dated June 26, 2020 (the "Executive Order"), which prohibits gatherings of more than 50 people, unless the City of DeKalb determines that it is necessary to invoke the Governmental Functions exemption contained in Section 4(c) of the Executive Order "to ensure the operation of government agencies or to provide for or support the health, safety and welfare of the public."

As a convenience to the public, the City of DeKalb may also provide video, audio, telephonic or internet access for the public to monitor this meeting. The provision of any such remote means of access is not intended to provide for attendance by a means other than physical presence due to the COVID-19 public health emergency, nor is it intended to provide an opportunity for the public to address public officials, make public comment or otherwise participate in the meeting.

Persons wishing to provide public comment or otherwise address public officials in person during this meeting must comply with all applicable rules governing the conduct of this meeting including, but not limited to, the aforementioned social distancing and face covering requirements.

The City of DeKalb is providing the following conveniences for the public to monitor and participate in this meeting:

- Persons wishing to view the meeting from home or elsewhere can tune in to Channel 14 or by following the link provided here.
- Persons wishing to provide public comment but are unable to attend the meeting in person or remotely may forward their comments by clicking on the link provided here. Note that all submissions must be received no later than 12:00 p.m. on the day of the meeting in order to ensure dissemination to the City Council before the meeting convenes.
- Zoom Meeting Information
  Join Zoom Meeting: https://us02web.zoom.us/j/89360651625?pwd=eUdQbSt4MWIpTm52eGhaR2EzNyt6dz09
  Meeting ID: 893 6065 1625
  Passcode: 507313
  One Tap Mobile: +13126266799,,89360651625#,,,,,,0#,,507313# US (Chicago)
- For those participating via Zoom and wishing to comment during the public participation portion of the meeting, or prior to Council's discussion of a particular item, please click on the link provided here and add in the Comment Section that you wish to address Council verbally. Note that all submissions must be received no later than 12:00 p.m. on the day of the meeting in order to ensure your name is added to the list of remote speakers.

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PUBLIC PARTICIPATION

E. PRESENTATIONS

None.

F. APPOINTMENTS

1. **Appointment of Ann Shult to the Citizens' Environmental Commission for the Completion of a Two-Year Term through December 31, 2021.**

G. CONSENT AGENDA

1. **Minutes of the Joint City Council and Finance Advisory Committee Meeting of August 17, 2020.**
2. **Minutes of the Regular City Council Meeting of September 14, 2020.**
3. **Accounts Payable and Payroll through September 28, 2020, in the Amount of $1,306,469.47.**
4. **Investment and Bank Balance Summary through July 2020.**
5. **Year-to-Date Revenues and Expenditures through July 2020.**
6. **Freedom of Information Act (FOIA) Report – August 2020.**
7. **Hospitality Recovery Program Update.** (see July update, attached)

H. PUBLIC HEARINGS

1. **Public Hearing on the Taxable General Obligation Refunding Bonds, Series 2020.**

I. CONSIDERATIONS

None.

J. RESOLUTIONS

1. **Resolution 2020-107 Authorizing the Sale of Real Property Located at 805 E. Locust Street (PIN: 08-23-329-004) in the Amount of $1,500.**

2. **Resolution 2020-108 Authorizing Payment to Syndeo Networks, Inc. in the Amount of $62,345 to Relocate City-Owned Fiber from the Former City Hall Building at 200 S. Fourth Street to 223 S. Fourth Street, and Move an Existing Fiber Handhole into the Right of Way at 200 S. Fourth Street.**

3. **Resolution 2020-109 Authorizing an Intergovernmental Agreement with DeKalb Township Regarding the Ownership and Maintenance of the Roundabout at Peace Road and Gurler Road.**

K. ORDINANCES – SECOND READING

1. **Ordinance 2020-055 Amending Chapter 38 "Intoxicating Liquors", Section 38.07 "Classifications of Liquor Licenses", by Adding a New Classification "Laundromats".**

L. ORDINANCES – FIRST READING

1. **Ordinance 2020-062 Amending the Fiscal Year-End December 31, 2020 Budget.**

2. **Ordinance 2020-063 Authorizing the Issuance of Not to Exceed $2,000,000 in General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois.**

M. REPORTS AND COMMUNICATIONS

1. **Council Member Reports**

2. **City Clerk Report**

3. **City Manager Report**

N. EXECUTIVE SESSION

Approval to Hold an Executive Session in Order to Discuss:

1. **Personnel as Provided for in 5 ILCS 120/2(c)(1); and**

2. **Pending or Imminent Litigation as Provided for in 5 ILCS 120/2(c)(11).**

O. ADJOURNMENT

Katten

525 W. Monroe Street
Chicago, IL 60661-3693
+1.312.902.5200 tel
katten.com

LEWIS GREENBAUM
lewis.greenbaum@katten.com
+1.312.902.5418 direct
+1.312.577.8960 fax

September 8, 2020

Via Email

Mr. Bill Nicklas
City Manager
City of DeKalb
200 S. Fourth St.
Rm. 210
DeKalb, IL 60115

Re: City of DeKalb, Illinois
General Obligation Refunding Bonds, Taxable Series 2020

Dear Bill:

We are emailing herewith the proposed Bond Ordinance authorizing the General Obligation Refunding Bonds, Series 2020, of the City. We understand that the Bond Ordinance will be considered for final adoption on September 28, 2020. Please remember to include the Bond Ordinance as an item for the agenda of September 28, 2020. The City Council should waive first reading of the Bond Ordinance before adopting the Bond Ordinance.

After their adoption, the Bond Ordinance should be signed by the Mayor and thereafter published in pamphlet form by the City Clerk.

Please return two manually executed copies of the following items for our file:

1. The Bond Ordinance, showing the roll call vote for passage of the Bond Ordinance, certified by the City Clerk.

2. Certification of the Minutes and Agenda of the City Council meeting of September 28, showing the passage of the bond ordinance by roll call vote.

We have also enclosed herewith a draft of the 2020 Escrow Deposit Agreement and our bond counsel opinion.

If you have any questions concerning the enclosed please feel free to contact me.

Very truly yours,

Lewis Greenbaum

LG:hf
Attachments

cc: Distribution List

City of DeKalb
opportunity · innovation

164 East Lincoln Highway
DeKalb, Illinois 60115
815.748.2000 • cityofdekalb.com

VIA FEDERAL EXPRESS (8601 1978 8863)

October 21, 2020

Mr. Lewis Greenbaum
Katten Muchin Rosenman LLP
525 W. Monroe Street
Chicago, Illinois 60661-3693

Mr. Greenbaum:

Enclosed please find two manually executed copies of the following items for your file:

1. The Bond Ordinance (2020-063), showing the roll call vote for passage of the Bond Ordinance, certified by the City Clerk.

2. Certification of the minutes and agenda of the City Council meeting of September 28, 2020, showing the passage of the Bond Ordinance by roll call vote.

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

Sincerely,

Ruth A. Scott
Executive Assistant

860119788863

Delivered
Thursday 10/22/2020 at 10:01 am

DELIVERED

Signed for by: R.LEE

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DEKALB, IL US	CHICAGO, IL US

Shipment Facts

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DELIVERED TO Mailroom	**TOTAL PIECES** 1	**TOTAL SHIPMENT WEIGHT** 0.5 lbs / 0.23 kgs
TERMS Shipper	**SHIPPER REFERENCE** ORD 2020-063 R SCOTT	**PACKAGING** FedEx Envelope
SPECIAL HANDLING SECTION Deliver Weekday	**STANDARD TRANSIT** 10/22/2020 by 10:30 am	**SHIP DATE** Wed 10/21/2020
ACTUAL DELIVERY Thu 10/22/2020 10:01 am		

Travel History

Local Scan Time

Thursday , 10/22/2020		
10:01 am	IL	Delivered
8:54 am	CHICAGO, IL	At local FedEx facility
8:54 am	CHICAGO, IL	On FedEx vehicle for delivery
7:04 am	CHICAGO, IL	At local FedEx facility
Wednesday , 10/21/2020		
10:08 pm	CHICAGO, IL	At destination sort facility

FedEx Express **US Airbill**

FedEx Tracking Number 8601 1978 8863

SCH11

Form ID No. 0215

Sender's Copy

1 From *Please print and press hard.*

Date 10/21/20 Sender's FedEx Account Number 1728-4994-6

Sender's Name Ruth Scott Phone (815) 748-2090

Company CITY OF DEKALB

Address 164 E. Lincoln Hwy. Dept./Floor/Suite/Room

City DEKALB State IL ZIP 60115-3720

2 Your Internal Billing Reference First 24 characters will appear on invoice. ORD 2020-063 (R. Scott)

3 To

Recipient's Name Lewis Greenbaum Phone (312) 902-5418

Company Katten

Recipient's Address 525 W. Monroe St.

We cannot deliver to P.O. boxes or P.O. ZIP codes. Dept./Floor/Suite/Room

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4a Express Package Service *Packages up to 150 lbs.*

- [x] FedEx Priority Overnight — Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx Standard Overnight — Next business afternoon.* Saturday Delivery NOT available.
- [ ] FedEx First Overnight — Earliest next business morning delivery to select locations.* Saturday Delivery NOT available.
- [ ] FedEx 2Day — Second business day.* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx Express Saver — Third business day.* Saturday Delivery NOT available.

FedEx Envelope rate not available. Minimum charge: One-pound rate. * To most locations.

4b Express Freight Service *Packages over 150 lbs.*

- [ ] FedEx 1Day Freight* — Next business day.** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx 2Day Freight — Second business day.** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx 3Day Freight — Third business day.** Saturday Delivery NOT available.

* Call for Confirmation: ** To most locations.

5 Packaging

- [x] FedEx Envelope*
- [ ] FedEx Pak* — Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.
- [ ] FedEx Box
- [ ] FedEx Tube
- [ ] Other

* Declared value limit $500.

6 Special Handling Include FedEx address in Section 3.

- [ ] SATURDAY Delivery — NOT Available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 3Day Freight.
- [ ] HOLD Weekday at FedEx Location — NOT Available for FedEx First Overnight.
- [ ] HOLD Saturday at FedEx Location — Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.

Does this shipment contain dangerous goods? One box must be checked.

- [ ] No
- [ ] Yes — As per attached Shipper's Declaration.
- [ ] Yes — Shipper's Declaration not required.
- [ ] Dry Ice — Dry Ice, 9, UN 1845 ____ x ____ kg

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.

- [ ] Cargo Aircraft Only

7 Payment *Bill to:* Enter FedEx Acct. No. or Credit Card No. below.

- [x] Sender — Acct. No. in Section 1 will be billed.
- [ ] Recipient
- [ ] Third Party
- [ ] Credit Card
- [ ] Cash/Check

FedEx Acct. No. Credit Card No. Exp. Date

Total Packages	Total Weight	Total Declared Value†
1	1	$ 100 .00

†Our liability is limited to $100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the current FedEx Service Guide, including terms that limit our liability. FedEx Use Only

8 NEW Residential Delivery Signature Options If you require a signature, check Direct or Indirect.

- [ ] No Signature Required — Package may be left without obtaining a signature for delivery.
- [ ] Direct Signature — Anyone at recipient's address may sign for delivery. *Fee applies.*
- [ ] Indirect Signature — If no one is available at recipient's address, anyone at a neighboring address may sign for delivery. *Fee applies.*

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PULL AND RETAIN THIS COPY BEFORE AFFIXING TO THE PACKAGE. NO POUCH NEEDED.

ord 2020-063

MUNICIPAL BOND INSURANCE COMMITMENT

ISSUER:	City of Dekalb, Illinois
MEMBER:	City of Dekalb, Illinois
Effective Date:	October 22, 2020
Expiration Date:	January 19, 2021
BONDS:	Taxable General Obligation Refunding Bonds, Series 2020 in aggregate principal amount not to exceed $1,900,000
Insurance Payment:	0.450% of the Total Debt Service on the Bonds

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Insurance Policy (the "Policy") relating to the Bonds referenced above (the "Bonds") issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds (collectively, the "Security Documents"), shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the "Closing Date").

3. As of the Closing Date, there shall have been no material omissions or material adverse changes in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds or (ii) any disclosure document relating to the Bonds (including any financial statements and other information included or incorporated by reference therein) (the "Official Statement"), the Security Documents to be executed and delivered with respect to the Bonds, any project to be financed with the proceeds of the Bonds (if applicable), the legal opinions to be delivered in connection with the issuance and sale of the Bonds, or any other information

submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

4. The applicable Security Documents shall contain the document provisions set forth in Exhibit A hereto and shall be in form and substance acceptable to BAM. No variation shall be permitted therefrom except as specifically approved by BAM in writing prior to the Closing Date.

5. The Bonds shall contain no reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM. BOND PROOFS SHALL BE APPROVED IN WRITING BY BAM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form found on BAM's website (www.buildamerica.com) and in Exhibit B hereto entitled "DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS".

6. The Official Statement shall contain the language provided by BAM and only such other references to BAM as BAM shall supply or approve in writing, and BAM shall be provided with final drafts of any preliminary and final Official Statement at least two business days prior to printing/electronic posting. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

7. BAM shall be provided with:

(a) Copies of all Security Document drafts prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period. Copies of all drafts of the Security Documents shall be delivered to the BAM contacts specified in Exhibit 1.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, the Bonds, which schedule shall be acceptable to BAM. Please be aware that BAM will only insure fixed rate Bonds.

(d) A No-Litigation Certificate or a description of any material pending litigation relating to the Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of

disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion, primary market disclosure certificate and officer's certificate to be delivered by BAM at Closing is attached hereto as Exhibit C.)

(g) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the Closing Date.

8. In the event the Bonds are sold in a private placement transaction, (i) BAM shall receive a closing certificate, in form and substance acceptable to BAM, covering the matters in Paragraphs 7 (d) and (e), (ii) the Issuer shall agree to provide BAM with continuing disclosure consistent with any Continuing Disclosure Agreement for any previously issued public debtof the Issuer (irrespective of whether or not that debt remains outstanding) or enter into such other agreement for continuing disclosure acceptable to BAM and (iii) the Issuer shall provide BAM with copies of all documents and agreements, including without limitation any term sheet, side agreement and/or purchase agreement, executed or delivered in connection with the Bonds, which documents and agreements shall be in form and substance acceptable to BAM.

9. Bonds must have an underlying, long-term rating of at least:

NR	Standard and Poor's
A2	Moody's Investors Service

10. Promptly, but in no event more than thirty (30) days after the Closing Date, BAM shall receive a link to or PDF file of, or two (2) CD-ROMs of, the final closing transcript of proceedings, or if a link or PDF file cannot be provided or a CD-ROM is not available, such other electronic form as BAM shall accept.

11. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law, including the right to receive dividends if and when declared by BAM's Board of Directors. No dividends have been paid to date, and BAM has no current expectation that any dividends will be paid.

(e) The Policy is non-assessable and creates no contingent mutual liability.

(f) Refundings.

If (1) the Security Documents relating to the Bonds permit a legal defeasance (such that the bonds are no longer treated as outstanding under the Security Documents), (2) refunding bonds ("Refunding Bonds") will be issued for the purpose of legally defeasing such then outstanding BAM-insured Bonds (in this context, the "Refunded Bonds") and (3) upon their issuance (A) such Refunding Bonds have a final maturity date that is not later than the final Maturity Date of the Refunded Bonds, (B) the average annual debt service on the Refunding Bonds does not exceed the average annual debt service on the Refunded Bonds, and (C) the net proceeds of such Refunding Bonds are applied solely towards the legal defeasance of the Refunded Bonds and related costs of issuance, then, if BAM is requested to, and in its sole discretion determines to, offer a municipal bond insurance policy covering the Refunding Bonds (the "Refunding Policy") BAM will credit the then available Member Surplus Contribution for the Refunded Bonds against the insurance payment then charged with respect to the Refunding Bonds (proportionate to the amount of Refunding Bonds insured by BAM). If the Security Documents are silent on the matter of a legal defeasance, BAM may, in its sole and absolute discretion, accept such certificates, opinions and reports from or on behalf of the Member in connection with the issuance of such Refunding Bonds in order to establish to its satisfaction that the Refunding Bonds will be issued to retire the outstanding Refunded Bonds and that the Refunding Bonds comply with the criteria set forth in clause (3) of the preceding sentence for the purpose of determining whether a supplemental Member Surplus Contribution is or is not required to be made at that time.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

Authorized Officer

October 22, 2020

Date

AGREED AND ACCEPTED

1. The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the Bonds (and any of the Bonds to be issued on the same date and for which BAM has issued a commitment) are insured by a policy of municipal bond insurance, such insurance shall be provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Bonds be insured or that a Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM; and (vii) BAM has made no representation that any dividend will be declared or paid while the Bonds are outstanding, the undersigned has no reason for expecting that any dividend will be declared or paid and the potential receipt of any dividend was not a reason for acquiring the Policy.

2. BAM may determine to designate the Bonds as GreenStar Bonds. Any such designation is based upon information obtained by BAM at the time of issuance of the Bonds and will appear on the cover of and be described under the caption "BOND INSURANCE - BAM GreenStar Bonds" in the Preliminary and Final Official Statements for the Bonds. Said designation will also be included in BAM's Credit Profiles and on BAM's website; it may also be included on lists of green bonds maintained by third parties (including, but not limited to, Bloomberg LP, ICE Data Services, the Municipal Advisory Council of Texas, and the Nasdaq Sustainable Bond Network).

3. The undersigned member hereby appoints Jeffrey Fried, General Counsel of Build America Mutual Assurance Company ("Build America"), as proxy with the power to appoint his substitute, and hereby authorizes him to represent and to cast all of the votes to which the undersigned is entitled to cast as of the record date for the annual meeting of Build America members to be held on Tuesday, April 27, 2021, or at any adjournment or postponement thereof. This proxy is solicited on behalf of the management of Build America and will empower the holder to vote on the undersigned member's behalf for the election of members of the Board of Directors and such other business as may properly come before said annual meeting. This proxy can be revoked by giving Build America written notice of revocation (by email to generalcounsel@buildamerica.com, or by

U.S. mail or private carrier to General Counsel, Build America, 200 Liberty Street, New York, NY 10281) received by Build America on or before April 23, 2021. This proxy may also be revoked if the undersigned member attends the annual meeting and chooses to vote in person.

Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under paragraphs 1., 2. and 3. above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

CITY OF DEKALB, ILLINOIS

By: _____
Authorized Officer

10/22/2020
Date

EXHIBIT A

DOCUMENT PROVISIONS

EXHIBIT A

GENERAL TRANSACTION DOCUMENT PROVISIONS

1. Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents.

   The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

2. Amendments, Supplements and Consents.

   a. *Amendments.* Wherever any Security Document requires the consent of Bondholders, BAM's consent shall also be required. In addition, any amendment, supplement or modification to the Security Documents that adversely affect the rights or interests of BAM shall be subject to the prior written consent of BAM.

   b. *Consent of BAM Upon Default.* Anything in any Security Document to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the trustee, paying agent, registrar, or similar agent (the "Trustee") for the benefit of such holders under any Security Document. The Trustee may not waive any default or event of default or accelerate the Insured Obligations without BAM's written consent.

3. BAM As Third Party Beneficiary. BAM is explicitly recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce any right, remedy or claim conferred, given or granted thereunder.

4. Policy Payments.
   a. In the event that principal and/or interest due on the Bonds shall be paid by BAM pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may

have in respect of securities law violations arising from the offer and sale of the Bonds.

b. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Trustee shall agree for the benefit of BAM that:

   i. They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Document and the Bonds; and

   ii. They will accordingly pay to BAM the amount of such principal and interest, with interest thereon, but only from the sources and in the manner provided in the Security Documents and the Bonds for the payment of principal of and interest on the Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

c. *Special Provisions for Insurer Default:* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraph B above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph (3), "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5. Definitions.

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

"Security Documents" shall mean the resolution, trust agreement, ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Bonds.

EXHIBIT B

DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS

BUILD AMERICA MUTUAL ASSURANCE COMPANY

DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS

This information is intended for use by bond counsel, the underwriters, financial advisors, printers and preparers of municipal bond offerings that will be insured in whole or in part by Build America Mutual Assurance Company ("BAM").

Prior to any reference to BAM in your marketing efforts, including, but not limited to any preliminary or final Official Statement and any rating agency presentation, in respect of a BAM-insured issue, BAM must receive an executed copy of its Commitment Letter. Blacklined copies of each draft of each transaction document, preliminary and final official statements with Appendices, and bond form(s) should be delivered to BAM for review and comment with reasonable opportunity to submit any comments prior to printing or execution, but in any event not less than three business days prior to execution. Such documents shall be delivered to the BAM attorney working on the transaction. If you are uncertain of the proper person to whom to deliver the documents, please email the documents to: documents@buildamerica.com. Please identify the issuer, obligor and issue name in the subject line of the email.

BAM will deliver to Bond Counsel, at the pre-closing for any such municipal bond offering (such offering to the extent insured by BAM, the "Insured Obligations"), assuming the requirements of the Commitment Letter have been met,

- an opinion of counsel as to the validity of the policy,
- a disclosure, no default and tax certificate of BAM, the executed policy and
- other certificates, if any, required in the transaction.

Prior to closing, BAM will obtain the rating letter from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, relating to any Insured Obligations. Note that any questions with regards to rating agency fees should be directed to the rating agency.

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EXHIBIT 1

BAM DIRECTORY

Name	Title	Telephone	Email
BAM ATTORNEYS			
Jeffrey Fried	Deputy Counsel	212-235-2514	jfried@buildamerica.com
CLOSING COORDINATORS			
Deneica Glenn		212-235-2552	dglenn@buildamerica.com
BAM ANALYST			
Gia Calabrese		212-235-2576	gcalabrese@buildamerica.com

EXHIBIT 2

BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")
DISCLOSURE INFORMATION
(FOR INCLUSION IN THE OFFICIAL STATEMENT)

The following are BAM's requirements for printing the preliminary and final official statements:

1. **Both the preliminary and final official statements must contain the information set forth in these Exhibits and BAM must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;**

2. **Any changes made to the BAM Disclosure Information for inclusion in the preliminary and final official statements must first be approved by BAM, and**

3. **BAM must receive an electronic copy of the final official statement seven (7) days prior to closing, unless BAM shall have agreed to some shorter period.**

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. **THE ENTIRE ISSUE:**

   The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

2. **CAPITAL APPRECIATION BONDS:**

   The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

3. **PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):**

   The scheduled payment of principal of and interest on the Bonds maturing on _____ of the years __ _____ through _____, inclusive, with CUSIP #('s)_____ (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

4. **CERTIFICATES OR NOTES:**

   Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

PRINTER'S NOTE: USE BUILD AMERICA MUTUAL ASSURANCE COMPANY LOGO AND INK #PMS BLUE 2736; REDS 199, 201 AND 1817.

THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE

WWW.BUILDAMERICA.COM

THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE
TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.7 million, $143.6 million and $345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

The Bond Insurance language for the Official Statement under the subheading "Bond Insurance Policy" should be replaced with the following language when insuring:

1. **CAPITAL APPRECIATION BONDS:**

   Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

2. **PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):**

   Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on _____ of the years _____ through _____, inclusive, with CUSIP #'s___ (collectively, the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

3. **CERTIFICATES OR NOTES:**

   Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT AS PART OF THE DISCLAIMER STATEMENT:

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Exhibit __ - Specimen Municipal Bond Insurance Policy".

EXHIBIT 3

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

EXHIBIT 4

STATEMENT OF INSURANCE
(Language for the Bond Form)
This form is not to be included in the Official Statement.

The Bonds shall bear a Statement of Insurance in the following form.

The following language should be used when insuring

1. **THE ENTIRE ISSUE:**

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the "Paying Agent")] [as trustee for the Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

2. **CAPITAL APPRECIATION BONDS:**

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, as [paying agent for the Bonds (the "Paying Agent")] as trustee for the Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

3. **PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):**

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the "Paying Agent")] [as trustee for the Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

EXHIBIT 5

PROCEDURES FOR PREMIUM PAYMENT TO BAM

This form is not to be included in the Official Statement.

BAM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Upon determination of the final debt service schedule, email or fax such schedule to the appropriate BAM Underwriter

Gia Calabrese

Phone No.: 212-235-2576

Email: gcalabrese@buildamerica.com

Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Insured Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank:	First Republic Bank
ABA#:	321081669
Acct. Name:	Build America Mutual Assurance Company
Account No.:	80001613703
Policy No.:	@@POLICY_NO@@ – **(Include in OBI Field)**

CONFIRMATION OF PREMIUM

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the Closing Coordinator on the closing date:

Deneica Glenn	(212) 235-2552
Patrice James	(212) 235-2559
Claudette Littlejohn	(212) 235-2572
Nolan Miller	(212) 235-2511

EXHIBIT C

BAM LEGAL OPINION AND CERTIFICATE

[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Municipal Bond Insurance Policy No. [POLICY NO.] With Respect to
$_____ [Name of Issuer] (the "Issuer")
_____ Bonds, Series ____ (the "Bonds")

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies [the Issuer] as a member of BAM until [the Bonds] are no longer outstanding. As a member of BAM, [the Issuer] is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement relating to the above-referenced Bonds dated [DATE] (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of

this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, "the Official Statement".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF BUILD AMERICA MUTUAL ASSURANCE COMPANY

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy No. [POLICY NO.] (the "Policy") in respect of the [$AMOUNT] [NAME OF TRANSACTION] (the "Bonds") that:

(i) The information set forth under the caption "BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY" in the official statement dated [DATE], relating to the Bonds (the "Official Statement") is true and correct;

(ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);

(iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is solely a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, or represents a direct or indirect payment for any goods or services provided to the Issuer (including the right to receive a dividend), or the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM;

(ix) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to

return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(x) BAM does not expect that a claim or any other payment will be made on or with respect to the Policy or by BAM to the Issuer; and

(xi) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

Authorized Officer

Dated: [CLOSING DATE]

Primary Market Disclosure Certificate
[Bond Description] (the "Insured Bonds")

For the benefit of _____ (the "Issuer"), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, Build America Mutual Assurance Company ("Build America") makes the following representations and warranties as of the date hereof:

1. Neither Build America nor any affiliate of Build America has purchased, or has committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise;
2. Neither Build America nor any affiliate of Build America has entered into any agreement or understanding regarding the purchase or sale of the Insured Bonds, except for the insurance policies that Build America has provided regarding payments due under the Insured Bonds and the documentation associated with said insurance policies.

For the purposes of this certificate, "affiliate of Build America" means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Build America.

[dated as of the closing date]

Build America Mutual Assurance Company

By

_____
Authorized Officer

BAM BUILD AMERICA MUTUAL | CREDIT PROFILE

For Purchasers of BAM-Insured Bonds

City of Dekalb, IL, Taxable General Obligation Refunding Bonds, Series 2020

Most Recent Update	10/22/2020	**Bonds Dated Date**	11/16/2020

Use of Proceeds

The Bonds are being issued to refund certain outstanding obligations of the Issuer.

Bond Security

The Bonds are payable from any funds of the Issuer legally available for such purpose, and all taxable property in the Issuer is subject to the levy of taxes to pay the same without limitation as to rate or amount. Investors should refer to the official statement for a full description of the security for the Bonds.

Bond Insurance

Build America Mutual Assurance Company (BAM) has been selected to provide insurance for the Bonds if bond insurance is used. A BAM insurance policy guarantees the scheduled payment of principal and interest when due on obligations that BAM insures. As of the date of this BAM Credit Profile, no decision has been made as to which of the Bonds will be insured (and it is possible that none of the Bonds will carry insurance). Please consult the Official Statement for the Bonds, when it is available, for further information. This BAM Credit Profile is preliminary and subject to change, and will be updated and superseded by a final version if BAM issues an insurance policy for any of the Bonds.

LIMITATIONS ON USE - SEE PAGE 3

Issuer: City of Dekalb

State: IL **County:** DeKalb **Sector:** GO - City or Town

Employment by Industry - 2018*

DeKalb County

Description	# of People Employed	% Total
Gov't & Gov't Ent	12,073	25.3%
Retail Trade	6,250	13.1%
Health Care & Social Assistance	5,360	11.3%
Manufacturing	4,709	9.9%
Accommodation & Food Svcs	3,384	7.1%

*Source: Bureau of Economic Analysis

General Fund Balance ($000)

General Fund Revenue and Surplus/Deficit ($000)

Full Value Trend ($000)

General Fund Revenue Items

Information from Official Statement/Continuing Disclosure*

Top 10 Taxpayers (% of AV)	15.81%
Top Taxpayer (% of AV)	4.15%
Top Taxpayer (with industry)	3M (Warehouse/ Distribution)
Total Direct Debt + Overlapping Debt ($000)	100,416
Total Direct Debt + Overlapping Debt per capita ($)	2,357
Total Direct Debt + Overlapping Debt as % of Full Value	5.7%
Unfunded Pension Liability (as reported) ($000)	94,953
Unfunded OPEB Liability (as reported) ($000)	29,168

*As of the date of the Most Recent Update

Location Description: The City is located about 65 miles west of Chicago.

Notes

City of DeKalb, IL

DEMOGRAPHIC INFORMATION

Year	2018	2017	2016	2015	2014
Population	42,611	43,193	43,194	43,211	43,376
Unemployment Rate (DeKalb (City of))	4.5%	4.6%	5.4%	5.8%	6.8%
% State	104.65%	92.00%	91.53%	98.31%	95.77%
% Nation	115.38%	104.55%	110.20%	109.43%	109.68%

TAX BASE

Year	2019	2018	2017	2016	2015
Assessed Value (AV) ($000)	585,727	547,948	529,629	503,862	468,078
Full Value (FV) ($000)	1,757,181	1,643,843	1,588,888	1,511,585	1,404,233

DEBT & LIABILITY ANALYSIS ($000)*

Total Direct Debt	23,750
Total Direct Debt per Capita ($)	557
Total Direct Debt / Full Value	1.4%
Pension Contributions	7,390
OPEB Contributions	1,343
Total Contribution to Pension & OPEB / Total General Fund Exp	25.7%

*As of the date of the Most Recent Update

INCOME DATA*	2018
Median Household Income	44,222
% State	69.6%
% Nation	73.3%
Poverty Rate	28.7%
% State	219.1%
% Nation	203.5%

*Data for DeKalb (City of)

FINANCIAL DATA ($000)
General Fund

Year	2019	2018	2017	2016	2015	2014
Fiscal Year End	12/31/2019	12/31/2018	12/31/2017	06/30/2016	06/30/2015	06/30/2014
Auditor Opinion Date	06/15/2020	06/25/2019	06/15/2018	10/13/2016	11/06/2015	11/19/2014
Revenue						
Property Tax	5,897	5,869	5,565	4,232	4,203	4,162
Sales Tax Revenue	5,609	6,541	6,512	6,512	6,673	5,935
Income Tax Revenue						
Other Tax Revenue	7,452	6,511	6,367	6,361	5,776	5,901
Total Tax Revenue	18,959	18,920	18,444	17,105	16,652	15,998
Charges for Services	4,009	2,791	2,380	2,414		
Intergovernmental Revenue	12,871	11,757	11,404	11,748		
Other	2,253	1,895	1,893	1,768	16,426	14,686
Total Operating Revenue	38,092	35,364	34,122	33,034	33,078	30,684
Expenditures						
General Government Expenditure	4,851	5,174	4,775	5,013	7,166	5,135
Public Safety Expenditure	24,852	24,644	23,376	21,397	20,434	19,860
Public Works Expenditure	4,289	4,867			242	
Other			4,741	4,334	3,814	4,016
Total Operating Expenditures	33,992	34,684	32,892	30,744	31,656	29,011
Net Operating Revenue (Net of Transfers)	2,511	(1,671)	(155)	1,263	1,077	836
Fund Balance						
Nonspendable	36	79	591	362	23	30
Restricted	155	172	211		173	104
Committed					7	6
Assigned						
Unassigned	10,334	7,153	8,272	9,123	8,019	5,917
Total	10,525	7,403	9,074	9,485	8,222	6,057
Liquidity						
Cash & Cash equivalents	5,622	7,271	5,389	7,050	5,152	3,989
Days Cash on Hand	60	77	60	84	59	50
Total Fund Balance as a % of General Fund Expenditures	31.0%	21.3%	27.6%	30.9%	26.0%	20.9%
Governmental Activities						
Revenue	52,719	46,458	44,724	42,381	42,642	41,499
Expenses	64,184	61,697	52,961	57,985	49,061	47,494
Change in Assets (Net of Transfers)	(2,519)	(11,279)	(4,499)	(11,671)	(2,044)	(1,923)
Total Net Assets	7,291	9,522	40,737	45,718	57,127	115,913

Notes All Ratios are calculated using the most recent Financial and Demographic data available.
Financial data is not adjusted for restatements in prior years.

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CLOSING BINDER

City of DeKalb Illinois $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

CITY OF DEKALB

CITY OF DEKALB ILLINOIS $1,900,000 GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020

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CITY OF DEKALB, ILLINOIS

$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

City of DeKalb, Illinois

$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

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ORDINANCE 2020-063 PASSED/ADOPTED: SEPTEMBER 28, 2020

ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $2,000,000 GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020, OF THE CITY OF DEKALB, ILLINOIS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS, AS FOLLOWS:

Section 1. Authority and Purpose. This ordinance is adopted pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and authorizes the issuance of general obligation bonds of the City for the purpose of (i) financing the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (collectively, the "2021 Debt Service"), (ii) capitalizing interest on the bonds authorized by this ordinance and (iii) paying the costs of issuance of the bonds authorized by this ordinance, including any municipal bond insurance policy premium.

Section 2. Funding Plan. The City determines to proceed with the financing of the 2021 Debt Service by the issuance of the bonds authorized by this ordinance (the "2020 Bonds"). The City Manager and the other officers and officials of the City are authorized and directed to do, or cause to be done, all things necessary to accomplish the financing of the 2021 Debt Service.

In order to accommodate current market practices and to provide the opportunity to sell the 2020 Bonds under the most favorable terms, the City Council hereby delegates to the City Manager the authority to offer and sell the 2020 Bonds pursuant to a public sale or a private placement and to make the various determinations with respect to the 2021 Debt Service to be funded and the 2020 Bonds, all as provided for in this ordinance, including the determination to obtain a municipal bond insurance policy with respect to the 2020 Bonds or any portion thereof. Such determinations shall be made in a Bond Order to be signed by the City Manager (the "Bond Order"). An executed counterpart of the Bond Order shall be filed with the City Clerk and entered in the records of the City. The delegated authority granted to the City Manager pursuant to this ordinance shall expire on December 31, 2020. In the event that the City Manager determines that he is not able to exercise any delegation set forth in this ordinance, the City Manager may designate the Finance Director of the City to exercise such delegated authority by filing with the City Clerk a certificate setting forth such delegation to the City Finance Director.

Section 3. Authorization and Terms of Bonds. To meet part of the estimated cost of funding the 2021 Debt Service, there is hereby appropriated the sum of $2,000,000. Said appropriation is inclusive of amounts required to capitalize interest on the 2020 Bonds (the "Capitalized Interest Amount") for a period not exceeding two years, for the payment of costs of issuance of the 2020 Bonds authorized by this Section, and any municipal bond insurance policy premium.

Pursuant to the home rule powers of the City to incur debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, unlimited tax general obligation bonds

of the City (being the 2020 Bonds) shall be issued and sold in an aggregate principal amount of not to exceed $2,000,000 and shall be designated "General Obligation Refunding Bonds, Taxable Series 2020."

The 2020 Bonds shall be issuable in the denominations of $5,000 or any integral multiple thereof and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of 2020 Bonds; provided that the City may determine in the Bond Order to issue the 2020 Bonds with an authorized minimum denomination greater than $5,000. Each 2020 Bond delivered upon the original issuance of the 2020 Bonds shall be dated as of the date determined in the Bond Order. Each 2020 Bond thereafter issued upon any transfer or exchange of 2020 Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange. The 2020 Bonds shall mature (or be subject to mandatory sinking fund redemption) on January 1 in such years and in such principal amounts as shall be determined in the Bond Order, provided that no 2020 Bond shall mature later than January 1, 2031. Each 2020 Bond shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on an initial interest payment date of July 1, 2021 and semiannually thereafter on each January 1 or July 1, at the rates per annum, not exceeding 5%, to be determined in the Bond Order.

The City Finance Director may serve as bond registrar and paying agent for the 2020 Bonds or, if so determined in the Bond Order, a bank, trust company or national banking association may be appointed to serve as bond registrar and paying agent for the 2020 Bonds.

The principal of the 2020 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the office of the bond registrar. Interest on the 2020 Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the City for such purpose at the office of the bond registrar, as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date. Interest on the 2020 Bonds shall be paid by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to such registered owners at their addresses appearing on the registration books.

Any of the 2020 Bonds may be subject to redemption prior to maturity at the option of the City on such redemption dates and at such redemption prices as shall be determined in the Bond Order.

All 2020 Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The bond registrar is hereby authorized and directed to mail notice of the mandatory sinking fund redemption of the 2020 Bonds in the manner herein provided.

On or prior to the 60th day preceding any sinking fund installment date, the City may purchase 2020 Bonds, which are subject to mandatory redemption on such sinking fund installment date, at such prices as the City shall determine. Any 2020 Bond so purchased shall be cancelled and the

principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment of the 2020 Bonds of the same maturity as the 2020 Bond so purchased.

In the event of the redemption of less than all the 2020 Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the bond registrar shall assign to each 2020 Bond of such maturity a distinctive number for each $5,000 principal amount of such 2020 Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 for each number, shall equal the principal amount of such 2020 Bonds to be redeemed. The 2020 Bonds to be redeemed shall be the 2020 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2020 Bond shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Notice of the redemption of 2020 Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of 2020 Bonds to be redeemed at their last addresses appearing on said registration books. The 2020 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the 2020 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) than from and after the redemption date interest on such 2020 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2020 Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon surrender of such 2020 Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the 2020 Bond so surrendered, bonds of like maturity and of the denomination of $5,000 or any integral multiple thereof.

The bond registrar shall not be required to transfer or exchange any 2020 Bond after notice of the redemption of all or a portion thereof has been mailed. The bond registrar shall not be required to transfer or exchange any 2020 Bond during a period of 15 days next preceding the mailing of a notice of redemption that could designate for redemption all or a portion of such 2020 Bond.

Section 4. **Sale and Delivery.** The 2020 Bonds shall be sold by means of public sale or a direct placement to a purchaser, as determined by the City Manager. In the case of a public sale, Robert W. Baird & Co. Incorporated is hereby selected as the underwriter of the 2020 Bonds. In the case of a private placement, Robert W. Baird & Co. Incorporated is hereby appointed as the placement agent for the sale of the 2020 Bonds.

The principal amount of the 2020 Bonds to be sold and all terms and provisions of the 2020 Bonds not otherwise determined by this ordinance shall be determined in the Bond Order. Authority is hereby delegated to the City Manager to sign the Bond Order and to make the various determinations authorized by this ordinance to be determined pursuant to the Bond Order.

The principal amount of the 2020 Bonds shall not exceed $2,000,000. The purchase price of the 2020 Bonds shall be not less than 98% of the principal amount of the 2020 Bonds.

In the case of a public sale of the 2020 Bonds, the City shall prepare an Official Statement with respect to the 2020 Bonds, which shall be approved and "deemed final." as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The Mayor, City Clerk, the City Manager and the other officials of the City are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the City each and every thing necessary for the issuance of the 2020 Bonds, including the proper execution and delivery of the 2020 Bonds, any Official Statement and any bond purchase agreement.

Section 5. **Execution and Authentication.** Each 2020 Bond shall be executed in the name of the City by the manual or authorized facsimile signature of its Mayor and the corporate seal of the City, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced thereon and attested by the manual or authorized facsimile signature of its City Clerk or Deputy City Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2020 Bond shall cease to hold such office before the issuance of the 2020 Bond, such 2020 Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such 2020 Bond had not ceased to hold such office. Any 2020 Bond may be signed, sealed or attested on behalf of the City by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such 2020 Bond such person may not have held such office. No recourse shall be had for the payment of any 2020 Bonds against any officer who executes the 2020 Bonds.

Each 2020 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2020 Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 6. **Transfer, Exchange and Registry.** The 2020 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2020 Bond shall be transferable only upon the registration books maintained by the City for that purpose at the office of the bond registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such 2020 Bond, the City shall execute and the bond registrar shall authenticate and deliver a new 2020 Bond or 2020 Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2020 Bond. 2020 Bonds, upon surrender thereof at the corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by the registered owner or his attorney

duly authorized in writing, may be exchanged for an equal aggregate principal amount of 2020 Bonds of the same maturity and interest rate and of any authorized denominations.

For every such exchange or registration of transfer of 2020 Bonds, the City or the bond registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced 2020 Bonds.

The City and the bond registrar may deem and treat the person in whose name any 2020 Bond shall be registered upon the registration books as the absolute owner of such 2020 Bond, whether such 2020 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such 2020 Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar shall be affected by any notice to the contrary.

Section 7. **General Obligations.** The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the 2020 Bonds. The 2020 Bonds shall be direct and general obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property in the City for the payment of the 2020 Bonds and the interest thereon, without limitation as to rate or amount.

Section 8. **Form of Bonds.** The 2020 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2020 Bonds are printed:

No. _____

United States of America
State of Illinois
County of DeKalb
CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BOND,
TAXABLE SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE	[CUSIP]
. %	January 1, 20__	_____, 2020	[240775 ___]

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the office of _____, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $_____, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois."

[The bonds of such series maturing on or after January 1, 20___, are subject to redemption prior to maturity at the option of the City on _____ 1, 20___ and on any date thereafter, in such principal amounts and from such maturities as the City shall determine, and by lot within a maturity, at a redemption price equal to the principal amount thereof to be redeemed.]

[The bonds of such series maturing in the years 20___, 20___ and 20___ (the "Term Bonds") are subject to mandatory redemption, in part and by lot, on January 1 in the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

20___ Term Bonds		20___ Term Bonds		20___ Term Bonds	
Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
20__	$,000	20__	$,000	20__	$,000
20__	,000	20__	,000	20__	,000
20__	,000	20__	,000	20__	,000]

[Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.]

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of $_____ or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the

purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: _____, 2020

CITY OF DEKALB

_____
Mayor

Attest:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Taxable Series 2020, described in the within mentioned Ordinance.

_____,
as Bond Registrar

By _____
Authorized Signer

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

_____

the within bond and hereby irrevocably constitutes and appoints _____

_____

attorney to transfer the said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____

_____

Signature Guarantee:

_____

Section 9. **Levy and Extension of Taxes.** (A) For the purpose of providing the money required to pay the interest on the 2020 Bonds when and as the same falls due and to pay and discharge the principal thereof (including mandatory sinking fund payments) as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the 2020 Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, in the amount of $1,000,000 in each of the tax levy years 2020 to 2029, both inclusive.

(B) Interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to the said funds in the amounts thus advanced.

(C) After the sale of the 2020 Bonds and the execution of the Bond Order, an executed copy of the Bond Order and a copy of this ordinance, certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of DeKalb County, Illinois, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2020 to 2029, inclusive, and subject to adjustment as provided in paragraph (D) of this Section, and to extend the same for collection on the tax books in connection with other taxes levied in said years, in and by the City for general corporate purposes of the City, and in said years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected and, when collected, such taxes shall be used for the purpose of paying the principal of and interest on the 2020 Bonds as the same become due and payable.

(D) In the event that 2020 Bonds are to be issued such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the 2020 Bonds, then the City shall cause to be filed with the aforesaid County Clerk, on or prior to the date of delivery of the 2020 Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 10. **Taxes Levied for Payment of 2021 Debt Service.** After the issuance of the 2020 Bonds, the City shall cause to be filed with the County Clerk of DeKalb County, a certificate listing the 2021 Debt Service and the taxes theretofore levied for the payment of the 2021 Debt Service, and said certificate shall direct the abatement of such taxes.

Section 11. **Escrow Deposit Agreement.** The form of 2020 Escrow Deposit Agreement, on file in the office of the City Clerk, is hereby approved. Amalgamated Bank of Chicago is hereby appointed to serve as Escrow Agent under the 2020 Escrow Deposit Agreement. The proper officers of the City are authorized and directed to execute and deliver the 2020 Escrow Deposit Agreement on behalf of the City.

Section 12. Application of Proceeds. The proceeds of sale of the 2020 Bonds shall be deposited as follows:

1. To the General Debt Service Fund of the City, the Capitalized Interest Amount (as determined by the City Manager).

2. To the 2020 Escrow Fund maintained under the 2020 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the payment of the 2021 Debt Service.

3. To the 2020 Expense Fund, the remaining proceeds of sale of the 2020 Bonds.

Section 13. General Debt Service Fund. Moneys derived from taxes herein levied are appropriated and set aside for the purpose of paying principal of and interest on the 2020 Bonds when and as the same come due. All of such moneys, and all other moneys to be used for the payment of the principal of and interest on the 2020 Bonds, shall be deposited in the General Debt Service Fund of the City.

Moneys held in the General Debt Service Fund for the payment of the principal of and the interest on the 2020 Bonds shall be allocated and identified as available for such purpose in the records of the City pertaining to the General Debt Service Fund.

Pursuant to Section 13 of the Local Government Debt Reform Act, the Capitalized Interest Amount and tax receipts derived from the taxes levied pursuant to this ordinance are pledged as security for the payment of the 2020 Bonds. All such tax receipts and the Capitalized Interest Amount shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof.

Section 14. Expense Fund. The "2020 Expense Fund" is hereby established as a special fund of the City. Moneys in the 2020 Expense Fund shall be used for the purpose of paying the costs of issuance of the 2020 Bonds. Moneys in the 2020 Expense Fund may be reappropriated and used for other purposes if such reappropriation is permitted under Illinois law.

Section 15. Investment Regulations. All income derived from such investments in respect of moneys or securities in the General Debt Service Fund, the 2020 Escrow Fund or the 2020 Expense Fund shall be credited in each case to the Fund in which such moneys or securities are held.

Any moneys in the 2020 Escrow Fund may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of the Fiscal Service. The City Finance Director and agents designated by him are hereby authorized to submit, on behalf of the City, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 16. **Tax Status.** The City intends that the interest on the 2020 Bonds shall be subject to federal income taxes.

Section 17. **Continuing Disclosure.** For the benefit of the beneficial owners of the 2020 Bonds, the City covenants and agrees to provide to the Municipal Securities Rulemaking Board (the "MSRB") for disclosure on the Electronic Municipal Market Access ("EMMA") system, in an electronic format as prescribed by the MSRB, (i) an annual report containing certain financial information and operating data relating to the City and (ii) timely notices of the occurrence of certain enumerated events. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

The annual report shall be provided to the MSRB for disclosure on EMMA within 210 days after the close of the City's fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the City and such additional information as noted in any bond purchase agreement with respect to the 2020 Bonds. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be provided promptly after it becomes available.

The City, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the City to provide any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the 2020 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the 2020 Bonds, or other events affecting the tax-exempt status of the 2020 Bonds; (7) modifications to rights of bondholders, if material; (8) 2020 Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2020 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect bondholders, if material; and (16) default, event of acceleration, termination event, modification of terms, or

other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties. For the purposes of the event identified in clause (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in clauses (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule").

It is found and determined that the City has agreed to the undertakings contained in this Section in order to assist participating underwriters of the 2020 Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The City Manager or his designee is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the City, each and every thing necessary to accomplish the undertakings of the City contained in this Section for so long as Rule 15c2-12(b)(5) is applicable to the 2020 Bonds and the City remains an "obligated person" under the Rule with respect to the 2020 Bonds.

The undertakings contained in this Section may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15(c)2-12(b)(5) at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the 2020 Bonds.

Section 18. **Bond Registrar.** The City covenants that it shall at all times retain a bond registrar with respect to the 2020 Bonds, that it will maintain at the designated office of such bond registrar a place where 2020 Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the bond registrar maintain proper registration books and perform the other duties and obligations imposed upon the bond registrar by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

The bond registrar shall signify its acceptance of the duties and obligations imposed upon it by this ordinance by executing the certificate of authentication on any 2020 Bond, and by such execution the bond registrar shall be deemed to have certified to the City that he has accepted such duties and obligations not only with respect to the 2020 Bond so authenticated but with respect to all the 2020 Bonds. The bond registrar is the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or default. The bond registrar shall, however, be responsible for any representation in the certificate of authentication on the 2020 Bonds.

The City may remove the bond registrar at any time. In case at any time the bond registrar shall resign, or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the bond registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the bond registrar or of its property or affairs, the City covenants and agrees that it will thereupon appoint a successor bond registrar. The City shall mail notice of any such appointment made by it to each registered owner of 2020 Bonds within twenty days after such appointment.

Section 19. Book-Entry System. The City Manager may determine to issue the 2020 Bonds in book-entry form. In order to provide for the initial issuance of the 2020 Bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered bond for each maturity, in the aggregate principal amount of such maturity, may be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the 2020 Bonds. The City Manager or his designee is authorized to execute and deliver on behalf of the City such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In case at any time the securities depository shall resign or shall become incapable of acting, then the City shall appoint a successor securities depository to provide a system of book-entry only transfers for the 2020 Bonds, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the 2020 Bonds is discontinued, then the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2020 Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the 2020 Bonds, all as shown in the records maintained by the securities depository.

Section 20. Defeasance and Payment of Bonds. (A) If the City shall pay or cause to be paid to the registered owners of the 2020 Bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the 2020 Bonds shall be discharged and satisfied.

(B) Any 2020 Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such 2020 Bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such 2020 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2020 Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said 2020 Bonds on and prior to the applicable redemption date or maturity date thereof.

(C) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

Section 21. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the 2020 Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the 2020 Bonds. All of the 2020 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2020 Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance shall constitute full authority for the issuance of the 2020 Bonds and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the City, the provisions of this ordinance shall control. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

In this ordinance, reference to an officer of the City includes any person holding that office on an interim basis, and any person delegated the authority to act on behalf of such officer.

Section 22. **Publication.** The City Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 23. **Effective Date.** This ordinance shall become effective upon its passage and approval.

Passed and adopted this 28th day of September 2020, by roll call vote as follows:

First Reading passed by an 8-0 roll call vote

Ayes: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith.

Nays: None.

Second Reading waived by a 6-2 roll call vote

Ayes: Morris, Finucane, Smith, McAdams, Faivre, Mayor Smith.

Nays: Perkins, Verbic.

Approved: September 28, 2020

Jerry Smith, Mayor

Published in pamphlet form: September 29, 2020

(SEAL)

Attest:

Lynn A. Fazekas, City Clerk

CERTIFICATE

I, LYNN A. FAZEKAS, City Clerk of the City of DeKalb, Illinois, hereby certify that the foregoing ordinance entitled:

ORDINANCE 2020-063

"Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois,"

is a true copy of an original ordinance that was duly adopted by the recorded affirmative votes of a majority of the members of the City Council of the City at a meeting thereof that was duly called and held at 6:00 p.m. on September 28, 2020, in the Yusunas Meeting Room at the DeKalb Public Library, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the Mayor on September 28, 2020, and thereafter published in pamphlet form on September 29, 2020, and recorded in the Ordinance Book of the City and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120, and was continuously available for public review during the 48 hour period preceding the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 29th day of September, 2020.

(SEAL)

LYNN A. FAZEKAS, City Clerk

CERTIFICATION OF MINUTES AND AGENDA

I, Lynn A. Fazekas, City Clerk of the City of DeKalb, Illinois, hereby certify that annexed hereto is a copy of the minutes of a meeting of the City Council of the City duly called and held on September 28, 2020 and at which a quorum was present and acting throughout.

I further certify that I have compared said copy with the original minutes of said meeting as recorded in the minute book of said City and that said copy is a true and correct copy of the whole of said original minutes.

I further certify that annexed hereto is a copy of the agenda of said meeting and I have compared said copy with the original agenda of said meeting and that said copy is a true and correct copy of the whole of said original agenda.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the seal of said City to be affixed, this 15th day of October, 2020.

Lynn A. Fazekas

Lynn A. Fazekas, City Clerk

(SEAL)

MINUTES
CITY OF DEKALB
REGULAR CITY COUNCIL MEETING
SEPTEMBER 28, 2020

The City Council of DeKalb, Illinois held a Regular City Council meeting on September 28, 2020, in the Yusunas Meeting Room of the DeKalb Public Library, 309 Oak Street, DeKalb, Illinois.

A. CALL TO ORDER AND ROLL CALL

Mayor Smith called the meeting to order at 6 p.m.

Mayor Smith announced that Alderman Carolyn Morris and City Clerk Lynn Fazekas were attending remotely.

City Clerk Fazekas called the roll, and the following members of City Council were present: Alderman Carolyn Morris, Alderman Bill Finucane, Alderman Tracy Smith, Alderman Greg Perkins, Alderman Scott McAdams, Alderman Mike Verbic, Alderman Tony Faivre, and Mayor Jerry Smith.

Staff present included: City Manager Bill Nicklas.

B. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES

Mayor Smith led the Pledge.

C. APPROVAL OF THE AGENDA

Mayor Smith asked for additions and deletions to the agenda. None were offered.

MOTION
Alderman Finucane moved to approve the agenda. Alderman Faivre seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: none. Mayor Smith declared the agenda approved.

D. PUBLIC PARTICIPATION

Michael Embrey spoke in person. He offered an update about latest placements of a flag and veterans' banners downtown at First and Locust streets and the establishment of "Honorary Veterans Way."

Mayor Smith read a comment submitted online by Pamela Verbic, who commented on the proposal to issue Taxable General Obligation Refunding Bonds, Series 2020 (which, later in the meeting, was to be the subject of a public hearing and ordinance). Ms. Verbic called the bond proposal premature and said the situation required more discussion by Council, Finance Advisory Committee, and citizens. Following an accounting of the additional costs of borrowing, Ms. Verbic acknowledged it would be a difficult decision whether to use reserves or to incur more debt to cover shortfalls, but said the pandemic-related economic downturn appears to be a legitimate use of the General Fund reserve. She asked if bond writers look at overall debt, as well as reserves, as an indicator of fiscal responsibility.

E. PRESENTATIONS

There were none.

F. APPOINTMENTS

1. Appointment of Ann Shult to the Citizens' Environmental Commission for the Completion of a Two-Year Term through December 31, 2021.

Mayor Smith read the subject of the appointment.

MOTION
Alderman McAdams moved to approve the appointment. Alderman Perkins seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Morris, Mayor Smith. Nay: none. Mayor Smith declared approval of the appointment.

G. CONSENT AGENDA

1. Minutes of the Joint City Council and Finance Advisory Committee Meeting of August 17, 2020.
2. Minutes of the Regular City Council Meeting of September 14, 2020.
3. Accounts Payable and Payroll through September 28, 2020, in the Amount of $1,306,469.47.
4. Investment and Bank Balance Summary through July 2020.
5. Year-to-Date Revenues and Expenditures through July 2020.

6. Freedom of Information Act (FOIA) Report – August 2020.

7. Hospitality Recovery Program Update.

Mayor Smith read each item of the consent agenda and asked for requests to remove items for separate approval. No such requests were made.

MOTION
Alderman Smith moved to approve the consent agenda. Alderman Verbic seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Smith, Perkins, McAdams, Verbic, Faivre, Morris, Finucane, Mayor Smith. Nay: none. Mayor Smith declared the consent agenda passed.

H. PUBLIC HEARINGS

1. Public Hearing on the Taxable General Obligation Refunding Bonds, Series 2020.

Mayor Smith read the subject of the public hearing and opened the hearing at 6:14 p.m.

City Manager Nicklas explained what he called a "scoop and toss" proposal, which would give the City short-term relief from debt service to help make up for revenue shortfalls caused by the COVID-19 emergency.

After ascertaining no one else wished to speak to the proposal, Mayor Smith closed the hearing at 6:25 p.m.

I. CONSIDERATIONS

There were none.

J. RESOLUTIONS

1. Resolution 2020-107 Authorizing the Sale of Real Property Located at 805 E. Locust Street (PIN: 08-23-329-004) in the Amount of $1,500.

Mayor Smith read the resolution by title only.

MOTION
Alderman McAdams moved to approve the resolution. Alderman Verbic seconded.

City Manager Nicklas said the property is two-tenths of an acre and would be used for storage of wire spindles. He said the installation of an eight-foot fence is anticipated and the Building Department recommends approval.

VOTE
Motion carried 8-0 on roll call vote. Aye: Perkins, McAdams, Verbic, Faivre, Morris, Finucane, Smith, Mayor Smith. Nay: none.

2. Resolution 2020-108 Authorizing Payment to Syndeo Networks, Inc. in the Amount of $62,345 to Relocate City-Owned Fiber from the Former City Hall Building at 200 S. Fourth Street to 223 S. Fourth Street, and Move an Existing Fiber Handhole into the Right of Way at 200 S. Fourth Street.

Mayor Smith read the resolution by title only.

MOTION
Alderman Perkins moved to pass the resolution. Alderman Faivre seconded.

City Manager Nicklas reminded Council of the City's established relationship with Syndeo, and he noted there were two bids with Syndeo's coming in significantly lower.

VOTE
Motion carried 8-0 on roll call vote. Aye: McAdams, Verbic, Faivre, Morris, Finucane, Smith, Perkins, Mayor Smith. Nay: none.

3. Resolution 2020-109 Authorizing an Intergovernmental Agreement with DeKalb Township Regarding the Ownership and Maintenance of the Roundabout at Peace Road and Gurler Road.

Mayor Smith read the resolution by title only.

MOTION
Alderman Verbic moved to approve the resolution. Alderman Finucane seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Verbic, Faivre, Morris, Finucane, Smith, Perkins, McAdams, Mayor Smith. Nay: none.

K. ORDINANCES – SECOND READING

1. Ordinance 2020-055 Amending Chapter 38 "Intoxicating Liquors," Section 38.07 "Classifications of Liquor Licenses," by Adding a New Classification, "Laundromats."

Mayor Smith read the ordinance by title only.

MOTION
Alderman Finucane moved to approve the ordinance. Alderman Faivre seconded.

City Manager Nicklas said the school board is not supporting the ordinance, perhaps because the driveway of the laundromat in question touches Barb Boulevard and therefore technically does not meet the 100-foot distancing requirement from schools.

Alderman Finucane pointed out the change to Chapter 38 does not automatically grant anyone a liquor license; the laundromat owner who wants one will still need to undertake the licensing process.

VOTE
Motion carried 7-1 on roll call vote. Aye: Faivre, Morris, Finucane, Smith, Perkins, Verbic, Mayor Smith. Nay: McAdams.

L. ORDINANCES – FIRST READING

1. Ordinance 2020-062 Amending the Fiscal Year-End December 31, 2020 Budget.

Mayor Smith read the ordinance by title only.

MOTION
Alderman McAdams moved to pass first reading. Alderman Verbic seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: none. Mayor Smith declared passage of first reading.

MOTION
Alderman Finucane moved to waive second reading and pass the ordinance. Alderman McAdams seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Morris, Mayor Smith. Nay: none. Mayor Smith declared the ordinance passed.

2. Ordinance 2020-063 Authorizing the Issuance of Not to Exceed $2,000,000 in General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois.

Mayor Smith read the ordinance by title only.

MOTION
Alderman McAdams moved to pass first reading. Alderman Faivre seconded.

Council members discussed the General Fund reserve balance and whether it is more beneficial to the City's bond rating to follow the 25% fund balance reserve policy rigidly or to avoid more long-term debt in addressing the budget hole created by the pandemic. However, the city manager asserted the most important factor is the pension crisis, as the pensions require a growing share of property taxes, the most stable revenue source.

VOTE
Motion carried on 8-0 roll call vote. Aye: Smith, Perkins, McAdams, Verbic, Faivre, Morris, Finucane, Mayor Smith. Nay: none.

MOTION
Alderman Finucane moved to waive second reading and approve the ordinance. Alderman McAdams seconded.

VOTE
Motion carried 6-2 on roll call vote. Aye: McAdams, Faivre, Morris, Finucane, Smith, Mayor Smith. Nay: Perkins, Verbic. Mayor Smith declared the ordinance passed.

M. REPORTS AND COMMUNICATIONS

Mayor Smith reported the Centers for Disease Control (CDC) have categorized Halloween trick-or-treating as a high-risk activity in terms of potential COVID-19 transmission. He asked Council to discuss how it might be conducted. Consensus was to acknowledge the difficulty in enforcing restrictions citywide, though most supported communication of guidance measures and/or referring parents/guardians to CDC guidelines. Other suggestions included coordination with other communities in the county and reducing the number of official trick-or-treat hours. Alderman Morris said she had circulated a survey of about 425 residents and found 79% support traditional Halloween trick-or-treating.

1. Council Member Reports

Alderman Morris reported a family member had tested positive for COVID-19. She said her family is following a health department recommendation to quarantine for 24 days.

Alderman Finucane reminded the audience to wear their masks.

Alderman McAdams urged residents to complete their census forms.

Alderman Verbic welcomed Home2Suites and Pizza Hut to his ward.

2. City Clerk Report

City Clerk Fazekas made no report.

3. City Manager Report

City Manager Nicklas made no report.

N. EXECUTIVE SESSION PURSUANT TO 5 ILCS (120/2)

Approval to Hold an Executive Session in Order to Discuss:

1. Personnel as Provided for in 5 ILCS 120/2(c)(1); and

2. Pending or Imminent Litigation as Provided for in 5 ILCS 120/2(c)(11).

Mayor Smith read the items to be authorized for executive session and asked for a motion to recess.

MOTION
Alderman Verbic moved to recess. Alderman Faivre seconded.

VOTE
Motion carried 8-0 on roll call vote. Aye: Verbic, Faivre, Morris, Finucane, Smith, Perkins, McAdams, Mayor Smith. Nay: none.

Mayor Smith announced that Alderman Morris and City Clerk Fazekas would be excluded from executive session for security reasons related to their remote participation. He then declared recess for executive session at 7:13 p.m.

O. ADJOURNMENT

MOTION

Following adjournment of executive session, Alderman McAdams moved to adjourn the regular meeting. Alderman Perkins seconded.

VOTE
Motion carried 7-0-1 on roll call vote. Aye: Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: none. Absent: Morris. Mayor Smith declared adjournment at 7:52 p.m.

LYNN A. FAZEKAS, City Clerk

Approved by City Council on October 12, 2020.

DEKALB CITY COUNCIL AGENDA
SEPTEMBER 28, 2020
6:00 P.M.

DeKalb Public Library
Yusunas Meeting Room
309 Oak Street
DeKalb, Illinois 60115

REGULAR CITY COUNCIL MEETING

COVID-19 Notice: This meeting will be conducted in-person with a physically present quorum and open to the public. The corporate authorities of the City of DeKalb intend to conduct this meeting in compliance with all applicable social distancing and public health requirements. All persons attending this meeting in-person shall be required to wear protective face masks/coverings. Furthermore, the corporate authorities of the City of DeKalb intend to conduct this meeting pursuant to Illinois Governor JB Pritzker's Executive Order 2020-43 dated June 26, 2020 (the "Executive Order"), which prohibits gatherings of more than 50 people, unless the City of DeKalb determines that it is necessary to invoke the Governmental Functions exemption contained in Section 4(c) of the Executive Order "to ensure the operation of government agencies or to provide for or support the health, safety and welfare of the public."

As a convenience to the public, the City of DeKalb may also provide video, audio, telephonic or internet access for the public to monitor this meeting. The provision of any such remote means of access is not intended to provide for attendance by a means other than physical presence due to the COVID-19 public health emergency, nor is it intended to provide an opportunity for the public to address public officials, make public comment or otherwise participate in the meeting.

Persons wishing to provide public comment or otherwise address public officials in person during this meeting must comply with all applicable rules governing the conduct of this meeting including, but not limited to, the aforementioned social distancing and face covering requirements.

The City of DeKalb is providing the following conveniences for the public to monitor and participate in this meeting:

- Persons wishing to view the meeting from home or elsewhere can tune in to Channel 14 or by following the link provided here.
- Persons wishing to provide public comment but are unable to attend the meeting in person or remotely may forward their comments by clicking on the link provided here. Note that all submissions must be received no later than 12:00 p.m. on the day of the meeting in order to ensure dissemination to the City Council before the meeting convenes.
- Zoom Meeting Information
  Join Zoom Meeting: https://us02web.zoom.us/j/89360651625?pwd=eUdQbSt4MWlpTm52eGhaR2EzNyt6dz09
  Meeting ID: 893 6065 1625
  Passcode: 507313
  One Tap Mobile: +13126266799,,89360651625#,,,,,,0#,,507313# US (Chicago)
- For those participating via Zoom and wishing to comment during the public participation portion of the meeting, or prior to Council's discussion of a particular item, please click on the link provided here and add in the Comment Section that you wish to address Council verbally. Note that all submissions must be received no later than 12:00 p.m. on the day of the meeting in order to ensure your name is added to the list of remote speakers.

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PUBLIC PARTICIPATION

E. PRESENTATIONS

None.

F. APPOINTMENTS

1. **Appointment of Ann Shult to the Citizens' Environmental Commission for the Completion of a Two-Year Term through December 31, 2021.**

G. CONSENT AGENDA

1. **Minutes of the Joint City Council and Finance Advisory Committee Meeting of August 17, 2020.**
2. **Minutes of the Regular City Council Meeting of September 14, 2020.**
3. **Accounts Payable and Payroll through September 28, 2020, in the Amount of $1,306,469.47.**
4. **Investment and Bank Balance Summary through July 2020.**
5. **Year-to-Date Revenues and Expenditures through July 2020.**
6. **Freedom of Information Act (FOIA) Report – August 2020.**
7. **Hospitality Recovery Program Update.** (see July update, attached)

H. PUBLIC HEARINGS

1. **Public Hearing on the Taxable General Obligation Refunding Bonds, Series 2020.**

I. CONSIDERATIONS

None.

J. RESOLUTIONS

1. **Resolution 2020-107 Authorizing the Sale of Real Property Located at 805 E. Locust Street (PIN: 08-23-329-004) in the Amount of $1,500.**

2. **Resolution 2020-108 Authorizing Payment to Syndeo Networks, Inc. in the Amount of $62,345 to Relocate City-Owned Fiber from the Former City Hall Building at 200 S. Fourth Street to 223 S. Fourth Street, and Move an Existing Fiber Handhole into the Right of Way at 200 S. Fourth Street.**

3. **Resolution 2020-109 Authorizing an Intergovernmental Agreement with DeKalb Township Regarding the Ownership and Maintenance of the Roundabout at Peace Road and Gurler Road.**

K. ORDINANCES – SECOND READING

1. **Ordinance 2020-055 Amending Chapter 38 "Intoxicating Liquors", Section 38.07 "Classifications of Liquor Licenses", by Adding a New Classification "Laundromats".**

L. ORDINANCES – FIRST READING

1. **Ordinance 2020-062 Amending the Fiscal Year-End December 31, 2020 Budget.**

2. **Ordinance 2020-063 Authorizing the Issuance of Not to Exceed $2,000,000 in General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois.**

M. REPORTS AND COMMUNICATIONS

1. **Council Member Reports**

2. **City Clerk Report**

3. **City Manager Report**

N. EXECUTIVE SESSION

Approval to Hold an Executive Session in Order to Discuss:

1. **Personnel as Provided for in 5 ILCS 120/2(c)(1); and**

2. **Pending or Imminent Litigation as Provided for in 5 ILCS 120/2(c)(11).**

O. ADJOURNMENT

ORDINANCE 2019-059 **PASSED: OCTOBER 14, 2019**

AMENDING CHAPTER 3 "CITY ADMINISTRATION", SECTION 3.14 "CITY CLERK" OF THE MUNICIPAL CODE OF THE CITY OF DEKALB, ILLINOIS.

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government that may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

WHEREAS, the City Clerk is a part-time position that possesses certain duties pursuant to Section 3.14 of the City's Municipal Code including, but not limited to: keeping a full record of the City Council's proceedings; maintaining custody and control of certain documents; and affixing the City's corporate seal to a variety of documents; and

WHEREAS, the City Council finds that the office of City Clerk consists of purely ministerial duties which have largely been performed for many years by the full-time Executive Assistant in the City Manager's office in a timely, efficient, and effective manner.

WHEREAS, the City Council finds that it is in the best interests of the City's residents and businesses to provide professional clerical assistance to the general public during all regular business hours.

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

SECTION 1: Chapter 3 "City Administration", Section 3.14 "City Clerk", of the City's Municipal Code shall be amended to state in its entirety as follows:

a) Oath. The City Clerk and the Executive Assistant shall, before entering upon the duties of the office, take and subscribe the oath required by law for city officers, and execute a bond with surety to be approved by the Council, payable to the City in the penal sum of $5,000 conditioned for the faithful performance of the duties of the office and the payment of all monies received according to law and the ordinances of the City.

b) Duties. The part-time duties of the City Clerk shall include, but are not limited to: taking and preparing minutes of the City Council's proceedings; faithfully recording the results of resolutions, ordinances and other actions approved by the City Council in said minutes; overseeing the review, approval and release of all Executive Session minutes; keeping office hours open for the transaction of the City's business; keeping one of the City's corporate seals; affixing the City's corporate seal to a variety of documents; receiving and tracking legal notices sent to the City; administering oaths; overseeing the election process every two years; and notifying all persons

elected to offices of the election within five (5) days after the result of the election is declared.

c) Duties of the Executive Assistant. The full-time duties of the Executive Assistant shall include, but are not limited to: attesting the Mayor's signature on resolutions, ordinances, agreements and other documents approved by the City Council; recording copies of City ordinances, resolutions and other documents as needed with the County Clerk's Office; certifying copies of City ordinances, resolutions and other documents; codifying the City's Municipal Code; keeping one of the City's corporate seals; affixing the City's corporate seal to a variety of documents; processing and finalizing new and renewal licenses and permits; monitoring Open Meetings Act (OMA) training for City Council, City staff and all members of the City's boards, commissions and committees as OMA Officer; annually preparing the Economic Benefit Statement for submission to the County Clerk's office; notifying all persons appointed to offices within five days after the appointment is made; maintaining and overseeing official originals and copies of all the City's ordinances, resolutions, agreements, agenda packets and a variety of other miscellaneous documents; overseeing bidding processes as needed; preparing the annual Schedule of Meetings; posting approved City Council minutes, and approved and released Executive Session minutes to the City's website; attesting and notarizing signatures for the Mayor and City Manager; and performing all duties listed under "b) City Clerk Duties" to the same extent as if done by the City Clerk personally in the City Clerk's absence.

The Executive Assistant is a Chapter 3 non-bargaining unit employee who shall at all times be responsible to ensure that all the duties of the City Clerk are executed faithfully in the City Clerk's absence, as if done by the City Clerk personally.

d) Seal. The City Clerk and the Executive Assistant shall at all times each keep at least one of the City's corporate seals. The City Clerk shall at all times allow the Executive Assistant access to the City's corporate seals.

e) Documents to Successor. The City Clerk shall, upon the termination in any manner of the term of office, deliver to the duly appointed or elected and qualified successor, all books, documents, records, papers, moneys or other property of the City in the Clerk's custody.

f) The City Manager has the authority to appoint and remove the Executive Assistant.

g) Salary. The City Clerk shall receive such salary and compensation as shall from time to time be fixed by ordinance. The City Clerk shall not be entitled to any additional compensation or benefits.

SECTION 2: This ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of DeKalb that to the extent that the terms of this ordinance should be inconsistent with any non-preemptive state law, that this ordinance shall supersede state law in that regard within its jurisdiction.

SECTION 3: This ordinance shall be in full force and effect from and after its passage and approval as provided by law.

ADOPTED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the 14th day of October 2019 and approved by me as Mayor on the same day. First Reading passed on September 23, 2019 by a 5-2-1 roll call vote. Aye: Finucane, Fagan, Verbic, Faivre, Mayor Smith. Nay: Morris, McAdams. Absent: Smith. Second Reading passed on October 14, 2019 by a 5-2 roll call vote. Aye: Finucane, Smith, Verbic, Faivre, Mayor Smith. Nay: Morris, McAdams.

ATTEST:

RUTH A. SCOTT, Executive Assistant

JERRY SMITH, Mayor

CITY OF DEKALB
STATE OF ILLINOIS

CITY OF DEKALB, ILLINOIS
GENERAL OBLIGATION REFUNDING BONDS, TAXABLE
SERIES 2020 BOND ORDER

I, Bill Nicklas, the City Manager of the City of DeKalb, Illinois, acting pursuant to the authority delegated to me by Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance"), hereby makes the following determinations with respect to the General Obligation Refunding Bonds, Taxable Series 2020 (the "2020 Bonds") of the City authorized to be issued pursuant to the Bond Ordinance:

1. The 2020 Bonds shall be issued in the principal amount of $1,900,000 and shall be designated: "General Obligation Refunding Bonds, Taxable Series 2020".

2. The 2020 Bonds shall be dated, shall mature, shall bear interest at the rate per annum, and shall otherwise be as described in Schedule X attached hereto and hereby made a part of this Bond Order.

3. No 2020 Bond matures later than January 1, 2031 or bears interest at a rate exceeding five percent per annum.

4. The 2020 Bonds were sold at a purchase price of $1,879,666.72 by Robert W. Baird & Co. Incorporated, the underwriter.

5. The authorized denominations of the 2020 Bonds shall be $5,000 and any integral multiple thereof.

6. The purchase price of the 2020 Bonds is not less than 98% of the principal amount of the 2020 Bonds

7. The 2020 Bonds are insured by Build America Mutual Assurance Company.

8. All of the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and all of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (the "Prior Bonds") shall be refunded as outlined in the table below:

Series	January 1, 2021 Principal	January 1, 2021 Interest	July 1, 2021 Interest
2010C	$ 715,000	$ 59,850.00	$ 40,545.00
2012A	-0-	65,340.63	65,340.63
2013B	725,000	22,050.00	11,175.00
2019	20,000	35,717.50	35,535.50
Total	$1,460,000	$182,958.13	$152,596.13

9. Amalgamated Bank of Chicago is appointed as the Bond Registrar, Paying Agent and Escrow Agent for the 2020 Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand, this 28th day of October, 2020.

City Manager

[Signature Page to Bond Order]

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Full book-entry registered bonds in the denominations of $5,000 and any integral multiple thereof.

Securities Depository: The Depository Trust Company.

Date: Dated as of November 19, 2020.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Maturities and Interest Rates: The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the principal amount set forth opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 of each year at the rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2028	$425,000	2.30%
2029	540,000	2.40
2030	935,000	2.50

Optional Redemption Provisions: The Bonds are not subject to optional redemption prior to maturity.

CERTIFICATE OF ABATEMENT
REGARDING GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020, OF THE CITY OF DEKALB, ILLINOIS

I, Bill Nicklas, the City Manager of the City of DeKalb, Illinois, acting pursuant to paragraph (D) of Section 9 of Ordinance No. 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance") authorizing the issuance of $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City described in the City of DeKalb, Illinois, General Obligation Refunding Bonds, Taxable Series 2020 Bond Order (the "Bonds") hereby direct the partial abatement of the taxes levied pursuant to the Bond Ordinance, as hereinafter described.

For each of the levy years specified are (a) the taxes levied pursuant to the Bond Ordinance, (b) the amount of such taxes to be abated pursuant to this Certificate of Abatement and (c) the exact amount of those taxes to be levied to pay the principal of and interest on the Bonds.

Levy Year	(a) Taxes Levied by the Bond Ordinance	(b) Amount of Taxes Abated	(c) Amount of Taxes Required to be Produced
2020	$1,000,000	$ 976,945	$ 23,055
2021	1,000,000	953,890	46,110
2022	1,000,000	953,890	46,110
2023	1,000,000	953,890	46,110
2024	1,000,000	953,890	46,110
2025	1,000,000	953,890	46,110
2026	1,000,000	528,890	471,110
2027	1,000,000	423,665	576,335
2028	1,000,000	41,625	958,375
2029	1,000,000	1,000,000	-0-

IN WITNESS WHEREOF, I have hereunto set my hand, this 19th day of November, 2020.

City Manager

[Signature Page to Certificate of Abatement]

DEKALB COUNTY FILING CERTIFICATE

STATE OF ILLINOIS)
) SS
COUNTY OF DEKALB)

I, Douglas J. Johnson, County Clerk of DeKalb County, Illinois, do hereby certify that on the 13th day of November 2020, there was filed in my office Ordinance No. 2020-063 of the City of DeKalb, Illinois entitled:

ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $2,000,000 GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020, OF THE CITY OF DEKALB, ILLINOIS

, which ordinance levies taxes in the City of DeKalb for the purpose of paying principal of and interest on the General Obligation Refunding Bonds, Taxable Series 2020, of the City, described in said ordinance.

I further certify that on the aforesaid date there was filed in my office a bond order signed by the City Manager of the City and entitled:

CITY OF DEKALB, ILLINOIS
GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020 BOND ORDER

I further certify that on the aforesaid date there was filed in my office a certificate signed by the City Manager of the City and entitled:

CERTIFICATE OF ABATEMENT REGARDING GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020, OF THE CITY OF DEKALB, ILLINOIS

FILED
NOV 13 2020
DeKalb County Clerk

WITNESS my official signature and the seal of DeKalb County, this 13th day of November, 2020.

County Clerk of DeKalb County, Illinois

(SEAL)

[Signature Page to DeKalb County Filing Certificate]

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 22, 2020

NEW ISSUE
BOOK-ENTRY ONLY

Insured Investment Rating:
S&P Global Ratings ... AA
(BAM Insured)
Underlying Investment Rating:
Moody's Investor Service ... A2

*Interest on the Bonds (as hereinafter defined) is includible in gross income of the owners thereof for federal income tax purposes and not exempt from present State of Illinois income taxes. See "**TAX MATTERS**" herein for a more complete discussion.*

City of DeKalb
DeKalb County, Illinois
$1,900,000† General Obligation Refunding Bonds, Taxable Series 2020

Dated: Date of Delivery **Due: January 1, as set forth below**

The General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*"), of the City of DeKalb, Illinois (the "*City*"), will be issued as fully registered bonds and will initially be registered in the name of Cede & Co., the nominee for The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as the securities depository for the Bonds. Purchases will be made in book-entry form through DTC participants only in denominations of $5,000 and any authorized integral multiple thereof and no physical delivery of bonds will be made to purchasers of beneficial interests (the "*Beneficial Owners*") in the Bonds. Interest on the Bonds will be payable on January 1 and July 1, commencing July 1, 2021. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, if any, and interest on the Bonds will be paid by Amalgamated Bank of Chicago, Chicago, Illinois as paying agent for the Bonds, to DTC, which in turn will remit such payments to DTC participants for subsequent distribution to the Beneficial Owners of the Bonds. See "**BOOK-ENTRY – ONLY SYSTEM**" herein.

The Bonds redemption provisions for the Bonds are as described in this Official Statement. See "**THE BONDS – Redemption.**"

Maturities, Principal Amounts†, Interest Rates, Yields and CUSIP*

January 1	Principal Amount†	Interest Rate	Yield	CUSIP*
2028	$ 425,000			
2029	540,000			
2030	935,000			

The Bonds are direct and general obligations of the City, for which its full faith and credit have been irrevocably pledged and are payable from ad valorem taxes to be levied on all taxable property in the City, without limitation as to rate or amount.

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued by Build America Mutual Assurance Company ("BAM") simultaneously with the delivery of the Bonds. The cost for the bond insurance premium will be paid by the City. See **"BOND INSURANCE and "APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY"** herein.

BAM

The Bonds are offered when, as, and if issued by the City, subject to the delivery of the legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel. Katten Muchin Rosenman LLP, Chicago, Illinois will also act as Disclosure Counsel to the City. Donahue Rose, P.C. is acting as Local Counsel to the City. A copy of the proposed legal opinion of Bond Counsel relating to the Bonds is set forth in Appendix C of this Official Statement. Robert W. Baird & Co. Incorporated, Naperville, Illinois (the "*Underwriter*") is the sole underwriter for the Bonds. It is expected that the Bonds, will be available for delivery to The Depository Trust Company in New York, New York on or about November 19, 2020.

BAIRD

* CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.
† Preliminary, subject to change.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the "*Official Statement*"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement and, if given or made, such other information or representations must be relied upon as having been authorized by the City. Certain information contained in the Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to accuracy or completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE THEREOF.

Reference herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement they will be furnished on request.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the headings "**BOND INSURANCE**" and "**APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY**".

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City of DeKalb

DeKalb County, Illinois

Mayor
Jerry Smith

City Council
Anthony Faivre
William Finucane
Scott McAdams
Carolyn Morris
Greg Perkins
Tracy Smith
Mike Verbic

City Manager
Bill Nicklas

Assistant City Manager
Joshua Boldt

Senior Accountant
Susan Hauman

Executive Assistant
Ruth Scott

City Clerk
Lynn Fazekas

Bond Counsel/Disclosure Counsel
Katten Muchin Rosenman LLP
Chicago, Illinois

Local Counsel
Donahue Rose, P.C.

Verification Agent
Sikich LLP
Naperville, Illinois

Bond Registrar/Escrow Agent
Amalgamated Bank of Chicago
Chicago, Illinois

Underwriter
Robert W. Baird & Co. Incorporated
Naperville, Illinois

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

Issuer:	City of DeKalb, Illinois (the "*City*").
Issue:	$1,900,000* General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*").
Dated Date:	Date of Delivery.
Interest Due:	January 1 and July 1, commencing July 1, 2021.
Principal Due:	Each January 1, commencing January 1, 2028 through January 1, 2030.
Redemption:	The Bonds redemption provisions for the Bonds are as described in this Official Statement. See "**THE BONDS – Redemption.**"
Ratings/Insurance:	S&P Global Ratings is expected to assign their municipal bond rating of "AA", to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing payment when due of the principal of and interest on the Bonds will be issued by BAM. The cost for the bond insurance premium will be paid by the City. See "**BOND INSURANCE", "INSURED INVESTMENT RATING**" and **APPENDIX D – "SPECIMEN BOND INSURANCE POLICY**" herein. The Bonds also carry an underlying credit rating of "A2" from Moody's Investors Services ("Moody's"). See "**UNDERLYING INVESTMENT RATING**" herein.
Authorization:	The Bonds are authorized and issued pursuant to the provisions of Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois, and as provided by the Illinois Municipal Code of the State of Illinois (the "*Municipal Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto. The Bonds are authorized pursuant to a bond ordinance (the "*Bond Ordinance*") adopted by the City Council of the City (the "*Council*") on September 28, 2020 and the Series 2020 Bond Order dated _____, 2020.
Purpose:	The purpose of the Bonds is to (i) finance the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (collectively, the "*2021 Debt Service*"), (ii) capitalize interest on the Bonds authorized by the Bond Ordinance through July 1, 2021 and (iii) pay the costs of issuance of the Bonds. See "**THE BONDS - Plan of Financing**" herein.
Tax Matters:	The Bonds are taxable. Interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes and not exempt from present State of Illinois income taxes. See "**TAX MATTERS.**"
Security:	The Bonds are general obligations of the City. Ad valorem taxes unlimited as to rate or amount will be levied upon all taxable property in the City for payment of the interest on the Bonds and the principal thereof when due. The full faith and credit of the City are irrevocably pledged for the prompt payment of the principal of and the interest on the Bonds.
Bond Registrar/Paying Agent/Escrow Agent:	Amalgamated Bank of Chicago, Chicago, Illinois is the bond registrar and paying agent for the Bonds and serving as Escrow Agent (the "*Bond Registrar*" and "*Escrow Agent*").
Book-Entry-Only:	The Bonds will be in book-entry-only form. The Depository Trust Company will act as securities depository for the Bonds. See "**BOOK-ENTRY-ONLY SYSTEM**" herein.

OFFICIAL STATEMENT

City of DeKalb
DeKalb County, Illinois
$1,900,000† General Obligation Refunding Bonds, Taxable Series 2020

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the City of DeKalb, (the "*City*" or the "*Issuer*"), in connection with the offering and sale of its $1,900,000† principal amount of General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*"). Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

Authority

The Bonds are authorized and issued pursuant to the provisions of Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois, and as provided by the Illinois Municipal Code of the State of Illinois (the "*Municipal Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto. The Bonds are authorized pursuant to a bond ordinance (the "*Bond Ordinance*") adopted by the City Council of the City (the "*Council*") on September 28, 2020 and the Series 2020 Bond Order dated _____, 2020.

Purpose

Proceeds of the Bonds will be used to (i) finance the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (collectively, the "*2021 Debt Service*"), (ii) capitalize interest on the Bonds authorized by the Bond Ordinance through July 21, 2021 and (iii) pay the costs of issuance of the Bonds. See "**THE BONDS – Plan of Financing**" herein.

General Description

The Bonds will be dated as of the delivery date, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry system operated by The Depository Trust Company ("*DTC*"), New York, New York. Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "*Registrar*").

The Bonds will mature on January 1 of the years listed on the inside front cover page of the Official Statement. Interest on the Bonds is payable on January 1 and July 1, commencing on July 1, 2021.

---

† Preliminary, subject to change.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person on whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

Registration and Transfer

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Registrar shall not be required to transfer or exchange any Bond during the period of 15 days preceding the giving of notice of redemption of Bonds.

Redemption

Optional Redemption. The Bonds maturing on and after January 1, 20____ are also subject to redemption prior to maturity, at the option of the City, on or after January 1, 20____, in whole or in part at any time, and if in part, from such maturities as determined by the City and within any maturity in accordance with the operational procedures of DTC then in effect, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. The Bonds maturing on after January 1, 20____, are subject to mandatory redemption (to the extent that the mandatory redemption requirement has not otherwise been satisfied), by lot at a redemption price equal to the principal amount thereof to be redeemed, on March 1 of the years and in the principal amounts as follows:

Year	Amount

Notice of Redemption. Notice of the redemption of the Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of the Bonds to be redeemed at their last addresses appearing on said registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) than from and after the redemption date interest on such Bonds or portions thereof

shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon surrender of such Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the Bond so surrendered, bonds of like maturity and of the denomination of $5,000 or any integral multiple thereof.

Security

The Bonds are general obligations of the City. Ad valorem taxes unlimited as to rate or amount will be levied upon all taxable property in the City for payment of the interest on the Bonds and the principal thereof when due. The full faith and credit of the City are irrevocably pledged for the prompt payment of the principal of and the interest on the Bonds.

Estimated Sources and Uses

The following table shows the estimated sources and uses of the proceeds of the Bonds:

	The Bonds
Sources:	
Principal Amount	$ _____
Reoffering Premium/Discount	
Total Sources	$ _____
Uses:	
Deposit to Escrow Fund	
Deposit to Capitalized Interest Fund	$ _____
Costs of Issuance*	
Total Uses	$ _____

* Includes underwriter's discount and other issuance costs.

Plan of Financing

A portion of Bond proceeds will be used to refund the January 1, 2021 principal and interest payments, and the July 1, 2021 interest payments of the City's outstanding General Obligation Refunding Bonds, Taxable Series 2010C, General Obligation Bonds, Series 2012A, General Obligation Bonds, Series 2013B and General Obligation Refunding Bonds, Series 2019 (collectively, the "*2021 Debt Service*" or "*Refunded Bonds*") as detailed in the table below. The remaining proceeds will be used to capitalize interest for the Bonds through July 1, 2021 and pay the costs of issuance of the Bonds.

Refunded Bonds

Series	January 1, 2021 Principal	January 1, 2021 Interest	July 1, 2021 Interest
2010C	$ 715,000	$ 59,850.00	$ 40,545.00
2012A	-0-	65,340.63	63,340.63
2013B	725,000	22,050.00	11,175.00
2019	20,000	35,717.50	35,535.50
Total	$1,460,000	$182,958.13	$152,596.13

Certain proceeds received from the sale of the Bonds will be deposited in an Escrow Account (the "*Escrow Account*") to be held by Amalgamated Bank of Chicago, Chicago, Illinois (the

"*Escrow Agent*"), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the City and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the "*Government Securities*"). The Government Securities together with interest earnings thereon will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

VERIFICATION OF MATHEMATICAL ACCURACY

Sikich LLP (the "*Verification Agent*") will verify the adequacy of the deposit made pursuant to the Escrow Agreement to provide for the payment of certain interest and principal on the Refunded Bonds, at the time of delivery of the Bonds. All moneys and Government Securities deposited for the payment of the Refunded Bonds, including interest thereon, are required to be applied solely and irrevocably to the payment of the Refunded Bonds.

RISK FACTORS

Finances of the State of Illinois

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long term general obligation bonds carry the lowest ratings among states, such long-term ratings are at the lowest investment grade rating level.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal year ending June 30, 2018 (the "*Fiscal Year 2018 Budget*"), State fiscal year ending June 30, 2019 (the "*Fiscal Year 2019 Budget*"), State for fiscal year ending June 30, 2020 (the "*Fiscal Year 2020 Budget*"), and State fiscal year ending June 30, 2021 (the "*Fiscal Year 2021 Budget*").

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020 and State Fiscal Year 2021. The City cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the City.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, President Trump has declared a "national emergency" and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. In addition, on March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*"), which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocates approximately $4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State ($2.7 billion) and local governments (the County of Chicago and Illinois counties with populations that exceed 500,000) ($2.2 billion).

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers; (iii) ceased operations for all non-essential businesses in the State and (iv) prohibited all public and private gatherings of 10 or more people. The Governor has implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The State is currently in the fourth phase of this reopening plan, and the current executive orders extend through November 14, 2020. Under the current executive orders, Illinoisans are no longer required to stay in their homes, bars and restaurants are allowed to partially open, public and private gatherings of 50 or fewer people are allowed and some additional businesses are allowed to resume operations, as long as the spread of COVID-19 stays within certain parameters.

Region 1, which includes DeKalb County, reported three consecutive days of a test positivity rate of 8 percent or higher. In response, Governor Pritzker issued Executive Order No. 52, instituting public health restrictions and mitigations for Region 1, for restaurants and bars, meetings and social events, gaming and casinos and for all workplaces, effective October 3, 2020. Some of the restrictions include; all restaurants and bars in the region must close at 11:00 p.m., and must remain closed until 6:00 a.m. the following day, all restaurants and bars in the region must suspend indoor on-premises consumption; meetings and social events are limited to the lesser of 25 people or 25% of overall room capacity, and businesses and establishments shall institute remote work for high risk individuals. These restrictions will be in place for Region 1 until certain matrices for the decline in the spread of COVID-19 are met.

Despite moneys the State is expected to receive from the Federal government, including from the CARES Act, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant negative impact on the State's economy, which could affect the revenues received by the City from the State.

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The State's initial estimates project revenues for the remainder of fiscal year 2020 to be approximately $2.7 billion less than previously projected, and fiscal year 2021 revenues to be approximately $4.6 billion less than previously projected. In June 2020, the State issued $1.2 billion of

debt through the Federal Reserves' lending program known as the Municipal Liquidity Facility. The State is expected to continue to develop economic forecasts and revenue estimates as circumstances change and additional information becomes available. It is possible that actual results will vary, and perhaps vary widely, from the amounts described in this paragraph.

The adverse impact on the State's finances may, in turn, adversely affect the City's finances due to delays or reductions in the amount received by the City from the State. Likewise, the City's finances may be adversely affected in manners separate and apart from the impact on the State. The City recognizes that COVID-19 has and will continue to place economic pressure on the City and its finances. (See "**FINANCIAL UPDATE**" herein)

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Loss or Change of Bond Rating

The Bonds have received an underlying investment rating from Moody's Investors Service, New York, New York ("Moody's") and anticipated insured investment rating from S&P Global Ratings. The ratings can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No

guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the City to comply with the Undertaking for continuing disclosure (see "**CONTINUING DISCLOSURE**") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

Future Pension Plan Funding Requirements

The City participates in the Police Pension Plan and the Firefighters' Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "*Pension Code*"), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. The City also participates in the Illinois Municipal Retirement Plan (the "*IMRF Plan*"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("*IMRF*"); employer contributions are projected by the IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Firefighters'

Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Firefighters' Pension Plan, the City may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. See "**RETIREMENT FUND COMMITMENTS**" herein for a more complete discussion.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company, New York, New York ("*DTC*") will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of each series as set forth on the cover page hereof, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. The following discussion will not apply to Bonds if issued in physical form due to the discontinuance of the book-entry system as described below. DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "*DTC Participants*") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "*Indirect Participants*").

Purchases of the Bonds under the DTC system may be made through brokers and dealers who are, or act through, DTC Participants. Upon such purchase, the DTC Participants shall receive a credit balance on the records of DTC. Individual purchases will be made in the denomination of $5,000 or any whole multiple thereof. The ownership interest of each actual purchaser of each Bond (the "*Beneficial Owner*") will be recorded through the records of each DTC Participant or Indirect Participant through which such Beneficial Owner purchased the Bond. DTC is responsible for maintaining records of the "positions" of DTC Participants in the Bonds, and the DTC Participants and Indirect Participants are expected to maintain records of the purchasers of beneficial interests in those Bonds. DTC Participants and Indirect Participants are required to provide Beneficial Owners with a written confirmation of their purchase containing details of the Bonds acquired. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except as specifically provided below.

The City will recognize DTC or its nominee, Cede & Co., as the owner of the Bonds for all purposes, including notices and voting. Conveyance of notices and other communications by DTC to DTC Participants and by DTC Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by arrangements among DTC, DTC Participants and Indirect Participants, subject to any statutory and regulatory requirements as may be in effect from time to time. City will make payments of principal and interest on the Bonds to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Upon receipt of moneys, DTC's current practice is to immediately credit the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices such as those which are now the case for municipal securities held in bearer form or registered in "street name" for the accounts of customers and will be the responsibility of

such DTC Participants or Indirect Participants and not the responsibility of DTC or the City, subject to any statutory and regulatory requirements as may be in effect from time to time.

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption or other notices to bondholders only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect, will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amounts of such maturity held by DTC. In such event, DTC may implement, through its book-entry system, a redemption of Bonds held for the accounts of DTC Participants in accordance with its own rules or other agreements with DTC Participants and then DTC Participants and Indirect Participants may implement a redemption of the Bonds for the Beneficial Owners.

THE CITY HAS NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR THE PERSON FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF PORTIONS OF THE BONDS FOR REDEMPTION.

Registered ownership of the Bonds, or any portions thereof, may not be transferred on the books of the Bond Registrar except:

(a) To any successor of DTC or its nominees;

(b) To any substitute depository designated by the City upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository;

(c) To any person, upon discontinuance of the book-entry system as described below.

The City cannot and does not give any assurances that DTC Participants or Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of and interest on the Bonds or (ii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with the DTC Participants are on file with DTC.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the City and Bond Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, if there is not a successor securities depository, the City and the Bond Registrar will cause to be authenticated and delivered Bond certificates to the Beneficial Owners as shown on the records of DTC. The Beneficial Owners of the Bonds, upon registration of the certificates held in the Beneficial Owners' names as shown on the records of DTC, will become the registered owners of the Bonds.

THE CITY

General Information

The City of DeKalb had a 2018 estimated population of 42,661, according to the U.S. Census. The City is comprised of a 15.55 square mile community situated on the I-88 corridor, with approximately 130 centerline miles of streets. The City is a 30-minute drive to the cities of Aurora and Naperville, and only a little more than an hour away from both downtown Chicago and O'Hare International Airport. Yet, in spite of 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.

The City is a home-rule unit of government under the 1970 Illinois Constitution and as such 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. The City is governed by a mayor (elected at large) and seven alderman (elected from wards) who collectively form the Council. In 1961, the City adopted the Council-Manager form of government by referendum. Seven aldermen are elected, one in each of the seven wards, and aldermanic elections are held every two years, at which time half of the Council is elected. The Mayor is elected, at large, every four years. The City Manager is appointed by the Council and all other employees are appointed by the City Manager. The elected officials determine policy while professional appointed officials implement policy. Council members are elected to four-year terms. The three even-numbered Wards and the Mayor's office are up for election on April 6, 2021.

City Services

The City Manager serves as the administrative head of the City and is in charge of the day-to-day operations of the City and its 188 full-time and 40 part-time employees. Union membership covering hourly employees includes the Fraternal Order of Police Lodge ("*FOP*") #115, Local 1236 of the International Association of Firefighters, and Local ("*IAFF*") 813 of the American Federation of State, County & Municipal Employees ("*AFSCME*").

The FOP #115 labor contract was recently extended and expires December 31st, 2022. The IAFF Lodge 1236 labor contract and the AFSCME Local 813 labor contract expire December 31st, 2020.

Public safety for the City residents is provided by the DeKalb Police Department, which consists of 60 sworn officers, 21 civilian full-time (including public safety dispatch), 1 station, 36 patrol and investigation division vehicles, and 2 Harley motorcycles as of January 2019. The DeKalb Fire Department provides both fire protection as well as paramedic services to local residents. It consists of 54 sworn and 1 civilian employee, 3 stations, 6 ambulances, 4 fire engines, and 2 ladder trucks. The City currently enjoys an Insurance Services Office classification of "2" which is the lowest rate in the County. Ratings range from 10 (least desirable) to 1 (best).

The City owns and operates the DeKalb Taylor Municipal Airport (deeded to the City by the Reconstruction Finance Authority in 1948). The airport is a first class all-weather general aviation facility. Its main runway is 7,200 x 100 feet, and has a supporting runway of 4,200 lineal feet. A full service fixed based operator provides aircraft repair and service, fuel, leasing and charter services, and flight instruction.

The City owns and operates a water supply and distribution system, comprised of both shallow and deep wells served by two aquifers. The system has the capacity to pump 12 million gallons

per day. The average daily pumping is about 2.5 million gallons per day. Overall storage capacity is 5.75 million gallons.

The City's wastewater treatment is performed by a separate taxing body, the Kishwaukee Water Reclamation District (KWRD). The KWRD has the capacity to treat 8.63 million gallons per day and on average treats about 2 million gallons per day.

The water and wastewater systems available in the City were a key factor in the attraction of the Ferrara and Facebook facilities in 2020.

The DeKalb Public Library was established in 1893. Its present building, which was constructed in 1931, has been remodeled and an addition was constructed in 2012. The library has access to the collection of the Northern Illinois Library System, allowing patrons to access the 1.8 million volumes of NIU.

Northern Illinois University

Chartered in 1895, Northern Illinois University (NIU) is a comprehensive teaching and research institution with a total student enrollment of 16,769 as of NIU's Fall 2020.

NIU is the State's 3rd largest public University. The University has 7 degree-granting colleges that offer more than 60 undergraduate majors, 70 minors, 9 pre-professional programs and 79 graduate programs including a College of Law, and 24 areas of study leading to doctoral degrees, NIU claims about 250,000 alumni, most of whom live in the northern Illinois region (inclusive of Chicago).

NIU is an NCAA Division I school and the NIU Huskies compete in the Mid-American Conference.

NIU experienced its first increase in student enrollment since 2008. The total number of NIU employees is 3,291. COVID-19 impacts affect our local university community by limiting student-staff travel in and out of the DeKalb area. NIU is DeKalb County's largest economic engine delivering $900,000,000 in economic impact yearly, according to NIU's Center for Governmental Studies 2015 analysis. NIU remains open for in-person hybrid learning and remote instruction, as necessary. Many students are believed to be local and likely to remain independent from their homes across the State and nation, assisting the local economy to rebound from COVID-19 impacts.

Additional Educational Facilities

Kishwaukee College (KC) is located approximately six miles west of the City on Illinois Route 38. This facility is a fully accredited comprehensive two-year undergraduate institution, founded in 1968. KC serves a 100,000 person district. KC employs 370 professional staff and in 2019 had a total student enrollment of 5,754 (1,018 non-credited). While some of these courses of study make it easy to transfer to four-year colleges and universities, many others prepare students to enter or to advance themselves in technical and other occupational fields. For those who complete graduation requirements, Kishwaukee can confer either Associate of Arts (A.A.), Associate of Science (A.S.), or Associate of Applied Science (A.A.S.) degrees, as well as many certificates of training. In addition, the College offers adult basic education, high school equivalency diplomas (G.E.D.), and English as a Second Language courses. Non-credit personal interest courses, trips and tours, Kids College, and continuing education offerings are also available. KC offers five transfer degrees and 70 occupational degrees and certificates. These academic programs range from Accounting, Social Sciences, Career Technologies, to Medical Assisting. Most transfer students move on to a baccalaureate course of study at NIU.

KC is open for Fall 2020 classes. According to KC COVID-19 Response Page, a majority of classes are held online. KC is in Malta, IL approximately 6 miles West of DeKalb. Many of KC's students live off campus in DeKalb, IL apartments and continue to assist the DeKalb economy.

The City is directly served by Community Unit School City District 428, which features 12 schools. This includes an early childhood development center, 8 elementary schools, 2 middle schools, and a high school. Approximately 68% of students seek post-secondary education within 16 months. D428 average SAT ELA is 497.5 (IL: 490.4) and SAT Math 497 (IL: 473.7).

Parks and Recreation

The DeKalb Park District has 40 public parks with a combined area totaling over 700 acres. The park district is a separate taxing body and is comprised of the following; 2 public golf courses, a pool-swimming complex with 2 water slides, a 10,000 square foot community center, 9 miles of bike paths, and a gymnasium. Other recreational activities include; 1 private country club *(with golf, swimming and tennis facilities),* 10 public tennis courts, 13 lighted ball diamonds, 200 acres of forest preserve, 1 health club, YMCA *(w/Olympic pool),* 8 regulation and 4 junior soccer fields, and Shabbona Lake State Park located 17 miles south of the City.

Transportation

The City is located 65 miles west of Chicago, situated as the western anchor of the I-88 corridors. Other interstate highways connect the City to other major Midwest locations. Major freight railroad lines and bus services also serve the City.

Additional Community Amenities

Also in the City; 3 movie theaters, Kishwaukee Symphony Orchestra, DeKalb Municipal Band, DeKalb Community Theatre, Emergence Dance Theatre, Children's Community Theatre, the NIU Theatre Group, and Northern Illinois University 10,000 seat Convocation Center, a $36 million multipurpose facility that hosts a variety of events. Events include concerts, family shows, theatrical productions, commencement ceremonies, job fairs, trade shows, Huskie athletic events *(Basketball, Volleyball, Track, Gymnastics and Wrestling).* Features include; 215,000 square feet with more than 45,000 square feet of floor space, 3,000 parking spaces, flexible floor plans, retractable seating, completely accessible grade-level entrance, NCAA-level indoor track allows NIU to establish a women's track program and meet Title IX requirements, fulfills the need for a local facility with large-scale event space, attractive lobby and reception space for VIP events, and attached building houses offices, media center, practice gym, food preparation, storage, etc.

SOCIOECONOMIC INFORMATION

Employment

The diversity of employment within the City is reflected in a wide variety of employers and employment opportunities located within the City. The following is a list of large employers located in or immediately surrounding the City.

Largest Employers[1]

Employer	2019 Employees	2019 % of Total City Population
Northern Illinois University	3,596	8.17%
KishHealth System	1,443	3.28%
Target Distribution Center	1,250	2.84%
3M	950	2.16%
DeKalb School District	900	2.04%
Wal-Mart Super Center	475	1.08%
American Marketing & Publishing	358	0.81%
Ideal Industries Inc.	344	0.78%
Sonoco Corp - Alloyd Brands	330	0.75%
Nestle Distribution	250	0.57%
Jewel/Osco	200	0.45%

(1) Source: Illinois Manufacturers Directory, Illinois Services Directory, DeKalb County Economic Development Corporation, City Records.

Unemployment Rates

Annual Average Unemployment Rates [1]

Year	City of DeKalb	DeKalb County	State of Illinois
2014	6.9%	6.5%	7.1%
2015	5.0%	5.5%	5.9%
2016	5.2%	5.3%	5.9%
2017	4.5%	4.6%	4.9%
2018	4.6%	4.3%	4.3%
2019	4.1%	4.1%	4.0%
2020[2]	13.4%	12.2%	14.6%

(1) Source: Illinois Department of Employment Security.
(2) Data to June 2020, includes Impact of COVID-19.

Building Permits

The following chart indicates the estimated value of residential building permits issued in the City.

Calendar Year	Units	Value
2014	753	$ 8,958,807
2015	678	54,359,021
2016	704	66,276,980
2017	963	35,210,556
2018	1,043	6,296,207
2019	1,079	70,978,241
2020	760	77,543,778*

Source: The City
*2020 through August. 2019 and 2020 reflect the positive impact of the Facebook and Ferrara. Permit fees and valuation for the Ferrara distribution center were recorded just before the end of December 2019 and therefore are recorded in 2019. The term "*units*" includes a range of projects from fence permits to commercial buildings. In 2014, there were very few large projects of size. In 2018, the inspection team was changed, such a change generally causes a decrease in permits for large projects.

Income

The following summarizes the per capita income trend for the City compared to the County and the State of Illinois.

	2000	2010	2019	% Change 2000-2019
City of DeKalb	$ 16,261	$ 18,488	$ 22,473	38.20%
DeKalb County	19,462	23,222	28,073	44.25
State of Illinois	23,104	28,424	34,463	49.16

Source: U.S. Census Bureau

Income Statistics

Value	City of DeKalb	DeKalb County	State of Illinois
Less than $10,000	13.8%	7.7%	6.5%
$10,000 to $14,999	6.9%	4.3%	4.0%
$15,000 to $24,999	10.2%	9.0%	8.9%
$25,000 to $34,999	10.3%	8.6%	8.6%
$35,000 to $49,999	12.3%	11.9%	12.0%
$50,000 to $74,999	17.9%	19.4%	17.2%
$75,000 to $99,999	9.5%	12.9%	12.7%
$100,000 to $149,999	12.1%	16.5%	15.6%
$150,000 to $199,999	3.9%	5.8%	6.9%
$200,000 or more	3.2%	3.9%	7.6%
Median household income (dollars)	$44,222	$61,086	$63,575
Mean household income (dollars)	$60,832	$75,000	$88,857

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Home Value Median

Value	City of DeKalb	DeKalb County	State of Illinois
Less than $50,000	4.4%	4.7%	6.7%
$50,000 to $99,999	13.7%	8.2%	15.0%
$100,00 to $149,999	28.4%	23.3%	15.7%
$150,000 to $199,999	29.9%	27.5%	16.1%
$200,000 to $299,999	20.0%	24.5%	21.0%
$300,000 to $499,999	2.9%	9.5%	16.9%
$500,000 to $999,999	0.8%	1.7%	7.0%
$1,000,000 or more	0.0%	0.6%	1.8%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Employment by Occupation

OCCUPATION	City of DeKalb	DeKalb County	State of Illinois
Management, business, science, and arts occupations	33.5%	33.7%	38.1%
Service occupations	23.5%	20.0%	17.2%
Sales and office occupations	24.1%	22.6%	22.4%
Natural resources, construction, and maintenance occupations	5.4%	8.9%	7.2%
Production, transportation, and material moving occupations	13.5%	14.8%	15.1%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Employment by Industry

INDUSTRY	City of DeKalb	DeKalb County	State of Illinois
Agriculture, forestry, fishing and hunting, and mining	1.0%	2.3%	1.1%
Construction	2.3%	5.6%	5.3%
Manufacturing	11.4%	12.8%	12.1%
Wholesale trade	1.5%	2.6%	3.0%
Retail trade	15.5%	13.7%	10.8%
Transportation and warehousing, and utilities	4.5%	5.0%	6.3%
Information	2.1%	1.7%	1.9%
Finance and insurance, and real estate and rental and leasing	3.9%	4.5%	7.3%
Professional, scientific, and management, and administrative	6.3%	7.6%	11.8%
Educational services, and health care and social assistance	27.3%	25.0%	22.9%
Arts, entertainment, and recreation, and accommodation and	16.7%	11.2%	9.1%
Other services, except public administration	4.0%	4.2%	4.7%
Public administration	3.6%	3.7%	3.6%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Educational Levels for 25 Years of Age and Older

AGE BY EDUCATION ATTAINMENT	City of DeKalb	DeKalb County	State of Illinois
Less than 9th grade	3.1%	3.0%	5.0%
9th to 12th grade, no diploma	4.4%	4.6%	6.1%
High school graduate (includes equivalency)	21.5%	25.5%	26.1%
Some college, no degree	22.8%	24.3%	20.7%
Associates degree	10.8%	11.2%	8.0%
Bachelor's degree	21.7%	19.6%	20.8%
Graduate or professional degree	15.7%	11.8%	13.3%
High school graduate or higher	92.4%	92.4%	88.9%
Bachelor's degree or higher	37.3%	31.4%	34.1%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Population

	2000	2010	2019*	% Change 2000-2019
City of DeKalb	39,018	43,862	44,030	12.85%
DeKalb County	88,969	105,160	104,897	17.90
State of Illinois	12,419,293	12,830,632	12,671,821	2.03

Source: U.S. Census Bureau
*Estimate through July 1, 2019

Sales Receipts

The following table shows the amounts reported by retailers in the City for calendar year 2015 through 2019. These sales tax receipt numbers provide an indication of consumer spending categorized by standard industrial classification.

Category	Descriptions	2015	2016	2017	2018	2019
1	General Merchandise	$ 1,429,830	$ 1,374,207	$ 1,340,435	$ 1,374,575	$ 1,402,972
2	Food	625,743	600,619	614,029	605,569	633,165
3	Drinking and Eating Places	736,908	751,365	781,993	774,159	785,364
4	Apparel	96,825	93,076	87,526	89,400	88,293
5	Furniture & H.H. & Radio	222,194	213,615	205,428	207,960	202,711
6	Lumber, Bldg, Hardware	266,675	281,154	281,767	264,157	279,546
7	Automotive & Filling Stations	816,447	750,906	818,864	886,577	929,504
8	Drugs & Misc. Retail	868,831	898,508	882,885	904,182	939,500
9	Agriculture & All Others	267,896	267,171	295,365	283,440	300,449
10	Manufacturers	14,557	37,033	40,924	40,352	51,799
Totals		$ 5,345,9107	$ 5,267,659	$ 5,349,221	$ 5,430,376	$ 5,613,307
	Number of Taxpayers	807	813	826	805	798

Source: Illinois Department of Revenue

DEBT INFORMATION

General

The City is a home rule unit of government under the 1970 Illinois Constitution and has no tax rate or debt limit. As a home rule unit, the City is not required to seek referendum approval to raise its tax rate or to issue debt.

Direct General Obligation Bonded Debt (Principal Only)

Calendar Year	Series 2010A Bonds[1] (December 1)	Series 2010C Bonds[2] (January 1)	Series 2012A Bonds[3] (January 1)	Series 2013A Bonds[4] (January 1)	Series 2013B Bonds[5] (January 1)	Series 2014 Bonds[6] (January 1)	Series 2019 Bonds[7] (January 1)	The Bonds* (January 1)	Less: Refunded Bonds (January 1)*	Total*
2020	$1,105,000	$ 680,000		$ 305,000	$ 700,000	$ 340,000			($1,460,000)	$1,670,000
2021	1,145,000	715,000		315,000	725,000	345,000	$ 20,000			3,265,000
2022		755,000		325,000	745,000		35,000			1,860,000
2023		645,000	$765,000	335,000			185,000			1,930,000
2024			780,000	345,000			870,000			1,995,000
2025			795,000	355,000			885,000			2,035,000
2026			810,000	365,000			905,000			2,080,000
2027			830,000	375,000			920,000			2,125,000
2028			845,000	390,000			105,000	$425,000		1,765,000
2029			865,000	405,000				540,000		1,810,000
2030			505,000	420,000				935,000		1,860,000
2031				435,000						435,000
2032				450,000						450,000
2033				470,000						470,000
Total	$2,250,000	$2,795,000	$6,195,000	$5,290,000	$2,170,000	$ 685,000	$3,925,000	$1,900,000	($1,460,000)	$23,750,000

[1] General Obligation Bonds, Series 2010A, dated May 27, 2010.
[2] General Obligation Refunding Bonds, Taxable Series 2010C, dated December 1, 2010.
[3] General Obligation Bonds, Series 2012A, dated October 25, 2012.
[4] General Obligation Bonds, Series 2013A (DeKalb Library), dated June 18, 2013.
[5] General Obligation Bonds, Series 2013B, dated June 18, 2013.
[6] General Obligation Refunding Bonds, Series 2014, dated November 20, 2014.
[7] General Obligation Refunding Bonds, Series 2019, dated October 23, 2019.
*Preliminary, subject to change.

Overlapping General Obligation Bonded Debt

(As of December 31, 2019)	Gross Bonded Debt	Percentage of Debt Applicable to the City*	City's Share of Debt
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 District #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 General Obligation Bonded Debt			$76,665,599

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

Source: DeKalb County Clerk's Office

Selected Financial Information

Estimated Full Value of Taxable Property, 2019	$1,757,180,517
Equalized Assessed Valuation of Taxable Property, 2019	$585,726,839
Population Estimate(1)	44,030
General Obligation Bonded Debt*	$23,750,000
Other Direct General Obligation Debt:	
IEPA Loans(2)	$1,600,094
Leases	0
Total Direct General Obligation Debt*	$25,350,094
Percentage to Full Value of Taxable Property	1.4%
Percentage to Equalized Assessed Valuation	4.3%
Per Capita	$575.75
Overlapping General Obligation Bonded Debt	$76,665,599
Direct General Obligation and Overlapping General Obligation Bonded Debt	$102,015,693
Percentage to Full Value of Taxable Property	5.8%
Percentage to Equalized Assessed Valuation	17.4%
Per Capita	$2,316.96

(1) Source: U.S. Census Bureau - Estimate through July 1, 2019.
(2) As of December 31, 2019.
*Preliminary, subject to change.

Future Debt and Short Term Borrowings

No future issuances are planned in the next twelve months. The City does not utilize short-term borrowing.

Default Record

The City has no record of default and has met all of its debt repayment obligations promptly.

PROPERTY TAX INFORMATION

Assessment

The township assessor of each of the townships in the County is responsible for the assessment of all taxable real property within the township except for certain railroad property and certified pollution control facilities, which are assessed directly by the State. The township assessors reassess the County every fourth year. After the township assessors establish the fair market value of a parcel of land, the value, as revised by the county supervisor of assessments, is multiplied by 33-1/3% to arrive at the assessed valuation ("*Assessed Valuation*") for that parcel. Each township assessor and the county supervisor of assessments may revise the Assessed Valuation pursuant to requests of taxpayers. Taxpayers can also petition for review of their assessments by the County Board of Review. In addition, limited judicial review of assessments is available during the tax collection process, when the County Collector presents the Warrant Books (defined below) to the Circuit Court for judgment, or by appeal to the State Property Tax Appeal Board.

Equalization

After the township assessors and the county supervisor of assessments have established the Assessed Valuation for each parcel for a given year and township multipliers have been established, and following the County Board of Review revisions, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (commonly called the "*multiplier*") for each county, to make all valuations uniform among the 102 counties in the State.

The equalization factors for the County have been 1.000 for the last several years.

Once the equalization factor is established, the Assessed Valuation determined by the assessors, as revised by the Board of Review, are multiplied by the equalization factor to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations are the final property valuation used for determination of tax liability.

The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State and the valuation of farms assessed under the direction of the State, constitutes the total real estate tax base for that unit, and is the figure utilized to calculate tax rates.

Exemptions

An annual General Homestead Exemption (the "*General Homestead Exemption*") provides that the Equalized Assessed Valuation ("*EAV*") of certain property owned and used for residential purposes ("*Residential Property*") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $3,500 for assessment years prior to assessment year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of $5,000 for assessment year 2004 through 2007 in all counties. Additionally, the maximum reduction is $5,500 for assessment year 2008 and the maximum reduction is $6,000 for assessment year 2009 and thereafter in counties with less than 3,000,000 inhabitants.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to an annual maximum amount of $75,000 per year for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("*Senior Citizens Homestead Exemption*") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by $2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is $3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is $3,500 in all counties. In addition, for assessment year 2008 through 2012, the maximum reduction is $4,000 in counties with less than 3,000,000 inhabitants. For taxable years 2013 and thereafter, the maximum reduction is $5,000 in all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("*Senior Citizens Assessment Freeze Homestead Exemption*") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is $55,000. In general, the Senior Citizens Assessment Freeze Homestead Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with a population of less than 3,000,000, the Senior Citizens Assessment Freeze Homestead Exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the Senior Citizens Assessment Freeze Homestead Exemption phases out as the amount of household income increases. The amount of the Senior Citizens Assessment Freeze Homestead Exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their

spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("*Disabled Persons' Homestead Exemption*") or the Disabled Veterans Standard Homestead Exemption ("*Disabled Veterans Standard Homestead Exemption*") cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service connected disability of 75 % are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Tax Levy

There are over 130 units of local government in (or partly in) the County which have real estate taxing powers (the "*Units*"). As part of the annual budget process of the Units, the governing body of each Unit adopts ordinances or resolutions, in each year in which they determine to levy real estate taxes. These tax levy ordinances or resolutions impose their respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by ordinance or resolution, to the County Clerk's Office. The remaining administration and collection of the real estate taxes are statutorily assigned to the County Clerk and the County Treasurer who also serves as the County Collector.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. This computation is made by dividing the levy of each Unit by the Equalized Assessed Valuation of the respective Unit. If any tax rate thus calculated exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Taxes levied for debt service on the Bonds are not subject to any statutory limit.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel in the books prepared for the County Collector (the "*Warrant Books*") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. These books are the Collector's authority for the collection of taxes and are used by the Collector as the basis for issuing tax bills to all property owners.

On July 29, 1981, legislation known as the Truth in Taxation Act became effective, which requires additional procedures in connection with the annual levying of property taxes. Notice in

prescribed form must be published if the aggregate annual levy is estimated to exceed 105% of the aggregate extension of the preceding year, exclusive of election costs and debt service costs. A public hearing must also be held. No amount in excess of 105% of the preceding year's extension may be levied unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels. However, the legislation does not impose any limitation on the rate or the amount of the levies extended to pay principal of or interest on the Bonds.

Collection

Property taxes are collected by the County Collector who remits to the County its share of the collections. Taxes levied for one calendar year become payable during the following calendar year in two equal installments, the first on the later of June 1 or 30 days after the mailing of the tax bills and the second on or about the later of September 1. Unpaid taxes accrue penalties at the rate of one half of one percent (1% for agricultural property) per month from their due date, until the date of payment. During periods of peak collections, tax receipts are forwarded to each taxing district on a daily basis.

At the end of each calendar year, the Collector presents the Judgment record to the Circuit Court, and applies for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Judgment record. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within two years, the tax buyer can petition the court for a deed to the property.

Personal Property Tax Replacement

The Illinois General Assembly, pursuant to section 5(c) of Article IX of the 1970 Constitution of the State of Illinois, abolished all ad valorem personal property taxes as of January 1, 1979, and to replace the lost revenue, adopted a Personal Property Tax Replacement Income Tax. Such tax is measured by the net income, as defined, of every corporation, partnership and trust for each taxable year ending after June 30, 1979, and also by the invested capital, as defined, of certain public utilities. Collection of said replacement taxes are deposited and held in a Personal Property Tax Replacement Fund for distribution to taxing districts eight times per year.

Moneys received by any taxing district from the Personal Property Tax Replacement Fund shall be first applied toward payment of the proportionate amount of debt service which was previously levied and collected from extensions against personal property on bonds outstanding as of December 31, 1978 and next applied toward payment of the proportionate share of the pension or retirement obligations of the taxing district which were previously levied and collected from extensions against personal property, and any funds remaining may be used for any corporate purpose for which personal property taxes were used.

Equalized Assessed Valuation

Property	2014	2015	2016	2017	2018	2019
Residential	$285,032,206	$283,233,886	$298,748,883	$305,785,673	$316,779,699	$336,652,943
Farm	1,010,413	1,020,259	1,098,215	1,162,643	1,184,329	1,248,640
Commercial	138,851,901	142,889,179	154,031,848	164,843,724	170,625,427	182,469,081
Industrial	38,459,111	38,998,251	48,012,868	55,827,547	57,198,687	62,998,697
Railroad	1,612,750	1,936,167	1,970,015	2,009,877	2,159,545	2,357,478
Total	$464,966,381	$468,077,742	$503,861,829	$529,629,464	$547,947,687	$585,726,839

Source: DeKalb County Clerk's Office

Taxes Extended and Collected

Levy Year	Collection Year	Taxes Extended	Total Collection Amount	Total Collection Percent
2015	2016	$5,094,730	$5,049,737	99.12%
2016	2017	5,565,384	5,523,531	99.25%
2017	2018	6,004,594	5,869,058	97.74%
2018	2019	6,017,140	5,897,168	98.01%
2019*	2020	6,269,649	5,908,982	94.24%

Source: DeKalb County Treasurer's Office
*Amount reflects collections through October 15, 2020.

Tax Rates per $100 of Assessed Valuation

	2014	2015	2016	2017	2018	2019
City of DeKalb	1.0245	1.1942	1.2021	1.2268	1.1883	1.1549
DeKalb Library	0.3868	0.4911	0.4562	0.3872	0.2081	0.3868
Total	1.4113	1.6853	1.6583	1.6140	1.3964	1.5417
DeKalb County	1.2483	1.2364	1.1429	1.1201	1.0951	1.0752
DeKalb Township	0.1797	0.1820	0.1724	0.1709	0.1683	0.1632
DeKalb Road & Bridge	0.2106	0.2133	0.2020	0.2006	0.1961	0.1867
Forest Preserve District	0.0876	0.0853	0.0799	0.0783	0.0766	0.0748
Sanitary District	0.1486	0.1504	0.1425	0.1389	0.1375	0.1360
School Districts	8.2714	8.2500	7.8132	7.7209	7.3854	7.1838
Kishwaukee Community College	0.7123	0.6972	0.6700	0.6669	0.6683	0.6528
Park District	0.7969	0.7960	0.7559	0.7450	0.7366	0.7205
Total	13.0667	13.2959	12.6371	12.4556	11.8603	11.7347

Source: DeKalb County Clerk's Office

Principal Taxpayers within the City

Taxpayers	2019 Taxable Assessed Valuation	2019 Type of Business, Property	2019 Percentage of Total Assessed Valuation
3M	$24,311,971	Warehouse/Distribution	4.15%
Target	13,847,588	Warehouse/Distribution	2.36%
DeKalb Area Retirement Center	8,440,668	Retirement Center	1.44%
DeKalb 1 Preservation -University Village I & II	7,808,300	Apartments	1.33%
Panduit	7,620,929	Manufacturing	1.30%
ARC - Goodyear	7,054,926	Warehouse/Distribution	1.20%
MCJ Investments LLC - Bedi, Virender & Sukhdrshan	6,770,289	Apartments	1.16%
Nestle - LIT Industrial Limited Partnership	6,426,800	Warehouse/Distribution	1.10%
Mason Properties	6,202,375	Apartments	1.06%
Fairview MSFP II, LLC	4,318,992	Warehouse/Distribution	0.74%
Total:	$92,622,838		15.84%

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

FINANCIAL UPDATE

Upon the appointment of the new City Manager in late December 2018, the Council charged the professional administration to identify ways that the General Fund reserve balance could be restored to more than 25% of the General Fund's budgeted annual expenditures. On January 28, 2019, the projected reserve shortfall of about $1.1 million was filled with about $1 million in management layoffs, a reduction in non-personnel spending, and a personal contribution of $30,000 from the City Manager to finally close the gap. These fiscal moves and rigorous department constraints on spending raised the General Fund balance from 20% of actual expenditures on December 31, 2018 to 29.6% of expenditures on December 31, 2019 (an increase of $3,121,847). See "**APPENDIX A - CITY OF DEKALB, ILLINOIS FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS**" and "**APPENDIX B – SUMMARY OF OPERATING RESULTS**" for additional information on historical financial performance.

The first several months of fiscal year ending December 31, 2020 were promising, but then the COVID-19 crisis erupted. With the closure of many businesses by the third week in March in Illinois, the City had to re-calculate its revenue projections and spending. The City implemented over $2.38 million in expenditure reductions to offset COVID's impact on City finances (budget savings of over $2.1 million for the General Fund and $261,000 for the Water Fund) through the following measures:

- Personnel reductions provided savings of approximately $1 million to the General Fund and $261,000 to the Water Fund.
- Reduction across the board of already constrained commodity expenses by 5%, yielding $50,000.

- An estimated reduction of $315,000 in tax-sharing with other taxing bodies is assumed based on the fall in tax revenues to be shared. Also, another $65,000 of contractual services was cut across all operating budgets.
- About $500,000 can be transferred to the General Fund from the Capital Equipment Replacement Fund without violating any audit protocols. A Fire Engine purchase was deferred to a future fiscal year.
- The General Fund was slated to transfer $186,333 to the Capital Projects Fund which was put on hold.

The City estimates conservatively that it can qualify for about $1 million in Federal CARES Act funding based on records for activity between March 1 and August 31, 2020. The City is estimating a 14% decline ($2.2 million) in sales and use taxes, a 10% decline ($380,000) in gross receipts taxes (includes electric, gas, telecommunication and franchise taxes), a 14% decline ($498,000) in services charges and a 25% decline ($168,000) in fines. Overall, the City's General Fund reserves are expected to decrease by the anticipated fiscal year 2020 deficit of $1.9 million.

The table below summarizes the City's budget and anticipated results for fiscal year ending December 31, 2020 along with its proposed budget for fiscal year ending December 31, 2021.

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	FY2020 Budget	FY2020 Est	FY2021 Budget		
Beginning Fund Balance	$ 10,524,735	$ 10,524,735	$ 8,614,134		
Revenues by Category				**FY20/FY21**	**% Difference**
Property Taxes	$ 6,269,649	$ 6,269,649	$ 7,060,000	$ 790,351	12.61%
Sales & Use Taxes	15,764,982	13,508,102	13,511,684	3,582	0.03%
Gross Receipts Taxes	3,611,000	3,267,477	3,507,592	240,115	7.35%
Intergovernmental	5,475,534	5,145,242	5,623,513	478,271	9.30%
Licenses & Permits	675,500	740,528	735,271	-5,257	-0.71%
Service Charges	3,534,500	3,036,374	3,500,369	463,995	15.28%
Fines	676,000	507,433	499,314	-8,119	-1.60%
Other Income	1,452,092	1,059,910	1,061,560	1,650	0.16%
Transfers In	1,308,000	1,283,000	778,000	-505,000	-39.36%
Total Revenues	$ 38,767,257	$ 34,817,715	$ 36,277,303	$ 1,459,588	4.19%
Expenditures by Category					
Personnel	$ 30,790,624	$ 29,781,124	$ 30,062,246	$ 281,122	0.94%
Commodities	1,022,886	972,886	820,776	-152,110	-15.63%
Contractual Services	4,384,966	4,034,966	3,616,480	-418,486	-10.37%
Equipment	40,000	40,000	27,000	-13,000	-32.50%
Transfers Out	1,899,340	1,899,340	1,415,549	-483,791	-25.47%
Total Expenditures	38,137,816	36,728,316	35,942,051	-786,265	-2.14%
Rev-Exp	629,441	-1,910,601	335,252	2,245,853	-117.55%
Prior Period Adjustment	0	0	0		
Ending Fund Balance	$ 11,154,176	$ 8,614,134	$ 8,949,386	$ 335,252	3.89%
vs. Reserve Policy 25%	29.25%	23.45%	24.90%		

Includes additional transfer to Police & Fire Pension Funds of $1,031,368 for property tax shortfall; $290,393 for the larger portion of the Library GO bond payment in 2021; and a $1.795 million reduction in the General Fund transfer for other GO Bond debt service.
Includes $500,000 in Cares Act federal funding in FY2020, and $500,000 in FY2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Fund Accounting

The City's accounting policies conform to the modified accrual basis of accounting. Fund accounting is utilized by the City to account for the diverse nature of its activities. Each fund is established to account for a certain type of activity and is accounted for as a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. See "**APPENDIX A - CITY OF DEKALB, ILLINOIS FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS**" and "**APPENDIX B – SUMMARY OF OPERATING RESULTS**"

The following fund types and account groups are used by the City:

Government Fund Type

General Corporate Fund

This fund is the general operating fund of the City and is used to account for all activities of the City not included in other specified funds. General Corporate Fund accounts for the normal recurring activities of the City, such as police and fire services, transportation and general government. These activities are funded principally by property taxes levied on individuals and businesses, utility taxes and the distribution of various taxes collected by the State of Illinois.

Special Revenue Funds

These funds are used to account for activities which are financed from specific sources that are legally restricted for specific purposes. In addition, amounts received under the U.S. Department of Housing and Urban Development and State of Illinois Motor Fuel Tax programs are accounted for as Special Revenue Funds.

Debt Service Funds

These funds are used to account for the payment of principal and interest on general long-term debt for the City.

Capital Projects Funds

These funds are used to account for the purchase, construction or renovation of major fixed assets (other than those financed by proprietary funds) financed by the distribution of the income tax surcharge collected by the State of Illinois and proceeds of general obligation bonds.

Basis Accounting

The accounting for the Governmental Fund Types, the Expendable Trust Funds and the Agency Funds follows the modified accrual basis of accounting. Under this basis, revenues are recognized when susceptible to accrual, i.e., 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. Property tax revenues are recognized in the year due and collected. Property taxes levied in the current year are recorded as a receivable and a deferred revenue on the balance sheet as it is the City's policy to budget the collection of this tax levy to finance City operations in the subsequent fiscal year. The fair share assessment receipts are recorded as revenue at the time the related expenditure is appropriated for use of these funds. Other revenues are normally recorded only as received in cash. Expenditures are generally recognized when the related fund liability is incurred; however, principal and interest expense on general long-term debt are recognized when due. Capital outlays are recorded as expenditures at historical cost at the time of purchase.

The City's Proprietary Funds and the Pension Trust Funds follow the accrual basis of accounting whereby revenues are recorded as earned and expenses are recorded when incurred.

Budgets and Budgetary Accounting

The budget for the current fiscal year is presented to the Council prior to the end of the preceding fiscal year. Budgets are prepared under the accrual or modified accrual method of accounting, as is appropriate for all funds of the City except the General Trust Fund. The City's Finance Department

prepares monthly revenue and expenditure statements which contain a year-to- date comparison to the adopted budget. All tax levy ordinances are filed with the County on or before December 31st of the calendar year as required by statutes. Budgetary information reflects revisions made during the year. Revisions that alter the total expenditures of any division or fund must be approved by the Council.

INVESTMENT AND CASH MANAGEMENT POLICY

The City has adopted a comprehensive Investment and Cash Management Policy (the "*Policy*") addressing the administration of all funds except those restricted by specific ordinances. Examples of funds not subject to the Policy are debt service and reserve funds, which are subject to limitations set forth in the bond ordinances authorizing the issuance of the related bonds.

The City Manager has delegated the responsibility of the management of the Policy to the Comptroller/Treasurer. The Comptroller/Treasurer provides an investment report to the Council at least monthly.

The City's investment objective as summarized in the Policy is to preserve capital, provide liquidity, and maximize investment income. Further, the Policy establishes a standard of prudence which states the "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The Policy limits investments to those authorized under the Illinois Revised Statutes which includes but is not limited to United States Treasury securities, bank time deposits, commercial paper; Federal agency obligations rated AAA, and other highly rated investments. Further, the Policy specifically prohibits certain derivative investments.

Collateral is required for funds in checking accounts, certificates of deposit, and savings accounts in excess of FDIC or SIPC limits (excluding interest). The pledged collateral is held by an independent third party in the name of the municipality.

The Policy requires that liquidity in the portfolio be maintained to meet operating needs based on cash forecasts. Repurchase agreements can be used to provide liquidity and maintain investment returns. City investments cannot exceed a final maturity of seven years unless authorized specifically by Council. Investments for debt service requirements would not exceed the payment date.

CAPITAL IMPROVEMENT PROGRAM

The City has made a commitment to investment in comprehensive long-term capital improvements to efficiently provide quality municipal services. A major focus of recent capital improvement projects has been to support the economic development initiatives of the City. The funding for the infrastructure needs of the City are derived from existing revenue sources and the additional revenue generated from economic development and population growth without increasing the City's tax burden. Borrowing is used to the extent that the projects justify leveraging these revenue sources.

The City has a comprehensive planning process for the capital improvements. Initially, City departments compile their requested projects and submit them to the City Manager for consideration. On an annual basis, the City Manager compiles a five-year capital plan including the

proposed funding sources which is submitted to the Council for review and approval. The plan that is adopted by the Council is a commitment to projects for the next fiscal year and a tentative plan for the following four years.

The following are the major revenue sources that have been used to finance the capital improvement plan:

- Motor Fuel Tax Funds
- Local Motor Fuel Tax
- State and Federal Grants
- Enterprise fund revenues
- Bond proceeds

Capital Revenues and Street Repair

In the Fall of 2019, the Council and the City's volunteer Finance Advisory Committee (FAC) addressed the growing gap between the cost of upgrading streets and the available funds for street repair. With 130 centerline miles of roads to maintain (75% or 97.5 miles are residential), the average street maintenance budget to maintain a pavement condition index (PCI) at a rating above 70 on all City roads would require about $3.7 million per year. The annual State MFT allotment was increased by 19 cents per gallon in 2019 and added about $500,000 to the City's annual street maintenance program.

To enhance the revenues available for street improvements and fleet maintenance on a recurring basis, the Council increased its local motor fuel tax (per gallon) by 4 cents in December 2019. This increase has raised an estimated $500,000 for annual street maintenance (3 cents) and $170,000 for fleet maintenance (1 cent).

The annual war chest for street maintenance is now about $2,205,000. Other street-related costs such as sidewalk repairs, alley improvements, and construction engineering also have a modest fiscal floor under them. This is a significant increase from the roughly $750,000 spent in fiscal year ended December 31, 2017.

Capital Revenues and Fleet Management

With Respect to Fleet Management, in addition to the 1-cent increase in the local fuel tax for fleet maintenance which added about $170,000 to the annual revenues for such purposes, other smaller, recurring revenue sources include lease payments from telecommunication companies with antennae on our water towers; E911 Board payments; and an annual DeKalb County emergency services payment.

In the Fall of 2019, the Council and FAC also addressed the widening gap between the City's aging fleets and the funds available to replace them. In mid-2019, the City's fleet of Fire, Police, Public Works and other vehicles totaled 170 units with an average age that had grown from 5.7 years in 2006 to 12 years in 2018. At that time, the annual fleet maintenance costs had risen to about $300,000 per year and the replacement value of the combined City vehicles was about $12 million, with about one-half of the City's vehicles beyond their useful life. The replacement cost of the 80 or so vehicles in the worst condition was about $4.3 million. As a result of the Joint Council/FAC discussion, the City staff were directed to investigate leasing options that might accelerate vehicle replacements for a few years until a sustainable level of annual lease obligations could be established.

On May 26, 2020, the Council approved an open-ended equity lease program with Enterprise Fleet Management for 13 vehicles which should result in a cashflow benefit of $410,394 in FY 2020 alone.

Recent Developments

The City Manager led the community-wide discussions about potential incentives for both the Ferrara and Facebook projects. The essential local incentives for the Ferrara Candy Company project were approved in November and December of 2019 and encompassed in an intergovernmental agreement (IGA) which committed each local taxing body to the abatement of 50% of their property taxes on each of the three buildable parcels on the 102-acre site for a period of fifteen (15) years. The initial Ferrara phase includes a 1.4 million square foot distribution center and a 400,000 square foot packing center. The distribution center is slated for temporary occupancy in December 2020 or January 2021, and the packing center is expected to open in the second quarter of 2021. A follow-on development phase will feature a 500,000 square foot manufacturing center with rail access.

Regarding the Facebook incentives, the County's Enterprise Zone program was central. The DeKalb County Enterprise Zone provides unique benefits to "high-impact" knowledge-based developments within 3.5 miles of the centerline of I-88. Specifically, all participating taxing bodies agreed to abate 55% of the property tax revenues generated by the 505-acre site for a period of twenty (20) years, provided Facebook makes a minimum investment of $800 million and builds at least 900,000 square feet of facility space (March/April, 2020). Facebook has met the minimum threshold in their initial phase, which is currently underway. A 900,000 square foot "data hall" is underway, along with a 200,000 square foot electrical substation and a 40,000 square foot office structure. Multiple phases are likely, considering the most recent Facebook data center developments in Ohio and Georgia and the scope of the original land purchase.

The City's downtown business district has been a targeted redevelopment area for several years. Beginning in 2017 and continuing through the present, the City has dedicated a substantial share of its annual TIF increment to incentivize private property rehabilitation and redevelopment. The City has two TIF Districts which overlap the downtown business district. TIF #1, which was formed in 1986 and has been extended in conformance with state statutory steps until December 31, 2021, has provided most of the public financial assistance. TIF #1 currently comprises several thousand parcels including the downtown but also older industrial and residential areas stretching beyond Peace Road on the east and northward along the Sycamore Road commercial corridor. The annual increment in the closing years of TIF #1 has been about $7 million, but one-half of that amount is surplused to the other local taxing bodies according to an IGA. With the further reduction of about $1.2 million in declining debt service, TIF #1 can still generate about $2.3 million per year for redevelopment projects. TIF #3, created in 2019 and generating property tax increment for the first time in 2020, comprises about 180 lots exclusively within the downtown (Highway IL 38) corridor, will generate an estimated $325,000 in new property tax increment in 2021 and lasts until 2042.

In the past three years, TIF #1 has been an engine for redevelopment, much of which will be included in the downtown EAV calculations for 2020-2021. The principal projects are listed below:

- Cornerstone DeKalb, LLC. (redevelopment). This is a four-story mixed commercial/residential use at First Street and Hwy IL 38 (the proverbial "State and Main"). The development includes commercial retail and office uses on the first floor, and three floors of high-end apartments (51 units; 17 per floor). The TIF incentive of $3 million was secured by a promissory note and mortgage with the City and supports a $9 million redevelopment project that involved the

demolition of multiple declining properties; the creation of new downtown parking, and the upgrading of underground infrastructure. This project was fully occupied and received a final occupancy permit in the spring of 2019. The property tax increment from this project will be ported to TIF #3 to afford a more substantial funding pool for redevelopment supported by that fund.

- Hometown Restaurant (upgrades and expansion). On March 25, 2019, the Council unanimously approved a development agreement in the amount of $150,000 with the owner of the properties at 241-249 E. Lincoln Highway. The "forgivable loan" constituted roughly 27% of the overall project cost of $558,935. The reconstruction work involved the substantial remodeling and rehabilitation of one of the historic "watering holes" in DeKalb. It is now complete.

- Plaza DeKalb (redevelopment). The Council approved a TIF development agreement on August 14, 2017 in the amount of $1.9 million in support of an owner commitment of $6 million (31.67%). Improvements were first made to the façades of the two eastern buildings, accommodations for the vendor, Gaming Goat, were completed, and two upper level "penthouse" apartments were completely renovated. With that work complete, it was then possible to move on to the build-outs for a number of "Professional Suites" and Jamrah Restaurant. When these renovations were completed, attention was focused on the construction of a new four-story building at the corner of Second Street and Hwy IL 38, which took the place of a one-story under-performing commercial building. After some careful engineering analysis, the foundation and basement of that building were reinforced to support the new multi-level structure. The new building was opened in the spring of 2020 and includes 21 high-end apartment units on three floors above the first-floor which features a variety of commercial office and retail uses. The overall Plaza DeKalb project includes 23 apartments, including the two renovated spaces above 223 and 229 East Lincoln Highway.

- The former Mooney Dealership Property (redevelopment). On June 10, 2019, the Council approved an agreement in the amount of $3 million to support a $13 million redevelopment plan that includes razing the former dealership, mitigating known environmental problems, and constructing an L-shaped, three-story building of 112,101 square feet with a mix of commercial retail and residential uses. The large complex will have 12,350 square feet of commercial retail space on the ground floor and ninety-four, one- and two-bedroom executive suites on the upper floors. The complex will also include hospitality rooms, a fitness center, and outdoor terraces. A total of 220 off-street parking spaces will also be provided in conformance with city requirements. Time of completion is expected to be summer of 2022.

- Egyptian Theater (upgrades and expansion). On March 11, 2019, the Council unanimously approved a development incentive agreement with the Egyptian Theatre in the amount of $2.5 million. The "forgivable loan" constituted approximately 62.5% of the estimated project cost of $4 million. Construction is substantially complete but the grand opening of the historic theater awaits our progress from Phase 4 to Phase 5 in the State's COVID plan.

- 206 E. Lincoln Highway (redevelopment). On February 24, 2020, the Council approved a TIF-funding agreement that provided a forgivable loan of $216,800 for extensive remodeling on the second floor of 206 E. Lincoln Highway to construct four apartments: one single-bedroom apartment and three two-bedroom apartments. The loan represented 40% of the estimated remodeling cost of $542,000 and was limited to the reimbursement of costs that were TIF-eligible. As with all the City's TIF "forgivable loans," if upon the expiration of the agreement the TIF incentive is not completely repaid in terms of incremental tax revenue, the remaining balance will become a debt due and owing to the City requiring repayment within 120 days of the owners' receipt of written notice from the City. This structure of support is similar to that of the Cornerstone, Plaza DeKalb, and Agora Tower projects.

- 260 E. Lincoln Highway (redevelopment). On April 13, 2020, the Council approved a TIF-funding agreement with Gullie, LLC for the $689,100 rehabilitation of the former O'Leary's Restaurant in downtown DeKalb at Third Street and Hwy IL 38 in the amount of $124,100.

RETIREMENT FUND COMMITMENTS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 164 East Lincoln Highway DeKalb, IL 60115. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. Also See Note 11 of the Fiscal Year 2019 Comprehensive Annual Financial Report for additional Information.

Illinois Municipal Retirement System

All employees hired into positions that meet or exceed the prescribed hourly standard, except police and firemen, must enroll in the Illinois Municipal Retirement System (IMRF). IMRF is an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for 2,515 local governments and school districts in the State of Illinois.

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.

Police and Firefighters' Pension Fund

Police and fire sworn personnel are covered by Police and Firefighters' Pension Plans, which are defined, benefit single-employer plans. Benefits and contributions are governed by state statutes. Separate boards oversee the affairs of each plan.

Participating members are required to contribute 9.91% and 9.455% to the police and firemen's plan respectively. The City is required to fund the actuarially determined amount. 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% and 70.09% of covered payroll to the police and firemen's plan respectively.

Net Pension Liability

The following summarizes the unfunded pension benefit obligation for each plan covering City employees:

	IMRF 12/31/2019	Police 1/1/2020	Firefighters' 1/1/2020	Total
Total Pension Obligation	$61,610,893	$79,927,589	$82,056,149	$223,594,631
Plan Fiduciary Net Position	56,864,567	40,099,145	31,678,349	128,642,061
Unfunded (Overfunded) Pension Benefit Obligation	$4,746,326	$39,828,444	$50,377,800	$94,952,570
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	92.30%	50.20%	38.60%	57.53%

Source: City of DeKalb

OTHER POST EMPLOYMENT BENEFITS

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 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.

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. See Note 10 of the Fiscal 2019 Comprehensive Annual Financial Report for additional details.

TAX MATTERS

Summary of Bond Counsel's Opinion

Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes and is not exempt from present Illinois income taxes. Other than the foregoing, Bond Counsel expresses no opinion

as to the consequences of the ownership of, accrual or receipt of interest on, and the disposition of, the Bonds.

Scope of Discussion

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquired those Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under state, local or non-U.S. tax laws, except as set forth below. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Bonds is sold to the public) and who will hold their Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "*U.S. Holder*" means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "*Non-U.S. Holder*" generally means a beneficial owner of a taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds the Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding the Bonds, and partners in such partnerships should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of income from a debt instrument having original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Bonds in light of their particular circumstances.

Interest

Payments of interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting), provided such interest is "qualified stated interest" within the meaning of section 1272 of the Code. For purposes of this discussion, the term "qualified stated interest" on a Bond means all interest thereon based on a fixed rate, and payable unconditionally at fixed periodic intervals of one year or less during the entire term of the instrument.

Original Issue Discount

To the extent that the issue price of any bond of a maturity is less than the aggregate of the amounts (other than qualified stated interest) to be paid over the term of that bond by more than a de minimis amount, the difference may constitute original issue discount ("*OID*") on that bond. U.S. Holders of the Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Amortizable Bond Premium

A holder of the Bond that purchased that bond for an amount that was greater than its stated redemption price at maturity will be considered to have purchased the Bond with "amortizable bond premium" equal in amount to such excess. For purposes of this discussion, the "stated redemption price at maturity" of a Bond, as of any date, is an amount equal to the aggregate of the amounts (other than qualified stated interest) to be paid on that bond over the remaining term. A U.S. Holder of a the Bond purchased with amortizable bond premium may elect to amortize such premium using a constant yield method over the remaining term of the Bond (or to an earlier call date that minimizes the owner's yield on the Bond) and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on the Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. Any election by a U.S. Holder to amortize bond premium applies to all taxable debt instruments beneficially owned by that person on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS. That a Bond was purchased by the holder with amortizable bond premium may affect the computation of includable original issue discount for that holder.

Sale or other Taxable Disposition of a Bond

Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement or other taxable disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid qualified stated interest on the Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable

to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Medicare Tax

Certain non-corporate U.S. Holders of the Bonds are subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals is between $200,000 and $250,000, depending on the individual's circumstances). A U.S. Holder's calculation of net investment income generally will include its interest income on the Bonds and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are an individual, estate, or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Bonds.

Effect of Defeasance

The Bonds are subject to legal defeasance without the consent of the holders of the Bonds. Defeasance of any of the Bonds may be treated as a taxable constructive exchange of that Bond for the defeased Bond. A U.S. Holder of a taxable Bond generally will recognize gain or loss equal to the difference between (i) the fair market value of such U.S. Holder's Bond on the date of the defeasance (except to the extent of accrued but unpaid interest on the Bond which will be taxed in the manner described above under "*Interest*") and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bond, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Bond exceeds one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("*TIN*") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not

subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

If, under the Code, interest on the Bonds is effectively connected with the conduct of a trade or business within the United States by a Non-U.S. Holder, such interest will be subject to U.S. federal income tax in a similar manner as if the Bonds were held by a U.S. Holder, as described above, and in the case of Non-U.S. Holders that are corporations, interest on the Bonds also may be included in the computation of earnings and profits that are subject to a U.S. branch profits tax at a rate of up to 30%, unless an applicable tax treaty provides otherwise. Such Non-U.S. Holder will not be subject to withholding taxes, however, if it provides a properly executed Form W-8ECI to the payor.

Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (or any lower rate specified in an income tax treaty) on periodic income items arising from sources within the United States, such as interest on the Bonds, provided such income is not effectively connected with the conduct of a United States trade or business.

The foregoing notwithstanding, but subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders," and assuming the interest income of Non-U.S. Holder on the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, interest on the Bonds will not be subject to withholding under section 1441 or section 1442 of the Code to the extent that the interest income is treated as "portfolio interest". Interest paid to a Non-U.S. Holder generally will be treated as portfolio interest as to that holder if: (i) the Non-U.S. Holder provides a statement to the payor certifying, under penalties of perjury, that the Non-U.S. Holder is not a United States person and providing the name and address of such Non-U.S. Holder; (ii) such interest is treated as not effectively connected with a United States trade or business of the Non-U.S. Holder; (iii) such interest payments are not made to a person within a foreign country that the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) the Non-U.S. Holder is not a controlled foreign corporation, within the meaning of section 957 of the Code which is related to the Corporation through stock ownership; and (v) the Non-U.S. Holder is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the Non-U.S. Holder's banking trade or business.

Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders," any capital gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement or other disposition and certain other conditions are met.

U.S. Federal Estate Tax

The Bonds that are held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Bond

would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding

Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the Non-U.S. Holder of the Bond or a financial institution holding the Bond on behalf of the Non-U.S. Holder in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Non-U.S. Holder provides the certification, the certification must give the name and address of such Non-U.S. Holder, state that such Non-U.S. Holder is not a United States person, or, in the case of an individual, that such Non-U.S. Holder is neither a citizen nor a resident of the United States, and the Non-U.S. Holder must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code (commonly referred to as "*FATCA*") impose a reporting regime and potentially a 30% withholding tax on certain payments made to or through (i) a "foreign financial institution" (as specifically defined in the Code) that does not enter into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or (ii) a "non-financial foreign entity" (as specifically defined in the Code) that does not provide sufficient information with respect to its substantial U.S. owners, if any. The United States has entered into, and continues to negotiate, intergovernmental agreements (each, an "*IGA*") with a number of other jurisdictions to facilitate the implementation of FATCA. An IGA may significantly alter the application of FATCA and its information reporting and withholding requirements with respect to any particular investor.

Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest under, and certain "passthru" payments with respect to, the Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments."

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of the Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

State and Local Income Tax Consequences

Interest on the Bonds is not exempt from present Illinois income taxes.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Bonds by the City are subject to the approval of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be delivered with the Bonds. Katten Muchin Rosenman LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the City. Donahue Rose, P.C. is acting as Local Counsel to the City.

PENDING LITIGATION

No litigation is now pending or threatened against the City affecting the issuance or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds. A "no litigation" certificate of the City will be included with the customary closing papers when the Bonds are delivered.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") pursuant to the requirements of the Rule adopted by the Commission under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any, (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the City's fiscal year (currently December 31). If Audited Financial Statements are not available when the Annual Financial Information is filed, the City will file unaudited financial statements. The City will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access ("*EMMA*") system within 30 days after availability to the C. MSRB Rule G 32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"*Annual Financial Information*" means the statistical tables in the City's Comprehensive Annual Financial Report including:

- Sales Receipts
- Equalized Assessed Valuation
- Taxes Extended and Collected
- Tax Rates
- Principal Taxpayers within the City
- Direct and General Obligation Bonded Debt
- Appendix B Summary of Operating Results

"*Audited Financial Statements*" means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G 32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "*Events*" are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, or Tender offers, if material
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation (as defined in Rule 15c2-12), if material, or agreement to covenants, events of default, remedies, priority rights, or other

15. Incurrence of a financial obligation (as defined in Rule 15c2-12), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation, any of which reflect financial difficulties

For the purposes of the event described in number (12), such event is considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in numbers (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule").

Consequences of Failure of the City to Provide Information

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

Amendment

The undertakings described in this Section may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, BAM will issue its Municipal Bond Insurance Policy for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as "**APPENDIX D**" to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.7 million, $143.6 million and $345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP,

maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

INSURED INVESTMENT RATING

S&P Global Ratings is expected to assign the Bonds an insurer rating of "AA" to the Bonds, with the understanding that, upon delivery of the Bonds, a bond insurance policy will be issued by BAM. Such ratings reflect only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described under the heading **"CONTINUING DISCLOSURE"**, the form of which is attached hereto as **"APPENDIX D",** neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

UNDERLYING INVESTMENT RATING

The Bonds have an underlying rating of "A2" by Moody's. Any explanation of the significance of the ratings may be obtained only from said rating service. Certain information and materials concerning the Bonds, the City, and overlapping agencies and entities were furnished to the rating service by the City and others. There is no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely by the rating service issuing such rating, if in its judgment circumstances so warrant. Any change in or withdrawal of such rating may have an effect on the price at which the Bonds may be resold.

UNDERWRITING

Robert W. Baird & Co. Incorporated, Naperville Illinois (the "*Underwriter*") agreed to purchase all, but not less than all, of the Bonds at a price of $_____ (reflecting a par amount of $_____ an original issue [premium]/[discount] of $_____ and an underwriting discount of $_____). It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown on the addendum to this Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

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AUTHORIZATION

This Official Statement is authorized for distribution to prospective purchasers of the Bonds. The Council, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of preparation, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

_____
City Manager
City of DeKalb, Illinois

_____, 2020

APPENDIX A

CITY OF DEKALB, ILLINOIS
FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS

City of DeKalb

opportunity · innovation

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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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. Morrill

Executive Director/CEO

City of DeKalb
opportunity · innovation

200 South Fourth Street
DeKalb, Illinois 60115
815.748.2000 • cityofdekalb.com

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 distributer, 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.
- Aproved 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

SIKICH.

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois (the City), as of and for the year ended December 31, 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.

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.

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.

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

	Governmental Activities		*Business-Type Activities*		*Total Primary Government*	
	FY19	*FY18*	*FY19*	*FY18*	*FY19*	*FY18*
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.

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
Change in Net Position Before Transfers	(2,840,702)	(10,979,065)	350,704	606,795	(2,489,998)	(10,372,270)
Transfers	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

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.

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.

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.

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
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.

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

	Governmental Activities		Business-Type Activities		Total	
	FY19	FY18	FY19	FY18	FY19	FY18
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.

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.

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	$ 7,291,403	$ 57,038,684	$ 64,330,087	$ 18,503,467

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**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			
	Governmental Activities	Business-Type Activities	Total	Component Unit 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			
Prepaids	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			
Tax Increment Financing #1	Tax Increment Financing #2	Nonmajor Governmental Funds	Total Governmental Funds
$ 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
$ 13,414,954	$ 2,157,698	$ 1,788,251	$ 44,977,561
$ 3,515,887	$ 2,082,698	$ 575,324	$ 9,281,645
-	-	-	909,449
-	-	5,202	1,239,133
-	-	-	-
-	-	91,791	91,791
3,515,887	2,082,698	672,317	11,522,018
6,645,315	-	331,628	13,400,743
6,645,315	-	331,628	13,400,743
10,161,202	2,082,698	1,003,945	24,922,761
-	-	-	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
3,253,752	75,000	784,306	20,054,800
$ 13,414,954	$ 2,157,698	$ 1,788,251	$ 44,977,561

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	2,089,167
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 7,291,403

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			
Tax Increment Financing #1	Tax Increment Financing #2	Nonmajor Governmental Funds	Total Governmental Funds
$ 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 acitivies	(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		
	Water	Airport	Refuse	Total	Internal Service Funds
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
			Nonmajor Enterprise Funds		
	Water	Airport	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	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	$ 5,934,319	$ 816,913	$ 1,871,079	$ 8,622,311	$ 7,112,966
Miscellaneous	12,333	25,851	89	38,273	77,601
Total Operating Revenues	5,946,652	842,764	1,871,168	8,660,584	7,190,567
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	6,800,159
OPERATING INCOME (LOSS)	727,192	(654,352)	1,620	74,460	390,408
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	4,865	636	393	5,894	4,547
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	4,547
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	688,713	(376,252)	2,013	314,474	394,955
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	394,955
NET POSITION, JANUARY 1	25,950,515	30,854,070	205,195	57,009,780	1,694,212
NET POSITION, DECEMBER 31	$ 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 CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds		
	Water	Airport	Refuse	Total	Internal Service Funds
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 Activities
			Nonmajor Enterprise Funds		
	Water	Airport	Refuse	Total	Internal Service Funds
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	$ 1,921,343	$ (384,975)	$ 3,779	$ 1,540,147	$ (180,357)
NONCASH TRANSACTIONS					
None	$ -	$ -	$ -	$ -	$ -
TOTAL NONCASH TRANSACTIONS	$ -	$ -	$ -	$ -	$ -

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	3,300
Total Assets	71,793,633
LIABILITIES	
Accounts Payable	16,139
Total Liabilities	16,139
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	1,112,170
Total Contributions	7,694,941
Investment Income	
Net Appreciation in Fair Value of Investments	9,427,423
Interest	1,609,959
Total Investment Income	11,037,382
Less Investment Expense	(99,847)
Net Investment Income	10,937,535
Total Additions	18,632,476
DEDUCTIONS	
Administrative Expenses	83,681
Benefits and Refunds	7,417,695
Total Deductions	7,501,376
NET INCREASE	11,131,100
NET POSITION RESTRICTED FOR PENSIONS	
January 1	60,646,394
December 31	$ 71,777,494

See accompanying notes to financial statements.

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 discreetly 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 budged 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.

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	54,675
TOTAL GOVERNMENTAL ACTIVITIES	$ 4,496,913
BUSINESS-TYPE ACTIVITIES	
Airport Grants	$ 35,230
TOTAL BUSINESS-TYPE ACTIVITIES	$ 35,230
DISCRETELY PRESENTED COMPONENT UNIT	
None	$ -
TOTAL DISCRETELY PRESENTED COMPONENT UNIT	$ -

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	268,727
TOTAL GOVERNMENTAL ACTIVITIES	$ 2,033,555
BUSINESS-TYPE ACTIVITIES	
Water Miscellaneous	$ 18,244
TOTAL BUSINESS-TYPE ACTIVITIES	$ 18,244
DISCRETELY PRESENTED COMPONENT UNIT	
None	$ -
TOTAL DISCRETELY PRESENTED COMPONENT UNIT	$ -

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

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

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	-

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

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

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	$ -

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	-

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.

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	$ 837,356	$ 569,995

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

	Due From	Due To
General		
Nonmajor Governmental	$ 91,791	$ -
Total General	91,791	-
Nonmajor Governmental		
General Debt Service Fund	-	91,791
Total Nonmajor Governmental Funds	-	91,791
TOTAL	$ 91,791	$ 91,791

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.

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers

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

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

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.

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:

Fund	Deficit Balance
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.

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	205
TOTAL	349
Participating Employers	1

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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

	Total OPEB Liability
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	(1,343,099)
Net Changes	2,561,913
BALANCES AT DECEMBER 31, 2019	$ 29,168,203

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	$ 32,431,436	$ 29,168,203	$ 26,406,007

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

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.

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

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:

Year Ending December 31,	City	Library	Total
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)

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	60
TOTAL	124

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,

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.

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 Maturities (in Years)			
Investment Type	Fair Value	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.

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

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:

Year Ending December 31,	
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	52
TOTAL	116

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.

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 Maturities (in Years)			
Investment Type	Fair Value	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.

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

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

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

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 Maturities (in Years)			
Investment Type	Fair Value	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.

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	$ 621,282
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 621,282

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

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

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.

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.

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.

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.

DECEMBER 31, 2016**	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
$ 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)
4,078,823	5,839,177	5,504,935	3,606,789
60,897,865	64,976,688	70,815,865	76,320,800
$ 64,976,688	$ 70,815,865	$ 76,320,800	$ 79,927,589
$ 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)
2,426,297	4,079,996	(1,827,505)	6,720,422
28,699,935	31,126,232	35,206,228	33,378,723
$ 31,126,232	$ 35,206,228	$ 33,378,723	$ 40,099,145
$ 33,850,456	$ 35,609,637	$ 42,942,077	$ 39,828,444
47.90%	49.70%	43.70%	50.20%
$ 5,417,619	$ 5,831,117	$ 5,937,493	$ 5,626,249
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.

DECEMBER 31, 2016**	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
$ 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)
4,152,029	4,879,704	6,022,703	4,209,088
62,792,625	66,944,654	71,824,358	77,847,061
$ 66,944,654	$ 71,824,358	$ 77,847,061	$ 82,056,149
$ 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)
2,673,055	3,161,362	(2,038,207)	4,410,678
23,471,461	26,144,516	29,305,878	27,267,671
$ 26,144,516	$ 29,305,878	$ 27,267,671	$ 31,678,349
$ 40,800,138	$ 42,518,480	$ 50,579,390	$ 50,377,800
39.10%	40.80%	35.00%	38.60%
$ 4,895,248	$ 5,102,831	$ 5,080,355	$ 4,998,383
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.

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	$ 904,000	$ 849,000	2,510,687
FUND BALANCE, JANUARY 1			7,402,857
Prior Period Adjustment			611,160
FUND BALANCE, JANUARY 1 (RESTATED)			8,014,017
FUND BALANCE, DECEMBER 31			$ 10,524,704

(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	1,161,757	1,161,757	1,523,540
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	1,540,000	2,503,623	1,320,509
NET CHANGE IN FUND BALANCE	$ (378,243)	$ (1,341,866)	203,031
FUND BALANCE, JANUARY 1			2,797,303
FUND BALANCE, DECEMBER 31			$ 3,000,334

(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.)

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	$ 1,528	$ (10,458)	637
FUND BALANCE, JANUARY 1			62,282
FUND BALANCE, DECEMBER 31			$ 62,919

(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	$ (53,874)	$ (53,874)	(1,642)
FUND BALANCE, JANUARY 1			67,576
FUND BALANCE, DECEMBER 31			$ 65,934

(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
REVENUES			
Taxes			
Property Taxes	$ 1,000	$ 1,000	$ 1,000
Total Revenues	1,000	1,000	1,000
EXPENDITURES			
General Government			
Contractual Services	1,500	1,500	1,021
Total Expenditures	1,500	1,500	1,021
NET CHANGE IN FUND BALANCE	$ (500)	$ (500)	(21)
FUND BALANCE, JANUARY 1			3,154
FUND BALANCE, DECEMBER 31			$ 3,133

(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	$ 10	$ 10	9,740
FUND BALANCE, JANUARY 1			14
FUND BALANCE, DECEMBER 31			$ 9,754

(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	$ (490)	$ (490)	1,401
FUND BALANCE, JANUARY 1			5,546
FUND BALANCE, DECEMBER 31			$ 6,947

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

December 31, 2019

	General Debt Service	TIF Debt Service	Total
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
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
TOTAL ASSETS	$ 539,535	$ 706,974	$ 1,246,509
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 15,473	$ 4,400	$ 19,873
Unearned Revenue	-	5,202	5,202
Total Liabilities	15,473	9,602	25,075
FUND BALANCES			
Assigned for Capital Projects	524,062	697,372	1,221,434
Total Fund Balances	524,062	697,372	1,221,434
TOTAL LIABILITIES AND FUND BALANCES	$ 539,535	$ 706,974	$ 1,246,509

(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	$ (185,281)	$ (193,454)	80,071
FUND BALANCE, JANUARY 1			443,991
FUND BALANCE, DECEMBER 31			$ 524,062

(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	$ 245,236	$ 245,236	358,573
FUND BALANCE, JANUARY 1			338,799
FUND BALANCE, DECEMBER 31			$ 697,372

(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			$ 23,927,543			$ 1,151,279

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' Compensation	Health 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
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ (372,724)	$ (372,724)	196,146	$ (525,417)	$ (525,417)	394,955
		445,392			1,694,212
		$ 641,538			$ 2,089,167

(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	$ 1,986,058	$ 258,572	$ 2,244,630
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	$ (107,916)	$ (72,441)	$ (180,357)

(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	$ 1,826,579	$ 1,826,579	6,720,422	$ 2,734,284	$ 2,559,808	4,410,678	$ 4,560,863	$ 4,386,387	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

(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
494-10-0343	State and Community Highway Safety/National 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
494-80-1284	Transit Downstate Transit Improvement Fund 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
	$ 2,250,000	$ 135,800	$ 2,385,800		$ 67,900		$ 67,900

(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 Principal	Tax Levy Interest	Tax Levy Total	Interest Due on January 1	Amount	Interest Due on 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	-
	$ 2,795,000	$ 316,036	$ 3,111,036		$ 196,613		$ 119,423

(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	-
	$ 6,195,000	$ 918,864	$ 7,113,864		$ 492,102		$ 426,762

(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	-
	$ 685,000	$ 10,616	$ 695,616		$ 7,952		$ 2,664

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

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

(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 Principal	Tax Levy Interest	Tax Levy Total	Interest Due on January 1	Amount	Interest Due on 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	-
	$ 3,925,000	$ 400,431	$ 4,325,431		$ 193,469		$ 206,962

(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
	$ 389,795	$ 9,924	$ 399,719

(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
	$ 320,069	$ 8,148	$ 328,217

(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
	$ 207,197	$ 33,621	$ 240,818

(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
	$ 683,033	$ 132,950	$ 815,983

(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

Fiscal Year	Requirements		
	Principal	Interest	Total
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
	$ 5,290,000	$ 1,474,601	$ 6,764,601

(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

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

(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.

Contents	Page(s)
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

		2019			2010		
Taxpayers	**Type of Business**	**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						
			Collections within the Levy Year			Total Collections to Date				Collections within the Levy Year			Total Collections to Date	
Tax Levy Year	Rates per $100	Total Tax Levy Requested	Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected	Rates per $100	Total Tax Levy Requested	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	1.1383	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

	Governmental Activities						Business-Type Activities						
Fiscal Year Ended	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	Total Primary Government	Percentage of Personal Income*	Per Capita*
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	4.63%	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	17,457,275	-	-	-	-	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	$ 217,498,757		$ 76,665,599
Total Direct and Overlapping	$ 235,651,032		$ 94,817,874

*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

	Tax Increment Financing Bonds and Notes						
Fiscal Year	Incremental Property Taxes	Incremental Sales Tax	Less Excluded Contractual Obligations	Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage
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

	2019			2010		
Employer	**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%
Tegrant				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

APPENDIX B

SUMMARY OF OPERATING RESULTS

Operating results and balance sheets for the past five fiscal years for the City's general governmental funds are summarized from the City's audited financial statements on the following pages. The complete general purpose financial statements for Fiscal Year 2019 are included in Appendix A.

Statement of Revenues and Expenditures
General Governmental Funds

	June 30, 2014	June 30, 2015	2016 (Jan 1 – June 31)	2016.5 (July 1 - Dec 31)	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
REVENUES:							
Taxes	$ 15,998,012	$ 16,652,074	$ 17,104,968	$ 11,683,183	$ 18,443,942	$ 18,920,431	$ 18,958,678
Licenses & Permits	554,740	713,565	876,788	308,697	707,768	539,473	786,023
Intergovernmental	10,565,657	12,069,108	11,748,169	5,796,506	11,404,327	11,756,755	12,871,095
Charges for Services	1,817,681	1,895,685	2,143,615	1,349,663	2,380,424	2,791,182	4,009,430
Fines & Forfeitures	897,493	915,578	796,390	333,108	641,159	679,760	636,770
Investment Income	-	-	(26,140)	47,426	102,079	221,919	345,261
Interest	84,758	121,787	-	-	-	-	-
Miscellaneous	765,310	709,645	390,654	222,996	442,395	454,079	484,712
Total Revenues	$ 30,683,651	$ 33,077,442	$ 33,034,444	$ 19,741,579	$ 34,122,094	$ 35,363,599	$ 38,091,969
EXPENDITURES							
Current:							
General Government	$ 5,134,851	$ 7,165,790	$ 5,012,558	$ 3,099,567	$ 4,775,211	$ 5,174,108	$ 4,851,148
Public Safety	19,859,836	20,433,722	21,397,418	13,863,123	23,375,804	24,643,856	24,851,670
Highways & Streets	-	-	3,286,770	1,976,052	3,308,274	3,306,333	3,085,788
Community Improvement	4,015,770	3,813,573	1,047,614	777,116	1,432,257	1,560,179	1,202,982
Capital Outlay	-	242,514	-	-	-	-	-
Total Expenditures	$ 29,010,457	$ 31,655,599	$ 30,744,360	$ 19,715,858	$ 32,891,546	$ 34,684,476	$ 33,991,588
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	$ 1,673,194	$ 1,421,843	$ 2,290,084	$ 25,721	$ 1,230,548	$ 679,123	$ 4,100,381
OTHER FINANCING SOURCES (USES)							
Proceeds on Sale of Capital Assets	$ 42,185	$ 520	$ 496	$ -	$ 5,100	$ 1,362	$ 2,089
Transfers In	1,965,590	2,211,897	508,965	271,100	655,181	310,400	321,800
Transfers Out	(2,844,307)	(2,557,439)	(1,536,138)	(552,271)	(2,046,150)	(2,661,827)	(1,913,583)
Total Other Financing Sources (Uses)	$ (836,532)	$ (345,022)	$ (1,026,677)	$ (281,171)	$ (1,385,869)	$ (2,350,065)	$ (1,589,694)
Net Change in Fund Balances	$ 836,662	$ 1,076,821	$ 1,263,407	$ (255,450)	$ (155,321)	$ (1,670,942)	$ 2,510,687
FUND BALANCE YEAR BEGIN	$ 5,220,937	$ 7,144,432	$ 8,221,253	$ 9,484,660	$ 9,229,120	$ 9,073,799	$ 7,402,857
Prior Period Adjustment	-	-	-	-	-	-	611,160
Fund Balance Restated	$ 5,220,937	$ 7,144,432	$ 8,221,253	$ 9,484,660	$ 9,229,120	$ 9,073,799	$ 8,014,017
FUND BALANCE YEAR END	$ 6,057,599	$ 8,221,253	$ 9,484,660	$ 9,229,210	$ 9,073,799	$ 7,402,857	$ 10,524,704

Balance Sheet
General Governmental Funds

	June 30, 2014	June 30, 2015	2016 (Jan 1 – June 31)	2016.5 (July 1 - Dec 31)	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
ASSETS:							
Cash & Investments	$ 3,989,467	$ 5,151,986	$ 7,050,360	$ 5,671,025	$ 5,388,771	$ 3,708,272	$ 5,622,049
Receivables - Property Taxes	2,226,555	2,028,395	2,591,483	5,708,863	6,153,901	6,168,919	6,423,800
Receivables - Accounts	734,957	472,677	491,863	700,499	658,962	849,966	1,571,073
Receivables - Accrued Interests	43,374	13,438	13,689	17,799	5,559	886	886
Receivables - Other	79,921	106,723	565,275	1,101,757	1,344,055	1,416,285	1,515,852
Prepaid Items	-	1,911	19,993	73,176	96,677	60,510	7,424
Due from Other Govts	4,606,872	4,844,538	3,858,154	4,451,360	3,794,486	3,793,008	3,944,423
Due from Other Funds	344,944	248,878	48,923	98,753	90,623	194,656	91,791
Advances to Other Funds	-	-	334,000	478,000	478,000	-	-
Inventories	30,216	20,954	7,591	19,437	16,704	17,997	28,814
Total Assets	$ 12,056,306	$ 12,889,500	$ 14,981,331	$ 18,320,669	$ 18,027,738	$ 16,210,499	$ 19,206,112
LIABILITIES							
Accounts Payable	$ 990,809	$ 1,505,657	$ 1,523,122	$ 1,809,115	$ 1,717,270	$ 1,486,666	$ 1,327,713
Accrued Payroll	658,280	474,301	582,219	744,598	715,360	733,665	900,489
Contracts Payable	-	-	-	-	-	-	-
Other Payable	1,091,764	13,696	-	-	-	-	-
Due to Other Govts	-	-	-	-	-	-	-
Deferred Property Taxes	-	-	-	-	-	-	-
Unearned/Other Deferred Revenue	-	-	11,858	11,949	352,317	417,168	29,406
Due to Other Funds	588,704	338,877	67,437	817,024	3,931	-	-
Due to Library	-	-	-	-	11,160	1,224	-
Advances from Other Funds	-	-	-	-	-	-	-
Total Liabilities	$ 3,329,557	$ 2,332,531	$ 2,184,636	$ 3,382,686	$ 2,800,038	$ 2,638,723	$ 2,257,608
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	$ 2,669,150	$ 2,335,716	$ 3,312,035	$ 5,708,863	$ 6,153,901	$ 6,168,919	$ 6,423,800
Total Liabilities & Deferred Inflows	$ 5,998,707	$ 4,668,247	$ 5,496,671	$ 9,091,549	$ 8,953,939	$ 8,807,642	$ 8,681,408
FUND BALANCES							
Nonspendable	$ 30,216	$ 22,865	$ -	$ -	$ -	$ -	$ -
Nonspendable - Prepaids	-	-	19,993	73,176	96,677	60,510	7,424
Nonspendable - Inventory	-	-	7,591	19,437	16,704	17,997	28,814
Nonspendable - Advances to Other Funds	-	-	334,000	478,000	478,000	-	-
Restricted	104,523	173,187	-	-	-	-	-
Restricted - Public Safety	-	-	-	283,543	210,625	171,555	154,897
Restricted - Highways & Streets	-	-	-	-	-	-	-
Restricted Economic Development	-	-	-	-	-	-	-
Committed	6,262	6,447	-	-	-	-	-
Assigned for Capital Projects	-	-	-	-	-	-	-
Unassigned	5,916,598	8,018,754	9,123,076	8,374,964	8,271,793	7,152,795	10,333,569
Total Fund Balances	$ 6,057,599	$ 8,221,253	$ 9,484,660	$ 9,229,120	$ 9,073,799	$ 7,402,857	$ 10,524,704
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES	$ 12,056,306	$ 12,889,500	$ 14,981,331	$ 18,320,669	$ 18,027,738	$ 16,210,499	$ 19,206,112

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[ON LETTERHEAD OF KATTEN MUCHIN ROSENMAN LLP]

The City Council of
the City of DeKalb, Illinois

We have examined a record of proceedings relating to the issuance of $_____,000 principal amount of General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*") of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and by virtue of an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" and the Series 2020 Bond Order dated _____, 2020.

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. Bonds delivered on original issuance are dated _____, 2020. The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the principal amount set forth opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 of each year at the rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2028	$	%
2029		
2030		

In our opinion, the Bonds are valid and legally binding general obligations of the City of DeKalb and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Bonds is includable in gross income for Federal income tax purposes and is not exempt from Illinois income taxes.

Very truly yours,

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

NEW ISSUE
BOOK-ENTRY ONLY

Insured Investment Rating:
S&P Global Ratings ... AA
(BAM Insured)
Underlying Investment Rating:
Moody's Investors Service ... A2

Interest on the Bonds (as hereinafter defined) is includible in gross income of the owners thereof for federal income tax purposes and not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

City of DeKalb
DeKalb County, Illinois
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Dated: Date of Delivery **Due: January 1, as set forth below**

The General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*"), of the City of DeKalb, Illinois (the "*City*"), will be issued as fully registered bonds and will initially be registered in the name of Cede & Co., the nominee for The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as the securities depository for the Bonds. Purchases will be made in book-entry form through DTC participants only in denominations of $5,000 and any authorized integral multiple thereof and no physical delivery of bonds will be made to purchasers of beneficial interests (the "*Beneficial Owners*") in the Bonds. Interest on the Bonds will be payable on January 1 and July 1, commencing July 1, 2021. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, if any, and interest on the Bonds will be paid by Amalgamated Bank of Chicago, Chicago, Illinois as paying agent for the Bonds, to DTC, which in turn will remit such payments to DTC participants for subsequent distribution to the Beneficial Owners of the Bonds. See "**BOOK-ENTRY – ONLY SYSTEM**" herein.

The Bonds are not subject to optional redemption prior to maturity. See "**THE BONDS – Redemption.**"

Maturities, Principal Amounts, Interest Rates, Yields and CUSIP*

January 1	Principal Amount	Interest Rate	Yield	CUSIP*
2028	$ 425,000	2.30%	2.30%	240775PX8
2029	540,000	2.40	2.40	240775PY6
2030	935,000	2.50	2.50	240775PZ3

The Bonds are direct and general obligations of the City, for which its full faith and credit have been irrevocably pledged and are payable from ad valorem taxes to be levied on all taxable property in the City, without limitation as to rate or amount.

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued by Build America Mutual Assurance Company ("*BAM*") simultaneously with the delivery of the Bonds. The cost for the bond insurance premium will be paid by the City. See "**BOND INSURANCE and "APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY**" herein.

The Bonds are offered when, as, and if issued by the City, subject to the delivery of the legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel. Katten Muchin Rosenman LLP, Chicago, Illinois will also act as Disclosure Counsel to the City. Donahue Rose, P.C. is acting as Local Counsel to the City. A copy of the proposed legal opinion of Bond Counsel relating to the Bonds is set forth in Appendix C of this Official Statement. Robert W. Baird & Co. Incorporated, Naperville, Illinois (the "*Underwriter*") is the sole underwriter for the Bonds. It is expected that the Bonds, will be available for delivery to The Depository Trust Company in New York, New York on or about November 19, 2020.

Dated: October 28, 2020

* CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the "*Official Statement*"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement and, if given or made, such other information or representations must be relied upon as having been authorized by the City. Certain information contained in the Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to accuracy or completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE THEREOF.

Reference herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement they will be furnished on request.

Build America Mutual Assurance Company ("*BAM*") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the headings "**BOND INSURANCE**" and "**APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY**".

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City of DeKalb

DeKalb County, Illinois

Mayor
Jerry Smith

City Council
Anthony Faivre
William Finucane
Scott McAdams
Carolyn Morris
Greg Perkins
Tracy Smith
Mike Verbic

City Manager
Bill Nicklas

Assistant City Manager
Joshua Boldt

Senior Accountant
Susan Hauman

Executive Assistant
Ruth Scott

City Clerk
Lynn Fazekas

Bond Counsel/Disclosure Counsel
Katten Muchin Rosenman LLP
Chicago, Illinois

Local Counsel
Donahue Rose, P.C.

Verification Agent
Sikich LLP
Naperville, Illinois

Bond Registrar/Escrow Agent
Amalgamated Bank of Chicago
Chicago, Illinois

Underwriter
Robert W. Baird & Co. Incorporated
Naperville, Illinois

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

Issuer:	City of DeKalb, Illinois (the "*City*").
Issue:	$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*").
Dated Date:	Date of Delivery.
Interest Due:	January 1 and July 1, commencing July 1, 2021.
Principal Due:	Each January 1, commencing January 1, 2028 through January 1, 2030.
Redemption:	The Bonds are not subject to optional redemption prior to maturity. See "**THE BONDS – Redemption.**"
Ratings/Insurance:	S&P Global Ratings is expected to assign their municipal bond rating of "AA", to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing payment when due of the principal of and interest on the Bonds will be issued by BAM. The cost for the bond insurance premium will be paid by the City. See "**BOND INSURANCE**", "**INSURED INVESTMENT RATING**" and **APPENDIX D – "SPECIMEN BOND INSURANCE POLICY"** herein. The Bonds also carry an underlying credit rating of "A2" from Moody's Investors Service ("*Moody's*"). See "**UNDERLYING INVESTMENT RATING**" herein.
Authorization:	The Bonds are authorized and issued pursuant to the provisions of Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois, and as provided by the Illinois Municipal Code of the State of Illinois (the "*Municipal Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto. The Bonds are authorized pursuant to a bond ordinance (the "*Bond Ordinance*") adopted by the City Council of the City (the "*Council*") on September 28, 2020 and the Series 2020 Bond Order dated October 28, 2020.
Purpose:	The purpose of the Bonds is to (i) finance the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (collectively, the "*2021 Debt Service*"), (ii) capitalize interest on the Bonds authorized by the Bond Ordinance through July 1, 2021 and (iii) pay the costs of issuance of the Bonds. See "**THE BONDS - Plan of Financing**" herein.
Tax Matters:	The Bonds are taxable. Interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes and not exempt from present State of Illinois income taxes. See "**TAX MATTERS.**"
Security:	The Bonds are general obligations of the City. Ad valorem taxes unlimited as to rate or amount will be levied upon all taxable property in the City for payment of the interest on the Bonds and the principal thereof when due. The full faith and credit of the City are irrevocably pledged for the prompt payment of the principal of and the interest on the Bonds.
Bond Registrar/Paying Agent/Escrow Agent:	Amalgamated Bank of Chicago, Chicago, Illinois is the bond registrar and paying agent for the Bonds and serving as Escrow Agent (the "*Bond Registrar*" and "*Escrow Agent*").
Book-Entry-Only:	The Bonds will be in book-entry-only form. The Depository Trust Company will act as securities depository for the Bonds. See "**BOOK-ENTRY-ONLY SYSTEM**" herein.

OFFICIAL STATEMENT

City of DeKalb
DeKalb County, Illinois
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the City of DeKalb, (the "*City*" or the "*Issuer*"), in connection with the offering and sale of its $1,900,000 principal amount of General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*"). Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

Authority

The Bonds are authorized and issued pursuant to the provisions of Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois, and as provided by the Illinois Municipal Code of the State of Illinois (the "*Municipal Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto. The Bonds are authorized pursuant to a bond ordinance (the "*Bond Ordinance*") adopted by the City Council of the City (the "*Council*") on September 28, 2020 and the Series 2020 Bond Order dated October 28, 2020.

Purpose

Proceeds of the Bonds will be used to (i) finance the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021 (collectively, the "*2021 Debt Service*"), (ii) capitalize interest on the Bonds authorized by the Bond Ordinance through July 21, 2021 and (iii) pay the costs of issuance of the Bonds. See "**THE BONDS – Plan of Financing**" herein.

General Description

The Bonds will be dated as of the delivery date, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry system operated by The Depository Trust Company ("*DTC*"), New York, New York. Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "*Registrar*").

The Bonds will mature on January 1 of the years listed on the inside front cover page of the Official Statement. Interest on the Bonds is payable on January 1 and July 1, commencing on July 1, 2021.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person on whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

Registration and Transfer

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Registrar shall not be required to transfer or exchange any Bond during the period of 15 days preceding the giving of notice of redemption of Bonds.

Redemption

The Bonds are not subject to optional redemption prior to maturity.

Security

The Bonds are general obligations of the City. Ad valorem taxes unlimited as to rate or amount will be levied upon all taxable property in the City for payment of the interest on the Bonds and the principal thereof when due. The full faith and credit of the City are irrevocably pledged for the prompt payment of the principal of and the interest on the Bonds.

Sources and Uses

The following table shows the estimated sources and uses of the proceeds of the Bonds:

	The Bonds
Sources:	
Principal Amount	$ 1,900,000.00
Total Sources	$ 1,900,000.00
Uses:	
Deposit to Escrow Fund	$ 1,795,554.26
Deposit to Capitalized Interest Fund	28,434.50
Costs of Issuance*	76,011.24
Total Uses	$ 1,900,000.00

* Includes underwriter's discount and other issuance costs.

Plan of Financing

A portion of Bond proceeds will be used to refund the January 1, 2021 principal and interest payments, and the July 1, 2021 interest payments of the City's outstanding General Obligation Refunding Bonds, Taxable Series 2010C, General Obligation Bonds, Series 2012A, General Obligation Bonds, Series 2013B and General Obligation Refunding Bonds, Series 2019 (collectively, the "*2021 Debt Service*" or "*Refunded Bonds*") as detailed in the table below. The remaining proceeds will be used to capitalize interest for the Bonds through July 1, 2021 and pay the costs of issuance of the Bonds.

Refunded Bonds

Series	January 1, 2021 Principal	January 1, 2021 Interest	July 1, 2021 Interest
2010C	$ 715,000	$ 59,850.00	$ 40,545.00
2012A	-0-	65,340.63	65,340.63
2013B	725,000	22,050.00	11,175.00
2019	20,000	35,717.50	35,535.50
Total	$1,460,000	$182,958.13	$152,596.13

Certain proceeds received from the sale of the Bonds will be deposited in an Escrow Account (the "*Escrow Account*") to be held by Amalgamated Bank of Chicago, Chicago, Illinois (the "*Escrow Agent*"), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the City and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the "*Government Securities*"). The Government Securities together with interest earnings thereon will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

VERIFICATION OF MATHEMATICAL ACCURACY

Sikich LLP (the "*Verification Agent*") will verify the adequacy of the deposit made pursuant to the Escrow Agreement to provide for the payment of certain interest and principal on the Refunded Bonds, at the time of delivery of the Bonds. All moneys and Government Securities deposited for the payment of the Refunded Bonds, including interest thereon, are required to be applied solely and irrevocably to the payment of the Refunded Bonds.

RISK FACTORS

Finances of the State of Illinois

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long term general obligation bonds carry the lowest ratings among states, such long-term ratings are at the lowest investment grade rating level.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal year ending June 30, 2018 (the "*Fiscal Year 2018 Budget*"), State fiscal year ending

June 30, 2019 (the "*Fiscal Year 2019 Budget*"), State for fiscal year ending June 30, 2020 (the "*Fiscal Year 2020 Budget*"), and State fiscal year ending June 30, 2021 (the "*Fiscal Year 2021 Budget*").

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020 and State Fiscal Year 2021. The City cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the City.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, President Trump has declared a "national emergency" and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. In addition, on March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*"), which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocates approximately $4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State ($2.7 billion) and local governments (the County of Chicago and Illinois counties with populations that exceed 500,000) ($2.2 billion).

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers; (iii) ceased operations for all non-essential businesses in the State and (iv) prohibited all public and private gatherings of 10 or more people. The Governor has implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The State is currently in the fourth phase of this reopening plan, and the current executive orders extend through November 14, 2020. Under the current executive orders, Illinoisans are no longer required to stay in their homes, bars and restaurants are allowed to partially open, public and private gatherings of 50 or fewer people are allowed and some additional businesses are allowed to resume operations, as long as the spread of COVID-19 stays within certain parameters.

Region 1, which includes DeKalb County, reported three consecutive days of a test positivity rate of 8 percent or higher. In response, Governor Pritzker issued Executive Order No. 52,

instituting public health restrictions and mitigations for Region 1, for restaurants and bars, meetings and social events, gaming and casinos and for all workplaces, effective October 3, 2020. Some of the restrictions include; all restaurants and bars in the region must close at 11:00 p.m., and must remain closed until 6:00 a.m. the following day, all restaurants and bars in the region must suspend indoor on-premises consumption; meetings and social events are limited to the lesser of 25 people or 25% of overall room capacity, and businesses and establishments shall institute remote work for high risk individuals. These restrictions will be in place for Region 1 until certain matrices for the decline in the spread of COVID-19 are met.

Despite moneys the State is expected to receive from the Federal government, including from the CARES Act, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant negative impact on the State's economy, which could affect the revenues received by the City from the State.

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The State's initial estimates project revenues for the remainder of fiscal year 2020 to be approximately $2.7 billion less than previously projected, and fiscal year 2021 revenues to be approximately $4.6 billion less than previously projected. In June 2020, the State issued $1.2 billion of debt through the Federal Reserves' lending program known as the Municipal Liquidity Facility. The State is expected to continue to develop economic forecasts and revenue estimates as circumstances change and additional information becomes available. It is possible that actual results will vary, and perhaps vary widely, from the amounts described in this paragraph.

The adverse impact on the State's finances may, in turn, adversely affect the City's finances due to delays or reductions in the amount received by the City from the State. Likewise, the City's finances may be adversely affected in manners separate and apart from the impact on the State. The City recognizes that COVID-19 has and will continue to place economic pressure on the City and its finances. (See "**FINANCIAL UPDATE**" herein)

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Loss or Change of Bond Rating

The Bonds have received an underlying investment rating from Moody's Investors Service, New York, New York ("*Moody's*") and anticipated insured investment rating from S&P Global Ratings. The ratings can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the City to comply with the Undertaking for continuing disclosure (see "**CONTINUING DISCLOSURE**") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to

limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

Future Pension Plan Funding Requirements

The City participates in the Police Pension Plan and the Firefighters' Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "*Pension Code*"), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. The City also participates in the Illinois Municipal Retirement Plan (the "*IMRF Plan*"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("*IMRF*"); employer contributions are projected by the IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Firefighters' Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Firefighters' Pension Plan, the City may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. See "**RETIREMENT FUND COMMITMENTS**" herein for a more complete discussion.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company, New York, New York ("*DTC*") will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of each series as set forth on the cover page hereof, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. The following discussion will not apply to Bonds if issued in physical form due to the discontinuance of the book-entry system as described below. DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "*DTC Participants*") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "*Indirect Participants*").

Purchases of the Bonds under the DTC system may be made through brokers and dealers who are, or act through, DTC Participants. Upon such purchase, the DTC Participants shall receive a credit balance on the records of DTC. Individual purchases will be made in the denomination of $5,000 or any whole multiple thereof. The ownership interest of each actual purchaser of each Bond (the "*Beneficial Owner*") will be recorded through the records of each DTC Participant or Indirect Participant through which such Beneficial Owner purchased the Bond. DTC is responsible for maintaining records of the "positions" of DTC Participants in the Bonds, and the DTC Participants and Indirect Participants are expected to maintain records of the purchasers of beneficial interests in those Bonds. DTC

Participants and Indirect Participants are required to provide Beneficial Owners with a written confirmation of their purchase containing details of the Bonds acquired. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except as specifically provided below.

The City will recognize DTC or its nominee, Cede & Co., as the owner of the Bonds for all purposes, including notices and voting. Conveyance of notices and other communications by DTC to DTC Participants and by DTC Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by arrangements among DTC, DTC Participants and Indirect Participants, subject to any statutory and regulatory requirements as may be in effect from time to time. City will make payments of principal and interest on the Bonds to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Upon receipt of moneys, DTC's current practice is to immediately credit the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices such as those which are now the case for municipal securities held in bearer form or registered in "street name" for the accounts of customers and will be the responsibility of such DTC Participants or Indirect Participants and not the responsibility of DTC or the City, subject to any statutory and regulatory requirements as may be in effect from time to time.

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption or other notices to bondholders only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect, will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amounts of such maturity held by DTC. In such event, DTC may implement, through its book-entry system, a redemption of Bonds held for the accounts of DTC Participants in accordance with its own rules or other agreements with DTC Participants and then DTC Participants and Indirect Participants may implement a redemption of the Bonds for the Beneficial Owners.

THE CITY HAS NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR THE PERSON FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF PORTIONS OF THE BONDS FOR REDEMPTION.

Registered ownership of the Bonds, or any portions thereof, may not be transferred on the books of the Bond Registrar except:

(a) To any successor of DTC or its nominees;

(b) To any substitute depository designated by the City upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository;

(c) To any person, upon discontinuance of the book-entry system as described below.

The City cannot and does not give any assurances that DTC Participants or Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of and interest on the Bonds or (ii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or Indirect

Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with the DTC Participants are on file with DTC.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the City and Bond Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, if there is not a successor securities depository, the City and the Bond Registrar will cause to be authenticated and delivered Bond certificates to the Beneficial Owners as shown on the records of DTC. The Beneficial Owners of the Bonds, upon registration of the certificates held in the Beneficial Owners' names as shown on the records of DTC, will become the registered owners of the Bonds.

THE CITY

General Information

The City of DeKalb had a 2018 estimated population of 42,661, according to the U.S. Census. The City is comprised of a 15.55 square mile community situated on the I-88 corridor, with approximately 130 centerline miles of streets. The City is a 30-minute drive to the cities of Aurora and Naperville, and only a little more than an hour away from both downtown Chicago and O'Hare International Airport. Yet, in spite of 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.

The City is a home-rule unit of government under the 1970 Illinois Constitution and as such 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. The City is governed by a mayor (elected at large) and seven alderman (elected from wards) who collectively form the Council. In 1961, the City adopted the Council-Manager form of government by referendum. Seven aldermen are elected, one in each of the seven wards, and aldermanic elections are held every two years, at which time half of the Council is elected. The Mayor is elected, at large, every four years. The City Manager is appointed by the Council and all other employees are appointed by the City Manager. The elected officials determine policy while professional appointed officials implement policy. Council members are elected to four-year terms. The three even-numbered Wards and the Mayor's office are up for election on April 6, 2021.

City Services

The City Manager serves as the administrative head of the City and is in charge of the day-to-day operations of the City and its 188 full-time and 40 part-time employees. Union membership covering hourly employees includes the Fraternal Order of Police Lodge ("*FOP*") #115, Local 1236 of the International Association of Firefighters, and Local ("*IAFF*") 813 of the American Federation of State, County & Municipal Employees ("*AFSCME*").

The FOP #115 labor contract was recently extended and expires December 31st, 2022. The IAFF Lodge 1236 labor contract and the AFSCME Local 813 labor contract expire December 31st, 2020.

Public safety for the City residents is provided by the DeKalb Police Department, which consists of 60 sworn officers, 21 civilian full-time (including public safety dispatch), 1 station, 36 patrol and investigation division vehicles, and 2 Harley motorcycles as of January 2019. The DeKalb Fire

Department provides both fire protection as well as paramedic services to local residents. It consists of 54 sworn and 1 civilian employee, 3 stations, 6 ambulances, 4 fire engines, and 2 ladder trucks. The City currently enjoys an Insurance Services Office classification of "2" which is the lowest rate in the County. Ratings range from 10 (least desirable) to 1 (best).

The City owns and operates the DeKalb Taylor Municipal Airport (deeded to the City by the Reconstruction Finance Authority in 1948). The airport is a first class all-weather general aviation facility. Its main runway is 7,200 x 100 feet, and has a supporting runway of 4,200 lineal feet. A full service fixed based operator provides aircraft repair and service, fuel, leasing and charter services, and flight instruction.

The City owns and operates a water supply and distribution system, comprised of both shallow and deep wells served by two aquifers. The system has the capacity to pump 12 million gallons per day. The average daily pumping is about 2.5 million gallons per day. Overall storage capacity is 5.75 million gallons.

The City's wastewater treatment is performed by a separate taxing body, the Kishwaukee Water Reclamation District (KWRD). The KWRD has the capacity to treat 8.63 million gallons per day and on average treats about 2 million gallons per day.

The water and wastewater systems available in the City were a key factor in the attraction of the Ferrara and Facebook facilities in 2020.

The DeKalb Public Library was established in 1893. Its present building, which was constructed in 1931, has been remodeled and an addition was constructed in 2012. The library has access to the collection of the Northern Illinois Library System, allowing patrons to access the 1.8 million volumes of NIU.

Northern Illinois University

Chartered in 1895, Northern Illinois University (NIU) is a comprehensive teaching and research institution with a total student enrollment of 16,769 as of NIU's Fall 2020.

NIU is the State's 3rd largest public University. The University has 7 degree-granting colleges that offer more than 60 undergraduate majors, 70 minors, 9 pre-professional programs and 79 graduate programs including a College of Law, and 24 areas of study leading to doctoral degrees, NIU claims about 250,000 alumni, most of whom live in the northern Illinois region (inclusive of Chicago).

NIU is an NCAA Division I school and the NIU Huskies compete in the Mid-American Conference.

NIU experienced its first increase in student enrollment since 2008. The total number of NIU employees is 3,291. COVID-19 impacts affect our local university community by limiting student-staff travel in and out of the DeKalb area. NIU is DeKalb County's largest economic engine delivering $900,000,000 in economic impact yearly, according to NIU's Center for Governmental Studies 2015 analysis. NIU remains open for in-person hybrid learning and remote instruction, as necessary. Many students are believed to be local and likely to remain independent from their homes across the State and nation, assisting the local economy to rebound from COVID-19 impacts.

Additional Educational Facilities

Kishwaukee College (KC) is located approximately six miles west of the City on Illinois Route 38. This facility is a fully accredited comprehensive two-year undergraduate institution, founded in 1968. KC serves a 100,000 person district. KC employs 370 professional staff and in 2019 had a total student enrollment of 5,754 (1,018 non-credited). While some of these courses of study make it easy to transfer to four-year colleges and universities, many others prepare students to enter or to advance themselves in technical and other occupational fields. For those who complete graduation requirements, Kishwaukee can confer either Associate of Arts (A.A.), Associate of Science (A.S.), or Associate of Applied Science (A.A.S.) degrees, as well as many certificates of training. In addition, the College offers adult basic education, high school equivalency diplomas (G.E.D.), and English as a Second Language courses. Non-credit personal interest courses, trips and tours, Kids College, and continuing education offerings are also available. KC offers five transfer degrees and 70 occupational degrees and certificates. These academic programs range from Accounting, Social Sciences, Career Technologies, to Medical Assisting. Most transfer students move on to a baccalaureate course of study at NIU.

KC is open for Fall 2020 classes. According to KC COVID-19 Response Page, a majority of classes are held online. KC is in Malta, IL approximately 6 miles West of DeKalb. Many of KC's students live off campus in DeKalb, IL apartments and continue to assist the DeKalb economy.

The City is directly served by Community Unit School City District 428, which features 12 schools. This includes an early childhood development center, 8 elementary schools, 2 middle schools, and a high school. Approximately 68% of students seek post-secondary education within 16 months. D428 average SAT ELA is 497.5 (IL: 490.4) and SAT Math 497 (IL: 473.7).

Parks and Recreation

The DeKalb Park District has 40 public parks with a combined area totaling over 700 acres. The park district is a separate taxing body and is comprised of the following; 2 public golf courses, a pool-swimming complex with 2 water slides, a 10,000 square foot community center, 9 miles of bike paths, and a gymnasium. Other recreational activities include; 1 private country club *(with golf, swimming and tennis facilities),* 10 public tennis courts, 13 lighted ball diamonds, 200 acres of forest preserve, 1 health club, YMCA *(w/Olympic pool),* 8 regulation and 4 junior soccer fields, and Shabbona Lake State Park located 17 miles south of the City.

Transportation

The City is located 65 miles west of Chicago, situated as the western anchor of the I-88 corridors. Other interstate highways connect the City to other major Midwest locations. Major freight railroad lines and bus services also serve the City.

Additional Community Amenities

Also in the City; 3 movie theaters, Kishwaukee Symphony Orchestra, DeKalb Municipal Band, DeKalb Community Theatre, Emergence Dance Theatre, Children's Community Theatre, the NIU Theatre Group, and Northern Illinois University 10,000 seat Convocation Center, a $36 million multipurpose facility that hosts a variety of events. Events include concerts, family shows, theatrical productions, commencement ceremonies, job fairs, trade shows, Huskie athletic events *(Basketball, Volleyball, Track, Gymnastics and Wrestling).* Features include; 215,000 square feet with more than 45,000 square feet of floor space, 3,000 parking spaces, flexible floor plans, retractable seating, completely accessible grade-level entrance, NCAA-level indoor track allows NIU to establish a women's

track program and meet Title IX requirements, fulfills the need for a local facility with large-scale event space, attractive lobby and reception space for VIP events, and attached building houses offices, media center, practice gym, food preparation, storage, etc.

SOCIOECONOMIC INFORMATION

Employment

The diversity of employment within the City is reflected in a wide variety of employers and employment opportunities located within the City. The following is a list of large employers located in or immediately surrounding the City.

Largest Employers[1]

	2019	
Employer	Employees	% of Total City Population
Northern Illinois University	3,596	8.17%
KishHealth System	1,443	3.28%
Target Distribution Center	1,250	2.84%
3M	950	2.16%
DeKalb School District	900	2.04%
Wal-Mart Super Center	475	1.08%
American Marketing & Publishing	358	0.81%
Ideal Industries Inc.	344	0.78%
Sonoco Corp - Alloyd Brands	330	0.75%
Nestle Distribution	250	0.57%
Jewel/Osco	200	0.45%

(1) Source: Illinois Manufacturers Directory, Illinois Services Directory, DeKalb County Economic Development Corporation, City Records.

Unemployment Rates

Annual Average Unemployment Rates [1]

Year	City of DeKalb	DeKalb County	State of Illinois
2014	6.9%	6.5%	7.1%
2015	5.0%	5.5%	5.9%
2016	5.2%	5.3%	5.9%
2017	4.5%	4.6%	4.9%
2018	4.6%	4.3%	4.3%
2019	4.1%	4.1%	4.0%
2020[2]	13.4%	12.2%	14.6%

(1) Source: Illinois Department of Employment Security.
(2) Data to June 2020, includes Impact of COVID-19.

Building Permits

The following chart indicates the estimated value of residential building permits issued in the City.

Calendar Year	Units	Value
2014	753	$ 8,958,807
2015	678	54,359,021
2016	704	66,276,980
2017	963	35,210,556
2018	1,043	6,296,207
2019	1,079	70,978,241
2020	760	77,543,778*

Source: The City

*2020 through August. 2019 and 2020 reflect the positive impact of the Facebook and Ferrara. Permit fees and valuation for the Ferrara distribution center were recorded just before the end of December 2019 and therefore are recorded in 2019. The term "*units*" includes a range of projects from fence permits to commercial buildings. In 2014, there were very few large projects of size. In 2018, the inspection team was changed, such a change generally causes a decrease in permits for large projects.

Income

The following summarizes the per capita income trend for the City compared to the County and the State of Illinois.

	2000	2010	2019	% Change 2000-2019
City of DeKalb	$ 16,261	$ 18,488	$ 22,473	38.20%
DeKalb County	19,462	23,222	28,073	44.25
State of Illinois	23,104	28,424	34,463	49.16

Source: U.S. Census Bureau

Income Statistics

Value	City of DeKalb	DeKalb County	State of Illinois
Less than $10,000	13.8%	7.7%	6.5%
$10,000 to $14,999	6.9%	4.3%	4.0%
$15,000 to $24,999	10.2%	9.0%	8.9%
$25,000 to $34,999	10.3%	8.6%	8.6%
$35,000 to $49,999	12.3%	11.9%	12.0%
$50,000 to $74,999	17.9%	19.4%	17.2%
$75,000 to $99,999	9.5%	12.9%	12.7%
$100,000 to $149,999	12.1%	16.5%	15.6%
$150,000 to $199,999	3.9%	5.8%	6.9%
$200,000 or more	3.2%	3.9%	7.6%
Median household income (dollars)	$44,222	$61,086	$63,575
Mean household income (dollars)	$60,832	$75,000	$88,857

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Home Value Median

Value	City of DeKalb	DeKalb County	State of Illinois
Less than $50,000	4.4%	4.7%	6.7%
$50,000 to $99,999	13.7%	8.2%	15.0%
$100,00 to $149,999	28.4%	23.3%	15.7%
$150,000 to $199,999	29.9%	27.5%	16.1%
$200,000 to $299,999	20.0%	24.5%	21.0%
$300,000 to $499,999	2.9%	9.5%	16.9%
$500,000 to $999,999	0.8%	1.7%	7.0%
$1,000,000 or more	0.0%	0.6%	1.8%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Employment by Occupation

OCCUPATION	City of DeKalb	DeKalb County	State of Illinois
Management, business, science, and arts occupations	33.5%	33.7%	38.1%
Service occupations	23.5%	20.0%	17.2%
Sales and office occupations	24.1%	22.6%	22.4%
Natural resources, construction, and maintenance occupations	5.4%	8.9%	7.2%
Production, transportation, and material moving occupations	13.5%	14.8%	15.1%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Employment by Industry

INDUSTRY	City of DeKalb	DeKalb County	State of Illinois
Agriculture, forestry, fishing and hunting, and mining	1.0%	2.3%	1.1%
Construction	2.3%	5.6%	5.3%
Manufacturing	11.4%	12.8%	12.1%
Wholesale trade	1.5%	2.6%	3.0%
Retail trade	15.5%	13.7%	10.8%
Transportation and warehousing, and utilities	4.5%	5.0%	6.3%
Information	2.1%	1.7%	1.9%
Finance and insurance, and real estate and rental and leasing	3.9%	4.5%	7.3%
Professional, scientific, and management, and administrative	6.3%	7.6%	11.8%
Educational services, and health care and social assistance	27.3%	25.0%	22.9%
Arts, entertainment, and recreation, and accommodation and	16.7%	11.2%	9.1%
Other services, except public administration	4.0%	4.2%	4.7%
Public administration	3.6%	3.7%	3.6%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Educational Levels for 25 Years of Age and Older

AGE BY EDUCATION ATTAINMENT	City of DeKalb	DeKalb County	State of Illinois
Less than 9th grade	3.1%	3.0%	5.0%
9th to 12th grade, no diploma	4.4%	4.6%	6.1%
High school graduate (includes equivalency)	21.5%	25.5%	26.1%
Some college, no degree	22.8%	24.3%	20.7%
Associates degree	10.8%	11.2%	8.0%
Bachelor's degree	21.7%	19.6%	20.8%
Graduate or professional degree	15.7%	11.8%	13.3%
High school graduate or higher	92.4%	92.4%	88.9%
Bachelor's degree or higher	37.3%	31.4%	34.1%

Source: U.S. Census Bureau. 2018 American Community Survey 5-Year Estimates.

Population

	2000	2010	2019*	% Change 2000-2019
City of DeKalb	39,018	43,862	44,030	12.85%
DeKalb County	88,969	105,160	104,897	17.90
State of Illinois	12,419,293	12,830,632	12,671,821	2.03

Source: U.S. Census Bureau
*Estimate through July 1, 2019

Sales Receipts

The following table shows the amounts reported by retailers in the City for calendar year 2015 through 2019. These sales tax receipt numbers provide an indication of consumer spending categorized by standard industrial classification.

Category	Descriptions	2015	2016	2017	2018	2019
1	General Merchandise	$ 1,429,830	$ 1,374,207	$ 1,340,435	$ 1,374,575	$ 1,402,972
2	Food	625,743	600,619	614,029	605,569	633,165
3	Drinking and Eating Places	736,908	751,365	781,993	774,159	785,364
4	Apparel	96,825	93,076	87,526	89,400	88,293
5	Furniture & H.H. & Radio	222,194	213,615	205,428	207,960	202,711
6	Lumber, Bldg, Hardware	266,675	281,154	281,767	264,157	279,546
7	Automotive & Filling Stations	816,447	750,906	818,864	886,577	929,504
8	Drugs & Misc. Retail	868,831	898,508	882,885	904,182	939,500
9	Agriculture & All Others	267,896	267,171	295,365	283,440	300,449
10	Manufacturers	14,557	37,033	40,924	40,352	51,799
Totals		$ 5,345,9107	$ 5,267,659	$ 5,349,221	$ 5,430,376	$ 5,613,307
	Number of Taxpayers	807	813	826	805	798

Source: Illinois Department of Revenue

DEBT INFORMATION

General

The City is a home rule unit of government under the 1970 Illinois Constitution and has no tax rate or debt limit. As a home rule unit, the City is not required to seek referendum approval to raise its tax rate or to issue debt.

Direct General Obligation Bonded Debt (Principal Only)

Calendar Year	Series 2010A Bonds[1] (December 1)	Series 2010C Bonds[2] (January 1)	Series 2012A Bonds[3] (January 1)	Series 2013A Bonds[4] (January 1)	Series 2013B Bonds[5] (January 1)	Series 2014 Bonds[6] (January 1)	Series 2019 Bonds[7] (January 1)	The Bonds (January 1)	Less: Refunded Bonds (January 1)	Total
2020	$1,105,000	$ 680,000		$ 305,000	$ 700,000	$ 340,000				$3,130,000
2021	1,145,000	715,000		315,000	725,000	345,000	$ 20,000		($1,460,000)	1,805,000
2022		755,000		325,000	745,000		35,000			1,860,000
2023		645,000	$765,000	335,000			185,000			1,930,000
2024			780,000	345,000			870,000			1,995,000
2025			795,000	355,000			885,000			2,035,000
2026			810,000	365,000			905,000			2,080,000
2027			830,000	375,000			920,000			2,125,000
2028			845,000	390,000			105,000	$425,000		1,765,000
2029			865,000	405,000				540,000		1,810,000
2030			505,000	420,000				935,000		1,860,000
2031				435,000						435,000
2032				450,000						450,000
2033				470,000						470,000
Total	$2,250,000	$2,795,000	$6,195,000	$5,290,000	$2,170,000	$ 685,000	$3,925,000	$1,900,000	($1,460,000)	$23,750,000

[1] General Obligation Bonds, Series 2010A, dated May 27, 2010.
[2] General Obligation Refunding Bonds, Taxable Series 2010C, dated December 1, 2010.
[3] General Obligation Bonds, Series 2012A, dated October 25, 2012.
[4] General Obligation Bonds, Series 2013A (DeKalb Library), dated June 18, 2013.
[5] General Obligation Bonds, Series 2013B, dated June 18, 2013.
[6] General Obligation Refunding Bonds, Series 2014, dated November 20, 2014.
[7] General Obligation Refunding Bonds, Series 2019, dated October 23, 2019.

Overlapping General Obligation Bonded Debt

(As of December 31, 2019)	Gross Bonded Debt	Percentage of Debt Applicable to the City	City's Share of Debt
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 District #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 General Obligation Bonded Debt			$76,665,599

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

Source: DeKalb County Clerk's Office

Selected Financial Information

Estimated Full Value of Taxable Property, 2019	$1,757,180,517
Equalized Assessed Valuation of Taxable Property, 2019	$585,726,839
Population Estimate[1]	44,030
General Obligation Bonded Debt	$23,750,000
Other Direct General Obligation Debt:	
IEPA Loans[2]	$1,600,094
Leases	0
Total Direct General Obligation Debt	$25,350,094
Percentage to Full Value of Taxable Property	1.4%
Percentage to Equalized Assessed Valuation	4.3%
Per Capita	$575.75
Overlapping General Obligation Bonded Debt	$76,665,599
Direct General Obligation and Overlapping General Obligation Bonded Debt	$102,015,693
Percentage to Full Value of Taxable Property	5.8%
Percentage to Equalized Assessed Valuation	17.4%
Per Capita	$2,316.96

(1) Source: U.S. Census Bureau - Estimate through July 1, 2019.
(2) As of December 31, 2019.

Future Debt and Short Term Borrowings

No future issuances are planned in the next twelve months. The City does not utilize short-term borrowing.

Default Record

The City has no record of default and has met all of its debt repayment obligations promptly.

PROPERTY TAX INFORMATION

Assessment

The township assessor of each of the townships in the County is responsible for the assessment of all taxable real property within the township except for certain railroad property and certified pollution control facilities, which are assessed directly by the State. The township assessors reassess the County every fourth year. After the township assessors establish the fair market value of a parcel of land, the value, as revised by the county supervisor of assessments, is multiplied by 33-1/3% to arrive at the assessed valuation ("*Assessed Valuation*") for that parcel. Each township assessor and the county supervisor of assessments may revise the Assessed Valuation pursuant to requests of taxpayers. Taxpayers can also petition for review of their assessments by the County Board of Review. In addition, limited judicial review of assessments is available during the tax collection process, when the County Collector presents the Warrant Books (defined below) to the Circuit Court for judgment, or by appeal to the State Property Tax Appeal Board.

Equalization

After the township assessors and the county supervisor of assessments have established the Assessed Valuation for each parcel for a given year and township multipliers have been established, and following the County Board of Review revisions, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (commonly called the "*multiplier*") for each county, to make all valuations uniform among the 102 counties in the State.

The equalization factors for the County have been 1.000 for the last several years.

Once the equalization factor is established, the Assessed Valuation determined by the assessors, as revised by the Board of Review, are multiplied by the equalization factor to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations are the final property valuation used for determination of tax liability.

The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State and the valuation of farms assessed under the direction of the State, constitutes the total real estate tax base for that unit, and is the figure utilized to calculate tax rates.

Exemptions

An annual General Homestead Exemption (the "*General Homestead Exemption*") provides that the Equalized Assessed Valuation ("*EAV*") of certain property owned and used for residential purposes ("*Residential Property*") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $3,500 for assessment years prior to assessment year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of $5,000 for assessment year 2004 through 2007 in all counties. Additionally, the maximum reduction is $5,500 for assessment year 2008 and the maximum reduction is $6,000 for assessment year 2009 and thereafter in counties with less than 3,000,000 inhabitants.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to an annual maximum amount of $75,000 per year for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("*Senior Citizens Homestead Exemption*") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by $2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is $3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is $3,500 in all counties. In addition, for assessment year 2008 through 2012, the maximum reduction is $4,000 in counties with less than 3,000,000 inhabitants. For taxable years 2013 and thereafter, the maximum reduction is $5,000 in all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("*Senior Citizens Assessment Freeze Homestead Exemption*") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is $55,000. In general, the Senior Citizens Assessment Freeze Homestead Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with a population of less than 3,000,000, the Senior Citizens Assessment Freeze Homestead Exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the Senior Citizens Assessment Freeze Homestead Exemption phases out as the amount of household income increases. The amount of the Senior Citizens Assessment Freeze Homestead Exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their

spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("*Disabled Persons' Homestead Exemption*") or the Disabled Veterans Standard Homestead Exemption ("*Disabled Veterans Standard Homestead Exemption*") cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service connected disability of 75 % are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Tax Levy

There are over 130 units of local government in (or partly in) the County which have real estate taxing powers (the "*Units*"). As part of the annual budget process of the Units, the governing body of each Unit adopts ordinances or resolutions, in each year in which they determine to levy real estate taxes. These tax levy ordinances or resolutions impose their respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by ordinance or resolution, to the County Clerk's Office. The remaining administration and collection of the real estate taxes are statutorily assigned to the County Clerk and the County Treasurer who also serves as the County Collector.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. This computation is made by dividing the levy of each Unit by the Equalized Assessed Valuation of the respective Unit. If any tax rate thus calculated exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Taxes levied for debt service on the Bonds are not subject to any statutory limit.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel in the books prepared for the County Collector (the "*Warrant Books*") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. These books are the Collector's authority for the collection of taxes and are used by the Collector as the basis for issuing tax bills to all property owners.

On July 29, 1981, legislation known as the Truth in Taxation Act became effective, which requires additional procedures in connection with the annual levying of property taxes. Notice in

prescribed form must be published if the aggregate annual levy is estimated to exceed 105% of the aggregate extension of the preceding year, exclusive of election costs and debt service costs. A public hearing must also be held. No amount in excess of 105% of the preceding year's extension may be levied unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels. However, the legislation does not impose any limitation on the rate or the amount of the levies extended to pay principal of or interest on the Bonds.

Collection

Property taxes are collected by the County Collector who remits to the County its share of the collections. Taxes levied for one calendar year become payable during the following calendar year in two equal installments, the first on the later of June 1 or 30 days after the mailing of the tax bills and the second on or about the later of September 1. Unpaid taxes accrue penalties at the rate of one half of one percent (1% for agricultural property) per month from their due date, until the date of payment. During periods of peak collections, tax receipts are forwarded to each taxing district on a daily basis.

At the end of each calendar year, the Collector presents the Judgment record to the Circuit Court, and applies for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Judgment record. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within two years, the tax buyer can petition the court for a deed to the property.

Personal Property Tax Replacement

The Illinois General Assembly, pursuant to section 5(c) of Article IX of the 1970 Constitution of the State of Illinois, abolished all ad valorem personal property taxes as of January 1, 1979, and to replace the lost revenue, adopted a Personal Property Tax Replacement Income Tax. Such tax is measured by the net income, as defined, of every corporation, partnership and trust for each taxable year ending after June 30, 1979, and also by the invested capital, as defined, of certain public utilities. Collection of said replacement taxes are deposited and held in a Personal Property Tax Replacement Fund for distribution to taxing districts eight times per year.

Moneys received by any taxing district from the Personal Property Tax Replacement Fund shall be first applied toward payment of the proportionate amount of debt service which was previously levied and collected from extensions against personal property on bonds outstanding as of December 31, 1978 and next applied toward payment of the proportionate share of the pension or retirement obligations of the taxing district which were previously levied and collected from extensions against personal property, and any funds remaining may be used for any corporate purpose for which personal property taxes were used.

Equalized Assessed Valuation

Property	2014	2015	2016	2017	2018	2019
Residential	$285,032,206	$283,233,886	$298,748,883	$305,785,673	$316,779,699	$336,652,943
Farm	1,010,413	1,020,259	1,098,215	1,162,643	1,184,329	1,248,640
Commercial	138,851,901	142,889,179	154,031,848	164,843,724	170,625,427	182,469,081
Industrial	38,459,111	38,998,251	48,012,868	55,827,547	57,198,687	62,998,697
Railroad	1,612,750	1,936,167	1,970,015	2,009,877	2,159,545	2,357,478
Total	$464,966,381	$468,077,742	$503,861,829	$529,629,464	$547,947,687	$585,726,839

Source: DeKalb County Clerk's Office

Taxes Extended and Collected

Levy Year	Collection Year	Taxes Extended	Total Collection Amount	Total Collection Percent
2015	2016	$5,094,730	$5,049,737	99.12%
2016	2017	5,565,384	5,523,531	99.25%
2017	2018	6,004,594	5,869,058	97.74%
2018	2019	6,017,140	5,897,168	98.01%
2019*	2020	6,269,649	5,908,982	94.24%

Source: DeKalb County Treasurer's Office
*Amount reflects collections through October 15, 2020.

Tax Rates per $100 of Assessed Valuation

	2014	2015	2016	2017	2018	2019
City of DeKalb	1.0245	1.1942	1.2021	1.2268	1.1883	1.1549
DeKalb Library	0.3868	0.4911	0.4562	0.3872	0.2081	0.3868
Total	1.4113	1.6853	1.6583	1.6140	1.3964	1.5417
DeKalb County	1.2483	1.2364	1.1429	1.1201	1.0951	1.0752
DeKalb Township	0.1797	0.1820	0.1724	0.1709	0.1683	0.1632
DeKalb Road & Bridge	0.2106	0.2133	0.2020	0.2006	0.1961	0.1867
Forest Preserve District	0.0876	0.0853	0.0799	0.0783	0.0766	0.0748
Sanitary District	0.1486	0.1504	0.1425	0.1389	0.1375	0.1360
School Districts	8.2714	8.2500	7.8132	7.7209	7.3854	7.1838
Kishwaukee Community College	0.7123	0.6972	0.6700	0.6669	0.6683	0.6528
Park District	0.7969	0.7960	0.7559	0.7450	0.7366	0.7205
Total	13.0667	13.2959	12.6371	12.4556	11.8603	11.7347

Source: DeKalb County Clerk's Office

Principal Taxpayers within the City

Taxpayers	2019 Taxable Assessed Valuation	Type of Business, Property	Percentage of Total Assessed Valuation
3M	$24,311,971	Warehouse/Distribution	4.15%
Target	13,847,588	Warehouse/Distribution	2.36%
DeKalb Area Retirement Center	8,440,668	Retirement Center	1.44%
DeKalb 1 Preservation -University Village I & II	7,808,300	Apartments	1.33%
Panduit	7,620,929	Manufacturing	1.30%
ARC - Goodyear	7,054,926	Warehouse/Distribution	1.20%
MCJ Investments LLC - Bedi, Virender & Sukhdrshan	6,770,289	Apartments	1.16%
Nestle - LIT Industrial Limited Partnership	6,426,800	Warehouse/Distribution	1.10%
Mason Properties	6,202,375	Apartments	1.06%
Fairview MSFP II, LLC	4,318,992	Warehouse/Distribution	0.74%
Total:	$92,622,838		15.84%

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

FINANCIAL UPDATE

Upon the appointment of the new City Manager in late December 2018, the Council charged the professional administration to identify ways that the General Fund reserve balance could be restored to more than 25% of the General Fund's budgeted annual expenditures. On January 28, 2019, the projected reserve shortfall of about $1.1 million was filled with about $1 million in management layoffs, a reduction in non-personnel spending, and a personal contribution of $30,000 from the City Manager to finally close the gap. These fiscal moves and rigorous department constraints on spending raised the General Fund balance from 20% of actual expenditures on December 31, 2018 to 29.6% of expenditures on December 31, 2019 (an increase of $3,121,847). See "**APPENDIX A - CITY OF DEKALB, ILLINOIS FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS**" and "**APPENDIX B – SUMMARY OF OPERATING RESULTS**" for additional information on historical financial performance.

The first several months of fiscal year ending December 31, 2020 were promising, but then the COVID-19 crisis erupted. With the closure of many businesses by the third week in March in Illinois, the City had to re-calculate its revenue projections and spending. The City implemented over $2.38 million in expenditure reductions to offset COVID's impact on City finances (budget savings of over $2.1 million for the General Fund and $261,000 for the Water Fund) through the following measures:

- Personnel reductions provided savings of approximately $1 million to the General Fund and $261,000 to the Water Fund.
- Reduction across the board of already constrained commodity expenses by 5%, yielding $50,000.

- An estimated reduction of $315,000 in tax-sharing with other taxing bodies is assumed based on the fall in tax revenues to be shared. Also, another $65,000 of contractual services was cut across all operating budgets.
- About $500,000 can be transferred to the General Fund from the Capital Equipment Replacement Fund without violating any audit protocols. A Fire Engine purchase was deferred to a future fiscal year.
- The General Fund was slated to transfer $186,333 to the Capital Projects Fund which was put on hold.

The City estimates conservatively that it can qualify for about $1 million in Federal CARES Act funding based on records for activity between March 1 and August 31, 2020. The City is estimating a 14% decline ($2.2 million) in sales and use taxes, a 10% decline ($380,000) in gross receipts taxes (includes electric, gas, telecommunication and franchise taxes), a 14% decline ($498,000) in services charges and a 25% decline ($168,000) in fines. Overall, the City's General Fund reserves are expected to decrease by the anticipated fiscal year 2020 deficit of $1.9 million.

The table below summarizes the City's budget and anticipated results for fiscal year ending December 31, 2020 along with its proposed budget for fiscal year ending December 31, 2021.

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	FY2020 Budget	FY2020 Est	FY2021 Budget		
Beginning Fund Balance	$ 10,524,735	$ 10,524,735	$ 8,614,134		
Revenues by Category				**FY20/FY21**	**% Difference**
Property Taxes	$ 6,269,649	$ 6,269,649	$ 7,060,000	$ 790,351	12.61%
Sales & Use Taxes	15,764,982	13,508,102	13,511,684	3,582	0.03%
Gross Receipts Taxes	3,611,000	3,267,477	3,507,592	240,115	7.35%
Intergovernmental	5,475,534	5,145,242	5,623,513	478,271	9.30%
Licenses & Permits	675,500	740,528	735,271	-5,257	-0.71%
Service Charges	3,534,500	3,036,374	3,500,369	463,995	15.28%
Fines	676,000	507,433	499,314	-8,119	-1.60%
Other Income	1,452,092	1,059,910	1,061,560	1,650	0.16%
Transfers In	1,308,000	1,283,000	778,000	-505,000	-39.36%
Total Revenues	$ 38,767,257	$ 34,817,715	$ 36,277,303	$ 1,459,588	4.19%
Expenditures by Category					
Personnel	$ 30,790,624	$ 29,781,124	$ 30,062,246	$ 281,122	0.94%
Commodities	1,022,886	972,886	820,776	-152,110	-15.63%
Contractual Services	4,384,966	4,034,966	3,616,480	-418,486	-10.37%
Equipment	40,000	40,000	27,000	-13,000	-32.50%
Transfers Out	1,899,340	1,899,340	1,415,549	-483,791	-25.47%
Total Expenditures	38,137,816	36,728,316	35,942,051	-786,265	-2.14%
Rev-Exp	629,441	-1,910,601	335,252	2,245,853	-117.55%
Prior Period Adjustment	0	0	0		
Ending Fund Balance	$ 11,154,176	$ 8,614,134	$ 8,949,386	$ 335,252	3.89%
vs. Reserve Policy 25%	29.25%	23.45%	24.90%		

Includes additional transfer to Police & Fire Pension Funds of $1,031,368 for property tax shortfall; $290,393 for the larger portion of the Library GO bond payment in 2021; and a $1.795 million reduction in the General Fund transfer for other GO Bond debt service.
Includes $500,000 in Cares Act federal funding in FY2020, and $500,000 in FY2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Fund Accounting

The City's accounting policies conform to the modified accrual basis of accounting. Fund accounting is utilized by the City to account for the diverse nature of its activities. Each fund is established to account for a certain type of activity and is accounted for as a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. See "**APPENDIX A - CITY OF DEKALB, ILLINOIS FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS**" and "**APPENDIX B – SUMMARY OF OPERATING RESULTS**"

The following fund types and account groups are used by the City:

Government Fund Type

General Corporate Fund

This fund is the general operating fund of the City and is used to account for all activities of the City not included in other specified funds. General Corporate Fund accounts for the normal recurring activities of the City, such as police and fire services, transportation and general government. These activities are funded principally by property taxes levied on individuals and businesses, utility taxes and the distribution of various taxes collected by the State of Illinois.

Special Revenue Funds

These funds are used to account for activities which are financed from specific sources that are legally restricted for specific purposes. In addition, amounts received under the U.S. Department of Housing and Urban Development and State of Illinois Motor Fuel Tax programs are accounted for as Special Revenue Funds.

Debt Service Funds

These funds are used to account for the payment of principal and interest on general long-term debt for the City.

Capital Projects Funds

These funds are used to account for the purchase, construction or renovation of major fixed assets (other than those financed by proprietary funds) financed by the distribution of the income tax surcharge collected by the State of Illinois and proceeds of general obligation bonds.

Basis Accounting

The accounting for the Governmental Fund Types, the Expendable Trust Funds and the Agency Funds follows the modified accrual basis of accounting. Under this basis, revenues are recognized when susceptible to accrual, i.e., 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. Property tax revenues are recognized in the year due and collected. Property taxes levied in the current year are recorded as a receivable and a deferred revenue on the balance sheet as it is the City's policy to budget the collection of this tax levy to finance City operations in the subsequent fiscal year. The fair share assessment receipts are recorded as revenue at the time the related expenditure is appropriated for use of these funds. Other revenues are normally recorded only as received in cash. Expenditures are generally recognized when the related fund liability is incurred; however, principal and interest expense on general long-term debt are recognized when due. Capital outlays are recorded as expenditures at historical cost at the time of purchase.

The City's Proprietary Funds and the Pension Trust Funds follow the accrual basis of accounting whereby revenues are recorded as earned and expenses are recorded when incurred.

Budgets and Budgetary Accounting

The budget for the current fiscal year is presented to the Council prior to the end of the preceding fiscal year. Budgets are prepared under the accrual or modified accrual method of accounting, as is appropriate for all funds of the City except the General Trust Fund. The City's Finance Department

prepares monthly revenue and expenditure statements which contain a year-to- date comparison to the adopted budget. All tax levy ordinances are filed with the County on or before December 31st of the calendar year as required by statutes. Budgetary information reflects revisions made during the year. Revisions that alter the total expenditures of any division or fund must be approved by the Council.

INVESTMENT AND CASH MANAGEMENT POLICY

The City has adopted a comprehensive Investment and Cash Management Policy (the "*Policy*") addressing the administration of all funds except those restricted by specific ordinances. Examples of funds not subject to the Policy are debt service and reserve funds, which are subject to limitations set forth in the bond ordinances authorizing the issuance of the related bonds.

The City Manager has delegated the responsibility of the management of the Policy to the Comptroller/Treasurer. The Comptroller/Treasurer provides an investment report to the Council at least monthly.

The City's investment objective as summarized in the Policy is to preserve capital, provide liquidity, and maximize investment income. Further, the Policy establishes a standard of prudence which states the "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The Policy limits investments to those authorized under the Illinois Revised Statutes which includes but is not limited to United States Treasury securities, bank time deposits, commercial paper; Federal agency obligations rated AAA, and other highly rated investments. Further, the Policy specifically prohibits certain derivative investments.

Collateral is required for funds in checking accounts, certificates of deposit, and savings accounts in excess of FDIC or SIPC limits (excluding interest). The pledged collateral is held by an independent third party in the name of the municipality.

The Policy requires that liquidity in the portfolio be maintained to meet operating needs based on cash forecasts. Repurchase agreements can be used to provide liquidity and maintain investment returns. City investments cannot exceed a final maturity of seven years unless authorized specifically by Council. Investments for debt service requirements would not exceed the payment date.

CAPITAL IMPROVEMENT PROGRAM

The City has made a commitment to investment in comprehensive long-term capital improvements to efficiently provide quality municipal services. A major focus of recent capital improvement projects has been to support the economic development initiatives of the City. The funding for the infrastructure needs of the City are derived from existing revenue sources and the additional revenue generated from economic development and population growth without increasing the City's tax burden. Borrowing is used to the extent that the projects justify leveraging these revenue sources.

The City has a comprehensive planning process for the capital improvements. Initially, City departments compile their requested projects and submit them to the City Manager for consideration. On an annual basis, the City Manager compiles a five-year capital plan including the

proposed funding sources which is submitted to the Council for review and approval. The plan that is adopted by the Council is a commitment to projects for the next fiscal year and a tentative plan for the following four years.

The following are the major revenue sources that have been used to finance the capital improvement plan:

- Motor Fuel Tax Funds
- Local Motor Fuel Tax
- State and Federal Grants
- Enterprise fund revenues
- Bond proceeds

Capital Revenues and Street Repair

In the Fall of 2019, the Council and the City's volunteer Finance Advisory Committee (FAC) addressed the growing gap between the cost of upgrading streets and the available funds for street repair. With 130 centerline miles of roads to maintain (75% or 97.5 miles are residential), the average street maintenance budget to maintain a pavement condition index (PCI) at a rating above 70 on all City roads would require about $3.7 million per year. The annual State MFT allotment was increased by 19 cents per gallon in 2019 and added about $500,000 to the City's annual street maintenance program.

To enhance the revenues available for street improvements and fleet maintenance on a recurring basis, the Council increased its local motor fuel tax (per gallon) by 4 cents in December 2019. This increase has raised an estimated $500,000 for annual street maintenance (3 cents) and $170,000 for fleet maintenance (1 cent).

The annual war chest for street maintenance is now about $2,205,000. Other street-related costs such as sidewalk repairs, alley improvements, and construction engineering also have a modest fiscal floor under them. This is a significant increase from the roughly $750,000 spent in fiscal year ended December 31, 2017.

Capital Revenues and Fleet Management

With Respect to Fleet Management, in addition to the 1-cent increase in the local fuel tax for fleet maintenance which added about $170,000 to the annual revenues for such purposes, other smaller, recurring revenue sources include lease payments from telecommunication companies with antennae on our water towers; E911 Board payments; and an annual DeKalb County emergency services payment.

In the Fall of 2019, the Council and FAC also addressed the widening gap between the City's aging fleets and the funds available to replace them. In mid-2019, the City's fleet of Fire, Police, Public Works and other vehicles totaled 170 units with an average age that had grown from 5.7 years in 2006 to 12 years in 2018. At that time, the annual fleet maintenance costs had risen to about $300,000 per year and the replacement value of the combined City vehicles was about $12 million, with about one-half of the City's vehicles beyond their useful life. The replacement cost of the 80 or so vehicles in the worst condition was about $4.3 million. As a result of the Joint Council/FAC discussion, the City staff were directed to investigate leasing options that might accelerate vehicle replacements for a few years until a sustainable level of annual lease obligations could be established. On May 26, 2020, the Council approved an open-ended equity lease program

with Enterprise Fleet Management for 13 vehicles which should result in a cashflow benefit of $410,394 in FY 2020 alone.

Recent Developments

The City Manager led the community-wide discussions about potential incentives for both the Ferrara and Facebook projects. The essential local incentives for the Ferrara Candy Company project were approved in November and December of 2019 and encompassed in an intergovernmental agreement (IGA) which committed each local taxing body to the abatement of 50% of their property taxes on each of the three buildable parcels on the 102-acre site for a period of fifteen (15) years. The initial Ferrara phase includes a 1.4 million square foot distribution center and a 400,000 square foot packing center. The distribution center is slated for temporary occupancy in December 2020 or January 2021, and the packing center is expected to open in the second quarter of 2021. A follow-on development phase will feature a 500,000 square foot manufacturing center with rail access.

Regarding the Facebook incentives, the County's Enterprise Zone program was central. The DeKalb County Enterprise Zone provides unique benefits to "high-impact" knowledge-based developments within 3.5 miles of the centerline of I-88. Specifically, all participating taxing bodies agreed to abate 55% of the property tax revenues generated by the 505-acre site for a period of twenty (20) years, provided Facebook makes a minimum investment of $800 million and builds at least 900,000 square feet of facility space (March/April, 2020). Facebook has met the minimum threshold in their initial phase, which is currently underway. A 900,000 square foot "data hall" is underway, along with a 200,000 square foot electrical substation and a 40,000 square foot office structure. Multiple phases are likely, considering the most recent Facebook data center developments in Ohio and Georgia and the scope of the original land purchase.

The City's downtown business district has been a targeted redevelopment area for several years. Beginning in 2017 and continuing through the present, the City has dedicated a substantial share of its annual TIF increment to incentivize private property rehabilitation and redevelopment. The City has two TIF Districts which overlap the downtown business district. TIF #1, which was formed in 1986 and has been extended in conformance with state statutory steps until December 31, 2021, has provided most of the public financial assistance. TIF #1 currently comprises several thousand parcels including the downtown but also older industrial and residential areas stretching beyond Peace Road on the east and northward along the Sycamore Road commercial corridor. The annual increment in the closing years of TIF #1 has been about $7 million, but one-half of that amount is surplused to the other local taxing bodies according to an IGA. With the further reduction of about $1.2 million in declining debt service, TIF #1 can still generate about $2.3 million per year for redevelopment projects. TIF #3, created in 2019 and generating property tax increment for the first time in 2020, comprises about 180 lots exclusively within the downtown (Highway IL 38) corridor, will generate an estimated $325,000 in new property tax increment in 2021 and lasts until 2042.

In the past three years, TIF #1 has been an engine for redevelopment, much of which will be included in the downtown EAV calculations for 2020-2021. The principal projects are listed below:

- Cornerstone DeKalb, LLC. (redevelopment). This is a four-story mixed commercial/residential use at First Street and Hwy IL 38 (the proverbial "State and Main"). The development includes commercial retail and office uses on the first floor, and three floors of high-end apartments (51 units; 17 per floor). The TIF incentive of $3 million was secured by a promissory note and mortgage with the City and supports a $9 million redevelopment project that involved the

demolition of multiple declining properties; the creation of new downtown parking, and the upgrading of underground infrastructure. This project was fully occupied and received a final occupancy permit in the spring of 2019. The property tax increment from this project will be ported to TIF #3 to afford a more substantial funding pool for redevelopment supported by that fund.

- Hometown Restaurant (upgrades and expansion). On March 25, 2019, the Council unanimously approved a development agreement in the amount of $150,000 with the owner of the properties at 241-249 E. Lincoln Highway. The "forgivable loan" constituted roughly 27% of the overall project cost of $558,935. The reconstruction work involved the substantial remodeling and rehabilitation of one of the historic "watering holes" in DeKalb. It is now complete.

- Plaza DeKalb (redevelopment). The Council approved a TIF development agreement on August 14, 2017 in the amount of $1.9 million in support of an owner commitment of $6 million (31.67%). Improvements were first made to the façades of the two eastern buildings, accommodations for the vendor, Gaming Goat, were completed, and two upper level "penthouse" apartments were completely renovated. With that work complete, it was then possible to move on to the build-outs for a number of "Professional Suites" and Jamrah Restaurant. When these renovations were completed, attention was focused on the construction of a new four-story building at the corner of Second Street and Hwy IL 38, which took the place of a one-story under-performing commercial building. After some careful engineering analysis, the foundation and basement of that building were reinforced to support the new multi-level structure. The new building was opened in the spring of 2020 and includes 21 high-end apartment units on three floors above the first-floor which features a variety of commercial office and retail uses. The overall Plaza DeKalb project includes 23 apartments, including the two renovated spaces above 223 and 229 East Lincoln Highway.

- The former Mooney Dealership Property (redevelopment). On June 10, 2019, the Council approved an agreement in the amount of $3 million to support a $13 million redevelopment plan that includes razing the former dealership, mitigating known environmental problems, and constructing an L-shaped, three-story building of 112,101 square feet with a mix of commercial retail and residential uses. The large complex will have 12,350 square feet of commercial retail space on the ground floor and ninety-four, one- and two-bedroom executive suites on the upper floors. The complex will also include hospitality rooms, a fitness center, and outdoor terraces. A total of 220 off-street parking spaces will also be provided in conformance with city requirements. Time of completion is expected to be summer of 2022.

- Egyptian Theater (upgrades and expansion). On March 11, 2019, the Council unanimously approved a development incentive agreement with the Egyptian Theatre in the amount of $2.5 million. The "forgivable loan" constituted approximately 62.5% of the estimated project cost of $4 million. Construction is substantially complete but the grand opening of the historic theater awaits our progress from Phase 4 to Phase 5 in the State's COVID plan.

- 206 E. Lincoln Highway (redevelopment). On February 24, 2020, the Council approved a TIF-funding agreement that provided a forgivable loan of $216,800 for extensive remodeling on the second floor of 206 E. Lincoln Highway to construct four apartments: one single-bedroom apartment and three two-bedroom apartments. The loan represented 40% of the estimated remodeling cost of $542,000 and was limited to the reimbursement of costs that were TIF-eligible. As with all the City's TIF "forgivable loans," if upon the expiration of the agreement the TIF incentive is not completely repaid in terms of incremental tax revenue, the remaining balance will become a debt due and owing to the City requiring repayment within 120 days of the owners' receipt of written notice from the City. This structure of support is similar to that of the Cornerstone, Plaza DeKalb, and Agora Tower projects.

- 260 E. Lincoln Highway (redevelopment). On April 13, 2020, the Council approved a TIF-funding agreement with Gullie, LLC for the $689,100 rehabilitation of the former O'Leary's Restaurant in downtown DeKalb at Third Street and Hwy IL 38 in the amount of $124,100.

RETIREMENT FUND COMMITMENTS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 164 East Lincoln Highway DeKalb, IL 60115. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. Also See Note 11 of the Fiscal Year 2019 Comprehensive Annual Financial Report for additional Information.

Illinois Municipal Retirement System

All employees hired into positions that meet or exceed the prescribed hourly standard, except police and firemen, must enroll in the Illinois Municipal Retirement System (IMRF). IMRF is an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for 2,515 local governments and school districts in the State of Illinois.

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.

Police and Firefighters' Pension Fund

Police and fire sworn personnel are covered by Police and Firefighters' Pension Plans, which are defined, benefit single-employer plans. Benefits and contributions are governed by state statutes. Separate boards oversee the affairs of each plan.

Participating members are required to contribute 9.91% and 9.455% to the police and firemen's plan respectively. The City is required to fund the actuarially determined amount. 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% and 70.09% of covered payroll to the police and firemen's plan respectively.

Net Pension Liability

The following summarizes the unfunded pension benefit obligation for each plan covering City employees:

	IMRF 12/31/2019	Police 1/1/2020	Firefighters' 1/1/2020	Total
Total Pension Obligation	$61,610,893	$79,927,589	$82,056,149	$223,594,631
Plan Fiduciary Net Position	56,864,567	40,099,145	31,678,349	128,642,061
Unfunded (Overfunded) Pension Benefit Obligation	$4,746,326	$39,828,444	$50,377,800	$94,952,570
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	92.30%	50.20%	38.60%	57.53%

Source: City of DeKalb

OTHER POST EMPLOYMENT BENEFITS

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 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.

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. See Note 10 of the Fiscal 2019 Comprehensive Annual Financial Report for additional details.

TAX MATTERS

Summary of Bond Counsel's Opinion

Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes and is not exempt from present Illinois income taxes. Other than the foregoing, Bond Counsel expresses no opinion

as to the consequences of the ownership of, accrual or receipt of interest on, and the disposition of, the Bonds.

Scope of Discussion

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquired those Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under state, local or non-U.S. tax laws, except as set forth below. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Bonds is sold to the public) and who will hold their Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "*U.S. Holder*" means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "*Non-U.S. Holder*" generally means a beneficial owner of a taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds the Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding the Bonds, and partners in such partnerships should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of income from a debt instrument having original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Bonds in light of their particular circumstances.

Interest

Payments of interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting), provided such interest is "qualified stated interest" within the meaning of section 1272 of the Code. For purposes of this discussion, the term "qualified stated interest" on a Bond means all interest thereon based on a fixed rate, and payable unconditionally at fixed periodic intervals of one year or less during the entire term of the instrument.

Original Issue Discount

To the extent that the issue price of any bond of a maturity is less than the aggregate of the amounts (other than qualified stated interest) to be paid over the term of that bond by more than a de minimis amount, the difference may constitute original issue discount ("*OID*") on that bond. U.S. Holders of the Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Amortizable Bond Premium

A holder of the Bond that purchased that bond for an amount that was greater than its stated redemption price at maturity will be considered to have purchased the Bond with "amortizable bond premium" equal in amount to such excess. For purposes of this discussion, the "stated redemption price at maturity" of a Bond, as of any date, is an amount equal to the aggregate of the amounts (other than qualified stated interest) to be paid on that bond over the remaining term. A U.S. Holder of a the Bond purchased with amortizable bond premium may elect to amortize such premium using a constant yield method over the remaining term of the Bond (or to an earlier call date that minimizes the owner's yield on the Bond) and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on the Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. Any election by a U.S. Holder to amortize bond premium applies to all taxable debt instruments beneficially owned by that person on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS. That a Bond was purchased by the holder with amortizable bond premium may affect the computation of includable original issue discount for that holder.

Sale or other Taxable Disposition of a Bond

Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement or other taxable disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid qualified stated interest on the Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable

to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Medicare Tax

Certain non-corporate U.S. Holders of the Bonds are subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals is between $200,000 and $250,000, depending on the individual's circumstances). A U.S. Holder's calculation of net investment income generally will include its interest income on the Bonds and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are an individual, estate, or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Bonds.

Effect of Defeasance

The Bonds are subject to legal defeasance without the consent of the holders of the Bonds. Defeasance of any of the Bonds may be treated as a taxable constructive exchange of that Bond for the defeased Bond. A U.S. Holder of a taxable Bond generally will recognize gain or loss equal to the difference between (i) the fair market value of such U.S. Holder's Bond on the date of the defeasance (except to the extent of accrued but unpaid interest on the Bond which will be taxed in the manner described above under "*Interest*") and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bond, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Bond exceeds one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("*TIN*") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not

subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

If, under the Code, interest on the Bonds is effectively connected with the conduct of a trade or business within the United States by a Non-U.S. Holder, such interest will be subject to U.S. federal income tax in a similar manner as if the Bonds were held by a U.S. Holder, as described above, and in the case of Non-U.S. Holders that are corporations, interest on the Bonds also may be included in the computation of earnings and profits that are subject to a U.S. branch profits tax at a rate of up to 30%, unless an applicable tax treaty provides otherwise. Such Non-U.S. Holder will not be subject to withholding taxes, however, if it provides a properly executed Form W-8ECI to the payor.

Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (or any lower rate specified in an income tax treaty) on periodic income items arising from sources within the United States, such as interest on the Bonds, provided such income is not effectively connected with the conduct of a United States trade or business.

The foregoing notwithstanding, but subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders," and assuming the interest income of Non-U.S. Holder on the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, interest on the Bonds will not be subject to withholding under section 1441 or section 1442 of the Code to the extent that the interest income is treated as "portfolio interest". Interest paid to a Non-U.S. Holder generally will be treated as portfolio interest as to that holder if: (i) the Non-U.S. Holder provides a statement to the payor certifying, under penalties of perjury, that the Non-U.S. Holder is not a United States person and providing the name and address of such Non-U.S. Holder; (ii) such interest is treated as not effectively connected with a United States trade or business of the Non-U.S. Holder; (iii) such interest payments are not made to a person within a foreign country that the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) the Non-U.S. Holder is not a controlled foreign corporation, within the meaning of section 957 of the Code which is related to the Corporation through stock ownership; and (v) the Non-U.S. Holder is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the Non-U.S. Holder's banking trade or business.

Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders," any capital gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement or other disposition and certain other conditions are met.

U.S. Federal Estate Tax

The Bonds that are held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Bond

would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding

Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the Non-U.S. Holder of the Bond or a financial institution holding the Bond on behalf of the Non-U.S. Holder in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Non-U.S. Holder provides the certification, the certification must give the name and address of such Non-U.S. Holder, state that such Non-U.S. Holder is not a United States person, or, in the case of an individual, that such Non-U.S. Holder is neither a citizen nor a resident of the United States, and the Non-U.S. Holder must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act ("*FATCA*")-U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code (commonly referred to as "*FATCA*") impose a reporting regime and potentially a 30% withholding tax on certain payments made to or through (i) a "foreign financial institution" (as specifically defined in the Code) that does not enter into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or (ii) a "non-financial foreign entity" (as specifically defined in the Code) that does not provide sufficient information with respect to its substantial U.S. owners, if any. The United States has entered into, and continues to negotiate, intergovernmental agreements (each, an "*IGA*") with a number of other jurisdictions to facilitate the implementation of FATCA. An IGA may significantly alter the application of FATCA and its information reporting and withholding requirements with respect to any particular investor.

Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest under, and certain "passthru" payments with respect to, the Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments."

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of the Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

State and Local Income Tax Consequences

Interest on the Bonds is not exempt from present Illinois income taxes.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Bonds by the City are subject to the approval of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be delivered with the Bonds. Katten Muchin Rosenman LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the City. Donahue Rose, P.C. is acting as Local Counsel to the City.

PENDING LITIGATION

No litigation is now pending or threatened against the City affecting the issuance or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds. A "no litigation" certificate of the City will be included with the customary closing papers when the Bonds are delivered.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") pursuant to the requirements of the Rule adopted by the Commission under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any, (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the City's fiscal year (currently December 31). If Audited Financial Statements are not available when the Annual Financial Information is filed, the City will file unaudited financial statements. The City will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access ("*EMMA*") system within 30 days after availability to the C. MSRB Rule G 32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"*Annual Financial Information*" means the statistical tables in the City's Comprehensive Annual Financial Report including:

- Sales Receipts
- Equalized Assessed Valuation
- Taxes Extended and Collected
- Tax Rates
- Principal Taxpayers within the City
- Direct and General Obligation Bonded Debt
- Appendix B Summary of Operating Results

"*Audited Financial Statements*" means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G 32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "*Events*" are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, or Tender offers, if material
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a financial obligation (as defined in Rule 15c2-12), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation, any of which reflect financial difficulties

For the purposes of the event described in number (12), such event is considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in numbers (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "*Rule*").

Consequences of Failure of the City to Provide Information

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

Amendment

The undertakings described in this Section may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, BAM will issue its Municipal Bond Insurance Policy for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as "**APPENDIX D**" to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.7 million, $143.6 million and $345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "**BOND INSURANCE**".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured

by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

INSURED INVESTMENT RATING

S&P Global Ratings is expected to assign the Bonds an insurer rating of "AA" to the Bonds, with the understanding that, upon delivery of the Bonds, a bond insurance policy will be issued by BAM. Such ratings reflect only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described under the heading "**CONTINUING DISCLOSURE**", the form of which is attached hereto as "**APPENDIX D**", neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

UNDERLYING INVESTMENT RATING

The Bonds have an underlying rating of "A2" by Moody's. Any explanation of the significance of the ratings may be obtained only from said rating service. Certain information and materials concerning the Bonds, the City, and overlapping agencies and entities were furnished to the rating service by the City and others. There is no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely by the rating service issuing such rating, if in its judgment circumstances so warrant. Any change in or withdrawal of such rating may have an effect on the price at which the Bonds may be resold.

UNDERWRITING

Robert W. Baird & Co. Incorporated, Naperville Illinois (the "*Underwriter*") agreed to purchase all, but not less than all, of the Bonds at a price of $1,879,666.72 (reflecting a par amount of $1,900,000 and less an underwriting discount of $20,333.28). It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown on the addendum to this Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

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AUTHORIZATION

This Official Statement is authorized for distribution to prospective purchasers of the Bonds. The Council, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of preparation, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/S/ Bill Nicklas
City Manager
City of DeKalb, Illinois

October 28, 2020

APPENDIX A

CITY OF DEKALB, ILLINOIS
FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS

City of DeKalb
opportunity · innovation

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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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. Morrill

Executive Director/CEO

City of DeKalb
opportunity · innovation

200 South Fourth Street
DeKalb, Illinois 60115
815.748.2000 • cityofdekalb.com

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 distributer, 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.
- Aproved 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

SIKICH.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeKalb, Illinois (the City), as of and for the year ended December 31, 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.

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.

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.

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

Table I
Statement of 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*
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.

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
Change in Net Position Before Transfers	(2,840,702)	(10,979,065)	350,704	606,795	(2,489,998)	(10,372,270)
Transfers	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

(See independent auditor's report)
MD&A 5

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.

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.

Total Primary Government Expenses for FY19

(See independent auditor's report)
MD&A 7

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.

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
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.

(See independent auditor's report)

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

	Governmental Activities		Business-Type Activities		Total	
	FY19	FY18	FY19	FY18	FY19	FY18
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.

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.

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	$ 7,291,403	$ 57,038,684	$ 64,330,087	$ 18,503,467

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**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			
	Governmental Activities	Business-Type Activities	Total	Component Unit 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			
Prepaids	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			
Tax Increment Financing #1	Tax Increment Financing #2	Nonmajor Governmental Funds	Total Governmental Funds
$ 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
$ 13,414,954	$ 2,157,698	$ 1,788,251	$ 44,977,561
$ 3,515,887	$ 2,082,698	$ 575,324	$ 9,281,645
-	-	-	909,449
-	-	5,202	1,239,133
-	-	-	-
-	-	91,791	91,791
3,515,887	2,082,698	672,317	11,522,018
6,645,315	-	331,628	13,400,743
6,645,315	-	331,628	13,400,743
10,161,202	2,082,698	1,003,945	24,922,761
-	-	-	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
3,253,752	75,000	784,306	20,054,800
$ 13,414,954	$ 2,157,698	$ 1,788,251	$ 44,977,561

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	2,089,167
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 7,291,403

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			
Tax Increment Financing #1	Tax Increment Financing #2	Nonmajor Governmental Funds	Total Governmental Funds
$ 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 acitivies	(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		
	Water	Airport	Refuse	Total	Internal Service Funds
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
			Nonmajor Enterprise Funds		
	Water	Airport	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	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	$ 5,934,319	$ 816,913	$ 1,871,079	$ 8,622,311	$ 7,112,966
Miscellaneous	12,333	25,851	89	38,273	77,601
Total Operating Revenues	5,946,652	842,764	1,871,168	8,660,584	7,190,567
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	6,800,159
OPERATING INCOME (LOSS)	727,192	(654,352)	1,620	74,460	390,408
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	4,865	636	393	5,894	4,547
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	4,547
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	688,713	(376,252)	2,013	314,474	394,955
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	394,955
NET POSITION, JANUARY 1	25,950,515	30,854,070	205,195	57,009,780	1,694,212
NET POSITION, DECEMBER 31	$ 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 CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise Funds		
	Water	Airport	Refuse	Total	Internal Service Funds
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 Activities
			Nonmajor Enterprise Funds		
	Water	Airport	Refuse	Total	Internal Service Funds
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	$ 1,921,343	$ (384,975)	$ 3,779	$ 1,540,147	$ (180,357)
NONCASH TRANSACTIONS					
None	$ -	$ -	$ -	$ -	$ -
TOTAL NONCASH TRANSACTIONS	$ -	$ -	$ -	$ -	$ -

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	3,300
Total Assets	71,793,633
LIABILITIES	
Accounts Payable	16,139
Total Liabilities	16,139
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	1,112,170
Total Contributions	7,694,941
Investment Income	
Net Appreciation in Fair Value of Investments	9,427,423
Interest	1,609,959
Total Investment Income	11,037,382
Less Investment Expense	(99,847)
Net Investment Income	10,937,535
Total Additions	18,632,476
DEDUCTIONS	
Administrative Expenses	83,681
Benefits and Refunds	7,417,695
Total Deductions	7,501,376
NET INCREASE	11,131,100
NET POSITION RESTRICTED FOR PENSIONS	
January 1	60,646,394
December 31	$ 71,777,494

See accompanying notes to financial statements.

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 discreetly 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 budged 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.

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	54,675
TOTAL GOVERNMENTAL ACTIVITIES	$ 4,496,913
BUSINESS-TYPE ACTIVITIES	
Airport Grants	$ 35,230
TOTAL BUSINESS-TYPE ACTIVITIES	$ 35,230
DISCRETELY PRESENTED COMPONENT UNIT	
None	$ -
TOTAL DISCRETELY PRESENTED COMPONENT UNIT	$ -

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	268,727
TOTAL GOVERNMENTAL ACTIVITIES	$ 2,033,555
BUSINESS-TYPE ACTIVITIES	
Water Miscellaneous	$ 18,244
TOTAL BUSINESS-TYPE ACTIVITIES	$ 18,244
DISCRETELY PRESENTED COMPONENT UNIT	
None	$ -
TOTAL DISCRETELY PRESENTED COMPONENT UNIT	$ -

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

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

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	-

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

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

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	$ -

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	-

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.

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	$ 837,356	$ 569,995

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

	Due From	Due To
General		
Nonmajor Governmental	$ 91,791	$ -
Total General	91,791	-
Nonmajor Governmental		
General Debt Service Fund	-	91,791
Total Nonmajor Governmental Funds	-	91,791
TOTAL	$ 91,791	$ 91,791

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.

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers

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

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

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.

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:

Fund	Deficit Balance
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.

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	205
TOTAL	349
Participating Employers	1

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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

	Total OPEB Liability
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	(1,343,099)
Net Changes	2,561,913
BALANCES AT DECEMBER 31, 2019	$ 29,168,203

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	$ 32,431,436	$ 29,168,203	$ 26,406,007

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

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.

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

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:

Year Ending December 31,	City	Library	Total
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)

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	60
TOTAL	124

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,

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.

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 Maturities (in Years)			
Investment Type	Fair Value	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.

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 I) 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

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:

Year Ending December 31,	
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	52
TOTAL	116

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.

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 Maturities (in Years)			
Investment Type	Fair Value	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.

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

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

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

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 Maturities (in Years)			
Investment Type	Fair Value	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.

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	$ 621,282
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 621,282

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

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

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.

DECEMBER 31, 2016**	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
$ 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)
4,078,823	5,839,177	5,504,935	3,606,789
60,897,865	64,976,688	70,815,865	76,320,800
$ 64,976,688	$ 70,815,865	$ 76,320,800	$ 79,927,589
$ 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)
2,426,297	4,079,996	(1,827,505)	6,720,422
28,699,935	31,126,232	35,206,228	33,378,723
$ 31,126,232	$ 35,206,228	$ 33,378,723	$ 40,099,145
$ 33,850,456	$ 35,609,637	$ 42,942,077	$ 39,828,444
47.90%	49.70%	43.70%	50.20%
$ 5,417,619	$ 5,831,117	$ 5,937,493	$ 5,626,249
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.

DECEMBER 31, 2016**	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019
$ 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)
4,152,029	4,879,704	6,022,703	4,209,088
62,792,625	66,944,654	71,824,358	77,847,061
$ 66,944,654	$ 71,824,358	$ 77,847,061	$ 82,056,149
$ 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)
2,673,055	3,161,362	(2,038,207)	4,410,678
23,471,461	26,144,516	29,305,878	27,267,671
$ 26,144,516	$ 29,305,878	$ 27,267,671	$ 31,678,349
$ 40,800,138	$ 42,518,480	$ 50,579,390	$ 50,377,800
39.10%	40.80%	35.00%	38.60%
$ 4,895,248	$ 5,102,831	$ 5,080,355	$ 4,998,383
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	$ 904,000	$ 849,000	2,510,687
FUND BALANCE, JANUARY 1			7,402,857
Prior Period Adjustment			611,160
FUND BALANCE, JANUARY 1 (RESTATED)			8,014,017
FUND BALANCE, DECEMBER 31			$ 10,524,704

(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	1,161,757	1,161,757	1,523,540
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	1,540,000	2,503,623	1,320,509
NET CHANGE IN FUND BALANCE	$ (378,243)	$ (1,341,866)	203,031
FUND BALANCE, JANUARY 1			2,797,303
FUND BALANCE, DECEMBER 31			$ 3,000,334

(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.)

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	$ 1,528	$ (10,458)	637
FUND BALANCE, JANUARY 1			62,282
FUND BALANCE, DECEMBER 31			$ 62,919

(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	$ (53,874)	$ (53,874)	(1,642)
FUND BALANCE, JANUARY 1			67,576
FUND BALANCE, DECEMBER 31			$ 65,934

(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
REVENUES			
Taxes			
Property Taxes	$ 1,000	$ 1,000	$ 1,000
Total Revenues	1,000	1,000	1,000
EXPENDITURES			
General Government			
Contractual Services	1,500	1,500	1,021
Total Expenditures	1,500	1,500	1,021
NET CHANGE IN FUND BALANCE	$ (500)	$ (500)	(21)
FUND BALANCE, JANUARY 1			3,154
FUND BALANCE, DECEMBER 31			$ 3,133

(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	$ 10	$ 10	9,740
FUND BALANCE, JANUARY 1			14
FUND BALANCE, DECEMBER 31			$ 9,754

(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	$ (490)	$ (490)	1,401
FUND BALANCE, JANUARY 1			5,546
FUND BALANCE, DECEMBER 31			$ 6,947

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

December 31, 2019

	General Debt Service	TIF Debt Service	Total
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
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
TOTAL ASSETS	$ 539,535	$ 706,974	$ 1,246,509
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 15,473	$ 4,400	$ 19,873
Unearned Revenue	-	5,202	5,202
Total Liabilities	15,473	9,602	25,075
FUND BALANCES			
Assigned for Capital Projects	524,062	697,372	1,221,434
Total Fund Balances	524,062	697,372	1,221,434
TOTAL LIABILITIES AND FUND BALANCES	$ 539,535	$ 706,974	$ 1,246,509

(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	$ (185,281)	$ (193,454)	80,071
FUND BALANCE, JANUARY 1			443,991
FUND BALANCE, DECEMBER 31			$ 524,062

(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	$ 245,236	$ 245,236	358,573
FUND BALANCE, JANUARY 1			338,799
FUND BALANCE, DECEMBER 31			$ 697,372

(See independent auditor's report.)
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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			$ 23,927,543			$ 1,151,279

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' Compensation	Health 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
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ (372,724)	$ (372,724)	196,146	$ (525,417)	$ (525,417)	394,955
		445,392			1,694,212
		$ 641,538			$ 2,089,167

(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	$ 1,986,058	$ 258,572	$ 2,244,630
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	$ (107,916)	$ (72,441)	$ (180,357)

(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	$ 1,826,579	$ 1,826,579	6,720,422	$ 2,734,284	$ 2,559,808	4,410,678	$ 4,560,863	$ 4,386,387	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

(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
494-10-0343	State and Community Highway Safety/National 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
494-80-1284	Transit Downstate Transit Improvement Fund 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 Principal	Tax Levy Interest	Tax Levy Total	Interest Due on June 1	Amount	Interest Due on 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
	$ 2,250,000	$ 135,800	$ 2,385,800		$ 67,900		$ 67,900

(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 Principal	Tax Levy Interest	Tax Levy Total	Interest Due on January 1	Amount	Interest Due on 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	-
	$ 2,795,000	$ 316,036	$ 3,111,036		$ 196,613		$ 119,423

(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	-
	$ 6,195,000	$ 918,864	$ 7,113,864		$ 492,102		$ 426,762

(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	-
	$ 685,000	$ 10,616	$ 695,616		$ 7,952		$ 2,664

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

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

(See independent auditor's report.)
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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 Principal	Tax Levy Interest	Tax Levy Total	Interest Due on January 1	Amount	Interest Due on 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	-
	$ 3,925,000	$ 400,431	$ 4,325,431		$ 193,469		$ 206,962

(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
	$ 389,795	$ 9,924	$ 399,719

(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
	$ 320,069	$ 8,148	$ 328,217

(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
	$ 207,197	$ 33,621	$ 240,818

(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
	$ 683,033	$ 132,950	$ 815,983

(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

Fiscal Year	Requirements		
	Principal	Interest	Total
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
	$ 5,290,000	$ 1,474,601	$ 6,764,601

(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

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

(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.

Contents	Page(s)
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	45,230,317
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

		2019			2010		
Taxpayers	**Type of Business**	**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						
			Collections within the Levy Year			Total Collections to Date				Collections within the Levy Year			Total Collections to Date	
Tax Levy Year	Rates per $100	Total Tax Levy Requested	Amount	Percent of Levy Collected	Collections in Subsequent Years	Amount	Percent of Levy Collected	Rates per $100	Total Tax Levy Requested	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

	Governmental Activities						Business-Type Activities						
Fiscal Year Ended	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	Total Primary Government	Percentage of Personal Income*	Per Capita*
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	2,693,225	-	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	$ 217,498,757		$ 76,665,599
Total Direct and Overlapping	$ 235,651,032		$ 94,817,874

*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

	Tax Increment Financing Bonds and Notes						
					Debt Service		
Fiscal Year	Incremental Property Taxes	Incremental Sales Tax	Less Excluded Contractual Obligations	Available for Debt Service	Principal	Interest	Coverage
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

	2019			2010		
Employer	**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%
Tegrant				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

APPENDIX B

SUMMARY OF OPERATING RESULTS

Operating results and balance sheets for the past five fiscal years for the City's general governmental funds are summarized from the City's audited financial statements on the following pages. The complete general purpose financial statements for Fiscal Year 2019 are included in Appendix A.

Statement of Revenues and Expenditures
General Governmental Funds

	June 30, 2014	June 30, 2015	2016 (Jan 1 – June 31)	2016.5 (July 1 - Dec 31)	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
REVENUES:							
Taxes	$ 15,998,012	$ 16,652,074	$ 17,104,968	$ 11,683,183	$ 18,443,942	$ 18,920,431	$ 18,958,678
Licenses & Permits	554,740	713,565	876,788	308,697	707,768	539,473	786,023
Intergovernmental	10,565,657	12,069,108	11,748,169	5,796,506	11,404,327	11,756,755	12,871,095
Charges for Services	1,817,681	1,895,685	2,143,615	1,349,663	2,380,424	2,791,182	4,009,430
Fines & Forfeitures	897,493	915,578	796,390	333,108	641,159	679,760	636,770
Investment Income	-	-	(26,140)	47,426	102,079	221,919	345,261
Interest	84,758	121,787	-	-	-	-	-
Miscellaneous	765,310	709,645	390,654	222,996	442,395	454,079	484,712
Total Revenues	$ 30,683,651	$ 33,077,442	$ 33,034,444	$ 19,741,579	$ 34,122,094	$ 35,363,599	$ 38,091,969
EXPENDITURES							
Current:							
General Government	$ 5,134,851	$ 7,165,790	$ 5,012,558	$ 3,099,567	$ 4,775,211	$ 5,174,108	$ 4,851,148
Public Safety	19,859,836	20,433,722	21,397,418	13,863,123	23,375,804	24,643,856	24,851,670
Highways & Streets	-	-	3,286,770	1,976,052	3,308,274	3,306,333	3,085,788
Community Improvement	4,015,770	3,813,573	1,047,614	777,116	1,432,257	1,560,179	1,202,982
Capital Outlay	-	242,514	-	-	-	-	-
Total Expenditures	$ 29,010,457	$ 31,655,599	$ 30,744,360	$ 19,715,858	$ 32,891,546	$ 34,684,476	$ 33,991,588
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	$ 1,673,194	$ 1,421,843	$ 2,290,084	$ 25,721	$ 1,230,548	$ 679,123	$ 4,100,381
OTHER FINANCING SOURCES (USES)							
Proceeds on Sale of Capital Assets	$ 42,185	$ 520	$ 496	$ -	$ 5,100	$ 1,362	$ 2,089
Transfers In	1,965,590	2,211,897	508,965	271,100	655,181	310,400	321,800
Transfers Out	(2,844,307)	(2,557,439)	(1,536,138)	(552,271)	(2,046,150)	(2,661,827)	(1,913,583)
Total Other Financing Sources (Uses)	$ (836,532)	$ (345,022)	$ (1,026,677)	$ (281,171)	$ (1,385,869)	$ (2,350,065)	$ (1,589,694)
Net Change in Fund Balances	$ 836,662	$ 1,076,821	$ 1,263,407	$ (255,450)	$ (155,321)	$ (1,670,942)	$ 2,510,687
FUND BALANCE YEAR BEGIN	$ 5,220,937	$ 7,144,432	$ 8,221,253	$ 9,484,660	$ 9,229,120	$ 9,073,799	$ 7,402,857
Prior Period Adjustment	-	-	-	-	-	-	611,160
Fund Balance Restated	$ 5,220,937	$ 7,144,432	$ 8,221,253	$ 9,484,660	$ 9,229,120	$ 9,073,799	$ 8,014,017
FUND BALANCE YEAR END	$ 6,057,599	$ 8,221,253	$ 9,484,660	$ 9,229,210	$ 9,073,799	$ 7,402,857	$ 10,524,704

Balance Sheet
General Governmental Funds

	June 30, 2014	June 30, 2015	2016 (Jan 1 – June 31)	2016.5 (July 1 - Dec 31)	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
ASSETS:							
Cash & Investments	$ 3,989,467	$ 5,151,986	$ 7,050,360	$ 5,671,025	$ 5,388,771	$ 3,708,272	$ 5,622,049
Receivables - Property Taxes	2,226,555	2,028,395	2,591,483	5,708,863	6,153,901	6,168,919	6,423,800
Receivables - Accounts	734,957	472,677	491,863	700,499	658,962	849,966	1,571,073
Receivables - Accrued Interests	43,374	13,438	13,689	17,799	5,559	886	886
Receivables - Other	79,921	106,723	565,275	1,101,757	1,344,055	1,416,285	1,515,852
Prepaid Items	-	1,911	19,993	73,176	96,677	60,510	7,424
Due from Other Govts	4,606,872	4,844,538	3,858,154	4,451,360	3,794,486	3,793,008	3,944,423
Due from Other Funds	344,944	248,878	48,923	98,753	90,623	194,656	91,791
Advances to Other Funds	-	-	334,000	478,000	478,000	-	-
Inventories	30,216	20,954	7,591	19,437	16,704	17,997	28,814
Total Assets	$ 12,056,306	$ 12,889,500	$ 14,981,331	$ 18,320,669	$ 18,027,738	$ 16,210,499	$ 19,206,112
LIABILITIES							
Accounts Payable	$ 990,809	$ 1,505,657	$ 1,523,122	$ 1,809,115	$ 1,717,270	$ 1,486,666	$ 1,327,713
Accrued Payroll	658,280	474,301	582,219	744,598	715,360	733,665	900,489
Contracts Payable	-	-	-	-	-	-	-
Other Payable	1,091,764	13,696	-	-	-	-	-
Due to Other Govts	-	-	-	-	-	-	-
Deferred Property Taxes	-	-	-	-	-	-	-
Unearned/Other Deferred Revenue	-	-	11,858	11,949	352,317	417,168	29,406
Due to Other Funds	588,704	338,877	67,437	817,024	3,931	-	-
Due to Library	-	-	-	-	11,160	1,224	-
Advances from Other Funds	-	-	-	-	-	-	-
Total Liabilities	$ 3,329,557	$ 2,332,531	$ 2,184,636	$ 3,382,686	$ 2,800,038	$ 2,638,723	$ 2,257,608
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	$ 2,669,150	$ 2,335,716	$ 3,312,035	$ 5,708,863	$ 6,153,901	$ 6,168,919	$ 6,423,800
Total Liabilities & Deferred Inflows	$ 5,998,707	$ 4,668,247	$ 5,496,671	$ 9,091,549	$ 8,953,939	$ 8,807,642	$ 8,681,408
FUND BALANCES							
Nonspendable	$ 30,216	$ 22,865	$ -	$ -	$ -	$ -	$ -
Nonspendable - Prepaids	-	-	19,993	73,176	96,677	60,510	7,424
Nonspendable - Inventory	-	-	7,591	19,437	16,704	17,997	28,814
Nonspendable - Advances to Other Funds	-	-	334,000	478,000	478,000	-	-
Restricted	104,523	173,187	-	-	-	-	-
Restricted - Public Safety	-	-	-	283,543	210,625	171,555	154,897
Restricted - Highways & Streets	-	-	-	-	-	-	-
Restricted Economic Development	-	-	-	-	-	-	-
Committed	6,262	6,447	-	-	-	-	-
Assigned for Capital Projects	-	-	-	-	-	-	-
Unassigned	5,916,598	8,018,754	9,123,076	8,374,964	8,271,793	7,152,795	10,333,569
Total Fund Balances	$ 6,057,599	$ 8,221,253	$ 9,484,660	$ 9,229,120	$ 9,073,799	$ 7,402,857	$ 10,524,704
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES	$ 12,056,306	$ 12,889,500	$ 14,981,331	$ 18,320,669	$ 18,027,738	$ 16,210,499	$ 19,206,112

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[ON LETTERHEAD OF KATTEN MUCHIN ROSENMAN LLP]

November 19, 2020

The City Council of
the City of DeKalb, Illinois

We have examined a record of proceedings relating to the issuance of $1,900,000 principal amount of General Obligation Refunding Bonds, Taxable Series 2020 (the "*Bonds*") of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and by virtue of an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" and the Series 2020 Bond Order dated October 28, 2020.

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. Bonds delivered on original issuance are dated November 19, 2020. The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the principal amount set forth opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 of each year at the rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2028	$ 425,000	2.30%
2029	540,000	2.40
2030	935,000	2.50

In our opinion, the Bonds are valid and legally binding general obligations of the City of DeKalb and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Bonds is includable in gross income for Federal income tax purposes and is not exempt from Illinois income taxes.

Very truly yours,

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

$1,900,000
CITY OF DEKALB, DEKALB COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020

BOND PURCHASE AGREEMENT

October 28, 2020

City of DeKalb
164 East Lincoln Highway
DeKalb, IL 60115

Ladies and Gentlemen:

The undersigned, Robert W. Baird & Co. Incorporated (the "Underwriter") offers to enter into the following purchase agreement (this "Bond Purchase Agreement") with the City of DeKalb, DeKalb County, Illinois (the "Issuer") which, upon the Issuer's acceptance of this offer, will be binding upon the Issuer and the Underwriter. This offer is made subject to the Issuer's acceptance of this Bond Purchase Agreement, which acceptance shall be evidenced by the execution of this Bond Purchase Agreement by a duly authorized officer of the Issuer, on or before 11:00 p.m. Central Time, on the date hereof. Upon such acceptance, execution and delivery, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as set forth in the Ordinance or the Preliminary Official Statement (each as defined below).

1. Purchase and Sale.

(a) Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the $1,900,000 aggregate principal amount of the Issuer's General Obligation Refunding Bonds, Taxable Series 2020 (the "Bonds"), dated the date of payment for and the delivery of the Bonds (such payment and delivery being herein sometimes called the "Closing"). The purchase price for the Bonds shall be $1,879,666.72 (the same being the principal amount of the Bonds, less an underwriter's discount of $20,333.28) (the "Purchase Price"). The Underwriter shall pay the Purchase Price for the Bonds on the day of the Closing by wiring $1,879,666.72, at the Issuer's direction, to the Issuer's account(s).

(b) The Bonds are authorized under and will be issued and secured pursuant to a bond ordinance that the City Council of the Issuer adopted on September 28, 2020 (as supplemented by a Bond Order, the "Ordinance").

(c) The Bonds are general obligations of the Issuer secured by an irrevocable pledge of the Issuer's full faith, credit, and taxing power. The Bonds shall be dated the date of

the Closing, shall mature on the dates and in the amounts, shall bear interest at the rates and shall have the terms stated in **Exhibit A** attached hereto.

(d) The proceeds received by the Issuer from the sale of the Bonds will be used to (i) finance the refunding of all, or a portion of, the principal installments of outstanding general obligation bonds of the City maturing or otherwise payable in the year 2021, and the funding of all, or a portion of, the interest on outstanding general obligation bonds of the City due and payable in the year 2021, (ii) capitalize interest on the Bonds authorized by the Bond Ordinance through July 1, 2021 and (iii) pay costs of issuance.

2. Sale of All the Bonds; Offering. It shall be a condition to the Issuer's obligation to sell and deliver the Bonds to the Underwriter, and to the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Issuer and accepted and paid for by the Underwriter at the Closing. The Underwriter intends to make a bona fide public offering of all the Bonds at a price or prices not in excess of the initial public offering price or prices set forth on the inside front cover page of the Official Statement. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts or mutual funds) at prices lower than such public offering prices. The Underwriter reserves the right to make such changes in such prices as the Underwriter shall deem necessary in connection with the offering of the Bonds.

3. Official Statement. The Issuer hereby ratifies and approves the Preliminary Official Statement dated October 22, 2020 (the "Preliminary Official Statement"), and consents to its distribution and use by the Underwriter prior to the date hereof in connection with the public offering and sale of the Bonds. The Issuer confirms that the Preliminary Official Statement was "deemed final" by the Issuer as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule").

Upon acceptance of this offer, the Issuer shall prepare a final Official Statement and shall, within the earlier of seven (7) business days following the date hereof or two business days prior to the Closing Date (as hereinafter defined), deliver to the Underwriter printed copies of such final Official Statement (such final Official Statement, together with any amendment or supplement thereto, being the "Official Statement") in sufficient quantity as may reasonably be required by the Underwriter in order to comply with the Rule and any applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer hereby authorizes and approves the Official Statement and consents to the use and distribution of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. At the time of or prior to the Closing, the Underwriter will file, or cause to be filed, the Official Statement with the MSRB. In addition, the Issuer hereby approves and authorizes the Underwriter to coordinate the printing of the Official Statement and consents to the electronic distribution of the Official Statement.

4. The Issuer hereby represents, warrants and covenants that:

(a) The Issuer is a duly created and existing public and governmental body acting as a municipality pursuant to the laws of the State of Illinois pursuant to the Illinois Municipal

Code of the State of Illinois (the "Municipal Code"), and is authorized pursuant to the Municipal Code, the Local Government Debt Reform Act of the State of Illinois (the "Act"), in each case as supplemented and, where necessary, superseded by the home rule powers of the Issuer and the Ordinance to issue the Bonds.

(b) The Issuer has full legal right, power and authority to (i) adopt the Ordinance and irrevocably pledge its full faith, credit, and taxing power as security for the payment of the principal of, premium, if any, and interest on the Bonds; (ii) execute and deliver this Bond Purchase Agreement and that certain escrow agreement (the "Escrow Agreement") between the Issuer and Amalgamated Bank of Chicago, Chicago, Illinois, (the "Escrow Agent"); (iii) issue, sell and deliver the Bonds to the Underwriter as provided in this Bond Purchase Agreement; (iv) approve and authorize the distribution of the Preliminary Official Statement and the Official Statement; and (v) carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Ordinance, the Escrow Agreement, the Continuing Disclosure Undertaking to be dated the date of the Bonds' issuance and delivery (the "Continuing Disclosure Agreement") and the Official Statement.

(c) The Ordinance has been duly adopted by the Issuer, and the Issuer has duly authorized all necessary action to be taken by the Issuer for (i) the offering, issuance, sale, and delivery of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the execution and delivery by the Issuer of the Bonds, this Bond Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Agreement and the performance of its obligations under the Bonds, this Bond Purchase Agreement, the Ordinance, the Escrow Agreement, the Continuing Disclosure Agreement and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement (the "Issuer Documents"), and (iii) the authorization of the use and distribution of the Official Statement.

(d) The Ordinance, this Bond Purchase Agreement and any other instrument or agreement to which the Issuer is a party in connection with the consummation of the transactions contemplated by the foregoing documents, when executed, as applicable, and delivered by the parties hereto, constitutes a legal, valid and binding obligation of the Issuer (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State of Illinois and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

(e) When delivered to and paid for by the Underwriter at the Closing, in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated and delivered by the Issuer and will constitute legal, valid and binding general obligations of the Issuer, enforceable in accordance with their

terms (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State of Illinois and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity) and will be entitled to the benefits of, and secured as provided in, the Ordinance.

(f) The Issuer has complied, and will at the Closing be in compliance, in all material respects, with the Ordinance and the Municipal Code agreements relating to projects undertaken by the Issuer or with respect to which the Issuer has assumed responsibility; the Issuer will enter into the Continuing Disclosure Agreement; and the Issuer has complied with all of its previous continuing disclosure obligations under the Rule.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer (or, to the knowledge of the Issuer, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Issuer from functioning or contesting or questioning the existence of the Issuer or the titles of the present officers of the Issuer to their offices; or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the existence or powers of the Issuer or the validity or enforceability of the Bonds, the Ordinance, the Escrow Agreement, this Bond Purchase Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby including, without limitation, the documents described in (B) below or by the aforesaid documents; or (B) materially adversely affect the transactions contemplated by the Issuer Documents or the Official Statement.

(h) The Issuer's adoption of the Ordinance, its execution and delivery of the Issuer Documents and the Bonds, and compliance with the provisions thereof and hereof, do not and will not conflict with or constitute, on the Issuer's part, a violation of, breach of or default under any material statute, existing law, administrative regulation, filing, decree or order, state or federal, or any provision of the Constitution or laws of the State of Illinois, or any rule or regulation of the Issuer, or any material indenture, mortgage, lease, deed of trust, note, resolution, or other agreement or instrument to which the Issuer, or its properties, are subject or by which the Issuer, or its properties, are or may be bound or, to the knowledge of the Issuer, any order, rule or regulation of any regulatory body or court having jurisdiction over the Issuer or its activities or properties.

(i) The Issuer is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default in any material respect under any document or instrument under and subject to which any indebtedness for borrowed money has been incurred which default would affect materially and adversely the transactions contemplated by this Bond Purchase Agreement or the Issuer Documents. No event has occurred or is continuing under the provisions of any such document or instrument that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, which event of default would affect adversely the

transactions contemplated by this Bond Purchase Agreement or the Issuer Documents.

(j) The Issuer is not in material breach of or in default under the Ordinance, any applicable law or administrative regulation of the State of Illinois or the United States, or any applicable judgment or decree, or any loan agreement, note, resolution or other agreement or instrument to which the Issuer is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Bonds and the transactions contemplated hereby, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

(k) On and as of the Closing, all authorizations, consents, and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency, or other instrumentality or court required to be obtained, given, or taken on behalf of the Issuer in connection with the execution, delivery and performance by the Issuer of this Bond Purchase Agreement, the Bonds, and any other agreement or instrument to which the Issuer is a party and which has been or will be executed in connection with the consummation of the transactions contemplated by the foregoing documents, will have been obtained, given, or taken and will be in full force and effect.

(l) Any certificate signed by an authorized officer of the Issuer delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements made therein.

(m) The Issuer has and will cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Authority will not be required to execute a general or special consent to service of process or qualify to do business in connection with any qualification or determination in any jurisdiction.

(n) The audited financial statements of the Issuer examined by Sikich LLP, independent auditors, for the period ended December 31, 2019, present fairly the Issuer's financial condition as of the respective dates and the results of its operations for the respective periods set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied. There has been no material adverse change in the financial affairs of the Issuer since December 31, 2019, except as disclosed specifically in the Official Statement.

(o) If between the date of this Bond Purchase Agreement and the date 25 days after the "end of the underwriting period" for the Bonds, as defined in the Rule, any event occurs which might or would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall promptly provide written notice to the Underwriter thereof, and if, in the opinion of the Issuer or the Underwriter, such event

requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. For purposes of this Bond Purchase Agreement, the "end of the underwriting period" shall be deemed to be the Closing Date (as hereinafter defined), unless the Underwriter shall have notified the Issuer to the contrary on or before the Closing Date.

(p) If the Official Statement is supplemented or amended pursuant to subsection (o) of this Section, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, the Issuer shall take all steps necessary to ensure that the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(q) The information in the Preliminary Official Statement, including its attachments and appendices, at the time of acceptance hereof is correct in all material respects, and such Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and the information in the Official Statement as of its date and as of the Closing Date, will be true and correct and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(r) The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation by the Issuer to the Underwriter that the representations, warranties and covenants contained in this Section 5 are true as of the date hereof; provided that no officer of the Issuer shall be individually liable for the breach of any representation, warranty or covenant made by the Issuer in this Section 5.

5. Closing. At 10:00 a.m., Central Time, November 19, 2020, or at such other time or date as the Issuer and the Underwriter shall mutually agree upon (the "Closing Date"), the Issuer shall (A) deliver or cause to be delivered, through the custody of The Depository Trust Company, New York, New York ("DTC"), or at such place as the Underwriter and the Issuer shall mutually agree upon, for the account of the Underwriter, the Bonds duly executed by the Issuer in fully registered form, bearing proper CUSIP numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds; and (B) deliver or cause to be delivered, to the Underwriter at Naperville, Illinois, or at such other place as the Issuer and the Underwriter may mutually agree upon, the documents described in Section 7(d) hereof. Concurrently with the delivery of the Bonds and the documents mentioned in Section 7(d) hereof at the Closing, subject to the conditions contained herein, the Underwriter will accept such delivery and will pay the purchase price of the Bonds to the order or account of the Issuer in the amount set forth in **Exhibit A** hereof by wire transfer in immediately available funds. The

Closing shall take place at the offices of the Issuer. The Bonds shall be available for inspection by the Underwriter at least two business days prior to Closing.

6. Closing Conditions/Right to Cancel. The Underwriter enters into this Agreement in reliance upon the Issuer's representations and agreements herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Agreement are and shall be subject to the following additional conditions:

(a) At the time of the Closing, the Ordinance shall be in full force and effect and neither the Ordinance or the Official Statement shall have been amended, modified or supplemented, except as may have been approved in writing by the Underwriter, and the Issuer shall have duly adopted, and there shall be in full force and effect, such other resolutions as, in the opinion of Katten Muchin Rosenman LLP ("Bond Counsel"), shall be necessary in connection with the transaction contemplated hereby.

(b) The Bonds, as set forth in Section 6, shall be deposited with DTC.

(c) The Underwriter shall have the right to cancel its obligation to purchase the Bonds at the time of Closing if any of the documents, certificates or opinions to be delivered to the Underwriter hereunder is not delivered at the time of Closing or if, between the date hereof and the time of Closing, one or more of the following occurs:

(i) Legislation (whether or not yet introduced in Congress of the United States ("Congress")) shall be enacted or be actively considered for enactment by the Congress or recommended to the Congress by the President of the United States or favorably reported for passage to either House of Congress by any committee of such House, or a conference committee of both Houses, to which such legislation had been referred for consideration, or a decision by a federal court of the United States or the United States Tax Court shall be rendered, or an order, ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other governmental agency shall be made or proposed, or a release or official statement made by the President of the United States or by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which in the Underwriter's judgment, materially adversely affects the market for the Bonds; or

(ii) Legislation shall hereafter be enacted or actively considered for enactment or introduction, with an effective date on or prior to the Closing, or a decision by a court of the United States shall be rendered or a stop order, ruling, regulation or proposed regulation by or on behalf of the Securities and Exchange Commission or other agency having jurisdiction shall be

made, to the effect that the issuance, sale and delivery of the Bonds, or any other obligations of any similar public body of the general character of the Issuer is in violation of the Securities Act of 1933, as amended, of the Securities Exchange Act of 1934, as amended, or of the Trust Indenture Act of 1939, as amended or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby, or of obligations of the general character of the Bonds; or

(iii) There shall have occurred any outbreak or escalation of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the Underwriter's judgment, would make it impracticable for the Underwriter to deliver the Bonds; or

(iv) There shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(v) A general banking moratorium shall have been declared by federal, Illinois or New York authorities having jurisdiction, and be in force, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(vi) An event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and requires an amendment of or supplement to the Official Statement and the effect of which, in the judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriter of the Bonds; or

(vii) Either Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings ("S&P") shall have taken any action to lower, suspend or withdraw their respective ratings on the Bonds or Build America Mutual Assurance Company (the "Bond Insurer") or bonds insured by the Bond Insurer or any general obligations of the Issuer and such action, in the opinion of the Underwriter, would adversely affect the market price or

marketability of the Bonds.

(d) At the Closing, the Underwriter shall receive the following documents:

(i) Duly certified copies of the Ordinance;

(ii) The approving opinion of Bond Counsel in the form set forth in Appendix C of the Official Statement, and a reliance letter addressed to the Underwriter, each of which shall be dated the Closing Date;

(iii) The opinion of Donahue & Rose, P.C. as counsel to the Issuer dated the Closing Date and addressed to the Underwriter in form and substance satisfactory to the Underwriter;

(iv) An opinion of Katten Muchin Rosenman LLP as Disclosure Counsel dated the Closing Date and addressed to the Underwriter in form and substance satisfactory to the Underwriter;

(v) A certificate, dated the date of Closing, of the duly authorized representative(s) or officer(s) of the Issuer and in form and substance satisfactory to the Underwriter, to the effect that:

(A) the representations and agreements of the Issuer herein are true and correct in all material respects as of the date of Closing;

(B) the financial information relating to the Issuer provided to the Underwriter presents fairly the financial position of the Issuer as of the date indicated therein and the results of its operations for the period specified therein and the financial statements from which such information was derived have been prepared in accordance with applicable law with respect to the period involved;

(C) since December 31, 2019, there has not been any material adverse change in the financial condition of the Issuer taken as a whole or no increase in the Issuer's indebtedness for borrowed money, other than as previously disclosed to the Underwriter;

(D) there are no pending or, to such officials' knowledge, threatened legal proceedings that will materially adversely affect the transactions contemplated hereby or by the Ordinance, or the validity or enforceability of the Bonds, or the security therefor; and

(E) the Issuer has complied with all agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing, other than those specified hereunder that have been waived by the Underwriter;

(vi) A photocopy of the Official Statement as executed by the Issuer;

(vii) One counterpart original or CD Rom of a transcript of all proceedings relating to the authorization and issuance of the Bonds (within 60 days after closing);

(viii) Specimen Bonds or a copy of the Bond(s) delivered;

(ix) A certificate, dated the date of Closing, of the duly authorized representative(s) or officer(s) of the Issuer to the effect that the information contained in the Official Statement as of the date of Closing is correct in all material respects;

(x) A certificate, dated the date of the Closing, of the duly authorized representative(s) or officer(s), with a copy of the Ordinance attached, to the effect that the Ordinance has been duly adopted and remains in full force and effect;

(xi) Evidence that Moody's has issued an underlying rating for the Bonds of not less than "A2" and S&P has issued an insured rating for the Bonds of not less than "AA";

(xii) An opinion of counsel to the Bond Insurer, dated the date of Closing, as to the enforceability of the financial guaranty insurance policy;

(xiii) A financial guaranty insurance policy issued by the Bond Insurer guaranteeing the payment when due of the principal of and interest on the Bonds;

(xiv) the Escrow Agreement executed by the Issuer and Escrow Agent;

(xv) the verification report for the Bonds prepared by Sikich LLP, as verification agent; and

(xvi) Such additional legal opinions, certificates, proceedings, instruments and other documents, as the Underwriter or legal counsel to the Underwriter may reasonably request to evidence compliance by the Issuer with legal requirements relating to the issuance of the Bonds, the truth and accuracy, as of the date of Closing, of all representations contained herein and the due performance or satisfaction by the Issuer at or prior to the date of Closing of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Bond Purchase Agreement and the Ordinance.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Issuer nor the Underwriter shall have any further obligations hereunder, except that Sections 9 and 10 and the representations and warranties of the Issuer contained herein (as of the date made) will continue in full force and effect.

7. Survival. All representations, warranties and agreements of the Issuer set forth in or made pursuant to this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

8. Payment of Expenses. The Issuer shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident to the performance of its obligations hereunder, including but not limited to (A) the cost of the preparation, reproduction, printing, distribution, and mailing, of the Official Statement; (B) the fees and disbursements of Bond Counsel, Disclosure Counsel, counsel for the Issuer, Escrow Agent, Paying Agent and Verification Agent; (C) the fees and disbursements of any experts retained by the Issuer; (D) fees charged by the rating agency for the rating of the Bonds; (E) any fees and expenses related to the Bond Insurer; (F) the cost of qualifying the Bonds under the laws of such jurisdictions as the Underwriter may designate, including filing fees and fees and disbursements of counsel for the Underwriter in connection with such qualification and the preparation of Blue Sky Memoranda; and (G) paying or reimbursing the Underwriter for all underwriting expenses, including without limitation, CUSIP, DTC, IPREO (electronic book-running/sales order system), and printing and mailing/distribution charges.

If the Bonds are not sold by the Issuer to the Underwriter, the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder as provided in this Section.

The Underwriter shall pay any fees of the MSRB in connection with the issuance of the Bonds.

9. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing or by telex or telecopy to the address shown below, and any notice under this Bond Purchase Agreement to the

Underwriter may be given by delivering the same in writing to the Underwriter as follows:

City of DeKalb
164 East Lincoln Highway DeKalb, IL 60115
(Attention: Bill Nicklas, City Manager)

Robert W. Baird & Co. Incorporated
300 E. Fifth Ave, Suite 200
Naperville, IL 60563
(Attention: MagDalena Welkomer, Senior Vice President)

10. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

11. Effectiveness. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the Issuer.

12. Arm-Length Transaction. The Issuer acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, acting solely as a principal and not as a municipal advisor, financial advisor or agent of the Issuer. The Underwriter has not assumed a financial advisory responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement, it being the Issuer's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Underwriter has provided to the Issuer prior disclosures regarding their role as underwriters, their compensation, any potential or actual material conflicts of interest, and material financial characteristics and material financial risks associated with the transaction to the extent required by MSRB rules. The Underwriter hereby notifies the Issuer that the Underwriter is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), the Underwriter is not an agent of the Issuer, and the Underwriter does not have a fiduciary duty to the Issuer in connection with the matters contemplated by this Agreement. The Issuer has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

13. Miscellaneous.

(a) If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this

Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

(b) This Bond Purchase Agreement may be signed in any number of counterparts, each of which shall which shall be an original, but all of which shall constitute but one and the same instrument.

(c) This Bond Purchase Agreement is made solely for the benefit of is binding on Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by both of the parties hereto.

(d) Under this Bond Purchase Agreement, the Underwriter is acting as a principal and not as agent or fiduciary, and the Underwriter's engagement is as an independent contractor and not in any other capacity. The Issuer agrees that it is solely responsible for making its own judgments in connection with the offering of the Bonds regardless of whether the Underwriter has or is currently advising the Issuer on related or other matters.

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Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

By: MagDalena Welkomer

MagDalena Welkomer, Senior Vice President

Underwriter Signature Page for Bond Purchase Agreement
General Obligation Refunding Bonds,
Taxable Series 2020

Accepted and agreed to as
of the date first above written:

CITY OF DEKALB, DEKALB COUNTY, ILLINOIS

By: _____
Bill Nicklas, City Manager

Issuer Signature Page for Bond Purchase Agreement
General Obligation Refunding Bonds,
Taxable Series 2020

EXHIBIT A

CITY OF DEKALB
DEKALB COUNTY, ILLINOIS

$1,900,000
GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020

Dated Date: November 19, 2020

First Coupon: July 1, 2021

Maturity Schedule:

January 1 Maturity	Principal Amount	Coupon	Yield
2028	$425,000	2.30%	2.30%
2029	540,000	2.40	2.40
2030	935,000	2.50	2.50

Optional Redemption: The Bonds are not subject to optional redemption prior to maturity.

State of Illinois
Executive Department

CERTIFICATE

To All To Whom These Presents Shall Come, Greeting:

I, JESSE WHITE, Secretary of State of the State of Illinois, do hereby certify that the records of this office indicate that the **City of DeKalb,** DeKalb County, Illinois, is a Home Rule Unit of Government.

I further certify that said Home Rule form of Government is in full force and effect **October 24, 2012.**

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois. Done at the City of Springfield, Illinois on **October 24, 2012.**

Jesse White

SECRETARY OF STATE

ORGANIZATION CERTIFICATE

I, Ruth A. Scott, Executive Assistant, of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acting pursuant to Ordinance 2019-059, passed on October 14, 2019, codified as Section 3.14 of the Municipal Code of the City, and at all times the Executive Assistant, hereby certify that:

1. The members of the City Council of the City during the period from September 1, 2020 to date, the dates of their election or appointment and the dates of the beginning and ending of their terms of office, are as follows:

Alderman	Date of Election or Appointment	Term Began	Term Ends
Carolyn Morris	April 2, 2019	May 13, 2019	May 8, 2023
William Finucane	April 4, 2017	May 8, 2017	May 10, 2021
Tracy Smith	April 2, 2019	May 13, 2019	May 8, 2023
Greg Perkins	November 12, 2019	November 12, 2019	May 10, 2021
Scott McAdams	April 2, 2019	May 13, 2019	May 8, 2023
Mike Verbic	April 4, 2017	May 8, 2017	May 10, 2021
Anthony Faivre	April 2, 2019	May 13, 2019	May 8, 2023

2. The officers of the City during the period from September 1, 2020 to date, the dates of their election or appointment and the beginning and ending of their terms of office, are as follows:

Office	Date of Election or Appointment	Term Began	Term Ends
Mayor: Jerry Smith	April 4, 2017	May 8, 2017	May 2021
City Manager: Bill Nicklas	December 18, 2018	January 1, 2019	Indefinite
City Clerk: Lynn A. Fazekas	August 13, 2018	August 13, 2018	May 10, 2021
Executive Assistant: Ruth A. Scott	October 14, 2019	October 14, 2019	Indefinite
City Attorney: John Donahue	April 22, 2019	April 22, 2019	Indefinite
Assistant City Manager, Finance Director and Treasurer: Joshua Boldt	August 17, 2020	August 17, 2020	Indefinite

All of the foregoing officers required to give bond or undertaking have filed such bond or undertaking in time, form and amount as required by law and have otherwise duly qualified as such officers.

3. The corporate name of the City is the "City of DeKalb."

4. The City was incorporated by virtue of an Act of the General Assembly of the State of Illinois, approved February 2, 1861.

5. Regular meetings of the City Council are held on the second and fourth Monday of each month in the DeKalb Public Library, 309 Oak Street, DeKalb, Illinois in the Yusunas Meeting Room. The Committee of the Whole meetings are at 5:00 p.m. The Regular Meetings of the City Council are at 6:00 p.m. All meetings of the City Council in the City of DeKalb, Illinois, including committees and subcommittees, are open to the public, subject to the exceptions provided for in 5 Illinois Compiled Statutes 120; and public notice of all such meetings and of the agenda of all such meetings is given pursuant to the provisions of such Act.

6. As determined by the 2010 U.S. Census of Population, the City has a population in excess of 25,000 and is a home rule unit under Section 6 of Article VII of the Illinois Constitution of 1970.

7. No proceedings have been had or taken by the City or the voters thereof to alter the home rule status of the City or to confer upon the voters or property owners of the City rights of petition or referendum not otherwise applicable to home rule units.

8. *"The Daily Chronicle"* is a newspaper of general circulation in the City.

9. Attached hereto is a complete copy of Chapter 2 of the Municipal Code of the City of DeKalb, as amended to the date hereof, relating to conduct of meetings of the City Council. There are no other provisions of the Municipal Code relating to the adoption of bond ordinances or limiting the issuance of general obligation debt of the City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 19th of November 2020.

Executive Assistant

(SEAL)

[Signature Page to Organization Certificate]

ORDER TO AUTHENTICATE AND DELIVER BONDS

November 19, 2020

Amalgamated Bank of Chicago
Chicago, Illinois

Gentlemen:

The City of DeKalb, Illinois (the "City") does hereby deliver to you, duly executed on behalf of the City, the $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City described in Schedule X attached hereto (the "Bonds") and authorized to be issued under the Bond Ordinance of the City (the "Bond Ordinance") referred to in said Schedule X.

In accordance with the provisions of the Bond Ordinance, you are authorized and requested to authenticate the Bonds as Bond Registrar under the Bond Ordinance, and pursuant to the provisions thereof to deliver the Bonds to or upon the order of Robert W. Baird & Co. Incorporated, the purchaser thereof, on the date hereof, provided that there shall have been paid to the City prior to or concurrently with the issuance of the Bonds the agreed purchase price of the Bonds.

CITY OF DEKALB

By _____
Mayor

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Full book-entry registered bonds in the denominations of $5,000 and any integral multiple thereof.

Securities Depository: The Depository Trust Company.

Date: Dated as of November 19, 2020.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Maturities and Interest Rates: The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the principal amount set forth opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 of each year at the rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2028	$425,000	2.30%
2029	540,000	2.40
2030	935,000	2.50

Optional Redemption Provisions: The Bonds are not subject to optional redemption prior to maturity.

CERTIFICATE OF BOND REGISTRAR

Amalgamated Bank of Chicago, a bank, having a corporate trust office in the City of Chicago, Illinois and having trust powers, hereby accepts its appointment as Bond Registrar for the $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois (the "City") described in Schedule X attached hereto (the "Bonds"); hereby acknowledges the duties and obligations imposed upon it as Bond Registrar for the Bonds under the Bond Ordinance referred to in said Schedule X and hereby certifies that:

1. There has been filed with or delivered to it the City's order to authenticate and deliver the Bond.

2. It has on or prior to the date hereof authenticated the Bonds by manually executing the certificate of authentication on the Bond.

3. The certificate of authentication is signed by its authorized employee, whose true and genuine signature appears opposite such employee's name below:

Name	Signature
Cathey Walls	

4. It has on this date delivered the Bonds so authenticated to or upon the order of Robert W. Baird & Co. Incorporated, as purchaser of the Bond.

IN WITNESS WHEREOF, Amalgamated Bank of Chicago, as Bond Registrar as aforesaid, has caused this certificate to be executed on its behalf by a duly authorized officer, this 19th day of November, 2020.

AMALGAMATED BANK OF CHICAGO
Bond Registrar

By _____

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance").

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Optional Redemption Provisions: The Bonds are not subject to optional redemption prior to maturity.

OFFICERS' CLOSING CERTIFICATE

We, the undersigned officers of the City of DeKalb, a municipal corporation of the State of Illinois (the "City"), hereby certify as follows:

1. On or prior to the date hereof, the $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City, described in Schedule X attached hereto (the "Bonds") was executed in the name of the City by the manual signature of Jerry Smith, Mayor, and by the manual signature of Ruth A. Scott, Executive Assistant, under the official seal of the City.

2. Both of the date of such execution and on the date hereof, the undersigned were and are the duly chosen, qualified and acting officers of the City authorized to execute the Bonds, holding the offices indicated by the official titles set opposite their signatures below and the seal which is impressed upon this certificate and upon each Bond is the legally adopted, proper and only official seal of the City.

3. Ruth A. Scott, is the Executive Assistant, acting pursuant to Ordinance 2019-059, passed on October 14, 2019, codified as Section 3.14 of the Municipal Code of the City, and at all times the Executive Assistant.

4. No litigation of any nature is now pending or (to our knowledge) threatened either in State or Federal courts restraining or enjoining the authorization, issuance or delivery of the Bonds or the levy or collection of the taxes pledged or to be pledged or made available to pay the principal of, interest on or redemption premium (if any) with respect to the Bonds, or in any manner questioning the authority or proceedings for the authorization or issuance of the Bonds, or affecting in any way the validity of the Bonds, or the levy or collection of said taxes or any pledge thereof, or questioning, contesting or in any way affecting the corporate existence, boundaries or powers of the City, or the title of any of the present officers thereof to their respective offices or the validity of the Bond Ordinance referred to in said Schedule X.

5. No authorization or proceedings for the issuance of the Bonds has or have been repealed, rescinded, revoked or modified and no obligations have been heretofore issued under or pursuant to such proceedings.

6. On the date hereof, we delivered the Bonds to Robert W. Baird & Co. Incorporated, the purchaser thereof, and at or before the time of such delivery, the City received from said purchaser the full payment price of $1,879,666.72 for the Bonds.

IN WITNESS WHEREOF, we have hereunto set our hands and caused the seal of the City to be hereunto affixed this 19th day of November, 2020.

(SEAL)

Signatures	Official Title
	Mayor
	City Clerk Executive Assistant

146567333_223885-00047

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Full book-entry registered bonds in the denominations of $5,000 and any integral multiple thereof.

Securities Depository: The Depository Trust Company.

Date: Dated as of November 19, 2020.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Maturities and Interest Rates: The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the principal amount set forth opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 of each year at the rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
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2029	540,000	2.40
2030	935,000	2.50

Optional Redemption Provisions: The Bonds are not subject to optional redemption prior to maturity.

CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020

GENERAL CERTIFICATE OF THE CITY

Dated: November 19, 2020

I, the undersigned Mayor of the City of DeKalb (the "City") DO HEREBY CERTIFY that:

1. Included in this closing transcript is the Bond Ordinance of the City authorizing the Bonds (the "Security Documents"):

2. Included in this transcript as Item No. 1 the Authorizing Ordinance contains a true and correct copy of the Continuing Disclosure Undertaking in Section 17 of the Authorizing Ordinance dated as of September 28, 2020.

3. With respect to the municipal bond insurance policy (the "Policy") to be issued by Build America Mutual Assurance Company ("BAM") concurrently with the delivery the Bonds:

1) Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Undertaking and (ii) to the holders of the Insured Obligations or the Bond Registrar under the Security Documents.

   The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2020B0378, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

2) Amendments, Supplements and Consents.
   a. *Amendments.* Wherever any Security Documents requires the consent of Bondholders, BAM's consent shall also be required. In addition, any amendment, supplement or modification to the Security Documents that adversely affect the rights or interests of BAM shall be subject to the prior written consent of BAM.

   b. *Consent of BAM Upon Default.* Upon the occurrence and continuance of a default or an event of default (other than a default or event of default concerning the tax exemption of interest on the Bonds), BAM shall be deemed to be the sole holder of the Insured Obligations for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the trustee, paying agent, registrar, or similar agent (the "Trustee") for the benefit of such holders under any Security Documents. The Trustee may not waive any such default or such event of default or accelerate the Insured Obligations without BAM's written consent.

3) BAM As Third Party Beneficiary. BAM is explicitly recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce any right, remedy or claim conferred, given or granted thereunder.

4) Policy Payments.

   a. In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners of the Insured Obligations shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners.

   b. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Trustee shall agree for the benefit of BAM that:

      i. They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Bonds; and

      ii. They will accordingly pay to BAM the amount of such principal and interest, but only from the sources and in the manner provided in the Security Documents and the Bonds for the payment of principal of and interest on the Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

   c. *Special Provisions for Insurer Default:* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraph B above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph (3), "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under

the New York Insurance Law).

5) Definitions.

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

"Security Documents" shall mean the resolution, trust agreement, ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Bonds.

"Insured Obligations" shall mean the City of DeKalb General Obligation Refunding Bonds, Taxable Series 2020

IN WITNESS WHEREOF, I have hereunto set my hand as of the date hereinabove stated.

By: _____
Mayor

[Signature Page to General of the City]

CERTIFICATE OF CITY ATTORNEY

I, John Donahue, hereby certify that I am a duly licensed and practicing attorney-at-law of the State of Illinois; that I am the duly appointed and acting City Attorney for the City of DeKalb (the "City"), a municipal corporation and a home rule unit of the State of Illinois; that to my knowledge no litigation of any nature is now pending or threatened in any court (either State or Federal) restraining or enjoining the authorization, issuance or delivery of the $1,900,000 principal amount of General Obligation Refunding Bonds, Taxable Series 2020, of the City, described in Schedule X attached hereto; or the levy or collection of taxes pledged or to be pledged or made available to pay the principal of, interest on or redemption premium (if any) with respect to said bonds or in any manner questioning the authority or proceedings for the authorization or issuance of said bonds, or affecting in any way the validity of said bonds, or the levy, charging or collection of said taxes or any pledge thereof, or questioning, contesting or in any way affecting the corporate existence, boundaries, organization, or powers of the City, or the title of any of the present officers thereof to their respective offices.

I further certify that no authorization or proceedings for the issuance of said bonds have been repealed, rescinded, revoked, modified or amended.

I further certify that no proceedings have been had or taken by the City or the voters thereof to alter the home rule status of the City or to impose any limits on the issuance of general obligation debt of the City, and that no such proceedings are now pending.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of November, 2020.

John F. Donahue

City Attorney

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Full book-entry registered bonds in the denominations of $5,000 and any integral multiple thereof.

Securities Depository: The Depository Trust Company.

Date: Dated as of November 19, 2020.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

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Year	Principal Amount	Interest Rate
2028	$425,000	2.30%
2029	540,000	2.40
2030	935,000	2.50

Optional Redemption Provisions: The Bonds are not subject to optional redemption prior to maturity.

PURCHASER'S RECEIPT

Receipt this day of the $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020 (the "Bonds") of the City of DeKalb, Illinois (the "City") described in Schedule X attached hereto; and of copies of the Official Statement of the County with respect to said Bonds, and of the approving legal opinion of Katten Muchin Rosenman LLP with respect to said Bonds is hereby acknowledged by Robert W. Baird & Co. Incorporated, as the purchaser of said Bonds, and the said purchaser by execution of this receipt consents to delivery of said Bonds at this time.

ROBERT W. BAIRD & CO. INCORPORATED

By MagDalena Welkoner

Dated: November 19, 2020

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$1,900,000 General Obligation Refunding Bonds, Taxable Series 2020

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2020-063 adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" (the "Bond Ordinance").

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Optional Redemption Provisions: The Bonds are not subject to optional redemption prior to maturity.

2020 ESCROW DEPOSIT AGREEMENT

2020 ESCROW DEPOSIT AGREEMENT dated as of November 19, 2020, by and between the City of DeKalb (the "City"), a municipal corporation and a home rule unit of the State of Illinois and Amalgamated Bank of Chicago (the "Escrow Agent"), a bank organized and existing under the laws of the State of Illinois and having its principal corporate trust office in the City of Chicago, Illinois.

WHEREAS, the City has heretofore issued several series of its General Obligation Bonds (the "Prior Bonds") and the principal installments of the Prior Bonds payable on January 1, 2021 and the interest due on the Prior Bonds on January 1, 2021 and July 1, 2021 (the "2021 Debt Service") is set forth in the following table:

Series	January 1, 2021 Principal	January 1, 2021 Interest	July 1, 2021 Interest
2010C	$ 715,000	$ 59,850.00	$ 40,545.00
2012A	-0-	65,340.63	65,340.63
2013B	725,000	22,050.00	11,175.00
2019	20,000	35,717.50	35,535.50
Total	$1,460,000	$182,958.13	$152,596.13

WHEREAS, pursuant to the bond ordinance adopted by the City Council of the City on September 28, 2020 (the "Bond Ordinance"), the City has authorized the issuance of its $1,900,000 General Obligation Refunding Bonds, Taxable Series 2020 (the "Series 2020 Bonds") and part of the proceeds of the Series 2020 Bonds will be used to fund the 2021 Debt Service.

WHEREAS, Amalgamated Bank of Chicago is the bond registrar and paying agent for each Series of the Prior Bonds.

WHEREAS, a portion of the proceeds of the Series 2020 Bonds are to be invested in the obligations set forth in Schedule A attached hereto so that the maturing principal of and the interest earned on such obligations together with other moneys held hereunder will be sufficient to pay the 2021 Debt Service as the same shall become due and payable.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. There is hereby created and established with the Escrow Agent, a special and irrevocable escrow fund designated the "2020 Escrow Fund" (the "Escrow Fund") to be held in the custody of the Escrow Agent separate and apart from other funds of or held by the City or the Escrow Agent.

2. Concurrently with the execution of this Agreement, the City shall deliver to the Escrow Agent for deposit into the Escrow Fund $1,795,554.26 from the proceeds of the

Series 2020 Bonds, of which $-0- shall be held uninvested and $1,795,554.26 shall be applied to purchase the listed in Schedule A attached hereto (the "Investment Obligations").

3. The deposit of moneys and Investment Obligations in and credited to the Escrow Fund shall constitute an irrevocable deposit of said moneys and Investment Obligations and the interest earned thereon for the benefit of the owners of the Prior Bonds. The Escrow Agent shall deposit any proceeds (whether principal, interest or otherwise) derived from the Investment Obligations in the Escrow Fund. The Escrow Agent shall pay over the moneys in the Escrow Fund to The Depository Trust Company, in an amount sufficient to pay when due the 2021 Debt Service.

4. Except as provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to sell, transfer or otherwise dispose of, or to make substitutions of, the Investment Obligations.

The Escrow Agent shall not make substitutions of the Investment Obligations held hereunder or sell, transfer or otherwise dispose of such Investment Obligations provided, however, that:

(a) At the written request of the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall, to the extent from time to time permitted by law, have the power to sell, transfer, otherwise dispose of or request the redemption of the Investment Obligations acquired hereunder and to substitute therefor other investments as directed by the City Manager. The Escrow Agent shall purchase such substituted Investment Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Investment Obligations. The substitution of Investment Obligations described above may be effected only if:

(i) the Escrow Agent shall certify, in reliance upon an opinion of a firm of independent certified public accountants, that the moneys and Investment Obligations, including the interest to be earned thereon, to be substituted will be no less than an amount sufficient to pay the 2021 Debt Service upon completion of such substitutions; and

(ii) the City shall furnish the Escrow Agent with an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds to the effect that the substitution is then permitted by law and will not cause any of the tax-exempt Prior Bonds to become an "arbitrage bond" as hereinafter defined.

(b) If any substitution of Investment Obligations pursuant to the provisions of the preceding subparagraph (a) shall, after the satisfaction of all of the conditions set forth in clauses (i) and (ii) of said subparagraph (a), result in the creation of any surplus amount in the Escrow Fund that will not, in the opinion of the firm of independent certified public accountants referred to in clause (i) of said subparagraph (a), thereafter be required for the payment of the 2021 Debt Service in accordance with the provisions of this Agreement, the amount of such surplus shall, at the written request of the City, be transferred to the City.

The City hereby covenants that no part of the moneys or funds at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any of the tax exempt Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, as then in effect.

5. The owners of the Prior Bonds shall have an express lien on all moneys and obligations in the Escrow Fund until paid out and applied in accordance with this Agreement. The Escrow Agent shall not have a lien or claim on the Escrow Fund for the payment of its fees and expenses.

6. In consideration of all services rendered and to be rendered by the Escrow Agent under this Agreement, the City will pay the Escrow Agent a fee at the time of issuance of the 2020 Bonds.

7. The Escrow Agent, acting in good faith and in its sole discretion, may disregard any and all notices or instructions given by the City or by any other person, firm or corporation, except (i) notices or instructions specifically provided for under this Agreement and (ii) orders or process of any court. If any property subject to this Agreement is at any time attached, garnished, or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any of such events the Escrow Agent, in its sole discretion, may rely upon and comply with any such order, writ, judgment, or decree which it is advised by its legal counsel is binding upon it.

8. The Escrow Agent shall not be personally liable for any action taken or omitted under this Agreement if taken or omitted in good faith and in the exercise of its own best judgment. The Escrow Agent shall also be duly protected in relying upon any written notice, demand, certificate or document that it in good faith believes to be genuine.

The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charges against the amount of any such judgment, decree or recovery.

9. This Agreement shall terminate on July 15, 2021. Any moneys and obligations remaining in the Escrow Fund upon termination of this Agreement shall be transferred to the City.

10. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

11. This Agreement is made for the benefit of the City, the Escrow Agent and the owners from time to time of the Prior Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, and the written consent of the Escrow Agent; provided however, that the City and the Escrow Agent may, without the consent of, or notice to, such owners, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement; and

(b) to grant to, or confer upon the Escrow Agent for the benefit of the owners of the Prior Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Agreement, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

12. Any notice, authorization, request for consent or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing.

13. This Agreement may be executed in several counterparts, all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this 2020 Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF DEKALB

By: _____
Mayor

[SEAL]

Attest:

By: _____
City Clerk
Executive Assistant

AMALGAMATED BANK OF CHICAGO

By: _____
Authorized Officer

[SEAL]

Attest:

By: _____
Authorized Officer

[Signature Page to 2020 Escrow Deposit Agreement]

By: _____
Mayor

[SEAL]

Attest:

By: _____
City Clerk

AMALGAMATED BANK OF CHICAGO

By: _____
Authorized Officer

[SEAL]

Attest:

By: _____
Authorized Officer

SCHEDULE A

INVESTMENT OBLIGATIONS

Morgan Stanley Institutional Liquidity Fund Treasury Obligations Fund

CERTIFICATE OF ESCROW AGENT

AMALGAMATED BANK OF CHICAGO (the "Bank"), a bank having its principal corporate trust office in the City of Chicago, Illinois, and having trust powers, HEREBY CERTIFIES that:

1. The Bank has accepted its appointment as Escrow Agent under the 2020 Escrow Deposit Agreement dated as of November 19, 2020, by and between the City of DeKalb, Illinois (the "City") and the Bank and hereby acknowledges its acceptance of the duties imposed upon it as Escrow Agent under said Agreement and its receipt for deposit under the 2020 Escrow Deposit Agreement of the moneys and Investment Obligations described therein.

2. Pursuant to the by-laws of the Bank or action of the Board of Directors of the Bank, the following officers of the Bank are duly authorized to execute instruments of trust on behalf of the Bank, the signatures of such officers are true and genuine and I know such officers and I know them to hold their respective offices set opposite their several signatures.

Signature	Name	Office or Title
Cathey Walls	Cathey Walls	Assistant Vice President

3. The seal which is impressed upon this certificate is the proper and official corporate seal of the Bank.

IN WITNESS WHEREOF, the undersigned has executed this certificate on behalf of the Bank and has caused the seal of the Bank to be affixed hereto, this 19th day of November, 2020.

AMALGAMATED BANK OF CHICAGO

By _____
Title: Vice President

(SEAL)

FILED
FEB 26 2021
DeKalb County Clerk

STATE OF ILLINOIS)
) ss
COUNTY OF DEKALB)

CERTIFICATE OF PARTIAL REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2010C, OF THE CITY OF DEKALB, ILLINOIS

TO THE COUNTY CLERK OF DEKALB, ILLINOIS

I, the undersigned, being the duly qualified and acting City Manager of the City of DeKalb, Illinois (the "City"), having been directed and authorized by an ordinance of the City to prepare and file this Certificate, do hereby certify and notify you as follows:

1. Pursuant to Ordinance No. 10-65, adopted October 28, 2010 the City has issued its General Obligation Refunding Bonds, Series 2010B (the "Series 2010B Bonds") and its General Obligation Refunding Bonds, Taxable Series 2010C (the "Series 2010C Bonds").

2. Pursuant to Ordinance No. 10-65, a Certificate of Abatement Regarding General Obligation Refunding Bonds, Series 2010B and Taxable Series 2010C of the City of DeKalb, Illinois dated November 17, 2010, and a Certificate of Partial Reduction of Taxes Heretofore Levied For the Payment of General Obligation Refunding Bonds, Series 2010B and Taxable Series 2010C of the City of DeKalb, Illinois dated October 23, 2019, the City has heretofore levied taxes in amounts sufficient to pay maturing principal of and interest on the Series 2010B Bonds and the Series 2010C Bonds maturing in the years 2021 through 2028, inclusive, as set forth below:

Tax Levy Year	Original Levy	Amount Abated on October 23, 2019	Amount of Levy Remaining for the Series 2010C Bonds
2020	$1,012,057.50	$175,967.50	$836,090.00
2021	1,009,022.50	325,967.50	683,055.00
2022	1,009,592.50	1,009,592.50	-0-
2023	1,008,052.50	1,008,052.50	-0-
2024	1,009,115.00	1,009,115.00	-0-
2025	1,007,482.50	1,007,482.50	-0-
2026	178,075.00	178,075.00	-0-

3. Pursuant to the 2020 Escrow Deposit Agreement dated as of November 1, 2020, between the City and Amalgamated Bank of Chicago, as Escrow Agent, provision has been made for the payment of the interest on the principal amount of the Series 2010C Bonds, by the deposit of Investment Obligations with the Escrow Agent in an amount sufficient to pay such debt service with respect to the Series 2010C Bonds when due and payable. The Series 2010B Bonds were redeemed in full on January 1, 2020.

4. You are hereby notified and directed to make proper reduction of the taxes currently levied for the year 2020 and referred to in paragraph 2 by abating such taxes to the amounts set forth in the column described under "Amount of Levy After Abatement."

Tax Levy Year	Current Amount of Levy	Amount to be Abated	Amount of Levy After Abatement
2020	836,090.00	$40,545.00	$795,545.00
2021	683,055.00	-0-	683,055.00

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 19th day of November, 2020.

City Manager

[Signature Page to Certificate of Partial Reduction of Taxes – Series 2010C]

COUNTY CLERK'S RECEIPT

RECEIPT IS HEREBY ACKNOWLEDGED this 26 day of FEB 2021, ~~2020,~~ of a duplicate original of the "Certificate of Partial Reduction of Taxes Heretofore Levied For the Payment of General Obligation Refunding Bonds, Taxable Series 2010C, of the City of DeKalb, Illinois", manually executed by the City Manager of the City of DeKalb, Illinois, and it is hereby certified that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the year 2020, for the payment of the interest on the Series 2010C Bonds of the City, as described in said Certificate, will be reduced and abated as provided in said Certificate.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of DeKalb County, this 26 day of FEB, ~~2020~~. 2021

Douglas J. Johnson Jr.
County Clerk of the County of DeKalb, Illinois

146570341_223885-00047

FILED
FEB 26 2021
DeKalb County Clerk

CERTIFICATE OF PARTIAL REDUCTION OF TAXES HERETOFORE LEVIED GENERAL OBLIGATION BONDS, SERIES 2012A AND GENERAL OBLIGATION BONDS, SERIES 2013B OF THE CITY OF DEKALB, ILLINOIS

I, the undersigned, being the duly qualified and acting City Manager of the City of DeKalb, Illinois, (the "City"), having been directed and authorized by an ordinance of the City to prepare and file this Certificate, do hereby certify and notify you as follows:

1. Pursuant to Ordinance No. 12-76 adopted by the City Council of the City on September 10, 2012 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $12,700,000 General Obligation Bonds of the City of DeKalb, Illinois" (the "Bond Ordinance") authorizing the issuance of (a) $9,905,000 General Obligation Bonds, Series 2012A (the "Series 2012A Bonds"), of the City described in the Series 2012A Bond Order dated October 11, 2012 and (b) $2,380,000 General Obligation Bonds, Series 2013B (the "Series 2013B Bonds"), of the City described in the City of DeKalb, Illinois, General Obligation Bonds, Series 2013B Bond Order dated June 5, 2013 (collectively, the "Bonds") the City has heretofore levied taxes in amounts sufficient to pay maturing principal of and interest on the Bonds maturing in the years 2021 and 2030, inclusive, as set forth below in the column described under "Amount of Levy Remaining for the Bonds."

2. Pursuant to the 2020 Escrow Deposit Agreement dated as of November 10, 2020, between the City and Amalgamated Bank of Chicago, as Escrow Agent, provision has been made for the payment of the interest on the Series 2013B and Series 2012A Bonds, by the deposit of Investment Obligations with the Escrow Agent in an amount sufficient to pay such interest with respect to the Bonds when due and payable.

3. You are hereby notified and directed to make proper reduction of the taxes currently levied for in the year 2020 and referred to in paragraph 1 by abating such taxes to the amounts set forth in the column described under "Amount of Levy After Abatement":

Tax Levy Year	Amount of Levy Remaining for the Bonds	Amount of Taxes to be Abated for the Series 2013B Bonds	Amount of Taxes to be Abated for the Series 2012A Bonds	Amount of Levy After Abatement
2020	$898,031.26	$11,175.00*	$65,340.63	$821,515.63
2021	895,681.26	-0-	-0-	895,681.26
2022	895,381.26	-0-	-0-	895,381.26
2023	894,781.26	-0-	-0-	894,781.26
2024	893,881.26	-0-	-0-	893,881.26
2025	897,681.26	-0-	-0-	897,681.26
2026	895,043.76	-0-	-0-	895,043.76
2027	897,087.50	-0-	-0-	897,087.50
2028	517,625.00	-0-	-0-	517,625.00

* Final Levy Year

IN WITNESS WHEREOF, I have hereunto set my hand, this 19th day of November, 2020.

[Signature Page to Certificate of Partial Reduction of Taxes – Series 2012A and 2013B]

COUNTY CLERK'S RECEIPT

RECEIPT IS HEREBY ACKNOWLEDGED this 26 day of FEB. 2021, ~~2020~~, of a duplicate original of the "Certificate of Partial Reduction of Taxes Heretofore Levied For the Payment of General Obligation Bonds, Series 2013B and the General Obligation Bonds, Series 2012A , of the City of DeKalb, Illinois", manually executed by the City Manager of the City of DeKalb, Illinois, and it is hereby certified that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the year 2020, for the payment of the Series 2013B and the Series 2012A Bonds of the City, as described in said Certificate, will be reduced and abated as provided in said Certificate.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of DeKalb County, this 26 day of FEB, ~~2020.~~ 2021

Douglas J. Johnson

County Clerk of the County of DeKalb, Illinois

146585795_223885-00047

FILED
FEB 26 2021
DeKalb County Clerk

STATE OF ILLINOIS)
) ss
COUNTY OF DEKALB)

CERTIFICATE OF PARTIAL REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS

TO THE COUNTY CLERK OF DEKALB, ILLINOIS

I, the undersigned, being the duly qualified and acting City Manager of the City of DeKalb, Illinois (the "City"), having been directed and authorized by an ordinance of the City to prepare and file this Certificate, do hereby certify and notify you as follows:

1. Pursuant to Ordinance No. 2019-058, adopted September 9, 2019 the City has issued its $3,925,000 General Obligation Refunding Bonds, Series 2019 (the "Bonds").

2. Pursuant to Ordinance No. 2019-058, a Certificate of Abatement Regarding General Obligation Refunding Bonds, Series 2019 of the City of DeKalb, Illinois dated October 1, 2019, the City has heretofore levied taxes in amounts sufficient to pay maturing principal of and interest on the Bonds maturing in the years 2021 through 2028, inclusive, as set forth below in the column described under "Amount of Levy Remaining for the Bonds."

3. Pursuant to the 2020 Escrow Deposit Agreement dated as of November 19, 2020, between the City and Amalgamated Bank of Chicago, as Escrow Agent, provision has been made for the payment of the interest on the Bonds, by the deposit of Investment Obligations with the Escrow Agent in an amount sufficient to pay such interest with respect to the Bonds when due and payable.

4. You are hereby notified and directed to make proper reduction of the taxes currently levied for in the year 2020 and referred to in paragraph 2 by abating such taxes to the amounts set forth in the column described under "Amount of Levy After Abatement":

Tax Levy Year	Amount of Levy Remaining for the Bonds	Amount of Levy To be abated	Amount of Levy After Abatement
2020	106,071.00	$35,535.50	$70,535.50
2021	255,434.00	-0-	255,434.00
2022	937,067.00	-0-	937,067.00
2023	936,233.00	-0-	936,233.00
2024	940,126.00	-0-	940,126.00
2025	938,655.00	-0-	938,655.00
2026	106,911.00	-0-	106,911.00

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 19th day of November, 2020.

City Manager

[Signature Page to Certificate of Partial Reduction of Taxes – Series 2019]

COUNTY CLERK'S RECEIPT

RECEIPT IS HEREBY ACKNOWLEDGED this 26 day of FEB 2021, ~~2020~~, of a duplicate original of the "Certificate of Partial Reduction of Taxes Heretofore Levied For the Payment of General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois", manually executed by the City Manager of the City of DeKalb, Illinois, and it is hereby certified that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the year 2020, inclusive, for the payment of the Series 2019 Bonds of the City, as described in said Certificate, will be reduced and abated as provided in said Certificate.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of DeKalb County, this 26 day of FEB, ~~2020~~. 2021

Douglas J. Johnson Jr.

County Clerk of the County of DeKalb, Illinois

146576882_223885-00047

MUNICIPAL BOND INSURANCE POLICY

ISSUER: City of DeKalb, DeKalb County, Illinois

Policy No: 2020B1072

MEMBER: City of DeKalb, DeKalb County, Illinois

Effective Date: November 19, 2020

BONDS: $1,900,000 in aggregate principal amount of General Obligation Refunding Bonds, Taxable Series 2020

Risk Premium:	$3,464.33
Member Surplus Contribution:	$6,831.04
Total Insurance Payment:	$10,295.37

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the

Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

IN WITNESS WHEREOF, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

Schedule A

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com

Address:
200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:
212-962-1524 (attention: Claims)

November 19, 2020

City of Dekalb
164 East Lincoln Highway
Dekalb, IL 60155

Robert W. Baird & Co.
300 E. Fifth Avenue, Suite 200
Napcrvillc, IL 60563

Amalgamated Bank of Chicago
30 N. LaSalle Street, 38th fl.
Chicago, IL 60602

RE: Policy: 2020B1072
Member: City of DeKalb, DeKalb County, Illinois
Bonds: General Obligation Refunding Bonds, Taxable Series 2020

Date of the Official Statement: October 28, 2020

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement related to the above-referenced Bonds (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted from, the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM Policy No.: 2020B1072

BONDS: $1,900,000 in aggregate principal amount of
City of DeKalb, Dekalb County, Illinois
General Obligation Refunding Bonds,
Taxable Series 2020

Date of the Official Statement: October 28, 2020

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy referenced above (the "Policy") in respect of the Bonds referenced above (the "Bonds") that:

(i) The information set forth under the caption "BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY" in the official statement referenced above, relating to the Bonds (the "Official Statement") is true and correct;

(ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);

(iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is solely a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, or represents a direct or indirect payment for any goods or services provided to the Issuer (including the right to receive a dividend), or the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM;

(ix) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(x) BAM does not expect that a claim or any other payment will be made on or with respect to the Policy or by BAM to the Issuer; and

(xi) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Dated: November 19, 2020

Primary Market Disclosure Certificate

City of DeKalb, Dekalb County, Illinois, General Obligation Refunding Bonds, Taxable Series 2020 (the "Insured Bonds")

For the benefit of City of DeKalb, Dekalb County, Illinois (the "Issuer"), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, Build America Mutual Assurance Company ("Build America") makes the following representations and warranties as of the date hereof:

1. Neither Build America nor any affiliate of Build America has purchased, or has committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise;
2. Neither Build America nor any affiliate of Build America has entered into any agreement or understanding regarding the purchase or sale of the Insured Bonds, except for the insurance policies that Build America has provided regarding payments due under the Insured Bonds and the documentation associated with said insurance policies.

For the purposes of this certificate, "affiliate of Build America" means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Build America.

November 19, 2020

Build America Mutual Assurance Company

By: _____
Authorized Officer

S&P Global
Ratings

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2074
reference no.: 1640546

October 29, 2020

Build America Mutual Assurance Company
200 Liberty Street - 27th Fl.
New York, NY 10281
Attention: Ms. Laura Levenstein, Chief Risk Officer

Re: ***US$1,900,000 City of Dekalb City, Illinois, General Obligation Refunding Bonds, Taxable, Series 2020, dated: November 19, 2020, due: January 1, 2028, 2029 and 2030, (POLICY #2020B1072)***

Dear Ms. Levenstein:

S&P Global Ratings has assigned an insured rating of "AA" on the above obligations, based on the policy provided by your company.

We may adjust the underlying rating and the capital charge as a result of changes in the financial position of the issuer or performance of the collateral, or of amendments to the documents governing the issue, as applicable. With respect to the letter, please notify us of any changes or amendments over the term of the debt.

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MOODY'S
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October 26, 2020

Bill Nicklas
DEKALB (CITY OF) IL
City of DeKalb
200 South Fourth Street
DeKalb,, IL 60115

Dear Bill Nicklas :

We wish to inform you that on October 22, 2020, Moody's Investors Service reviewed and assigned a rating of

- A2 to DEKALB (CITY OF) IL, General Obligation Refunding Bonds, Taxable Series 2020

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October 26, 2020

Bill Nicklas
DEKALB (CITY OF) IL
City of DeKalb
200 South Fourth Street
DeKalb,, IL 60115

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Should you have any questions regarding the above, please do not hesitate to contact the analyst assigned to this transaction, Benjamin VanMetre at 312-706-9951.

Sincerely,

Moody's Investors Service, Inc

Moody's Investors Service, Inc.

CC:

Ms. Dalena Welkomer
300 East Fifth Avenue, Suite 200
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MOODY'S
INVESTORS SERVICE

CREDIT OPINION
22 October 2020

Rate this Research

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DeKalb (City of) IL

Update to credit analysis following downgrade to A2

Summary

The City of DeKalb (A2) benefits from a moderately sized tax base with a local economy that is supported by the institutional presence of Northern Illinois University (Ba2 stable), significant financial flexibility and healthy reserves. The city's credit attributes are balanced by an elevated and growing pension burden and high fixed costs.

On October 22, 2020 we downgraded the city's general obligation unlimited tax (GOULT) rating to A2 from A1.

Credit strengths

» Institutional presence of Northern Illinois University

» Home-rule government with considerable revenue raising flexibility

Credit challenges

» Heavy reliance one economically sensitive revenue

» Sizable and growing pension burden with elevated fixed costs

Rating outlook

Outlooks are not typically assigned to local governments with this amount of debt.

Factors that could lead to an upgrade

» Significant expansion and diversification of the tax base

» Material reduction in the pension and fixed cost burdens

Factors that could lead to a downgrade

» Material and sustained weakening of the local economy

» Significant and prolonged weakening of reserves

» Increased leverage related to the city's long-term debt, pension or OPEB burdens

Key indicators

Exhibit 1

DeKalb (City of) IL	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value ($000)	$1,396,295	$1,405,639	$1,513,099	$1,590,479	$1,645,489
Population	43,483	43,269	43,141	42,839	42,839
Full Value Per Capita	$32,111	$32,486	$35,073	$37,127	$38,411
Median Family Income (% of US Median)	87.1%	90.1%	86.6%	90.3%	90.3%
Finances					
Operating Revenue ($000)	$37,003	$56,936	$36,834	$37,420	$41,106
Fund Balance ($000)	$10,581	$11,779	$11,979	$10,116	$13,399
Cash Balance ($000)	$7,518	$8,762	$9,079	$7,000	$8,828
Fund Balance as a % of Revenues	28.6%	20.7%	32.5%	27.0%	32.6%
Cash Balance as a % of Revenues	20.3%	15.4%	24.6%	18.7%	21.5%
Debt/Pensions					
Net Direct Debt ($000)	$34,767	$32,245	$28,666	$26,992	$23,617
3-Year Average of Moody's ANPL ($000)	$126,225	$145,913	$168,131	$183,059	$200,188
Net Direct Debt / Full Value (%)	2.5%	2.3%	1.9%	1.7%	1.4%
Net Direct Debt / Operating Revenues (x)	0.9x	0.6x	0.8x	0.7x	0.6x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	9.0%	10.4%	11.1%	11.5%	12.2%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	3.4x	2.6x	4.6x	4.9x	4.9x

Note: The city changed to a calendar year audit in Fiscal 2016 (financial metrics above include 18 months of operations). The city's cash is consistently lower than fund balance because of the timing of certain state aid payments.

Source: Moody's Investors Service, US Census Bureau, audited financial statements

Profile

The City of DeKalb is located 60 miles from downtown Chicago (Ba1 stable) along I-88 corridor and serves as the county seat for DeKalb County (Aa1). DeKalb offers a sizable retail presence for the county and serves a population of about 43,000 residents. DeKalb is a home-rule unit of government and therefore does not have a tax rate limit or debt limit nor is it required to seek referendum approval to raise its tax rate or to issue debt. The city is governed by a mayor (elected at large) and seven alderman (elected from wards) who collectively form the city council.

Detailed credit considerations

Economy and tax base: moderately sized tax base with university presence

DeKalb's local economy will experience a degree of volatility during the current recession. Northern Illinois University is the city's largest employer with about 3,600 employees. The university has historically anchored the local economy, providing an important degree of stability but the higher education sector is facing a rapidly changing business environment with significant downside risks as a result of the coronavirus outbreak.

The city entered the current economic downturn with five consecutive years of tax base growth and a full value totaling $1.8 billion. The tax base is mostly comprised of residential properties (57%), which is a sector we expect to fare better than in the last recession. The city also has a notable commercial presence (31%), a sector that will experience more severe impacts from the current recession. The city's Top 10 largest taxpayers comprise about 16% of its assessed value and include 3M Company (A1 negative; 4.2%) and Target

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Corporation (A2 stable; 2.4%). Favorably, there are two large developments underway within the city including an $800 million Facebook data center and a $100 million distribution center for Ferrara Candy.

Financial operations and reserves: solid reserves to mitigate near-term challenges

We expect the city's financial position to remain healthy though it will narrow somewhat in the current year. The city's adopted fiscal 2020 budget reflects a general fund surplus of more than $600,000 yet subsequent revisions reflect a $1.9 million decline in reserves. The budgeted decline was driven by an estimated 14% decline ($2.2 million) in sales and use taxes, a 10% decline ($380,000) in gross receipts taxes, a 14% decline ($498,000) in services charges and a 25% decline ($168,000) in fines. Favorably, the city's revenue is tracking a bit better than the budgeted declines. To offset the revenue disruption driven by the coronavirus pandemic, the city implemented $2.1 million in general fund expenditure reductions and controls including $1 million in personnel reductions in the general fund, a reduction in spending on contractual services, the deferral of a fire engine purchase and other capital related items. The city also has the authority to transfer about $500,000 to the general fund from the capital equipment replacement fund as needed. If fully realized, the $1.9 million deficit would close the city's fiscal 2020 general fund balance at about 24% of revenue. The city expects reserves to remain level in fiscal 2021, with the assumption that revenue growth will pick up during the second half of fiscal 2021.

Going into the coronavirus pandemic, the city closed six of the last eight fiscal years with general fund surpluses, growing reserves to $10.5 million (27%) in fiscal 2019 from $4.7 million (15%) in fiscal 2012. As noted in more detail in the pension section below, the city's fiscal pension contributions typically fall below our "tread water" indicator. Although the city's fund balance has improved, we note that the pension burden also continues to grow.

LIQUIDITY

The city closed fiscal 2019 with a net cash position of $8.8 million, equal to 22% of revenue across the general fund, motor fuel tax fund and the debt service fund. The difference between the city's cash position and available fund balance is largely driven by the timing of certain state shared revenue.

Debt and pensions: elevated leverage related to long-term debt and pension liabilities

DeKalb's pension burden is a significant drag on the city's credit quality and rising pension costs will remain a challenge for the credit profile. The city's single year adjusted net pension liability (ANPL) increased 20% to $226 million in fiscal 2019 from $188 million in fiscal 2018 (see exhibit). The city's three-year average ANPL totals $200 million, equal to a very high 11.4% of full value and 4.9x fiscal 2019 operating revenue. In comparison, the city's reported GASB net pension liability totals about $93 million. Favorably, the city's debt burden remains relatively low compared to peers at about 0.5x revenue and 1.3% of full value. The city's fixed costs inclusive of debt service and retirement contributions comprised a significant 28% of operating revenue.

Exhibit 3

DeKalb's balance sheet leverage continues to grow, increasing annually since 2011

Source: Audited Financial Statements, Moody's Investors Service

Legal security

The city's GOULT bonds are secured by the city's GO pledge with the ability levy a tax unlimited as to both rate and amount to pay debt service.

Debt structure

All of the city's debt is fixed rate with fast amortization with more than 90% of outstanding principal retired within 10 years. The city is in the process of restructuring about $1.8 million of its existing GOULT debt. Proceeds of the Series 2020 bonds will be used to provide near-term budgetary relief in fiscal 2021. The bonds will refund the 2021 debt service on four series of GO bonds that are currently paid from the general fund. Debt service on the refunding bonds will wrap around the existing debt structure on the city's outstanding general obligation debt that is payable from the general fund in years 2028 through 2030. The estimated net present value cost of the restructuring is equal to about 4.8%, or a cost of about $70,000. While debt restructuring that slows amortization rates and reduces future flexibility weakens overall credit quality, the size of this change relative to the city's debt profile does not rise to a level of a material change in city's overall credit profile.

Debt-related derivatives

The city is not party to any swap or derivative agreements.

PENSIONS AND OPEB

DeKalb has two single employer public safety pension plans and its non-public safety employees participate in the Illinois Municipal Retirement Fund (IMRF). The city's public safety plans account for a majority of its ANPL. Although the city's public safety plans are single employer plans, the city has no control over the benefits because they are established in state statute.

The city's pension contributions amounted to 17% of fiscal 2019 revenue. The state requires cities to fund single employer public safety plans at a rate that will achieve a 90% funded ratio on a reported basis by 2040, which is a relatively weak contribution requirement. While the city's contributions met this requirement, its contributions fell below our "tread water" indicator by about $1.6 million, equivalent to a high 3.9% of revenue. The tread water indicator represents the contribution required to prevent growth in reported net pension liabilities, if plan assumptions hold. In fiscal 2019, the city's tread water indicator was based on assumed discount rates of 7.0% for public safety plans and 7.25% for IMRF. The 7% reported discount rate for public safety plans is similar to many other local government pension plans. A lower discount rate tends to push the tread water indicator upward, which can result in a wider gap between the indicator and actual contributions.

OPEB obligations do not represent a material credit risk for the city. The city does not offer explicit OPEB benefits, but allows retired employees to stay on its healthcare plan, creating an implicit rate subsidy. Both the city's reported net OPEB liability and our adjusted net OPEB liability for the city, based on the use of a different discount rate, total about $29 million.

ESG considerations

Environmental

Environmental considerations are not material to the city's credit profile. According to data from Moody's affiliate Four Twenty Seven, DeKalb County's environmental hazard scores are high for three of the five environmental factors considered including heat stress, water stress and extreme rainfall. The city has not yet been directly impacted by environmental hazards and the current reserve levels coupled with its financial flexibility will help mitigate these impacts going forward.

Social

Social considerations are a factor in the city's credit profile. The median age of city residents (25) is notably below the state (38) and nation (38) because of the large student population. Northern Illinois University currently has a total student enrollment of about 17,000 while the city has about 43,000 residents. The city's population has been gradually growing since the 1980s when it totaled about 33,000 residents. Residential incomes are average with median family income at 90% of the nation. As of August 2020, the DeKalb County unemployment rate (10%) was better than the state (10.8%) yet above the nation (8.5%).

Governance

Illinois cities have an Institutional Framework score of "A," which is moderate. Revenue-raising ability is moderate overall but varies considerably. Non-home rule entities are subject to tax rate limitations. In addition, total operating tax yield for entities subject to the

Property Extension Limitation Law (PTELL) is capped to the lesser of 5% or CPI growth, plus new construction. Home rule entities have much greater legal flexibility than the rest of the sector with substantial revenue-raising authority. Revenue predictability is moderate, with varying dependence on property, sales, and state-distributed income taxes. Expenditures are moderately predictable but cities have limited ability to reduce them given strong public sector unions and pension benefits that enjoy strong constitutional protections. Fixed costs are driven mainly by debt service and employer pension contributions. For single employer public safety plans, the State of Illinois requires most entities to make annual pension contributions that cover current benefit accruals, plus an amount designed to achieve a 90% funded ratio by 2040.

The City of DeKalb has home rule status. Management follows a formal fund balance policy of maintaining reserves equal to 25% of annual expenditures, has a 10 year capital improvement plan for the Water Fund and has also developed a five year capital improvement plan for the general capital infrastructure of streets, fleet and equipment.

The city has maintained steady revenue from its property tax base, though property taxes comprise a relatively small share of the city's revenue, at about 15% of the city's operating revenue. Intergovernmental revenue, primarily state sales taxes and shared state income tax revenue, provide about 35% the city's operating revenue while local home rule sales taxes comprise 16% of revenue.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 4

DeKalb (City of) IL

Scorecard Factors	Measure	Score
Economy/Tax Base (30%) [1]		
Tax Base Size: Full Value (in 000s)	$1,758,939	Aa
Full Value Per Capita	$41,059	A
Median Family Income (% of US Median)	90.3%	Aa
Notching Adjustments:[2]		
Institutional Presence		Up
Finances (30%)		
Fund Balance as a % of Revenues	32.6%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	12.9%	Aa
Cash Balance as a % of Revenues	21.5%	Aa
5-Year Dollar Change in Cash Balance as % of Revenues	6.3%	A
Management (20%)		
Institutional Framework	A	A
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures (x)	1.0x	A
Notching Adjustments:[2]		
Other Scorecard Adjustment Related to Management: Home rule authority		Up
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	1.2%	Aa
Net Direct Debt / Operating Revenues (x)	0.5x	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	11.4%	Baa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	4.9x	Baa
Notching Adjustments:[2]		
Other Scorecard Adjustment Related to Debt and Pensions: Elevated and growing pension burden; High fixed costs		Down
	Scorecard-Indicated Outcome	A1
	Assigned Rating	A2

[1] Economy measures are based on data from the most recent year available.
[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.
[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication
Source: US Census Bureau, issuer audited financial statements, preliminary official statement

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REPORT NUMBER 1250608

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MOODY'S
INVESTORS SERVICE

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades City of DeKalb, IL's GO rating to A2; removes negative outlook

22 Oct 2020

Assigns A2 rating to GO bonds

New York, October 22, 2020 -- Moody's Investors Service downgrades the City of DeKalb, IL's general obligation unlimited tax (GOULT) rating to A2 from A1. Moody's assigns an A2 rating to the city's $1.9 million General Obligation Refunding Bonds, Taxable Series 2020. Following the sale, the city will have about $22 million in debt outstanding. The negative outlook has been removed.

RATINGS RATIONALE

The downgrade to A2 reflects the city's elevated and growing pension burden in conjunction with an outsized treadwater gap and increasing fixed costs. The rating further incorporates a moderately sized tax base with a local economy supported by the institutional presence of Northern Illinois University (Ba2 stable), significant financial flexibility and healthy reserves, and a low debt burden. The city's healthy reserves serve as an important mitigant as the city of DeKalb navigates the impacts of the coronavirus.

RATING OUTLOOK

Outlooks are not typically assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Significant expansion and diversification of the tax base

- Material reduction in the pension and fixed cost burdens

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material and sustained weakening of the local economy

- Significant and prolonged weakening of reserves

- Increased leverage related to the city's long-term debt, pension or OPEB burdens

LEGAL SECURITY

The city's outstanding GOULT bonds are secured by the city's GO pledge with the ability levy a tax unlimited as to both rate and amount to pay debt service.

USE OF PROCEEDS

Proceeds of the 2020 bonds will be used to provide near-term budgetary relief by restructuring the city's debt. The bonds will refund the 2021 debt service on four series of GO bonds that are currently paid from the general fund. Debt service on the refunding bonds will wrap around the existing debt structure on the city's outstanding general obligation debt that is payable from the general fund in years 2028 through 2030.

PROFILE

The City of DeKalb is located 60 miles from downtown Chicago (Ba1 stable) along I-88 corridor and serves as the county seat for DeKalb County (Aa1). DeKalb offers a sizeable retail presence for the county and serves a population of about 43,000 residents. DeKalb is a home-rule unit of government and therefore does not have a tax rate limit or debt limit nor is it required to seek referendum approval to raise its tax rate or to issue debt. The city is governed by a mayor (elected at large) and seven alderman (elected from wards) who collectively form the city council.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in July 2020 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1230443. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1133569 .

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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Katten

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Chicago, IL 60661-3693
+1.312.902.5200 tel
katten.com

November 19, 2020

Build America Mutual Assurance Company
New York, New York

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of DeKalb, Illinois of its $1,900,000 principal amount of General Obligation Refunding Bonds, Taxable Series 2020. We deliver to you herewith a copy of our bond counsel opinion of even date with respect to the Bonds. You may rely upon such opinions to the same extent as if such opinions were addressed to you.

Sincerely yours,

Katten Muchin Rosenman LLP

LG:kh

Katten

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Chicago, IL 60661-3693
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katten.com

November 19, 2020

The City Council of
the City of DeKalb, Illinois

We have examined a record of proceedings relating to the issuance of $1,900,000 principal amount of General Obligation Refunding Bonds, Taxable Series 2020 (the "Bonds") of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and by virtue of an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois" and the Series 2020 Bond Order dated October 28, 2020.

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. Bonds delivered on original issuance are dated November 19, 2020. The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the principal amount set forth opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 of each year at the rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2028	$ 425,000	2.30%
2029	540,000	2.40
2030	935,000	2.50

In our opinion, the Bonds are valid and legally binding general obligations of the City of DeKalb and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Bonds is includable in gross income for Federal income tax purposes and is not exempt from Illinois income taxes.

Very truly yours,

Katten Muchin Rosenman LLP

LG:hf

No. 1

United States of America
State of Illinois
County of DeKalb

CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BOND, TAXABLE SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
2.30%	January 1, 2028	November 19, 2020	240775 PX8

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: Four Hundred Twenty-Five Thousand Dollars ($425,000)

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the office of Amalgamated Bank of Chicago, as bond registrar or its successor ("the Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $2,000,000, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on September 28, 2020 and entitled "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois."

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds in authorized denominations of $5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is a part, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: November 19, 2020

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Taxable Series 2020, described in the within mentioned Ordinance.

Amalgamated Bank of Chicago,
as Bond Registrar

By _____
Authorized Signer

CITY OF DEKALB

_____
Mayor

Attest:

_____
City Clerk

SPECIMEN

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

_____

the within bond and hereby irrevocably constitutes and appoints _____

_____

attorney to transfer the said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated_____

Signature Guarantee:

_____

_____

SPECIMEN

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Amalgamated Bank of Chicago, located in Chicago, Illinois, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

No. 2

United States of America
State of Illinois
County of DeKalb

CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BOND, TAXABLE SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
2.40%	January 1, 2029	November 19, 2020	240775 PY6

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: Five Hundred Forty Thousand Dollars ($540,000)

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the office of Amalgamated Bank of Chicago, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $2,000,000, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois."

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds of the authorized denominations of $5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: November 19, 2020

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Taxable Series 2020, described in the within mentioned Ordinance.

Amalgamated Bank of Chicago,
as Bond Registrar

By _____
Authorized Signer

CITY OF DEKALB

_____
Mayor

Attest:

_____
City Clerk

SPECIMEN

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

_____

the within bond and hereby irrevocably constitutes and appoints _____

_____

attorney to transfer the said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____

Signature Guarantee:

_____

_____

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Amalgamated Bank of Chicago, located in Chicago, Illinois, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

SPECIMEN

No. 3

United States of America
State of Illinois
County of DeKalb

CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BOND, TAXABLE SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
2.50%	January 1, 2030	November 19, 2020	240775 PZ3

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: Nine Hundred Thirty-Five Thousand Dollars ($935,000)

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the office of Amalgamated Bank of Chicago, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $2,000,000, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on September 28, 2020 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $2,000,000 General Obligation Refunding Bonds, Taxable Series 2020, of the City of DeKalb, Illinois."

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds will be authorized in denominations of $5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become an obligation for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is a part, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: November 19, 2020

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Taxable Series 2020, described in the within mentioned Ordinance.

Amalgamated Bank of Chicago,
as Bond Registrar

By _____
Authorized Signer

CITY OF DEKALB

_____
Mayor

Attest:

_____
City Clerk

SPECIMEN

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

_____

the within bond and hereby irrevocably constitutes and appoints _____

_____

attorney to transfer the said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated_____

_____

Signature Guarantee:

_____

SPECIMEN

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM") New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Amalgamated Bank of Chicago, located in Chicago, Illinois, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.