

RECEIVING AND FILING THE FY2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), SINGLE AUDIT REPORT, REPORT ON COMPLIANCE WITH PUBLIC ACT 85-1142 (TIF REPORT), DOWNSTATE OPERATING ASSISTANCE CERTIFICATION AND INDEPENDENT AUDITOR'S REPORTS, AND MANAGEMENT LETTER.

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government and 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 Illinois Municipal Auditing Law, 65 ILCS 5/8-8-1, *et seq.*, requires the City's corporate authorities to cause an audit of the City's funds and accounts, file a copy of the audit report with the Illinois Comptroller, keep a copy of the audit report as a public record, post the audit report on the City's website, and hear the auditor's report during a public meeting; and

WHEREAS, the City's corporate authorities reviewed the Annual Comprehensive Financial Report, Single Audit Report, Report on Compliance with Public Act 85-1142 (TIF report), Downstate Operating Assistance Certification and Independent Auditor's Reports, and Management Letter for Fiscal Year 2021; and

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

SECTION 1: The City's corporate authorities hereby receive and file the Annual Comprehensive Financial Report, Single Audit Report, Report on Compliance with Public Act 85-1142 (TIF report), Downstate Operating Assistance Certification, and Independent Auditor's Reports and Management Letter attached hereto and incorporated herein as Exhibit A. The City Manager or his designee are hereby authorized and directed to file and electronically submit the Annual Comprehensive Financial Report with the Comptroller of the State of Illinois and undertake such other actions as may be necessary to comply with the Illinois Municipal Auditing Law.

SECTION 2: This resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the 27th day of June 2022 and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Morris, Larson, Smith, Perkins, McAdams, Verbic, Faivre, Barnes. Nay: None.




COHEN BARNES, Mayor

ATTEST:



Ruth A. Scott, Executive Assistant



Annual Comprehensive
Financial Report
Year Ended
December 31, 2021

City of DeKalb, Illinois

CITY OF DEKALB, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2021

Prepared by the City of DeKalb Finance Department

CITY OF DEKALB, ILLINOIS
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INTRODUCTORY SECTION

City of DeKalb
Principal Officials
December 31, 2021

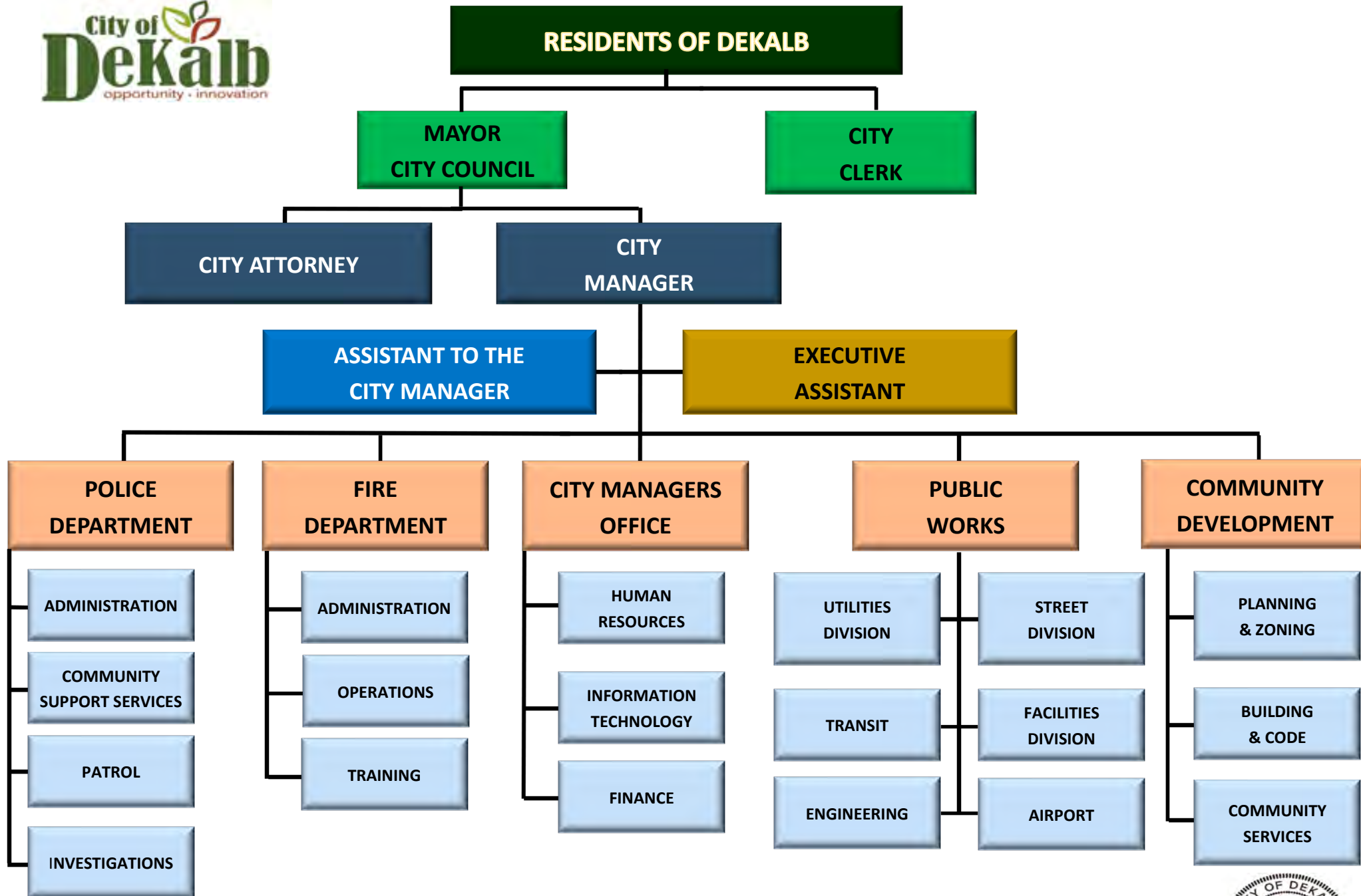
Legislative

Cohen Barnes, Mayor
Carolyn Morris, Alderman - Ward One
Barb Larson, 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
Sasha Cohen, City Clerk

Administrative

Bill Nicklas, City Manager
Joshua Boldt, Assistant to the City Manager
David Bryd, Police Chief
Mike Thomas, Acting Fire Chief
Bryan Faivre, Director of Utilities & Transportation
Andy Raih, Director of Streets and Facilities
Dan Olson, Principal Planner
Dawn Harper, Chief Building Official

CITY OF DEKALB ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of DeKalb
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Executive Director/CEO

June 13, 2022

Residents of the City of DeKalb
Mayor Cohen Barnes
Members of the DeKalb City Council

The Annual Comprehensive Financial Report of the City of DeKalb for the fiscal year ended December 31, 2021, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes mandate that the City of DeKalb annually issue a report of its financial position and activity, and that this report shall be audited by an independent firm of certified public accountants.

The City Manager and Finance Director assume full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it have been 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 of the City of DeKalb's financial statements for the year ended December 31, 2021. 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 17.21 square miles with approximately 330 centerline miles of streets. Despite its proximity to the Chicago region, the City maintains a 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's population is 40,290 as of the 2020 decennial census.

Under the 1970 Illinois Constitution, the City is a home rule unit because its population exceeds 25,000. As a home rule community, DeKalb 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 one-half of the City Council is elected. The Mayor and City Clerk are 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, zoning and building code enforcement; and general administrative services.

The financial reporting entity (the City) includes all the funds of the primary municipal 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. Although a legally separate entity, the Library is in substance a part of the primary government's operations and included as part of the primary government. Therefore, in the Annual Comprehensive Financial Report, the Library's audited financial data are presented in a separate column in the entity-wide financial statements to differentiate their financial position and resulting operations from those of the primary government.

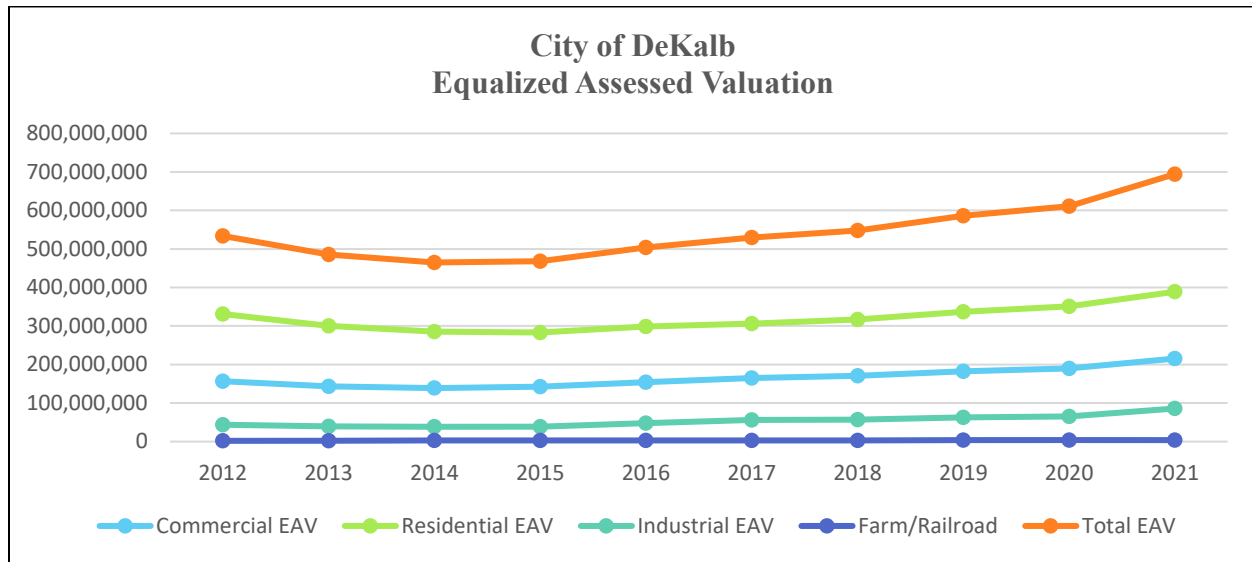
The City Council is required to adopt a budget for each fiscal year no later than the close of the prior fiscal year. The City's fiscal year runs from January 1 through December 31. The FY 2021 budget was approved by the DeKalb City Council on December 14, 2020 and served as the foundation for the City of DeKalb's financial planning and control in 2021. These controls were intended to ensure that there was compliance with the legal provisions of the annual budget: the budget officer may transfer amounts between departments within a fund, however transfers between funds must be approved by the City Council. Expenditures may not exceed budgeted appropriations at the fund level. Additionally, the City 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 are property taxes, sales and use taxes (both municipal and home rule), and state distributions of annual income tax proceeds from the Local Government Distributive Fund. As shown in Table 1, the City's equalized assessed valuation (EAV) has experienced annual increases since a dip occurred in 2014 and cumulatively has grown 49% since then. Growth is expected to continue as the full assessed valuation of several new corporate developments (Facebook, Ferrara and Amazon) are realized. The City's total rate-setting EAV increased from \$610,333,062 in 2020 to \$694,171,673 in 2021 (13.7%). Seven consecutive years of EAV growth indicate relative strength in the local economy.

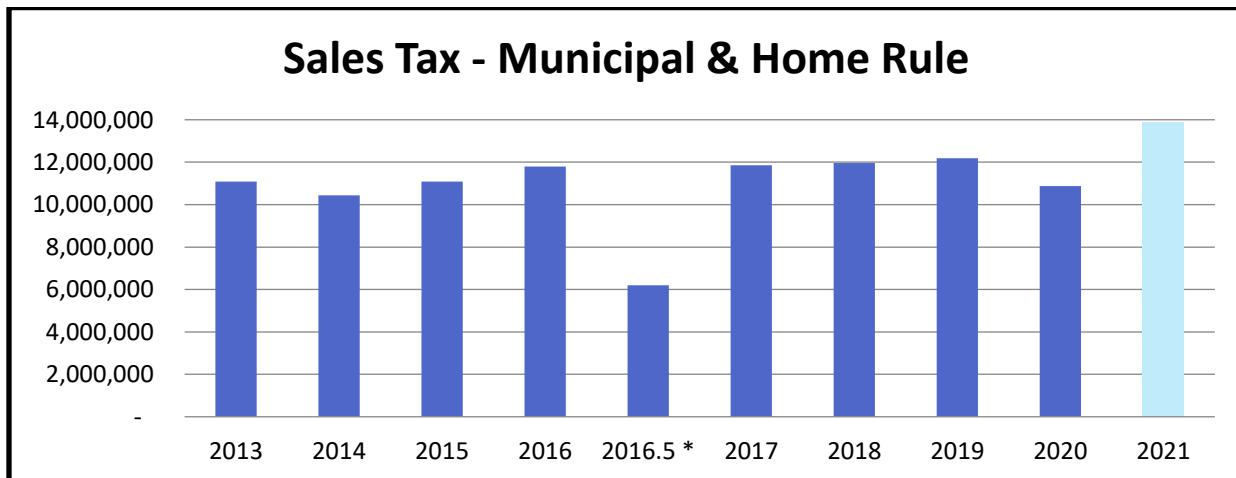


Table 1 – EAV 2012 – 2021



Extraordinary political constraints imposed by Illinois Governor Pritzker to combat the COVID-19 pandemic led to severe business interruption in 2020. Despite uncertainty of revenue recovery in 2021, the other major revenue sources of the City (1.0% municipal sales tax, 1.75% home rule sales tax and income tax) experienced significant gains in 2021 as depicted in Table 2 and Table 3.

Table 2 - Combined Municipal & Home Rule Sales Tax 2013-2021

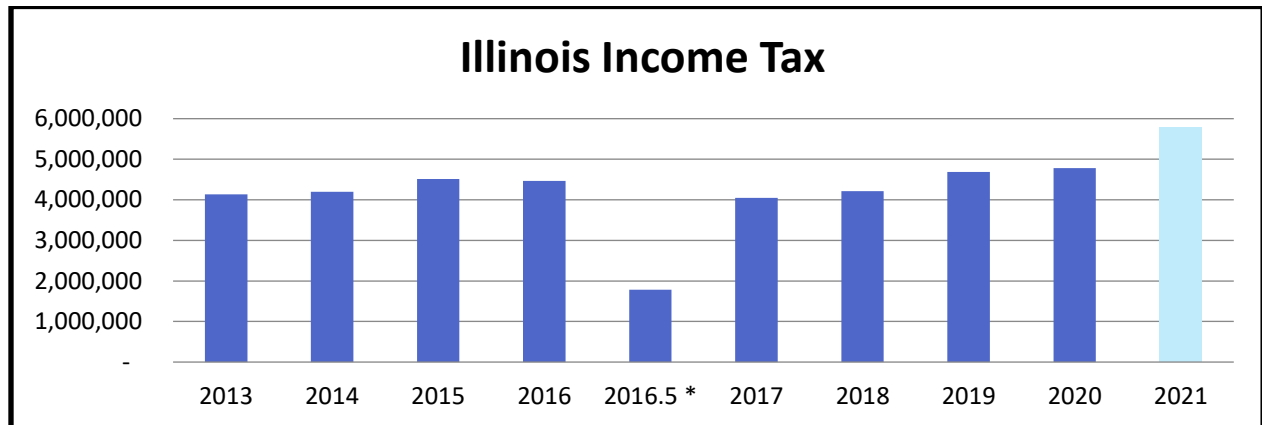


*The City changed its fiscal year end to December 31, 2016, and this represents July 1 – December 31, 2016.

2021 combined sales tax revenues increased nearly 28% over 2020. The City has a healthy mix of retailers providing grocery and household goods, home improvements, pharmaceuticals, clothing, auto dealerships and restaurants. Online retailers also contributed to the tax base.



Table 3 – Illinois Income Tax 2013-2021



*The City changed its fiscal year end to December 31, 2016, and this represents July 1 – December 31, 2016.

Income taxes also experienced gains of 21% from 2020 to 2021. The State of Illinois remits income tax on a per capita basis, and the Illinois Municipal League tracks and forecasts this revenue source. For calendar year 2020, the actual distribution was \$108.67/per capita; for calendar year 2021 it was \$132.08. The other factor impacting this revenue source was the certification of the City’s population from the 2020 census: the City’s population declined from 44,030 to 40,290. This became effective in December 2021 remittances, so the impact was not felt in FY 2021.

These revenues contributed to the General Fund’s excess of total revenues over (final) budget of approximately \$5.5 million. On the expenditure side, cautious spending by the City’s department heads yielded a balanced, final year-end budget. Actual FY 2021 expenditures and transfers out was \$36,434,975 or \$3,087 below the amended budgeted FY 2021 expenditures. As a result, the General Fund fund balance ended at \$19,625,868.

The revenue sources described above are expected to remain stable or increase in future years, due to continued economic development, and the City will continue to analyze these annually to ensure that expenditures do not outpace the anticipated revenues.

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 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.
3. The City adopted a five-year Capital Improvement Plan during the FY 2017 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.
4. The City attempts to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. As part of annual revenue forecasting, all fees and charges were reviewed, and several recommendations were implemented, in FY 2016.5 and FY 2017. These were increases to the ambulance transport fees, an increase in the video gaming licensing fees, and an increase to the fuel surcharge. In 2019, the Council increased the local motor fuel tax from five and one-half cents per gallon to 9.5 cents per gallon to address serious deficiencies in the pavement condition of City streets and alleys, and to address the declining condition of the City's fleet of Police, Fire and Public Works vehicles. The local motor fuel tax proceeds are distributed as follows:
 - 1.5 cents to the Airport Fund (Fund 650);
 - 1.0 cents to the Capital Equipment Replacement Fund (Fund 420); and
 - 7.0 cents to the Capital Project Fund (Fund 400) to increase the allocation for street maintenance by approximately \$525,000 per year.

In 2020 and continuing into 2021, certain fees and taxes were partially or wholly suspended to give relief to residents and businesses suffering under the COVID-19 pandemic, including mass transit fares, restaurant and bar taxes, and hotel/motel taxes. Also in 2021, the City began participating in the State of Illinois's supplemental reimbursement of ground emergency medical transportation (GEMT), and this ongoing revenue has been earmarked to fund Fire Department capital purchases.

5. The City strives to encourage industry and attract major businesses to locate in the City to enhance future EAV and stimulate job creation. The City's Enterprise Zone ordinance provides for property tax abatements to qualifying manufacturing businesses that meet certain benchmarks.

Relevant Financial Policies

The City established several key written financial policies that were approved by the City Council and became effective on January 9, 2017:

- 01-01 - Budget Policy
- 01-02 - Fund Balance Policy
- 01-03 - Capital Equipment Replacement Policy
- 01-04 - Revenue and Expenditure Policy



- 01-05 - Accounting, Auditing and Financial Reporting Policy
- 01-06 - Capital Asset Policy
- 01-07 - Debt Management Policy
- 01-08 - Investment Policy

In addition, the City's Purchasing Manual, adopted in 2015, established 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.

The Fund Balance Policy requires that the General Fund's unassigned fund balance be maintained at a minimum level equal to 25% of annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls and possible delays and changes in state distribution of shared revenues. For FY 2021, the City has again achieved this marker with an unassigned fund balance of \$19,605,967 representing 53.8% of annual expenditures, including transfers. The overall change in fund balance was an increase of \$7.3 million (59.5%) over the prior year.

Additionally, the Fund Balance Policy requires that the Water Operating Fund's unrestricted net assets be maintained at a minimum of 25% of annual budgeted operational expenses. For FY 2021, the City has achieved this requirement with unrestricted net assets totaling 25% of annual budgeted operating expenses.

Major Initiatives

During FY 2021, the City was able to initiate and/or complete a variety of projects, programs, and activities designed to meet identified community needs. These included:

- A renewed focus on large scale industrial development, particularly south of I-88, which led Ferrara Candy Company, an international food manufacturer and distributor, as well as Facebook, an international high-tech firm, and Amazon, a multinational technology and e-commerce company, to commence major construction endeavors in DeKalb in 2020-2021.
- The City received notification of a \$10.4 million grant under the American Rescue Plan Act, of which \$3.0 million was expended in 2021 for: rehiring previously frozen public safety personnel within the police, fire and public works departments; acquiring the dilapidated Hunter Hillcrest commercial/residential building and assisting tenants in relocating with the goal of future redevelopment; and providing financial support to other units of local government.
- The City successfully renegotiated the terms of the City's AFSCME Local 813 collective bargaining agreement.
- Staff continued to institute major reforms in the standard operating procedures of the Police department, including the hiring of a new Police Chief in May 2021.



- The City established a Police Citizens Review Board to promote fairness, empathy and consistency in police and community relations, the use of force, and the investigation of citizen complaints.
- Staff implemented additional training in the areas of cultural diversity, de-escalation and procedural justice in the Police department.
- With the collaboration of IAFF Local 1236, the City began participating in the State of Illinois Ground Emergency Medical Transport (GEMT) program which allows ambulance providers to receive supplemental reimbursements for patients with Medicaid coverage, effectively decreasing the difference between the actual cost of providing ambulance services and Medicaid payments.
- Added approximately three miles of water mains and one mile of streets.
- Secured a \$2.7 million FEMA grant through the Staffing for Adequate Fire and Emergency Response (SAFER) program to hire nine (9) additional firefighters/paramedics. The City had until February 2022 to complete the hiring, which commenced in fall 2021 and was completed in February 2022.
- Continued capital vehicle leasing programs with two vendors to acquire fleet vehicles to avoid significant out-of-pocket capital costs for necessary fleet replacements.
- Maintained a daily transit shuttle to the Elburn Train Station and instituted expanded daily routes to and from the Park 88 industrial park.
- Fabricated and replaced street signs throughout the City.
- Continued to focus upon improvements in the City's TIF 1 (Central Area) and TIF 3 (Downtown) Districts, including funding improvements to Fire Station #1, the DeKalb Taylor Municipal Airport, engineering for the Lincoln Highway reconfiguration project, installation of a second electric car charging station in the Central Business District, private rehabilitation agreements and providing funding for the Architectural Improvement Program (AIP). The City's TIF #1 was terminated on December 31, 2021.

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 Annual Comprehensive Financial Report for the year ended December 31, 2020. This was the 27th 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 annual comprehensive 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 annual comprehensive 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 Annual Comprehensive Financial Report was made possible by the hard work and dedication of the City's 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



Carrie Dittman, CPA
Finance Director



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The financial statements of the DeKalb Public Library, a discretely presented component unit, 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund financial statements and schedules 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statement and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2022 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 13, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

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, 2021. 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 ANNUAL COMPREHENSIVE FINANCIAL 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 like a private-sector business.

The Statement of Net Position presents information on all 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 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 5 through 8 of this report.

Fund Financial Statements

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

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

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

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

The City maintains 30 individual 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, Mass Transit Fund, and TIF #1 Fund, which are “major” funds. Data from the other 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 9 through 12 of this report.

Proprietary Funds. There are two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water system, the municipal airport, and refuse services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City maintains 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 13 through 17 of this report.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two fiduciary funds: the Police Pension Fund and the Fire Pension Fund. Data from the two fiduciary funds are combined into a single, 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 18 and 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 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, 2021.

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

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
For the Fiscal Periods Ended December 31, 2020, and December 31, 2021

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Assets | | | | | | |
| Current and Other Assets | \$ 47,929,305 | \$ 53,949,385 | \$ 8,200,059 | \$ 11,541,548 | \$ 56,129,364 | \$ 65,490,933 |
| Capital Assets | 116,289,370 | 115,213,330 | 56,074,575 | 58,811,269 | 172,363,945 | 174,024,599 |
| Total Assets | 164,218,675 | 169,162,715 | 64,274,634 | 70,352,817 | 228,493,309 | 239,515,532 |
| Deferred Outflows | 17,446,470 | 15,424,506 | 887,487 | 692,830 | 18,333,957 | 16,117,336 |
| Total Assets and Deferred Outflows | 181,665,145 | 184,587,221 | 65,162,121 | 71,045,647 | 246,827,266 | 255,632,868 |
| Liabilities | | | | | | |
| Long-term Liabilities | 145,589,892 | 140,397,693 | 4,043,436 | 2,943,050 | 149,633,328 | 143,340,743 |
| Other Liabilities | 8,552,862 | 7,269,192 | 1,954,919 | 3,921,919 | 10,507,781 | 11,191,111 |
| Total Liabilities | 154,142,754 | 147,666,885 | 5,998,355 | 6,864,969 | 160,141,109 | 154,531,854 |
| Deferred Inflows | 22,402,198 | 21,593,390 | 1,294,720 | 1,997,085 | 23,696,918 | 23,590,475 |
| Total Liabilities and Deferred Inflows | 176,544,952 | 169,260,275 | 7,293,075 | 8,862,054 | 183,838,027 | 178,122,329 |
| Net Position | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | 101,978,389 | 100,713,960 | 54,420,312 | 57,750,421 | 156,398,701 | 158,464,381 |
| Restricted | 9,052,513 | 10,601,569 | - | - | 9,052,513 | 10,601,569 |
| Unrestricted | (105,910,709) | (95,988,583) | 3,448,734 | 4,433,172 | (102,461,975) | (91,555,411) |
| Total Net Position | \$ 5,120,193 | \$ 15,326,946 | \$ 57,869,046 | \$ 62,183,593 | \$ 62,989,239 | \$ 77,510,539 |

The City's combined net position increased from \$62,989,239 to \$77,510,539 for the fiscal year ending December 31, 2021.

For more detailed information, see the Statement of Net Position on pages 5-6.

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

Change in Net Position

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

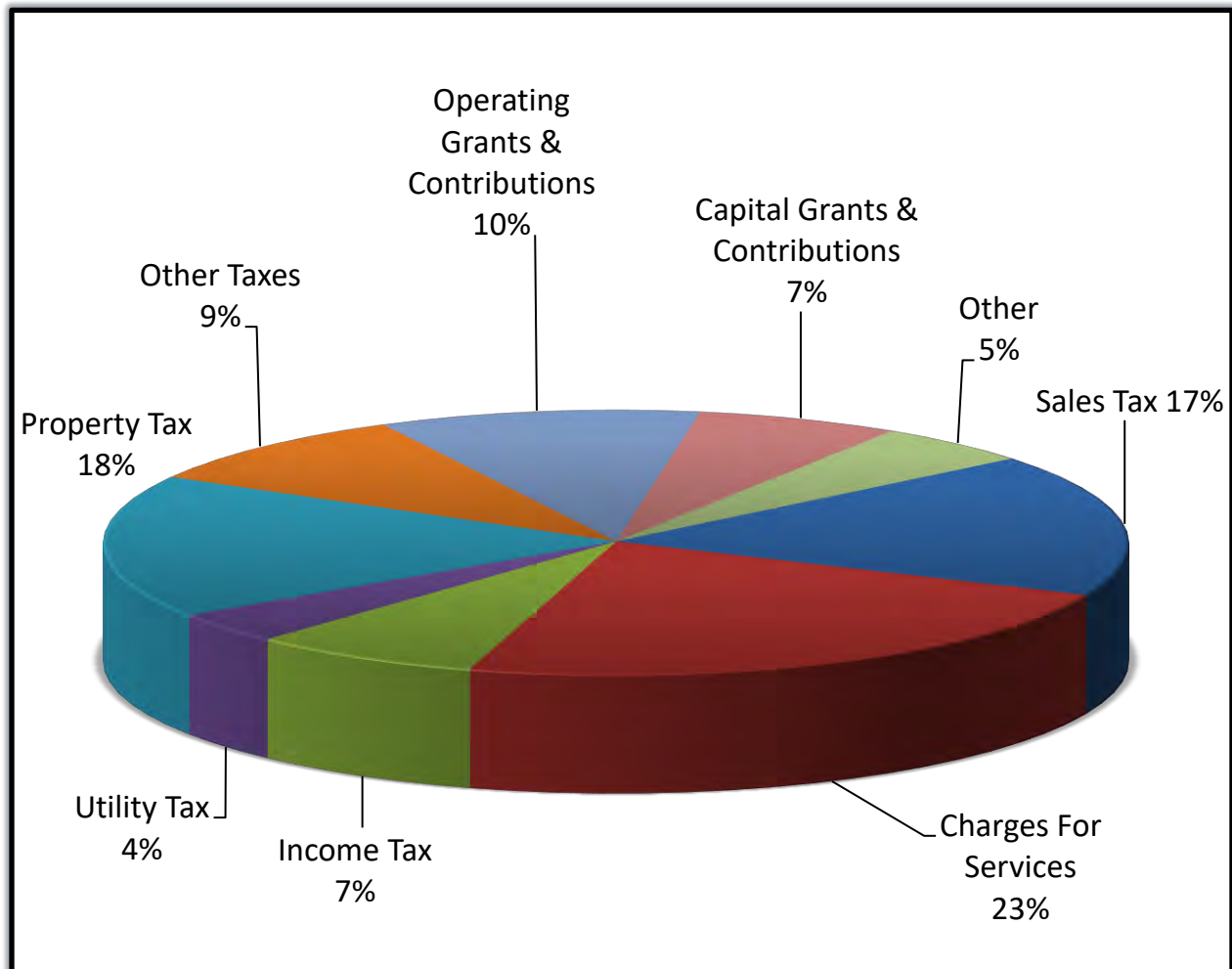
Table 2
Changes in Net Position
For the Fiscal Periods Ended December 31, 2020, and December 31, 2021

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--|----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| REVENUES | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 4,804,773 | \$ 8,868,453 | \$ 8,828,018 | \$ 9,430,586 | \$ 13,632,791 | \$ 18,299,039 |
| Operating Grants/Contributions | 3,686,140 | 8,140,559 | - | - | 3,686,140 | 8,140,559 |
| Capital Grants/Contributions | 7,784,936 | 2,902,639 | 72,943 | 2,251,665 | 7,857,879 | 5,154,304 |
| General Revenues | | | | | | |
| Property Taxes | 13,124,148 | 13,953,220 | - | - | 13,124,148 | 13,953,220 |
| Sales Taxes | 10,871,781 | 13,881,546 | 7,101 | 7,806 | 10,878,882 | 13,889,352 |
| Utility Taxes | 2,957,600 | 2,979,368 | - | - | 2,957,600 | 2,979,368 |
| Income Taxes | 4,784,693 | 5,787,319 | - | - | 4,784,693 | 5,787,319 |
| Other Taxes | 7,983,331 | 7,200,254 | 183,805 | 202,958 | 8,167,136 | 7,403,212 |
| Other | 1,545,357 | 3,987,321 | 29,387 | 37,692 | 1,574,744 | 4,025,013 |
| Total Revenues | 57,542,759 | 67,700,679 | 9,121,254 | 11,930,707 | 66,664,013 | 79,631,386 |
| EXPENSES | | | | | | |
| General Government | 12,290,289 | 12,950,452 | - | - | 12,290,289 | 12,950,452 |
| Public Safety | 31,062,832 | 29,347,402 | - | - | 31,062,832 | 29,347,402 |
| Highways and Streets | 8,381,178 | 8,177,322 | - | - | 8,381,178 | 8,177,322 |
| Community Development | 8,084,930 | 6,566,844 | - | - | 8,084,930 | 6,566,844 |
| Interest | 344,390 | 257,132 | - | - | 344,390 | 257,132 |
| Water | - | - | 4,530,798 | 4,215,143 | 4,530,798 | 4,215,143 |
| Airport | - | - | 1,429,568 | 1,743,851 | 1,429,568 | 1,743,851 |
| Refuse | - | - | 1,880,876 | 2,048,917 | 1,880,876 | 2,048,917 |
| Total Expenses | 60,163,619 | 57,299,152 | 7,841,242 | 8,007,911 | 66,123,985 | 63,258,146 |
| Excess (Deficiency) of Revenues over Expenses | (2,620,860) | 10,401,527 | 1,280,012 | 3,922,796 | (1,340,848) | 14,324,323 |
| Transfers In (Out) | 449,650 | 68,015 | (449,650) | (68,015) | - | - |
| Change in Net Position | (2,171,210) | 10,469,542 | 830,362 | 3,854,781 | (1,340,848) | 14,324,323 |
| NET POSITION BEGINNING | 7,291,403 | 5,120,193 | 57,038,684 | 57,869,046 | 64,330,087 | 62,989,239 |
| Restatement | - | (262,789) | - | 459,766 | - | 196,977 |
| NET POSITION ENDING | \$ 5,120,193 | \$ 15,326,946 | \$ 57,869,046 | \$ 62,183,593 | \$ 62,989,239 | \$ 77,510,539 |

(See independent auditor's report)

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

Graph 1
Total Primary Government Revenues
For the Fiscal Period Ended December 31, 2021



For the fiscal year ended December 31, 2021, revenues across all City funds totaled \$79,631,386. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$13,953,220 or 17.5% of total revenues, including levied property tax revenues and incremental property tax revenues derived from 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 Pension and Police Pension Funds. Property tax revenues increased over last fiscal year as the City continued to fund the Fire Pension and Police Pension Funds based on the actuarially required contribution (ARC) to achieve 100% funding by 2040. The ARC continues to increase year over year. Property tax revenues collected in FY 2021 were based on the 2020 equalized assessed valuation (EAV) and property tax rate. The City’s rate setting EAV, which

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

excludes the TIF Districts, increased from \$610,333,062 in 2020 to \$694,171,673 (+\$83,838,611 or 13.7%) 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 City property tax rate based on the 2021 EAV is 0.9861 per \$100 of EAV, a rate reduction of 7.7% over the 2020 rate of 1.0687 per \$100 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 FY 2021, state sales tax revenues were \$6,205,962 compared to \$5,027,826 for FY 2020, while home rule sales tax revenues were \$7,683,390 compared to \$5,843,955 for FY 2020. Overall, sales tax revenues have rebounded since the onset of the COVID-19 pandemic in March 2020.

Income taxes are shared with municipalities by the State on a per-capita basis. The City’s income tax revenue was \$5,787,319 in FY 2021 compared to \$4,784,693 in FY 2020. 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, which spiked to 16.5% in April 2020, dropped to 7.1% in December 2020, and has normalized to 4.3% in December 2021.

Restaurant, Bar, & Packaged Liquor taxes are collected by the City. The City’s current tax rate for this category of sales is 2.0%. A total of \$2,156,649 was collected in FY 2021 compared to \$1,507,052 in FY 2020. The dramatic rise in this general revenue source was particularly reflective of the impact of re-openings in the hospitality sector after being shuttered as a response to the COVID-19 pandemic in 2020.

The Local 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 FY 2021, \$1,634,277 was collected compared to the \$1,966,083 collected in FY 2020. The prior year spike in this revenue source reflected a sharp increase in taxable internet sales as a significant portion of the local work force spent their working and non-working hours at home during the worst months of the COVID pandemic in 2020; this somewhat subsided in 2021.

A new category in program revenues for FY 2021 is the American Rescue Plan Act intergovernmental revenue. Due to the City’s receipt of a \$10.4 million grant under the Act, during FY 2021, the City expended \$3.0 million of the grant, of which \$1.9 million funded operations such as rehiring previously frozen public safety positions.

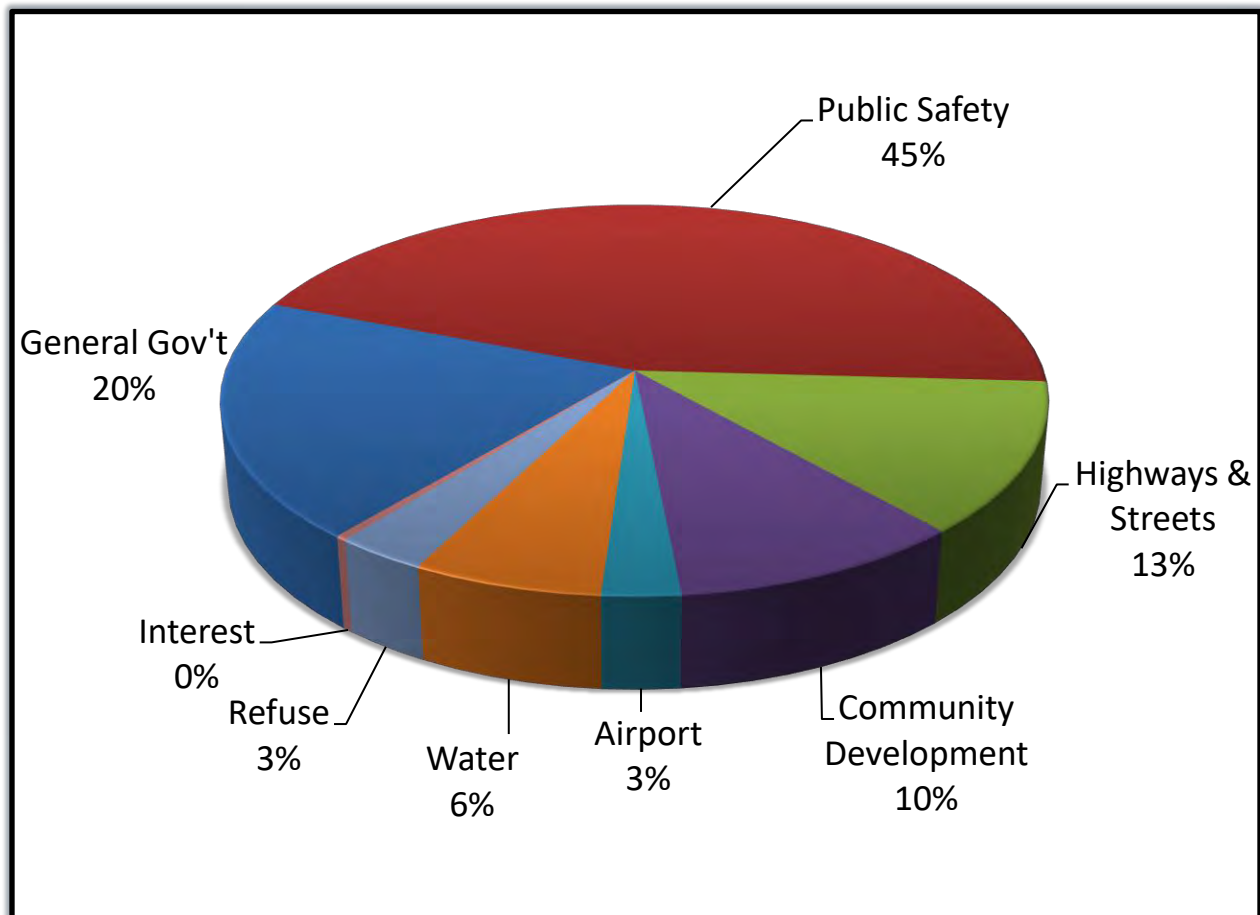
CITY OF DEKALB, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

The major revenue component of the “charges for services” classification is fees from the City’s water utility. Water fee revenue was \$6,514,842 in FY 2021 compared to \$6,093,310 in FY 2020. Water Fund revenues have flattened in recent years due to a downward trend in water usage. This trend can be largely attributed to the wider use of water-saving devices in homes and businesses as well as a decline in NIU enrollments.

Operating grants and contributions saw an increase in FY 2021, rising from \$3,686,140 in FY 2020 to \$8,140,559 in FY 2021, due to the reclassification of Mass Transit grant revenue to this category from Capital Grants in the prior year. Most of that grant revenue is paid to a third party to provide transit services for the City.

Capital grants and contributions revenue were \$2,902,639 in FY 2021 and were comprised of roadway related construction projects. Water and Airport capital grants and contributions consisted of capital assets contributed from other entities and totaled \$2,251,665.

Graph 2
Total Primary Government Expenses
For the Fiscal Period Ended December 31, 2021



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

The City’s expenses totaled \$65,307,063 in FY 2021 compared to \$68,004,861 in FY 2020. General Government expenses were 20% of the total or \$12,950,452.

Public Safety expenses related to the operations of the Police Department and Fire Department accounted for the largest share of expenses at \$29,347,402 or 45% of the total. This represents a 5.5% decrease from the FY 2020 total of \$31,062,832.

Expenses for Highways and Streets were \$8,177,322 or 13% of the total. This represents an 2.4% decrease from the FY 2020 total of \$8,382,178.

Community Development-related expenses accounted for 10% of the total or \$6,566,844. This represents an 19% decrease from the FY 2020 total of \$8,084,930.

Water expenses were \$4,215,143 or 6% of the total City-wide expenses. This represents a 7% decrease from the FY 2020 total of \$4,530,798.

Airport expenses were \$1,743,851 or 3% of the total. This represents a 22% increase from the FY 2020 total of \$1,429,566, due largely to federally funded airport capital improvement projects.

The Refuse Fund (\$2,048,917 or 3% of total expenses) and interest on long-term debt (\$257,132 or 0.39% of total expenses) account for the balance of the FY 2021 expenses.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

On December 31, 2021, the governmental funds had a combined fund balance of \$32,747,838. This reflects an increase of \$10,363,580 or 46.3% from the prior fiscal year. The General Fund balance comprises \$19,625,868 of the combined fund balance, which is an increase of \$7,339,458 or 59.7% from FY 2020, net of a prior period adjustment of (\$262,789) to correct revenue recognition. The Mass Transit Fund balance decreased by \$149,810 or 5.7%. The TIF #1 District Fund balance decreased by \$761,806 or 97.5% as the TIF #1 District was terminated on December 31, 2021; only a small amount of fund balance remains for possible future tax protests. Finally, the fund balances of non-major governmental funds increased by \$3,935,738. Those funds include the new GEMT Fund, Motor Fuel Tax Fund, Foreign Fire Insurance Tax Fund, Housing Rehabilitation Fund, Community Development Block Grant Fund, Special Service Area Funds, TIF #3 Fund, Capital Projects Funds and Debt Service Funds.

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

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2021

| General Fund | Original Budget | Final Budget | Actual |
|-------------------------------|----------------------------|-------------------------|---------------------|
| Revenues | | | |
| Taxes | \$ 17,245,011 | \$ 19,152,615 | \$ 20,858,577 |
| Intergovernmental* | 12,379,638 | 13,217,958 | 15,801,366 |
| Licenses and Permits | 735,272 | 735,272 | 1,057,539 |
| Charges for Services | 3,900,368 | 3,900,368 | 4,941,856 |
| Fines and Forfeits | 513,426 | 513,426 | 476,283 |
| Other | 677,419 | 677,419 | 567,166 |
| Total | 35,451,134 | 38,197,058 | 43,702,787 |
| Expenditures | | | |
| | (33,711,867) | (36,390,562) | (36,387,475) |
| Transfers In | 311,000 | 1,708,996 | 311,000 |
| Transfers Out | (1,374,655) | (47,500) | (47,500) |
| Sale of Capital Assets | 10,627 | 10,627 | 23,435 |
| Change in Fund Balance | \$ 686,239 | \$ 3,478,619 | \$ 7,602,247 |

**Intergovernmental revenue includes income tax, state sales taxes, local use tax and replacement tax.*

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. These amendments account for any unanticipated changes in revenues or expenditures that occurred since the initial budget was adopted. The City Council approved several amendments for FY 2021 to account for additional grant revenue from the American Rescue Plan Act and related expenditures; to adjust revenues for the beginning of the economic recovery from the COVID-19 pandemic; for increases in expenditures such as workers compensation and health insurance; to account for new capital leases for vehicle purchases; for increased personnel costs due to COVID-19 related activities; and for additional grant revenue received and expended that was beyond the scope of the original budget. The General Fund adopted additional budgeted revenues of \$2.75 million and additional budgeted expenditures of \$2.68 million; actual revenues over expenditures resulted in an increase in the year-end General Fund reserve of \$7,602,247.

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

With respect to the business-type activities, the Water Fund had an increase in net position of \$4,189,093, inclusive of a prior period adjustment to correct revenue recognition of \$459,766. The Airport Fund showed an increase in net position at the end of FY 2021 of \$129,916, and the Refuse Fund had a small decrease in net position of \$(4,462). 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, 2020, and December 31, 2021.

Table 4
Capital Assets
As of December 31, 2020, and December 31, 2021

| | Governmental Activities 2020 | Governmental Activities 2021 | Business-Type Activities 2020 | Business-Type Activities 2021 | Total 2020 | Total 2021 |
|----------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------|
| Non-Depreciable Assets | | | | | | |
| Land | \$ 10,792,439 | \$ 11,833,940 | \$ 19,386,047 | \$ 19,386,047 | \$ 30,178,486 | \$ 31,219,987 |
| 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 | 40,001 | 1,372,324 | - | 829,371 | 40,001 | 2,201,695 |
| Other Capital Assets, Net | | | | | | |
| Buildings & Improvements | 20,100,519 | 20,239,724 | 4,804,864 | 4,894,141 | 24,905,383 | 25,133,865 |
| Equipment | 3,289,785 | 3,409,264 | 1,078,428 | 1,078,428 | 4,368,213 | 4,487,692 |
| Vehicles | 10,159,967 | 9,702,151 | 1,243,657 | 1,425,201 | 11,403,624 | 11,127,352 |
| Infrastructure | 153,860,974 | 154,016,232 | 13,782,004 | 13,874,652 | 167,642,978 | 167,890,884 |
| Water System | - | - | 46,217,973 | 49,365,479 | 46,217,973 | 49,365,479 |
| Less: | | | | | | |
| Accumulated Depreciation | (107,696,572) | (111,102,562) | (31,991,061) | (33,594,713) | (139,687,633) | (144,697,275) |
| Total | \$ 116,289,370 | \$ 115,213,330 | \$ 56,074,575 | \$ 58,811,269 | \$ 172,363,945 | \$ 174,024,599 |

At year-end, the City’s investment in capital assets for both its governmental and business-type activities was \$174,024,599 (net of accumulated depreciation). This represents an increase of \$1,660,654 or 0.96% from FY 2020. This increase is the result of the capitalization of new capital assets contributed, acquired, and constructed during FY 2021.

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

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

Long-Term Debt

As of December 31, 2021, the City had a total of \$143,340,743 in long-term debt and obligations outstanding, of which \$87,182,182 consisted of net pension liability and \$14,145,000 consisted of general obligation bonds. The table that follows summarizes the City's bonded and other indebtedness.

Table 5
Bonded and Similar Indebtedness
As of December 31, 2020, and December 31, 2021

| | Governmental Activities 2020 | Governmental Activities 2021 | Business-Type Activities 2020 | Business-Type Activities 2021 | Total 2020 | Total 2021 |
|-----------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------|
| General Obligation Bonds | \$ 15,290,000 | \$ 14,145,000 | \$ 345,000 | \$ - | \$ 15,635,000 | \$ 14,145,000 |
| Premium on Bonds | 81,601 | 55,070 | - | - | 81,601 | 55,070 |
| Capital Leases | 501,144 | 672,885 | 222,685 | 258,002 | 723,829 | 930,887 |
| IEPA Loans | - | - | 1,086,578 | 802,846 | 1,086,578 | 802,846 |
| Compensated Absences | 4,663,269 | 4,525,503 | 354,791 | 333,892 | 5,018,060 | 4,859,395 |
| Net Pension Liability | 89,907,357 | 87,182,182 | 161,235 | - | 90,068,592 | 87,182,182 |
| Total OPEB Liability | 34,245,597 | 33,290,313 | 1,423,147 | 1,098,310 | 35,668,744 | 34,388,623 |
| Claims Payable | 900,924 | 526,740 | - | - | 900,924 | 526,740 |
| Asset Retirement Obligation | - | - | 450,000 | 450,000 | 450,000 | 450,000 |
| Total | \$ 145,589,892 | \$ 140,397,693 | \$ 4,043,436 | \$ 2,943,050 | \$ 149,633,328 | \$ 143,340,743 |

Regarding governmental activities, \$14,145,000 is outstanding from General Obligation Bonds and \$672,885 is outstanding for capital leases. Additionally, as of December 31, 2021, \$4,525,503 is outstanding for compensated absences payable, \$33,290,313 is outstanding for other post-employment benefit (OPEB) obligations, \$87,182,182 is outstanding for net pension liabilities, \$526,740 is outstanding for claims payable, and \$55,070 in unamortized premium on bonds was outstanding. The decrease of \$5,192,199 in long term debt is attributable to principal payments; a favorable investment environment that reduced the net pension liabilities by \$2,725,175 (the IMRF pension liability on December 31, 2020, became a net pension asset on December 31, 2021) and the total OPEB liability by \$955,284; and overall claims payable reductions by \$374,184. The only category which experienced an increase was capital leases, by \$171,741, due to new leases entered.

As a result of debt restructuring done in FY 2020, roughly \$1.8 million in general obligation debt that was due to be paid in 2021 was moved to Fiscal Years 2028, 2029, and 2030. This process extended the bond terms but at a lower annual debt service level at the end of the terms. The overall increase in debt service over the 10 years period is \$381,277. However, by deferring the debt payments from FY 2021 to a future date when the full EAV of the Ferrara and Facebook projects should have been realized, the City hoped to put itself in a better position than the COVID-19 environment that was at the time weighing heavily on budget projections.

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

As a part of the refunding operation in September 2020, the City’s bond rating was reviewed by Moody’s Investors Service. In September 2018, Moody’s put the City of DeKalb’s “A-1” rating on the watch list. Although the City’s outstanding new industrial citizens (Facebook; Ferrara) on Gurler Road and significant downtown redevelopment was highly rated, along with the City’s prudent fiscal management over the previous 18 months, the fact that the continuing state pension crisis required a dedication of the City’s annual property tax income to pension payments alone weighed heavily. As a result, Moody’s downgraded the City’s bond rating from “A-1” (Negative Outlook”) to “A-2” on October 22, 2020.

Regarding business-type activities, \$802,846 is outstanding in IEPA loans. Compensated absences payable as of December 31, 2021, totaled \$333,892 and \$1,098,310 is outstanding for total OPEB obligations. An asset retirement obligation for the eventual closure of City water wells stands at \$450,000, and capital leases is \$258,002. The General Obligation bonds were paid off during FY 2021, and the prior net pension liability due to IMRF was eliminated (now being reported as a net pension asset).

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

Economic Factors

Although the City’s property tax base is primarily residential, the commercial and industrial tax base continues to be an important component in the diversification of the City’s tax base. In 2021, the total rate-setting Equalized Assessed Valuation (EAV) of the City was \$694,171,673. The EAV for residential properties was \$388,913,054 or 56.0% of the total EAV. Commercial EAV was \$215,495,770 or 31.0% of the total EAV. Farm, industrial and other EAV was \$89,762,849 or 13% of the total EAV. The Equalized Assessed Valuation 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 and use taxes and state income tax. In FY 2021, key sales and use tax categories began to recover from the impacts of the COVID-19 pandemic, as noted above.

The 2016-2020 American Community Survey released by the U.S. Census Bureau found that 84.6% of residential properties in the City of DeKalb had a value of \$100,000 or more. The median value was \$165,500 and the median income of families living in the City was \$44,223.

The 2020 census found that the City’s population was 40,290, which decreased 8.5% over the 2010 census population of 44,030.

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

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:

Carrie Dittman, CPA
Finance Director
City of DeKalb
164 E. Lincoln Highway
DeKalb, Illinois 60115

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2021

| | Governmental Activities | Business-Type Activities | Total | Component Unit Library |
|--|----------------------------|-----------------------------|---------------|---------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 31,721,492 | \$ 7,025,146 | \$ 38,746,638 | \$ 1,821,947 |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | | | | |
| Property Taxes | 7,643,789 | - | 7,643,789 | 2,675,754 |
| Accounts Receivable | 2,754,998 | 2,855,039 | 5,610,037 | 107,259 |
| Other Taxes | 1,243,392 | - | 1,243,392 | - |
| Other | 595,271 | 52,683 | 647,954 | - |
| Prepaid Items | - | - | - | 86,416 |
| Inventory | 19,901 | 34,680 | 54,581 | - |
| Due from Other Governments | 6,228,357 | 238,594 | 6,466,951 | - |
| Capital Assets | | | | |
| Not Depreciated | 38,948,521 | 21,768,081 | 60,716,602 | 1,558,032 |
| Depreciated (Net of Accumulated Depreciation) | 76,264,809 | 37,043,188 | 113,307,997 | 21,392,440 |
| Net Pension Asset - IMRF | 3,742,185 | 1,335,406 | 5,077,591 | 826,584 |
| Total Assets | 169,162,715 | 70,352,817 | 239,515,532 | 28,468,432 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension Items - IMRF | 243,814 | 87,005 | 330,819 | 53,854 |
| Pension Items - Police Pension | 3,976,026 | - | 3,976,026 | - |
| Pension Items - Firefighters' Pension | 5,115,271 | - | 5,115,271 | - |
| OPEB Items | 5,715,810 | 188,575 | 5,904,385 | 60,571 |
| Asset Retirement Obligation | - | 417,250 | 417,250 | - |
| Unamortized Loss on Refunding | 373,585 | - | 373,585 | - |
| Total Deferred Outflows of Resources | 15,424,506 | 692,830 | 16,117,336 | 114,425 |
| Total Assets and Deferred Outflows of Resources | 184,587,221 | 71,045,647 | 255,632,868 | 28,582,857 |
| LIABILITIES | | | | |
| Accounts Payable | 5,239,951 | 2,672,608 | 7,912,559 | 12,705 |
| Accrued Payroll | 453,424 | 43,845 | 497,269 | 22,215 |
| Accrued Interest Payable | 175,652 | 786 | 176,438 | 82,811 |
| Due to Fiduciary Funds | 89,220 | - | 89,220 | - |
| Unearned Revenue | 1,310,945 | 1,167,448 | 2,478,393 | - |
| Deposits Payable | - | 37,232 | 37,232 | - |
| Long-Term Liabilities | | | | |
| Due Within One Year | 4,362,345 | 216,504 | 4,578,849 | 349,708 |
| Due in More than One Year | 136,035,348 | 2,726,546 | 138,761,894 | 4,716,291 |
| Total Liabilities | 147,666,885 | 6,864,969 | 154,531,854 | 5,183,730 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension Items - IMRF | 5,434,130 | 1,939,181 | 7,373,311 | 1,200,307 |
| Pension Items - Police Pension | 4,569,583 | - | 4,569,583 | - |
| Pension Items - Firefighters' Pension | 2,190,774 | - | 2,190,774 | - |
| OPEB Items | 1,755,114 | 57,904 | 1,813,018 | 18,599 |
| Deferred Property Taxes | 7,643,789 | - | 7,643,789 | 2,675,754 |
| Total Deferred Inflows of Resources | 21,593,390 | 1,997,085 | 23,590,475 | 3,894,660 |
| Total Liabilities and Deferred Inflows of Resources | 169,260,275 | 8,862,054 | 178,122,329 | 9,078,390 |

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2021

| | Governmental Activities | Business-Type Activities | Total | Component Unit Library |
|----------------------------------|------------------------------------|-------------------------------------|----------------------|-----------------------------------|
| NET POSITION | | | | |
| Net Investment in Capital Assets | \$ 100,713,960 | \$ 57,750,421 | \$ 158,464,381 | \$ 18,280,472 |
| Restricted for | | | | |
| Public Safety | 69,549 | - | 69,549 | - |
| Highways and Streets | 4,096,115 | - | 4,096,115 | - |
| Transit Services | 2,485,449 | - | 2,485,449 | - |
| Economic Development | 3,646,272 | - | 3,646,272 | - |
| Specific Purpose | 304,184 | - | 304,184 | - |
| Endowments | - | - | - | 199,414 |
| Unrestricted (Deficit) | (95,988,583) | 4,433,172 | (91,555,411) | 1,024,581 |
| TOTAL NET POSITION | \$ 15,326,946 | \$ 62,183,593 | \$ 77,510,539 | \$ 19,504,467 |

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General Government | \$ 12,950,452 | \$ 2,368,356 | \$ 6,267,857 | \$ - |
| Public Safety | 29,347,402 | 5,574,418 | 80,552 | - |
| Highways and Streets | 8,177,322 | - | 1,792,150 | 2,902,639 |
| Community Development | 6,566,844 | 925,679 | - | - |
| Interest | 257,132 | - | - | - |
| Total Governmental Activities | 57,299,152 | 8,868,453 | 8,140,559 | 2,902,639 |
| Business-Type Activities | | | | |
| Water | 4,215,143 | 6,514,842 | - | 1,696,450 |
| Airport | 1,743,851 | 871,721 | - | 555,215 |
| Refuse | 2,048,917 | 2,044,023 | - | - |
| Total Business-Type Activities | 8,007,911 | 9,430,586 | - | 2,251,665 |
| TOTAL PRIMARY GOVERNMENT | \$ 65,307,063 | \$ 18,299,039 | \$ 8,140,559 | \$ 5,154,304 |
| COMPONENT UNIT | | | | |
| Library | \$ 2,600,085 | \$ 12,899 | \$ - | \$ 182,754 |

| Net (Expense) Revenue and Change in Net Position | | | | |
|---|-------------------------------------|----------------|---------------|-----------------------------------|
| Primary Government | | | | Component Unit Library |
| Governmental Activities | Business-Type Activities | Total | | |
| \$ (4,314,239) | \$ - | \$ (4,314,239) | \$ - | |
| (23,692,432) | - | (23,692,432) | - | |
| (3,482,533) | - | (3,482,533) | - | |
| (5,641,165) | - | (5,641,165) | - | |
| (257,132) | - | (257,132) | - | |
| (37,387,501) | - | (37,387,501) | - | |
| - | 3,996,149 | 3,996,149 | - | |
| - | (316,915) | (316,915) | - | |
| - | (4,894) | (4,894) | - | |
| - | 3,674,340 | 3,674,340 | - | |
| (37,387,501) | 3,674,340 | (33,713,161) | - | |
| - | - | - | (2,404,432) | |
| General Revenues | | | | |
| Taxes | | | | |
| Property | 13,953,220 | - | 13,953,220 | 2,334,037 |
| Home Rule Sales | 7,675,584 | 7,806 | 7,683,390 | - |
| Utility | 2,979,368 | - | 2,979,368 | - |
| Restaurant/Bar | 2,156,649 | - | 2,156,649 | - |
| Home Rule Motor Fuel | 1,082,475 | - | 1,082,475 | - |
| Hotel/Motel | 482,751 | - | 482,751 | - |
| Other | 1,268,466 | 202,958 | 1,471,424 | - |
| Intergovernmental | | | | |
| State Sales Taxes | 6,205,962 | - | 6,205,962 | - |
| Income Taxes | 5,787,319 | - | 5,787,319 | - |
| Local Use Taxes | 1,634,277 | - | 1,634,277 | - |
| Replacement Taxes | 290,821 | - | 290,821 | 65,533 |
| American Plan Rescue Act | 2,989,122 | - | 2,989,122 | - |
| TIF Surplus | 284,815 | - | 284,815 | 593,934 |
| Investment Income | 35,808 | 921 | 36,729 | 5,239 |
| Miscellaneous | 962,391 | 36,771 | 999,162 | 5,822 |
| Transfers In (Out) | 68,015 | (68,015) | - | - |
| Total | 47,857,043 | 180,441 | 48,037,484 | 3,004,565 |
| CHANGE IN NET POSITION | 10,469,542 | 3,854,781 | 14,324,323 | 600,133 |
| NET POSITION, JANUARY 1 | 5,120,193 | 57,869,046 | 62,989,239 | 18,904,334 |
| Prior Period Adjustment | (262,789) | 459,766 | 196,977 | - |
| NET POSITION, JANUARY 1, RESTATED | 4,857,404 | 58,328,812 | 63,186,216 | 18,904,334 |
| NET POSITION, DECEMBER 31 | \$ 15,326,946 | \$ 62,183,593 | \$ 77,510,539 | \$ 19,504,467 |

See accompanying notes to financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS

| | | Special Revenue | | | |
|--|----------------------|---------------------|------------------|----------------------|----------------------|
| | | | Tax Increment | Nonmajor | Total |
| | General | Mass | Financing | Governmental | Governmental |
| | | Transit | #1 | Funds | Funds |
| ASSETS | | | | | |
| Cash and Investments | \$ 13,964,642 | \$ 3,692,853 | \$ 22,710 | \$ 11,814,081 | \$ 29,494,286 |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | | | | | |
| Property Taxes | 7,012,035 | - | - | 631,754 | 7,643,789 |
| Accounts Receivable | 2,754,998 | - | - | - | 2,754,998 |
| Other Taxes | 1,077,236 | - | - | 166,156 | 1,243,392 |
| Inventory | 19,901 | - | - | - | 19,901 |
| Due from Other Governments | 4,323,457 | 83,204 | - | 1,821,696 | 6,228,357 |
| Due from Other Funds | - | - | - | 26,704 | 26,704 |
| TOTAL ASSETS | \$ 29,152,269 | \$ 3,776,057 | \$ 22,710 | \$ 14,460,391 | \$ 47,411,427 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 1,917,509 | \$ 1,288,133 | \$ 3,239 | \$ 1,947,971 | \$ 5,156,852 |
| Accrued Payroll | 450,949 | 2,475 | - | - | 453,424 |
| Unearned Revenue | 56,688 | - | - | 1,236,912 | 1,293,600 |
| Due to Fiduciary Component Units | 89,220 | - | - | - | 89,220 |
| Due to Other Funds | - | - | - | 26,704 | 26,704 |
| Total Liabilities | 2,514,366 | 1,290,608 | 3,239 | 3,211,587 | 7,019,800 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Property Tax Revenues | 7,012,035 | - | - | 631,754 | 7,643,789 |
| Total Deferred Inflows of Resources | 7,012,035 | - | - | 631,754 | 7,643,789 |
| Total Liabilities and Deferred Inflows of Resources | 9,526,401 | 1,290,608 | 3,239 | 3,843,341 | 14,663,589 |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Inventory | 19,901 | - | - | - | 19,901 |
| Restricted | | | | | |
| Public Safety | - | - | - | 69,549 | 69,549 |
| Highways and Streets | - | - | - | 4,096,115 | 4,096,115 |
| Transit Services | - | 2,485,449 | - | - | 2,485,449 |
| Economic Development | - | - | 19,471 | 3,626,801 | 3,646,272 |
| Specific Purpose | - | - | - | 304,184 | 304,184 |
| Assigned for Debt Service | - | - | - | 91,788 | 91,788 |
| Assigned for Public Safety | - | - | - | 325,748 | 325,748 |
| Assigned for Specific Purpose | - | - | - | 113 | 113 |
| Assigned for Capital Projects | - | - | - | 2,102,752 | 2,102,752 |
| Unassigned | 19,605,967 | - | - | - | 19,605,967 |
| Total Fund Balances | 19,625,868 | 2,485,449 | 19,471 | 10,617,050 | 32,747,838 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 29,152,269 | \$ 3,776,057 | \$ 22,710 | \$ 14,460,391 | \$ 47,411,427 |

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CITY OF DEKALB, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2021

| | |
|--|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 32,747,838 |
| 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 | 115,213,330 |
| Net pension assets (IMRF) are not financial resources and are not reported in governmental funds | 3,742,185 |
| 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 | (593,557) |
| Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position | 2,924,497 |
| 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 | (5,190,316) |
| 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 | 3,960,696 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | |
| General obligation bonds | (14,145,000) |
| Capital leases | (672,885) |
| Net pension liability - Police Pension | (36,398,952) |
| Net pension liability - Firefighters' Pension | (50,783,230) |
| Premium on bonds payable | (55,070) |
| Unamortized loss on refunding | 373,585 |
| Compensated absences payable | (4,525,503) |
| Total OPEB liability | (33,290,313) |
| Accrued interest on long-term liabilities is reported as a liability on the statement of net position | (175,652) |
| The net position of the Internal Service Funds is included in the governmental activities in the statement of net position | 2,195,293 |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 15,326,946 |

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, 2021

| | | <u>Special Revenue</u> | | | |
|--|----------------|-------------------------|-------------------------|--|---|
| | | | Tax Increment | | |
| | General | Mass Transit | Financing #1 | Nonmajor Governmental Funds | Total Governmental Funds |
| REVENUES | | | | | |
| Taxes | \$ 20,858,577 | \$ - | \$ 6,727,258 | \$ 2,012,678 | \$ 29,598,513 |
| Licenses and Permits | 1,057,539 | - | - | - | 1,057,539 |
| Intergovernmental | 15,801,366 | 7,139,715 | - | 7,093,391 | 30,034,472 |
| Charges for Services | 4,941,856 | - | - | 556,687 | 5,498,543 |
| Fines and Forfeitures | 476,283 | - | - | 37,130 | 513,413 |
| Investment Income | 17,675 | 474 | 14,329 | 3,330 | 35,808 |
| Miscellaneous | 549,491 | 11,026 | - | 401,874 | 962,391 |
| | | | | | |
| Total Revenues | 43,702,787 | 7,151,215 | 6,741,587 | 10,105,090 | 67,700,679 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 5,482,366 | 7,303,430 | - | 1,453,452 | 14,239,248 |
| Public Safety | 27,042,533 | - | - | 62,803 | 27,105,336 |
| Highways and Streets | 2,786,872 | - | - | 1,201,883 | 3,988,755 |
| Community Development | 1,075,704 | - | 3,391,616 | 2,801 | 4,470,121 |
| Capital Outlay | - | 945 | 181,700 | 6,218,477 | 6,401,122 |
| Debt Service | | | | | |
| Principal Retirement | - | - | - | 1,278,723 | 1,278,723 |
| Interest and Fiscal Charges | - | - | - | 76,004 | 76,004 |
| | | | | | |
| Total Expenditures | 36,387,475 | 7,304,375 | 3,573,316 | 10,294,143 | 57,559,309 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 7,315,312 | (153,160) | 3,168,271 | (189,053) | 10,141,370 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds on Sale of Capital Assets | 23,435 | 3,350 | - | 84,735 | 111,520 |
| Capital Lease Issuance | - | - | - | 305,464 | 305,464 |
| Transfers In | 311,000 | - | - | 3,888,300 | 4,199,300 |
| Transfers (Out) | (47,500) | - | (3,930,077) | (153,708) | (4,131,285) |
| | | | | | |
| Total Other Financing Sources (Uses) | 286,935 | 3,350 | (3,930,077) | 4,124,791 | 484,999 |
| NET CHANGE IN FUND BALANCES | 7,602,247 | (149,810) | (761,806) | 3,935,738 | 10,626,369 |
| FUND BALANCES, JANUARY 1 | 12,286,410 | 2,635,259 | 781,277 | 6,681,312 | 22,384,258 |
| | | | | | |
| Prior Period Adjustment | (262,789) | - | - | - | (262,789) |
| | | | | | |
| FUND BALANCES, JANUARY 1, RESTATED | 12,023,621 | 2,635,259 | 781,277 | 6,681,312 | 22,121,469 |
| | | | | | |
| FUND BALANCES, DECEMBER 31 | \$ 19,625,868 | \$ 2,485,449 | \$ 19,471 | \$ 10,617,050 | \$ 32,747,838 |

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, 2021

| | |
|---|----------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 10,626,369 |
|---|----------------------|

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 | 3,261,991 |
| Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds | (4,181,842) |
| Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities | (156,189) |
| The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities Capital lease payable | (305,464) |
| 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 | 1,278,723 |
| Amortization of loss on refunding is reported as a reduction of interest expense on the statement of activities | (43,180) |
| Amortization of premium on bonds is reported as a reduction of interest expense on the statement of activities | 26,531 |
| The change of accrued interest payable is reported as an expense on the statement of activities | (164,479) |
| The change in compensated absences payable does not require a current financial resource | 137,766 |
| The change in the total OPEB liability and deferred outflows/inflows of resources is not a source or use of financial resources | (1,135,376) |
| 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 | 163,633 |
| The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource | (1,465,938) |
| The change in the Illinois Municipal Retirement Fund net pension liability (asset) and deferred outflows/inflows of resources is not a source or use of a financial resource | 2,040,707 |
| The change in net position of Internal Service Funds is reported in governmental activities | <u>386,290</u> |

| | |
|--|-----------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 10,469,542</u> |
|--|-----------------------------|

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

December 31, 2021

| | Business-Type Activities | | | Governmental Activities | |
|--|---------------------------------|-------------------|--|--------------------------------|---------------------------------------|
| | | | Nonmajor Enterprise Funds | | Internal Service Funds |
| | Water | Airport | Refuse | Total | |
| CURRENT ASSETS | | | | | |
| Cash and Investments | \$ 6,906,443 | \$ 5,207 | \$ 113,496 | \$ 7,025,146 | \$ 2,227,206 |
| Receivables | | | | | |
| Accounts Receivable | 2,716,082 | - | 138,957 | 2,855,039 | - |
| Other | - | 52,683 | - | 52,683 | 595,271 |
| Inventory | - | 34,680 | - | 34,680 | - |
| Due from Other Governments | - | 238,594 | - | 238,594 | - |
| Total Current Assets | 9,622,525 | 331,164 | 252,453 | 10,206,142 | 2,822,477 |
| NONCURRENT ASSETS | | | | | |
| Capital Assets | | | | | |
| Nondepreciable | 1,221,326 | 20,546,755 | - | 21,768,081 | - |
| Depreciable | 53,778,267 | 16,859,634 | - | 70,637,901 | - |
| Accumulated Depreciation | (26,656,234) | (6,938,479) | - | (33,594,713) | - |
| Net Pension Asset - IMRF | 1,233,855 | 101,551 | - | 1,335,406 | - |
| Total Noncurrent Assets | 29,577,214 | 30,569,461 | - | 60,146,675 | - |
| Total Assets | 39,199,739 | 30,900,625 | 252,453 | 70,352,817 | 2,822,477 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension Items - IMRF | 80,389 | 6,616 | - | 87,005 | - |
| Pension Items - OPEB | 188,575 | - | - | 188,575 | - |
| Asset Retirement Obligation | 417,250 | - | - | 417,250 | - |
| Total Deferred Outflows of Resources | 686,214 | 6,616 | - | 692,830 | - |
| Total Assets and Deferred Outflows of Resources | 39,885,953 | 30,907,241 | 252,453 | 71,045,647 | 2,822,477 |

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2021

| | Business-Type Activities | | | | Governmental Activities |
|---|---------------------------------|----------------------|----------------------------------|----------------------|--------------------------------|
| | | | Nonmajor Enterprise Funds | | Internal Service Funds |
| | Water | Airport | Refuse | Total | |
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | \$ 2,210,496 | \$ 307,457 | \$ 154,655 | \$ 2,672,608 | \$ 83,099 |
| Accrued Payroll | 38,609 | 5,236 | - | 43,845 | - |
| Accrued Interest Payable | 786 | - | - | 786 | - |
| Deposits Payable | 12,550 | 24,682 | - | 37,232 | - |
| Unearned Revenue | 1,058,336 | 12,122 | 96,990 | 1,167,448 | 17,345 |
| Claims Payable | - | - | - | - | 263,370 |
| OPEB Liability | 50,011 | - | - | 50,011 | - |
| IEPA Loans Payable | 45,005 | - | - | 45,005 | - |
| Compensated Absences Payable | 64,688 | 523 | - | 65,211 | - |
| Capital Leases | 56,277 | - | - | 56,277 | - |
| Total Current Liabilities | 3,536,758 | 350,020 | 251,645 | 4,138,423 | 363,814 |
| LONG-TERM LIABILITIES | | | | | |
| OPEB Liability | 1,048,299 | - | - | 1,048,299 | - |
| IEPA Loans Payable | 757,841 | - | - | 757,841 | - |
| Compensated Absences Payable | 258,752 | 9,929 | - | 268,681 | - |
| Claims Payable | - | - | - | - | 263,370 |
| Capital Leases | 201,725 | - | - | 201,725 | - |
| Asset Retirement Obligation | 450,000 | - | - | 450,000 | - |
| Total Long-Term Liabilities | 2,716,617 | 9,929 | - | 2,726,546 | 263,370 |
| Total Liabilities | 6,253,375 | 359,949 | 251,645 | 6,864,969 | 627,184 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension Items - IMRF | 1,791,715 | 147,466 | - | 1,939,181 | - |
| Pension Items - OPEB | 57,904 | - | - | 57,904 | - |
| Total Deferred Inflows of Resources | 1,849,619 | 147,466 | - | 1,997,085 | - |
| Total Liabilities and Deferred Inflows of Resources | 8,102,994 | 507,415 | 251,645 | 8,862,054 | 627,184 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 27,282,511 | 30,467,910 | - | 57,750,421 | - |
| Unrestricted (Deficit) | 4,500,448 | (68,084) | 808 | 4,433,172 | 2,195,293 |
| TOTAL NET POSITION | \$ 31,782,959 | \$ 30,399,826 | \$ 808 | \$ 62,183,593 | \$ 2,195,293 |

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, 2021

| | Business-Type Activities | | | Governmental Activities | |
|---|---------------------------------|----------------|--|--------------------------------|---------------------------------------|
| | | | Nonmajor Enterprise Funds | | Internal Service Funds |
| | Water | Airport | Refuse | Total | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 6,514,842 | \$ 871,721 | \$ 2,044,023 | \$ 9,430,586 | \$ 7,729,379 |
| Miscellaneous | 14,613 | 21,732 | 426 | 36,771 | 124,582 |
| Total Operating Revenues | 6,529,455 | 893,453 | 2,044,449 | 9,467,357 | 7,853,961 |
| OPERATING EXPENSES | | | | | |
| Administration | - | - | - | - | 7,467,889 |
| Operations | 2,957,634 | 1,340,308 | 2,048,917 | 6,346,859 | - |
| Depreciation | 1,230,320 | 403,543 | - | 1,633,863 | - |
| Total Operating Expenses | 4,187,954 | 1,743,851 | 2,048,917 | 7,980,722 | 7,467,889 |
| OPERATING INCOME (LOSS) | 2,341,501 | (850,398) | (4,468) | 1,486,635 | 386,072 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Investment Income | 842 | 73 | 6 | 921 | 218 |
| Home Rule Sales Tax | - | 7,806 | - | 7,806 | - |
| Home Rule Motor Fuel Tax | - | 202,958 | - | 202,958 | - |
| Interest Expense | (27,189) | - | - | (27,189) | - |
| Total Non-Operating Revenues (Expenses) | (26,347) | 210,837 | 6 | 184,496 | 218 |
| NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 2,315,154 | (639,561) | (4,462) | 1,671,131 | 386,290 |
| CONTRIBUTIONS | | | | | |
| Capital Grants and Contributions | 1,696,450 | 555,215 | - | 2,251,665 | - |
| Total Contributions | 1,696,450 | 555,215 | - | 2,251,665 | - |
| TRANSFERS | | | | | |
| Transfers In | 28,723 | 214,262 | - | 242,985 | - |
| Transfers (Out) | (311,000) | - | - | (311,000) | - |
| Total Transfers | (282,277) | 214,262 | - | (68,015) | - |
| CHANGE IN NET POSITION | 3,729,327 | 129,916 | (4,462) | 3,854,781 | 386,290 |
| NET POSITION, JANUARY 1 | 27,593,866 | 30,269,910 | 5,270 | 57,869,046 | 1,809,003 |
| Prior Period Adjustment | 459,766 | - | - | 459,766 | - |
| NET POSITION, JANUARY 1, RESTATED | 28,053,632 | 30,269,910 | 5,270 | 58,328,812 | 1,809,003 |
| NET POSITION, DECEMBER 31 | \$ 31,782,959 | \$ 30,399,826 | \$ 808 | \$ 62,183,593 | \$ 2,195,293 |

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

| | Business-Type Activities | | | | Governmental Activities |
|---|---------------------------------|-----------------|----------------------------------|---------------------|--------------------------------|
| | | | Nonmajor Enterprise Funds | | Internal Service Funds |
| | Water | Airport | Refuse | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers and Users | \$ 7,445,126 | \$ 663,796 | \$ 2,002,056 | \$ 10,110,978 | \$ - |
| Receipts from Interfund Services Transactions | - | - | - | - | 5,965,384 |
| Receipts from Employees and Others | - | - | - | - | 1,767,655 |
| Receipts from Miscellaneous Revenues | 14,613 | 21,732 | 426 | 36,771 | 124,582 |
| Payments to Other Funds | (726,692) | (76,970) | (212,000) | (1,015,662) | - |
| Payments to Suppliers | (368,255) | (792,512) | (1,829,019) | (2,989,786) | (7,848,749) |
| Payments to Employees | (2,404,278) | (318,154) | - | (2,722,432) | - |
| Net Cash from Operating Activities | 3,960,514 | (502,108) | (38,537) | 3,419,869 | 8,872 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Non-Operating Revenues - Home Rule Fuel Tax | - | 202,958 | - | 202,958 | - |
| Non-Operating Revenues - Home Rule Sales Tax | - | 7,806 | - | 7,806 | - |
| Transfers In | 28,723 | - | - | 28,723 | - |
| Transfers (Out) | (311,000) | - | - | (311,000) | - |
| Net Cash from Noncapital Financing Activities | (282,277) | 210,764 | - | (71,513) | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchase of Capital Assets | (2,143,734) | (143,749) | - | (2,287,483) | - |
| Proceeds Related to Future Development | - | 469,623 | - | 469,623 | - |
| Principal Payments on Long-Term Debt | (611,185) | (69,000) | - | (680,185) | - |
| Interest Payments on Long-Term Debt | (31,201) | (533) | - | (31,734) | - |
| Net Cash from Capital and Related Financing Activities | (2,786,120) | 256,341 | - | (2,529,779) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest Received on Investments | 842 | 75 | 6 | 923 | 218 |
| Net Cash from Investing Activities | 842 | 75 | 6 | 923 | 218 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 892,959 | (34,928) | (38,531) | 819,500 | 9,090 |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | 6,013,484 | 40,135 | 152,027 | 6,205,646 | 2,218,116 |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u>\$ 6,906,443</u> | <u>\$ 5,207</u> | <u>\$ 113,496</u> | <u>\$ 7,025,146</u> | <u>\$ 2,227,206</u> |

(This statement is continued on the following page.)

CITY OF DEKALB, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

| | Business-Type Activities | | | | Governmental Activities |
|--|--------------------------|---------------------|---------------------------|---------------------|-------------------------|
| | Water | Airport | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| | | | Refuse | | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Operating Income (Loss) | \$ 2,341,501 | \$ (850,398) | \$ (4,468) | \$ 1,486,635 | \$ 386,072 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities | | | | | |
| Depreciation | 1,230,320 | 403,543 | - | 1,633,863 | - |
| Changes in Assets and Liabilities | | | | | |
| Accounts Receivable | (97,702) | (211,538) | 29,595 | (279,645) | - |
| Other Receivables | 10,965 | - | - | 10,965 | (10,663) |
| Inventory | - | 3,223 | - | 3,223 | - |
| Accounts Payable | 313,174 | 237,343 | 7,898 | 558,415 | (6,676) |
| Accrued Payroll | 6,761 | 773 | - | 7,534 | - |
| Claims Payable | - | - | - | - | (374,184) |
| Other Payables | (3,800) | (1,038) | - | (4,838) | - |
| Unearned Revenue | 1,017,021 | 3,613 | (71,562) | 949,072 | 14,323 |
| Pension Items - IMRF | 707,123 | 57,905 | - | 765,028 | - |
| Net Pension Asset - IMRF | (1,382,788) | (113,853) | - | (1,496,641) | - |
| Pension Items - OPEB | 113,326 | 7,480 | - | 120,806 | - |
| Total OPEB Liability | (282,507) | (42,330) | - | (324,837) | - |
| Compensated Absences | (24,068) | 3,169 | - | (20,899) | - |
| Deferred Outflows - Asset Retirement Obligation | 11,188 | - | - | 11,188 | - |
| NET CASH FROM OPERATING ACTIVITIES | \$ 3,960,514 | \$ (502,108) | \$ (38,537) | \$ 3,419,869 | \$ 8,872 |
| NONCASH TRANSACTIONS | | | | | |
| Capital Lease Issuance | \$ 86,770 | \$ - | \$ - | \$ 86,770 | \$ - |
| Capital Contributions | 1,696,450 | 299,854 | - | 1,996,304 | - |
| TOTAL NONCASH TRANSACTIONS | \$ 1,783,220 | \$ 299,854 | \$ - | \$ 2,083,074 | \$ - |

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

ASSETS

| | |
|---------------------------------|-----------------------|
| Cash and Short-Term Investments | \$ 9,476,811 |
| Investments | |
| U.S. Treasury Obligations | 10,687,701 |
| U.S. Agency Obligations | 4,297,041 |
| Corporate Bonds | 7,262,135 |
| Municipal Bonds | 331,670 |
| Mutual Funds | 58,230,098 |
| Receivables | |
| Accrued Interest | 85,235 |
| Due from City | 89,220 |
| Prepaid Expenses | <u>3,373</u> |
| Total Assets | <u>90,463,284</u> |

LIABILITIES

| | |
|-----------------------|-------------------|
| Accounts Payable | <u>23,640</u> |
| Total Liabilities | <u>23,640</u> |

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 90,439,644

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, 2021

ADDITIONS

Contributions

Employer Contributions \$ 7,897,111

Employee Contributions 1,086,940

Total Contributions 8,984,051

Investment Income

Net Appreciation in Fair Value
of Investments 7,311,929

Interest 3,385,864

Total Investment Income 10,697,793

Less Investment Expense (122,683)

Net Investment Income 10,575,110

Total Additions 19,559,161

DEDUCTIONS

Administrative Expenses 104,121

Benefits and Refunds 8,791,431

Total Deductions 8,895,552

NET INCREASE 10,663,609

NET POSITION RESTRICTED

FOR PENSIONS

January 1 79,776,035

December 31 \$ 90,439,644

See accompanying notes to financial statements.

CITY OF DEKALB, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of DeKalb (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and council. As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, the City has two fiduciary component units and one discretely presented component unit.

Fiduciary Component Units

Police Pension Employees Retirement System

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Fiduciary Component Units (Continued)

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of committed, restricted, or assigned monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), and the funds committed, restricted, or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

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 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 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 DeKalb/Taylor Municipal Airport. Financing may be provided from a number of sources including federal and state grants, user fees and local motor fuel taxes.

Additionally, the City reports the following Internal Service Fund:

Internal Service Funds account for the City's self-insured property, casualty, workers' compensation, and health insurance programs provided to other departments or agencies of the City on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 2020 are levied in December 2020 and attach as an enforceable lien on the property on January 1, 2020. Tax bills are prepared by the County and issued on or about May 1, 2021 and August 1, 2021, and are due and collectible on or about June 1, 2021 and September 1, 2021. The County collects the taxes and remits them periodically to the City. Those 2020 taxes were intended to finance the fiscal year ended December 31, 2021. The 2021 levy, which attached as a lien on property as January 1, 2021, is intended to finance the 2022 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance/Net Position (Continued)

The City has established a fund balance reserve policy for several of its funds. The policy requires unassigned fund balances to be maintained in the General Fund equivalent to 25% of the fund's annual operating expenditures. The Tax Increment Financing Funds should be self-supporting and should maintain a fund balance equivalent to meet the planned improvements identified in a multi-year capital schedule. The Capital Projects Fund should maintain a fund balance of the planned improvements for the current fiscal year. The Special Revenue Funds should maintain the least fund balance necessary to cover current fiscal year expenditures, plus an amount to pay for those expenditures of the subsequent fiscal year needed to avoid a cash deficit position. The Water Operating Fund unrestricted net position will be maintained at a minimum level equal to 25% of the annual budgeted operating expenses. 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.

O. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

2. DEPOSITS AND INVESTMENTS

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

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, 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, investment grade obligations of state, province and local governments and public authorities, 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).

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 at 110% of 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, 2021.

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 at 110% 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.

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

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

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

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy limits the City's investments to the safest types of securities, pre-qualifies financial institutions, broker/dealers, intermediaries, and advisors with which the City does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized.

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

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at December 31, 2021:

GOVERNMENTAL ACTIVITIES

| | |
|-----------------------|----------------|
| Local Use Tax | \$ 450,902 |
| Sales Tax - State | 1,639,465 |
| Sales Tax - City | 2,050,301 |
| Auto Rental Sales Tax | 6,073 |
| Video Gaming Tax | 62,752 |
| Telecommunication Tax | 103,874 |
| Grants | 1,751,257 |
| State Motor Fuel Tax | <u>163,733</u> |

| | |
|--------------------------------------|----------------------------|
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 6,228,357</u> |
|--------------------------------------|----------------------------|

BUSINESS-TYPE ACTIVITIES

| | |
|----------------|-------------------|
| Airport Grants | <u>\$ 238,594</u> |
|----------------|-------------------|

| | |
|---------------------------------------|--------------------------|
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>\$ 238,594</u> |
|---------------------------------------|--------------------------|

The following receivables are included in other taxes receivable on the statement of net position at December 31, 2021:

GOVERNMENTAL ACTIVITIES

| | |
|--------------------------|---------------|
| Hotel/Motel Tax | \$ 44,077 |
| Restaurant and Bar Tax | 245,633 |
| Utility Tax | 256,367 |
| Business Licensing Tax | 104,139 |
| Franchise Tax | 100,949 |
| TIF Surplus Property Tax | 284,815 |
| Local Motor Fuel Tax | 160,279 |
| Miscellaneous | <u>47,133</u> |

| | |
|--------------------------------------|----------------------------|
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 1,243,392</u> |
|--------------------------------------|----------------------------|

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

3. RECEIVABLES (Continued)

The following receivables are included in other receivable on the statement of net position at December 31, 2021:

| | |
|--------------------------------|-------------------------|
| GOVERNMENTAL ACTIVITIES | |
| IPBC Terminal Reserve | \$ 528,490 |
| Miscellaneous | <u>66,781</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 595,271</u> |
| BUSINESS-TYPE ACTIVITIES | |
| Airport Miscellaneous | <u>\$ 52,683</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u><u>\$ 52,683</u></u> |

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|---------------------|-------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 10,792,439 | \$ 1,134,713 | \$ 93,212 | \$ 11,833,940 |
| Land Right of Way | 25,742,257 | - | - | 25,742,257 |
| Construction in Progress | 40,001 | 1,372,324 | 40,001 | 1,372,324 |
| Total Capital Assets Not Being Depreciated | <u>36,574,697</u> | <u>2,507,037</u> | <u>133,213</u> | <u>38,948,521</u> |
| Capital Assets being Depreciated | | | | |
| Buildings and Improvements | 20,100,519 | 139,205 | - | 20,239,724 |
| Equipment | 3,289,785 | 119,479 | - | 3,409,264 |
| Vehicles | 10,159,967 | 341,012 | 798,828 | 9,702,151 |
| Infrastructure | 153,860,974 | 155,258 | - | 154,016,232 |
| Total Capital Assets Being Depreciated | <u>187,411,245</u> | <u>754,954</u> | <u>798,828</u> | <u>187,367,371</u> |
| Less Accumulated Depreciation for | | | | |
| Buildings and Improvements | 5,466,695 | 383,956 | - | 5,850,651 |
| Equipment | 2,561,548 | 166,750 | - | 2,728,298 |
| Vehicles | 7,492,791 | 630,139 | 775,852 | 7,347,078 |
| Infrastructure | 92,175,538 | 3,000,997 | - | 95,176,535 |
| Total Accumulated Depreciation | <u>107,696,572</u> | <u>4,181,842</u> | <u>775,852</u> | <u>111,102,562</u> |
| Total Capital Assets Being Depreciated, Net | <u>79,714,673</u> | <u>(3,426,888)</u> | <u>22,976</u> | <u>76,264,809</u> |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET | <u>\$ 116,289,370</u> | <u>\$ (919,851)</u> | <u>\$ 156,189</u> | <u>\$ 115,213,330</u> |

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

4. CAPITAL ASSETS (Continued)

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|--------------|-----------|--------------------|
| 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 | - | 829,371 | - | 829,371 |
| Total Capital Assets Not Being Depreciated | 20,938,710 | 829,371 | - | 21,768,081 |
| Capital Assets being Depreciated | | | | |
| Buildings and Improvements | 4,804,864 | 89,277 | - | 4,894,141 |
| Equipment | 1,078,428 | - | - | 1,078,428 |
| Vehicles | 1,243,657 | 211,755 | 30,211 | 1,425,201 |
| Airport Infrastructure | 13,782,004 | 92,648 | - | 13,874,652 |
| Water Distribution System | 46,217,973 | 3,147,506 | - | 49,365,479 |
| Total Capital Assets Being Depreciated | 67,126,926 | 3,541,186 | 30,211 | 70,637,901 |
| Less Accumulated Depreciation for | | | | |
| Building and Improvements | 2,462,796 | 93,652 | - | 2,556,448 |
| Equipment | 488,989 | 68,241 | - | 557,230 |
| Vehicles | 907,582 | 59,612 | 30,211 | 936,983 |
| Airport Infrastructure | 4,761,246 | 349,265 | - | 5,110,511 |
| Water Distribution System | 23,370,448 | 1,063,093 | - | 24,433,541 |
| Total Accumulated Depreciation | 31,991,061 | 1,633,863 | 30,211 | 33,594,713 |
| Total Capital Assets Being Depreciated, Net | 35,135,865 | 1,907,323 | - | 37,043,188 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 56,074,575 | \$ 2,736,694 | \$ - | \$ 58,811,269 |

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

GOVERNMENTAL ACTIVITIES

| | |
|-----------------------|-----------|
| General Government | \$ 92,567 |
| Public Safety | 554,822 |
| Community Development | 328,658 |
| Highways and Streets | 3,205,795 |

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 4,181,842

BUSINESS-TYPE ACTIVITIES

| | |
|---------|--------------|
| Water | \$ 1,230,320 |
| Airport | 403,543 |

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 1,633,863

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

| | |
|--|----------------------------|
| General Government | \$ 1,213,113 |
| Public Safety | 457,951 |
| Community Development | - |
| Highways and Streets | <u>1,590,927</u> |
| TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES | <u>\$ 3,261,991</u> |

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 pledged by 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 | \$ 1,145,000 | \$ - | \$ 1,145,000 | \$ - | \$ - |
| \$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 | 1,400,000 | - | - | 1,400,000 | 755,000 |

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

| Issue | Fund Debt Retired by | Balances January 1 | Issuances | Retirements | Balances December 31 | Current Portion |
|--|----------------------------|-----------------------|-------------|---------------------|-------------------------|---------------------|
| \$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 | \$ 6,195,000 | \$ - | \$ - | \$ 6,195,000 | \$ - |
| \$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 | 745,000 | - | - | 745,000 | 745,000 |
| \$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 Airport | 276,000 69,000 | - - | 276,000 69,000 | - - | - - |
| \$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 | 3,905,000 | - | - | 3,905,000 | 35,000 |
| \$1,900,000 2020 Series General Obligation Refunding Bonds, dated November 19, 2020, due in annual installments of \$425,000 to \$935,000, plus interest of 2.30% to 2.50% through January 1, 2030 | General Debt Service | 1,900,000 | - | - | 1,900,000 | - |
| TOTAL | | \$ 15,635,000 | \$ - | \$ 1,490,000 | \$ 14,145,000 | \$ 1,535,000 |

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

5. LONG-TERM DEBT (Continued)

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 | \$ 131,572 | \$ - | \$ 131,572 | \$ - | \$ - |
| \$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 | 108,036 | - | 108,036 | - | - |
| \$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 | 193,349 | - | 14,168 | 179,181 | 14,495 |
| \$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 | 653,621 | - | 29,956 | 623,665 | 30,510 |
| TOTAL | | \$ 1,086,578 | \$ - | \$ 283,732 | \$ 802,846 | \$ 45,005 |

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

5. LONG-TERM DEBT (Continued)

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 | \$ 501,144 | \$ 305,464 | \$ 133,723 | \$ 672,885 | \$ 143,020 |
| Equipment | Water | 222,685 | 86,770 | 51,453 | 258,002 | 56,277 |
| TOTAL | | \$ 723,829 | \$ 392,234 | \$ 185,176 | \$ 930,887 | \$ 199,297 |

D. Debt Service Requirements to Maturity

General Obligation Bonds Payable

| Year Ending December 31, | Governmental Activities | |
|-----------------------------|----------------------------|---------------------|
| | Principal | Interest |
| 2022 | \$ 1,535,000 | \$ 318,291 |
| 2023 | 1,595,000 | 256,919 |
| 2024 | 1,650,000 | 212,841 |
| 2025 | 1,680,000 | 181,121 |
| 2026 | 1,715,000 | 148,782 |
| 2027 | 1,750,000 | 115,256 |
| 2028 | 1,375,000 | 83,244 |
| 2029 | 1,405,000 | 52,211 |
| 2030 | 1,440,000 | 18,000 |
| TOTAL | \$ 14,145,000 | \$ 1,386,665 |

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

5. LONG-TERM DEBT (Continued)

D. Debt Service Requirements to Maturity (Continued)

| Year Ending December 31, | IEPA Loan Contracts | |
|-----------------------------|-----------------------------|-------------------|
| | Business-Type Activities | |
| | Principal | Interest |
| 2022 | \$ 45,005 | \$ 15,365 |
| 2023 | 45,903 | 14,467 |
| 2024 | 46,820 | 13,550 |
| 2025 | 47,755 | 12,615 |
| 2026 | 48,709 | 11,661 |
| 2027 | 49,682 | 10,687 |
| 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 | 20,732 | 191 |
| TOTAL | \$ 802,846 | \$ 133,218 |

| Year Ending December 31, | Capital Leases | | | |
|-----------------------------|----------------------------|------------------|-----------------------------|------------------|
| | Governmental Activities | | Business-Type Activities | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 143,020 | \$ 25,474 | \$ 56,277 | \$ 9,968 |
| 2023 | 148,893 | 19,598 | 58,483 | 7,760 |
| 2024 | 155,085 | 13,408 | 60,795 | 5,448 |
| 2025 | 166,552 | 7,061 | 60,826 | 3,025 |
| 2026 | 42,672 | 348 | 21,621 | 495 |
| 2027 | 16,663 | - | - | - |
| TOTAL | \$ 672,885 | \$ 65,889 | \$ 258,002 | \$ 26,696 |

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

5. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities

During the year ended December 31, 2021, the following changes occurred in liabilities reported in the governmental activities:

| | Balances January 1 | Issuances or Accretions | Refundings or Reductions | Balances December 31 | Current Portion |
|--|-----------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| General Obligation Bonds Payable | \$ 15,290,000 | \$ - | \$ 1,145,000 | \$ 14,145,000 | \$ 1,535,000 |
| Premium on Bonds Payable | 81,601 | - | 26,531 | 55,070 | - |
| Capital Leases | 501,144 | 305,464 | 133,723 | 672,885 | 143,020 |
| Compensated Absences Payable | 4,663,269 | 794,888 | 932,654 | 4,525,503 | 905,101 |
| Net Pension Liability - IMRF* | 450,598 | - | 450,598 | - | - |
| Net Pension Liability - Police Pension | 38,326,081 | - | 1,927,129 | 36,398,952 | - |
| Net Pension Liability - Firefighters' Pension | 51,130,678 | - | 347,448 | 50,783,230 | - |
| Total OPEB Liability | 34,245,597 | - | 955,284 | 33,290,313 | 1,515,854 |
| Claims Payable | 900,924 | 76,278 | 450,462 | 526,740 | 263,370 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 145,589,892 | \$ 1,176,630 | \$ 6,368,829 | \$ 140,397,693 | \$ 4,362,345 |

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

*The IMRF net pension liability is now being reported as net pension asset. See Note 10 for further information.

| | Balances January 1 | Additions | Reductions | Balances December 31 | Current Portion |
|---------------------------------------|-----------------------|-----------|------------|-------------------------|--------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| General Obligation Bonds | | | | | |
| Water | \$ 276,000 | \$ - | \$ 276,000 | \$ - | \$ - |
| Airport | 69,000 | - | 69,000 | - | - |
| Total General Obligation Bonds | 345,000 | - | 345,000 | - | - |
| IEPA Loans | | | | | |
| Water | 1,086,578 | - | 283,732 | 802,846 | 45,005 |
| Net Pension Liability - IMRF* | | | | | |
| Water | 148,933 | - | 148,933 | - | - |
| Airport | 12,302 | - | 12,302 | - | - |
| Total Net Pension Liability - IMRF | 161,235 | - | 161,235 | - | - |

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

5. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities (Continued)

| | Balances January 1 | Additions | Reductions | Balances December 31 | Current Portion |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------------|--------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| (Continued) | | | | | |
| Compensated Absences | | | | | |
| Water | \$ 347,508 | \$ 45,434 | \$ 69,502 | \$ 323,440 | \$ 64,688 |
| Airport | 7,283 | 3,533 | 364 | 10,452 | 523 |
| Total Compensated Absences | 354,791 | 48,967 | 69,866 | 333,892 | 65,211 |
| Total OPEB Liability | | | | | |
| Water | 1,380,817 | - | 282,507 | 1,098,310 | 50,011 |
| Airport | 42,330 | - | 42,330 | - | - |
| Total OPEB Liability | 1,423,147 | - | 324,837 | 1,098,310 | 50,011 |
| Asset Retirement Obligation | | | | | |
| Water | 450,000 | - | - | 450,000 | - |
| Capital Leases | | | | | |
| Water | 222,685 | 86,770 | 51,453 | 258,002 | 56,277 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 4,043,436 | \$ 135,737 | \$ 1,236,123 | \$ 2,943,050 | \$ 216,504 |

*The IMRF net pension liability is now being reported as net pension asset. See Note 10 for further information.

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, 2021, there were four IDRBs outstanding totaling \$7,306,996.

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 a public entity risk pool for health insurance and are self-insured for workers' compensation and general liability purposes. 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 78% 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 22% of the City's employees and retirees are HMO participants.

The City makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The City makes monthly payments to IPBC for administration of the plan. The City had terminal reserve net of deficit of other accounts as of June 30, 2021 (most recent available) of \$528,490. This amount was declared as a dividend to the City and, therefore, has been recorded as a receivable in the Health Insurance Fund of \$528,490.

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

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

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (Continued)

The City has contracted with third party administrators (TPAs) to administer the workers' compensation program and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop-loss coverage to limit the City's exposure to losses. Prior to May 2012, the City was completely self-insured for workers' compensation with no specific or aggregate stop-loss policies; however, as of December 31, 2021, the City is self-insured up to \$600,000 in potential claims losses while any additional claims liabilities are covered by a policy purchased from a national insurance provider.

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

A reconciliation of claims payable for the fiscal years ended December 31, 2020 and 2021 are as follows:

| | Workers' Compensation and Liability/Property | |
|-----------------------------|---|-------------------|
| | 2020 | 2021 |
| CLAIMS PAYABLE, JANUARY 1 | \$ 569,995 | \$ 900,924 |
| Add Claims Incurred | 572,573 | 241,812 |
| Less Claims Paid | (241,644) | (615,996) |
| CLAIMS PAYABLE, DECEMBER 31 | <u>\$ 900,924</u> | <u>\$ 526,740</u> |

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

| | Due From | Due To |
|---|------------------|------------------|
| Nonmajor Governmental Capital Projects | \$ 26,704 | \$ - |
| Community Development Block Grant | - | 26,704 |
| Total Nonmajor Governmental Funds | <u>26,704</u> | <u>26,704</u> |
| TOTAL | <u>\$ 26,704</u> | <u>\$ 26,704</u> |

Amounts will be repaid within the next fiscal year.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2021 were as follows:

| | Transfers In | Transfers Out |
|----------------------------------|--------------|---------------|
| General | | |
| Nonmajor Governmental | \$ - | \$ 47,500 |
| Water | 311,000 | - |
| Total General | 311,000 | 47,500 |
| Tax Increment Financing #1 | | |
| Nonmajor Governmental | - | 3,840,800 |
| Airport | - | 89,277 |
| Total Tax Increment Financing #1 | - | 3,930,077 |
| Nonmajor Governmental | | |
| General | 47,500 | - |
| Tax Increment Financing #1 | 3,840,800 | - |
| Airport | - | 124,985 |
| Water | - | 28,723 |
| Total Nonmajor Governmental | 3,888,300 | 153,708 |
| Water | | |
| General | - | 311,000 |
| Nonmajor Governmental | 28,723 | - |
| Total Water | 28,723 | 311,000 |
| Airport | | |
| Tax Increment Financing #1 | 89,277 | - |
| Nonmajor Governmental | 124,985 | - |
| Total Airport | 214,262 | - |
| TOTAL | \$ 4,442,285 | \$ 4,442,285 |

7. INDIVIDUAL FUND DISCLOSURES (Continued)

B. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$311,000 transferred from the Water Fund to the General Fund to cover payment in lieu of taxes. This transfer will not be repaid.
- \$1,190,800 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Government Fund (Tax Increment Financing Debt Service) to cover debt service payments. This transfer will not be repaid.
- \$2,650,000 transferred from the Tax Increment Financing #1 Fund to the Nonmajor Government Fund (Tax Increment Financing #3) to close the Fund. This transfer will not be repaid.

8. 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, 2021 was \$1,639,010 and the total rebate revenue earned during the year ended December 31, 2021 was \$165,365.

9. 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, 2021 | \$ 35,811,879 | \$ 377,730 | \$ 36,189,609 |
| Ending OPEB | | | |
| Liability at December 31, 2021 | 34,388,623 | 352,780 | 34,741,403 |

B. Benefits Provided

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

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Membership

At December 31, 2020 (most recent data available), membership consisted of:

| | |
|--|-------------------|
| Retirees and Beneficiaries Currently Receiving Benefits | 151 |
| Terminated Employees Entitled to Benefits but not yet Receiving Them | - |
| Active Employees | <u>187</u> |
| TOTAL | <u>338</u> |
| Participating Employers | <u>1</u> |

D. Total OPEB Liability

The City's total OPEB liability of \$34,741,403 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2021, as determined by an actuarial valuation as of December 31, 2020 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2021, including updating the discount rate at December 31, 2021, as noted below:

| | |
|-----------------------------|------------------------------------|
| Actuarial Cost Method | Entry-Age Normal |
| Actuarial Value of Assets | Not applicable |
| Inflation | 2.50% |
| Discount Rate | 2.25% |
| Healthcare Cost Trend Rates | 7.50% Initial to 4.00% Ultimate |

The discount rate was based on the December 31, 2021 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| BALANCES AT JANUARY 1, 2021 | <u>\$ 36,189,609</u> |
| Changes for the Period | |
| Service Cost | 680,081 |
| Interest | 696,392 |
| Differences Between Expected and Actual Experience | - |
| Changes in Assumptions | (1,242,751) |
| Benefit Payments | <u>(1,581,928)</u> |
| Net Changes | <u>(1,448,206)</u> |
| BALANCES AT DECEMBER 31, 2021 | <u>\$ 34,741,403</u> |

Changes in assumptions reflect a change in the discount rate from 1.93% for the reporting period ended December 31, 2020, to 2.25% for the reporting period ended December 31, 2021.

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 2.25% 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 (1.25%) or 1 percentage point higher (3.25%) than the current rate:

| | 1% Decrease (1.25%) | Current Discount Rate (2.25%) | 1% Increase (3.25%) |
|--------------------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability - City | \$ 38,485,289 | \$ 34,388,623 | \$ 30,960,884 |
| Total OPEB Liability - Library | 394,806 | 352,780 | 317,616 |
| TOTAL | <u>\$ 38,880,095</u> | <u>\$ 34,741,403</u> | <u>\$ 31,278,500</u> |

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

9. 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 4.00% to 7.50% 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 (3.00% to 6.50%) or 1 percentage point higher (5.00% to 8.50%) than the current rate:

| | 1% Decrease (3.00% to 6.50%) | Current Healthcare Rate (4.00% to 7.50%) | 1% Increase (5.00% to 8.50%) |
|--------------------------------|------------------------------------|--|------------------------------------|
| Total OPEB Liability - City | \$ 30,353,465 | \$ 34,388,623 | \$ 39,258,806 |
| Total OPEB Liability - Library | 311,385 | 352,780 | 402,741 |
| TOTAL | \$ 30,664,850 | \$ 34,741,403 | \$ 39,661,547 |

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$931,347 and the Library recognized OPEB expense of \$(118,018). At December 31, 2021, 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 | \$ 852,131 | \$ - |
| Changes in Assumptions | 5,112,825 | 1,831,617 |
| TOTAL | \$ 5,964,956 | \$ 1,831,617 |

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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 |
|-----------------------------|---------------------|------------------|---------------------|
| 2022 | \$ 1,008,439 | \$ 10,345 | \$ 1,018,784 |
| 2023 | 1,008,439 | 10,345 | 1,018,784 |
| 2024 | 1,008,438 | 10,345 | 1,018,783 |
| 2025 | 1,271,075 | 13,039 | 1,284,114 |
| 2026 | (205,024) | (2,102) | (207,126) |
| Thereafter | - | - | - |
| TOTAL | \$ 4,091,367 | \$ 41,972 | \$ 4,133,339 |
| Share of Deferred Outflows | \$ 5,904,385 | \$ 60,571 | \$ 5,964,956 |
| Share of Deferred Inflows | (1,813,018) | (18,599) | (1,831,617) |
| TOTAL | \$ 4,091,367 | \$ 41,972 | \$ 4,133,339 |

10. 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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

The table below is a summary for all City pension plans as of and for the year ended December 31, 2021:

| | IMRF | Police Pension | Firefighters' Pension | Total |
|-----------------------------------|----------------|-------------------|--------------------------|---------------|
| Net Pension Liability (Asset) | \$ (5,077,591) | \$ 36,398,952 | \$ 50,783,230 | \$ 82,104,591 |
| Deferred Outflows of Resources | 330,819 | 3,976,026 | 5,115,271 | 9,422,116 |
| Deferred Inflows of Resources | 7,373,311 | 4,569,583 | 2,190,774 | 14,133,668 |
| Pension Expense | (1,932,263) | 3,451,248 | 5,748,168 | 7,267,153 |

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, 2021, IMRF membership consisted of:

| | |
|---|-------|
| Inactive Employees or their Beneficiaries | |
| Currently Receiving Benefits | 185 |
| Inactive Employees Entitled to but not yet Receiving Benefits | 107 |
| Active Employees | 93 |
| | <hr/> |
| TOTAL | 385 |
| | <hr/> |

10. 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, 2021 was 14.85% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2021 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

| | |
|----------------------------|-------------------|
| Actuarial Valuation Date | December 31, 2021 |
| Actuarial Cost Method | Entry-Age Normal |
| Assumptions | |
| Inflation | 2.25% |
| Salary Increases | 2.85% to 13.75% |
| Interest Rate | 7.25% |
| Cost of Living Adjustments | 3.00% |
| Asset Valuation Method | Fair Value |

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2021 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

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

10. 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 (Asset) |
|---|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2021 | \$ 63,862,058 | \$ 63,170,955 | \$ 691,103 |
| Changes for the Period | | | |
| Service Cost | 599,081 | - | 599,081 |
| Interest | 4,518,271 | - | 4,518,271 |
| Difference Between Expected and Actual Experience | 208,751 | - | 208,751 |
| Changes in Assumptions | - | - | - |
| Employer Contributions | - | 967,775 | (967,775) |
| Employee Contributions | - | 293,359 | (293,359) |
| Net Investment Income | - | 10,791,115 | (10,791,115) |
| Benefit Payments and Refunds | (3,681,250) | (3,681,250) | - |
| Other (Net Transfer) | - | (130,868) | 130,868 |
| Net Changes | 1,644,853 | 8,240,131 | (6,595,278) |
| BALANCES AT DECEMBER 31, 2021 | \$ 65,506,911 | \$ 71,411,086 | \$ (5,904,175) |
| | City | Library | Total |
| Beginning Net Pension Liability at January 1, 2021 | \$ 611,833 | \$ 79,270 | \$ 691,103 |
| Employer Contributions | 834,516 | 133,259 | 967,775 |
| Ending Net Pension Asset at December 31, 2021 | (5,077,591) | (826,584) | (5,904,175) |

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

10. 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, 2021, the City recognized pension expense of \$(1,932,263) and the Library recognized pension expense of \$(164,514).

At December 31, 2021, 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 | \$ 384,673 | \$ - |
| Changes in Assumption | - | 108,831 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 8,464,787 |
| TOTAL | \$ 384,673 | \$ 8,573,618 |

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

| <u>Year Ending December 31,</u> | <u>City</u> | <u>Library</u> | <u>Total</u> |
|-------------------------------------|----------------|----------------|----------------|
| 2022 | \$ (1,411,120) | \$ (229,717) | \$ (1,640,837) |
| 2023 | (2,761,246) | (449,505) | (3,210,751) |
| 2024 | (1,785,892) | (290,727) | (2,076,619) |
| 2025 | (1,084,234) | (176,504) | (1,260,738) |
| 2026 | - | - | - |
| Thereafter | - | - | - |
| TOTAL | \$ (7,042,492) | \$ (1,146,453) | \$ (8,188,945) |

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

10. 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 | \$ 330,819 | \$ 53,854 | \$ 384,673 |
| Share of Deferred Inflows | (7,373,311) | (1,200,307) | (8,573,618) |
| TOTAL | \$ (7,042,492) | \$ (1,146,453) | \$ (8,188,945) |

Discount Rate Sensitivity

The following is a sensitivity 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 | \$ 1,199,550 | \$ (5,077,591) | \$ (10,119,084) |
| Net Pension Liability (Asset) - Library | 192,524 | (826,584) | (1,624,080) |
| TOTAL | \$ 1,392,074 | \$ (5,904,175) | \$ (11,743,164) |

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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Administration (Continued)

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.

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, 2021, the measurement date, membership consisted of:

| | |
|---|-----------------------|
| Inactive Plan Members Currently Receiving Benefits | 63 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 14 |
| Active Plan Members | <u>61</u> |
| TOTAL | <u><u>138</u></u> |

Benefits Provided

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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 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, 2021, the City's contribution was 61.46% of covered payroll.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and 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, 2021.

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% | (1.00%) |
| Fixed Income | 32% | |
| Aggregate Bonds | | 0.30% |
| Investment Grade Corporates | | 0.50% |
| Intermediate U.S. Treasuries | | (0.20%) |
| High Yield | | 1.60% |
| Equities | 65% | |

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

Further, the policy diversifies in the following equity categories:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|------------------------|--------|--|
| Domestic Equities | 55% | |
| Large Caps | | 1.80% |
| Mid Caps | | 2.00% |
| Small Caps | | 2.10% |
| Commodities | | 0.30% |
| International Equities | 5% | |
| Developed Foreign | | 4.20% |
| Emerging Markets | | 4.60% |
| Real Estate | 5% | 3.40% |

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 2.30% 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, 2021 are listed in the table above.

Investment Concentrations

At December 31, 2021, the Fund had no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

Interest Rate Risk

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.

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2021:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|----------------------|----------------------------------|---------------------|---------------------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater Than 10 |
| U.S. Treasury Obligations | \$ 7,871,968 | \$ - | \$ 4,635,576 | \$ 3,236,392 | \$ - |
| U.S. Agency Obligations | 2,465,726 | 1,514,925 | 7,681 | 943,120 | - |
| Corporate Bonds | 1,649,508 | 605,028 | 1,044,480 | - | - |
| TOTAL | \$ 11,987,202 | \$ 2,119,953 | \$ 5,687,737 | \$ 4,179,512 | \$ - |

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, 2021: Mutual funds of \$32,867,722, are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations, and corporate bonds of \$11,987,202 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

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+ by Standard and Poor's.

Custodial Credit Risk

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2021 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.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2021 | \$ 84,029,279 | \$ 45,703,198 | \$ 38,326,081 |
| Changes for the Period | | | |
| Service Cost | 1,194,485 | - | 1,194,485 |
| Interest | 5,809,481 | - | 5,809,481 |
| Difference Between Expected and Actual Experience | 1,156,203 | - | 1,156,203 |
| Changes in Assumptions | (292,516) | - | (292,516) |
| Changes in Benefit Terms | - | - | - |
| Employer Contributions | - | 3,614,881 | (3,614,881) |
| Employee Contributions | - | 564,388 | (564,388) |
| Buy Back Contributions | - | - | - |
| Net Investment Income | - | 5,676,568 | (5,676,568) |
| Benefit Payments and Refunds | (4,462,361) | (4,462,361) | - |
| Administrative Expense | - | (61,055) | 61,055 |
| Net Changes | 3,405,292 | 5,332,421 | (1,927,129) |
| BALANCES AT DECEMBER 31, 2021 | \$ 87,434,571 | \$ 51,035,619 | \$ 36,398,952 |

The funded status of the plan as of December 31, 2021 is 58.37%. There were changes in assumptions from the prior year for mortality rates and salary increase rates in 2021.

10. 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, 2021 |
| Actuarial Cost Method | Entry-Age Normal |
| Assumptions | |
| Inflation | 2.50% |
| Salary Increases | 3.50% |
| Interest Rate | 7.00% |
| Cost of Living Adjustments | 3.00% (Tier 1) 1.25% (Tier 2) |
| Asset Valuation Method | Fair Value |

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 | \$ 48,941,069 | \$ 36,398,952 | \$ 26,210,225 |

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

10. 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, 2021, the City recognized pension expense of \$3,451,248. At December 31, 2021, 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 | \$ 1,889,846 | \$ 2,569 |
| Changes in Assumptions | 2,086,180 | 243,765 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 4,323,249 |
| TOTAL | <u>\$ 3,976,026</u> | <u>\$ 4,569,583</u> |

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

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

| <u>Year Ending December 31,</u> | |
|-------------------------------------|---------------------|
| 2022 | \$ 433,703 |
| 2023 | (698,288) |
| 2024 | (283,931) |
| 2025 | (188,989) |
| 2026 | 143,948 |
| Thereafter | - |
| TOTAL | <u>\$ (593,557)</u> |

10. 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, 2021, the measurement date, membership consisted of:

| | |
|---|-----------------------|
| Inactive Plan Members Currently Receiving Benefits | 62 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 6 |
| Active Plan Members | <u>52</u> |
| TOTAL | <u><u>120</u></u> |

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

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

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2021, the City's contribution was 83.93% 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

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 | 0% | 0.00% |
| Fixed Income | | |
| U.S. Treasury Bills | 1% | 0.20% |
| Intermediate | 36% | 1.50% |
| 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 2% 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, 2021 are listed in the table above.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Concentrations

At December 31, 2021, 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

Interest Rate Risk

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. The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2021:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater Than 10 |
| U.S. Treasury Obligations | \$ 2,815,733 | \$ - | \$ 1,265,593 | \$ 1,273,223 | \$ 276,917 |
| U.S. Agency Obligations | 1,831,315 | 114,906 | 788,607 | 302,538 | 625,264 |
| Corporate Bonds | 5,612,627 | 477,912 | 3,619,099 | 1,411,341 | 104,275 |
| Municipal Bonds | 331,670 | 240,541 | 91,129 | - | - |
| TOTAL | \$ 10,591,345 | \$ 833,359 | \$ 5,764,428 | \$ 2,987,102 | \$ 1,006,456 |

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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, 2021: Mutual funds of \$25,362,376 are valued using quoted market prices (Level 1 inputs); U.S. Treasury obligations, U.S. agency obligations, corporate bonds, and municipal bonds of \$10,591,345 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2021 | \$ 85,203,515 | \$ 34,072,837 | \$ 51,130,678 |
| Changes for the Period | | | |
| Service Cost | 1,221,246 | - | 1,221,246 |
| Interest | 5,898,216 | - | 5,898,216 |
| Difference Between Expected and Actual Experience | 788,595 | - | 788,595 |
| Changes in Assumptions | 1,404,753 | - | 1,404,753 |
| Changes in Benefit Terms | - | - | - |
| Employer Contributions | - | 4,282,230 | (4,282,230) |
| Employee Contributions | - | 522,552 | (522,552) |
| Net Investment Income | - | 4,898,542 | (4,898,542) |
| Benefit Payments and Refunds | (4,329,070) | (4,329,070) | - |
| Administrative Expense | - | (43,066) | 43,066 |
| Net Changes | 4,983,740 | 5,331,188 | (347,448) |
| BALANCES AT DECEMBER 31, 2021 | \$ 90,187,255 | \$ 39,404,025 | \$ 50,783,230 |

The funded status of the plan as of December 31, 2021 is 43.69%. There were changes in assumptions from the prior year for mortality rates and salary increase rates.

10. 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, 2021 |
| Actuarial Cost Method | Entry-Age Normal |
| Assumptions | |
| Inflation | 2.50% |
| Salary Increases | 3.50% |
| Interest Rate | 7.00% |
| Cost of Living Adjustments | 3.00% (Tier 1) 1.25% (Tier 2) |
| Asset Valuation Method | Fair Value |

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 | \$ 63,461,071 | \$ 50,783,230 | \$ 40,440,112 |

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

10. 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, 2021, the City recognized pension expense of \$5,748,168. At December 31, 2021, 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 | \$ 1,623,324 | \$ 187,440 |
| Changes in Assumption | 3,491,947 | - |
| Net Difference Between Projected and Actual | | |
| Earnings on Pension Plan Investments | - | 2,003,334 |
| TOTAL | <u>\$ 5,115,271</u> | <u>\$ 2,190,774</u> |

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

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

| <u>Year Ending December 31,</u> | |
|-------------------------------------|---------------------|
| 2022 | \$ 1,575,999 |
| 2023 | 449,068 |
| 2024 | 610,438 |
| 2025 | (76,567) |
| 2026 | 365,559 |
| Thereafter | <u>-</u> |
| TOTAL | <u>\$ 2,924,497</u> |

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures

Plan Net Position

| | Police Pension | Firefighters' Pension | Total |
|---|----------------------|--------------------------|----------------------|
| ASSETS | | | |
| Cash and Short-Term Investments | \$ 6,097,024 | \$ 3,379,787 | \$ 9,476,811 |
| Investments | | | |
| U.S. Treasury Obligations | 7,871,968 | 2,815,733 | 10,687,701 |
| U.S. Agency Obligations | 2,465,726 | 1,831,315 | 4,297,041 |
| Corporate Bonds | 1,649,508 | 5,612,627 | 7,262,135 |
| Municipal Bonds | - | 331,670 | 331,670 |
| Mutual Funds | 32,867,722 | 25,362,376 | 58,230,098 |
| Receivables | | | |
| Accrued Interest | 28,565 | 56,670 | 85,235 |
| Due from City | 73,914 | 15,306 | 89,220 |
| Prepaid Expenses | 3,123 | 250 | 3,373 |
| Total Assets | 51,057,550 | 39,405,734 | 90,463,284 |
| LIABILITIES | | | |
| Accounts Payable | 21,931 | 1,709 | 23,640 |
| Total Liabilities | 21,931 | 1,709 | 23,640 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| | \$ 51,035,619 | \$ 39,404,025 | \$ 90,439,644 |

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

| | Police Pension | Firefighters' Pension | Total |
|--|-------------------|--------------------------|---------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 3,614,881 | \$ 4,282,230 | \$ 7,897,111 |
| Employee | 564,388 | 522,552 | 1,086,940 |
| Total Contributions | 4,179,269 | 4,804,782 | 8,984,051 |
| Investment Income | | | |
| Net Appreciation in Fair Value of Investments | 3,865,651 | 3,446,278 | 7,311,929 |
| Interest | 1,883,752 | 1,502,112 | 3,385,864 |
| Total Investment Income | 5,749,403 | 4,948,390 | 10,697,793 |
| Less Investment Expense | (72,835) | (49,848) | (122,683) |
| Net Investment Income | 5,676,568 | 4,898,542 | 10,575,110 |
| Total Additions | 9,855,837 | 9,703,324 | 19,559,161 |
| DEDUCTIONS | | | |
| Administrative Expenses | 61,055 | 43,066 | 104,121 |
| Benefits and Refunds | 4,462,361 | 4,329,070 | 8,791,431 |
| Total Deductions | 4,523,416 | 4,372,136 | 8,895,552 |
| NET INCREASE | 5,332,421 | 5,331,188 | 10,663,609 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| January 1 | 45,703,198 | 34,072,837 | 79,776,035 |
| December 31 | \$ 51,035,619 | \$ 39,404,025 | \$ 90,439,644 |

11. 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, 2021:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|------------------------------------|-------------------|----------------------------------|-------------------|-------------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater Than 10 |
| Negotiable Certificates of Deposit | \$ 298,756 | \$ 99,944 | \$ 198,812 | \$ - | \$ - |
| TOTAL | \$ 298,756 | \$ 99,944 | \$ 198,812 | \$ - | \$ - |

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, 2021: negotiable certificates of deposit of \$298,756 are significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

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

B. Deposits and Investments (Continued)

Library Investments (Continued)

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.

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 2020 are levied in December 2020 and attach as an enforceable lien on the property on January 1, 2020. Tax bills are prepared by the County and issued on or about May 1, 2021 and August 1, 2021, and are due and collectible on or about June 1, 2021 and September 1, 2021. The County collects the taxes and remits them periodically to the City. Those 2020 taxes were intended to finance the year ended December 31, 2021. The 2021 levy, which attached as a lien on property as January 1, 2021, is intended to finance the 2022 fiscal year and is not considered available or earned for current operations and are, therefore, reported as deferred/unavailable revenue.

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

11. 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, 2021:

| | 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 | 2,501,842 | 604,449 | - | 3,106,291 |
| Equipment and Furniture | 219,264 | 5,308 | - | 224,572 |
| Total Accumulated Depreciation | 2,721,106 | 609,757 | - | 3,330,863 |
| Total Capital Assets Being Depreciated, Net | 22,002,197 | (609,757) | - | 21,392,440 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 23,560,229 | \$ (609,757) | \$ - | \$ 22,950,472 |

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

| | |
|-------------------------------------|--------------------------|
| GOVERNMENTAL ACTIVITIES | |
| Culture and Recreation | <u>\$ 609,757</u> |
| TOTAL DEPRECIATION EXPENSE - | |
| GOVERNMENTAL ACTIVITIES | <u><u>\$ 609,757</u></u> |

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

11. 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 | \$ 4,985,000 | \$ - | \$ 315,000 | \$ 4,670,000 | \$ 325,000 |
| TOTAL | | \$ 4,985,000 | \$ - | \$ 315,000 | \$ 4,670,000 | \$ 325,000 |

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, 2021, plus interest at prime rate (3.75%) at December 31, 2017 | Library General | \$ 155,858 | \$ - | \$ 155,858 | \$ - | \$ - |
| TOTAL | | \$ 155,858 | \$ - | \$ 155,858 | \$ - | \$ - |

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

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

E. Long-Term Debt (Continued)

Debt Service Requirements to Maturity

| Year Ending December 31, | General Obligation Bonds | |
|-----------------------------|--------------------------|---------------------|
| | Principal | Interest |
| 2022 | \$ 325,000 | \$ 160,750 |
| 2023 | 335,000 | 150,850 |
| 2024 | 345,000 | 140,650 |
| 2025 | 355,000 | 130,150 |
| 2026 | 365,000 | 118,894 |
| 2027 | 375,000 | 106,400 |
| 2028 | 390,000 | 93,013 |
| 2029 | 405,000 | 78,594 |
| 2030 | 420,000 | 62,600 |
| 2031 | 435,000 | 45,500 |
| 2032 | 450,000 | 27,800 |
| 2033 | 470,000 | 9,400 |
| TOTAL | \$ 4,670,000 | \$ 1,124,601 |

Changes in Long-Term Liabilities

During the year ended December 31, 2021, 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 | \$ 4,985,000 | \$ - | \$ 315,000 | \$ 4,670,000 | \$ 325,000 |
| Loans Payable - Direct Placement | 155,858 | - | 155,858 | - | - |
| Compensated Absences Payable | 52,875 | 919 | 10,575 | 43,219 | 8,644 |
| Net Pension Liability - IMRF* | 79,270 | - | 79,270 | - | - |
| Total OPEB Liability | 520,866 | - | 168,086 | 352,780 | 16,064 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 5,793,869 | \$ 919 | \$ 728,789 | \$ 5,065,999 | \$ 349,708 |

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

*The IMRF net pension liability is now being reported as net pension asset. See Note 10 for further information.

12. TAX ABATEMENTS

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

For the year ended December 31, 2021, the City rebated 50% of the City portion of the property tax levy for the 3M distribution center located at 1650 Macom Drive. This is the fourth year of the five-year abatement. The abatement for the year amounted to \$76,022.

13. PRIOR PERIOD ADJUSTMENT

Beginning fund balance and net position has been restated by \$262,789 for the General Fund and governmental activities, respectively, to properly recognize revenue.

Beginning net position has been restated by \$459,766 for the Water Fund and business-type activities due to a change in methodology for recording unbilled utility billing accounts receivable.

14. SUBSEQUENT EVENTS

Subsequent to December 31, 2021, the City received two vehicles under an existing lease agreement and the vehicles will be recognized as lease liabilities during fiscal year 2022. The value of these two vehicles is approximately \$72,190 and the lease will be paid over 60 months with interest rates of 2.48%.

Subsequent to December 31, 2021, the City Council approved Ordinance 2022-025 authorizing the issuance of not to exceed \$4,300,000 General Obligation Refunding Bonds, Series 2022, for the purpose of refunding the outstanding principal amount of the General Obligation Bonds, Series 2013A.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

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

Last Eight Fiscal Years

| FISCAL YEAR ENDED | JUNE 30, 2015 | JUNE 30, 2016 | DECEMBER 31, 2016* | DECEMBER 31, 2017 | DECEMBER 31, 2018 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2021 |
|--|--------------------------|--------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Actuarially Determined Contribution | \$ 1,234,927 | \$ 1,106,410 | \$ 610,585 | \$ 1,120,679 | \$ 1,068,890 | \$ 807,655 | \$ 1,005,799 | \$ 967,775 |
| Contribution in Relation to the Actuarially Determined Contribution | 1,234,927 | 1,106,410 | 610,585 | 1,120,679 | 1,068,890 | 807,655 | 1,005,799 | 967,775 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 6,138,945 | \$ 6,850,602 | \$ 3,739,039 | \$ 7,312,033 | \$ 7,266,420 | \$ 6,624,393 | \$ 6,754,870 | \$ 6,519,079 |
| Contributions as a Percentage of Covered Payroll | 20.12% | 16.15% | 16.33% | 15.33% | 14.71% | 12.19% | 14.89% | 14.85% |

*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 22 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually, and postretirement benefit increases of 3.25% 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 Nine 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 | DECEMBER 31, 2020 | DECEMBER 31, 2021 |
|--|--------------------------|--------------------------|--------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Actuarially Determined Contribution | \$ 1,379,234 | \$ 1,627,268 | \$ 1,730,712 | \$ 1,080,991 | \$ 2,502,904 | \$ 2,680,967 | \$ 3,079,438 | \$ 3,446,287 | \$ 3,614,881 |
| 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 | 3,442,572 | 3,614,881 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ 26,943 | \$ 178,319 | \$ 108,607 | \$ (1,004,242) | \$ 17,797 | \$ (308,665) | \$ (1) | \$ 3,715 | \$ - |
| Covered Payroll | \$ 5,215,818 | \$ 5,565,214 | \$ 5,638,291 | \$ 5,417,619 | \$ 5,831,117 | \$ 5,937,493 | \$ 5,626,249 | \$ 5,675,658 | \$ 5,881,886 |
| Contributions as a Percentage of Covered Payroll | 25.93% | 26.04% | 28.77% | 38.49% | 42.62% | 50.35% | 54.73% | 60.66% | 61.46% |

*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 19 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.00% annually and projected salary increase assumption of 4.00%.

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 Nine 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 | DECEMBER 31, 2020 | DECEMBER 31, 2021 |
|--|--------------------------|--------------------------|--------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Actuarially Determined Contribution | \$ 2,078,061 | \$ 2,250,772 | \$ 2,373,253 | \$ 1,312,560 | \$ 2,990,000 | \$ 3,183,910 | \$ 3,503,332 | \$ 3,951,651 | \$ 4,282,230 |
| 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 | 3,951,651 | 4,282,230 |
| 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 | \$ 4,989,244 | \$ 5,101,968 |
| Contributions as a Percentage of Covered Payroll | 43.83% | 41.77% | 43.68% | 51.33% | 58.18% | 68.22% | 70.09% | 79.20% | 83.93% |

*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 19 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7% annually and projected salary increase assumption of 4.00%.

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 (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Eight Calendar Years

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

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.

2020 - Changes in assumptions related to salary rates, price inflation, retirement age, and mortality rates.

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.

| 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|----------------|
| \$ 697,252 | \$ 681,980 | \$ 636,181 | \$ 599,081 |
| 4,123,636 | 4,268,558 | 4,365,817 | 4,518,271 |
| - | - | - | - |
| 649,797 | (247,821) | 1,165,144 | 208,751 |
| 1,620,019 | - | (494,343) | - |
| (3,121,485) | (3,254,979) | (3,421,634) | (3,681,250) |
| 3,969,219 | 1,447,738 | 2,251,165 | 1,644,853 |
| 56,193,936 | 60,163,155 | 61,610,893 | 63,862,058 |
| \$ 60,163,155 | \$ 61,610,893 | \$ 63,862,058 | \$ 65,506,911 |
| \$ 1,068,890 | \$ 807,655 | \$ 1,005,799 | \$ 967,775 |
| 328,546 | 352,798 | 305,562 | 293,359 |
| (2,996,024) | 9,422,576 | 8,135,774 | 10,791,115 |
| (3,121,485) | (3,254,979) | (3,421,634) | (3,681,250) |
| 1,373,440 | 39,616 | 280,887 | (130,868) |
| (3,346,633) | 7,367,666 | 6,306,388 | 8,240,131 |
| 52,843,534 | 49,496,901 | 56,864,567 | 63,170,955 |
| \$ 49,496,901 | \$ 56,864,567 | \$ 63,170,955 | \$ 71,411,086 |
| \$ 10,666,254 | \$ 4,746,326 | \$ 691,103 | \$ (5,904,175) |
| 82.30% | 92.30% | 98.90% | 109.00% |
| \$ 7,266,420 | \$ 6,624,393 | \$ 6,754,870 | \$ 6,519,079 |
| 146.80% | 71.60% | 10.20% | (90.60%) |

(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 Nine Fiscal Years

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

*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 December 31, 2021 valuation had changes to mortality and salary increase rates.

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

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

| <hr/> | | | | | | | | | |
|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| DECEMBER 31, 2017 | | DECEMBER 31, 2018 | | DECEMBER 31, 2019 | | DECEMBER 31, 2020 | | DECEMBER 31, 2021 | |
| | | | | | | | | | |
| \$ | 1,128,282 | \$ | 1,277,570 | \$ | 1,317,747 | \$ | 1,262,298 | \$ | 1,194,485 |
| | 4,836,434 | | 4,929,583 | | 5,311,220 | | 5,547,727 | | 5,809,481 |
| | - | | - | | 289,014 | | - | | - |
| | 295,761 | | 171,947 | | 216,761 | | 989,646 | | 1,156,203 |
| | 2,817,069 | | 2,467,482 | | - | | - | | (292,516) |
| | - | | - | | - | | 175,320 | | - |
| | (3,238,369) | | (3,341,647) | | (3,527,953) | | (3,873,301) | | (4,462,361) |
| | 5,839,177 | | 5,504,935 | | 3,606,789 | | 4,101,690 | | 3,405,292 |
| | 64,976,688 | | 70,815,865 | | 76,320,800 | | 79,927,589 | | 84,029,279 |
| \$ | 70,815,865 | \$ | 76,320,800 | \$ | 79,927,589 | \$ | 84,029,279 | \$ | 87,434,571 |
| <hr/> | | | | | | | | | |
| \$ | 2,485,107 | \$ | 2,989,632 | \$ | 3,079,439 | \$ | 3,442,572 | \$ | 3,614,881 |
| | 579,016 | | 653,454 | | 579,091 | | 587,004 | | 564,388 |
| | - | | - | | - | | 175,320 | | - |
| | 4,291,762 | | (2,080,446) | | 6,634,742 | | 5,356,263 | | 5,676,568 |
| | (3,238,369) | | (3,341,647) | | (3,527,953) | | (3,873,301) | | (4,462,361) |
| | (37,520) | | (48,498) | | (44,897) | | (83,805) | | (61,055) |
| | 4,079,996 | | (1,827,505) | | 6,720,422 | | 5,604,053 | | 5,332,421 |
| | 31,126,232 | | 35,206,228 | | 33,378,723 | | 40,099,145 | | 45,703,198 |
| \$ | 35,206,228 | \$ | 33,378,723 | \$ | 40,099,145 | \$ | 45,703,198 | \$ | 51,035,619 |
| <hr/> | | | | | | | | | |
| \$ | 35,609,637 | \$ | 42,942,077 | \$ | 39,828,444 | \$ | 38,326,081 | \$ | 36,398,952 |
| <hr/> | | | | | | | | | |
| | 49.70% | | 43.70% | | 50.20% | | 54.40% | | 58.40% |
| \$ | 5,831,117 | \$ | 5,937,493 | \$ | 5,626,249 | \$ | 5,675,658 | \$ | 5,881,886 |
| | 610.70% | | 723.20% | | 707.90% | | 675.30% | | 618.80% |

(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 Nine Fiscal Years

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

*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 December 31, 2021 valuation had changes to mortality rates and salary increase 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, DECEMBER 31, DECEMBER 31, DECEMBER 31, DECEMBER 31, | | | | |
|--|---------------|---------------|---------------|---------------|
| 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 1,122,905 | \$ 1,205,485 | \$ 1,242,933 | \$ 1,271,382 | \$ 1,221,246 |
| 4,976,209 | 4,988,105 | 5,400,159 | 5,687,444 | 5,898,216 |
| - | - | 334,620 | - | - |
| (656,039) | 404,229 | 1,121,118 | 345,203 | 788,595 |
| 2,872,839 | 2,967,274 | - | - | 1,404,753 |
| - | - | - | - | - |
| (3,436,210) | (3,542,390) | (3,889,742) | (4,156,663) | (4,329,070) |
| 4,879,704 | 6,022,703 | 4,209,088 | 3,147,366 | 4,983,740 |
| 66,944,654 | 71,824,358 | 77,847,061 | 82,056,149 | 85,203,515 |
| \$ 71,824,358 | \$ 77,847,061 | \$ 82,056,149 | \$ 85,203,515 | \$ 90,187,255 |
| \$ 2,968,723 | \$ 3,466,072 | \$ 3,503,332 | \$ 3,951,651 | \$ 4,282,230 |
| 521,427 | 496,108 | 533,079 | 496,359 | 522,552 |
| - | - | - | - | - |
| 3,139,804 | (2,414,863) | 4,302,793 | 2,134,057 | 4,898,542 |
| (3,436,210) | (3,542,390) | (3,889,742) | (4,156,663) | (4,329,070) |
| (32,382) | (43,134) | (38,784) | (30,916) | (43,066) |
| 3,161,362 | (2,038,207) | 4,410,678 | 2,394,488 | 5,331,188 |
| 26,144,516 | 29,305,878 | 27,267,671 | 31,678,349 | 34,072,837 |
| \$ 29,305,878 | \$ 27,267,671 | \$ 31,678,349 | \$ 34,072,837 | \$ 39,404,025 |
| \$ 42,518,480 | \$ 50,579,390 | \$ 50,377,800 | \$ 51,130,678 | \$ 50,783,230 |
| 40.80% | 35.00% | 38.60% | 40.00% | 43.70% |
| \$ 5,102,831 | \$ 5,080,355 | \$ 4,998,383 | \$ 4,989,244 | \$ 5,101,968 |
| 833.20% | 995.60% | 1,007.90% | 1,024.80% | 995.40% |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Nine Fiscal Years

| FISCAL YEAR ENDED | 2014 | 2015 | 2016 | 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | 12.36% | 1.05% | (0.90%) | 5.12% | 14.21% | (5.92%) | 19.93% | 13.52% | 12.66% |

*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 Nine Fiscal Years

| FISCAL YEAR ENDED | 2014 | 2015 | 2016 | 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | 13.67% | 0.73% | (1.53%) | 5.93% | 12.26% | (8.28%) | 16.36% | 6.90% | 14.65% |

*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 Four Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2018 | 2019 | 2020 | 2021* |
|--|----------------------|----------------------|----------------------|----------------------|
| TOTAL OPEB LIABILITY | | | | |
| Service Cost | \$ 508,510 | \$ 466,510 | \$ 584,393 | \$ 669,579 |
| Interest | 953,407 | 1,067,735 | 934,315 | 689,219 |
| Changes of Benefit Terms | - | - | - | - |
| Differences Between Expected and Actual Experience | - | - | 1,315,748 | - |
| Changes of Assumptions | (1,838,730) | 2,326,993 | 5,613,968 | (1,233,393) |
| Benefit Payments, including Refunds of Member Contributions | (1,203,019) | (1,308,239) | (1,412,898) | (1,548,661) |
| Net Change in Total OPEB Liability | (1,579,832) | 2,552,999 | 7,035,526 | (1,423,256) |
| Total OPEB Liability - Beginning | 27,803,186 | 26,223,354 | 28,776,353 | 35,811,879 |
| TOTAL OPEB LIABILITY - ENDING | \$ 26,223,354 | \$ 28,776,353 | \$ 35,811,879 | \$ 34,388,623 |
| Covered Employee Payroll | \$ 16,439,764 | \$ 17,291,344 | \$ 15,829,785 | \$ 16,649,768 |
| Employer's Total OPEB Liability as a Percentage of Covered Employee Payroll | 159.51% | 166.42% | 226.23% | 206.54% |

Note: This schedule reflects information for the primary government (City of DeKalb) only.

2021*: Changes in assumptions reflect a change in the discount rate from 1.93% for the reporting period ended December 2020, to 2.25% for the reporting period ended December 31, 2021.

2020: Changes in assumptions reflect a change in the discount rate from 3.26% for the reporting period ended December 31, 2019, to 1.93% for the reporting period ended December 31, 2020. Also reflected as assumption changes are updated health care costs and premiums, updated health care cost trend rates, and updated mortality tables.

2018, 2019: 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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|-----------------------------|
| REVENUES | | | |
| Taxes | \$ 17,245,011 | \$ 19,152,615 | \$ 20,858,577 |
| Licenses and Permits | 735,272 | 735,272 | 1,057,539 |
| Intergovernmental | 12,379,638 | 13,217,958 | 15,801,366 |
| Charges for Services | 3,900,368 | 3,900,368 | 4,941,856 |
| Fines and Forfeitures | 513,426 | 513,426 | 476,283 |
| Investment Income | 180,000 | 180,000 | 17,675 |
| Miscellaneous | 497,419 | 497,419 | 549,491 |
| Total Revenues | 35,451,134 | 38,197,058 | 43,702,787 |
| EXPENDITURES | | | |
| General Government | 4,980,728 | 5,588,768 | 5,482,366 |
| Public Safety | 24,766,055 | 26,836,710 | 27,042,533 |
| Highways and Streets | 2,868,992 | 2,868,992 | 2,786,872 |
| Community Development | 1,096,092 | 1,096,092 | 1,075,704 |
| Total Expenditures | 33,711,867 | 36,390,562 | 36,387,475 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,739,267 | 1,806,496 | 7,315,312 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds on Sale of Capital Assets | 10,627 | 10,627 | 23,435 |
| Transfers In | 311,000 | 1,708,996 | 311,000 |
| Transfers (Out) | (1,374,655) | (47,500) | (47,500) |
| Total Other Financing Sources (Uses) | (1,053,028) | 1,672,123 | 286,935 |
| NET CHANGE IN FUND BALANCE | <u>\$ 686,239</u> | <u>\$ 3,478,619</u> | <u>7,602,247</u> |
| FUND BALANCE, JANUARY 1 | | | 12,286,410 |
| Prior Period Adjustment | | | <u>(262,789)</u> |
| FUND BALANCE, JANUARY 1, RESTATED | | | <u>12,023,621</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 19,625,868</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Intergovernmental | | | |
| Federal Grants | \$ 8,304,536 | \$ 8,304,536 | \$ 5,340,757 |
| Integrated Transit Services | - | - | 1,798,958 |
| Interest Income | 1,500 | 1,500 | 474 |
| Miscellaneous | 2,202,674 | 2,202,674 | 11,026 |
| | | | |
| Total Revenues | 10,508,710 | 10,508,710 | 7,151,215 |
| EXPENDITURES | | | |
| General Government | | | |
| Personal Services | 261,755 | 261,755 | 239,546 |
| Commodities | 59,399 | 59,399 | 41,535 |
| Contractual Services | 8,515,140 | 8,515,140 | 7,022,349 |
| Capital Outlay | 1,238,000 | 1,238,000 | 945 |
| | | | |
| Total Expenditures | 10,074,294 | 10,074,294 | 7,304,375 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | 434,416 | 434,416 | (153,160) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds on Sale of Capital Assets | - | - | 3,350 |
| | | | |
| Total Other Financing Sources (Uses) | - | - | 3,350 |
| NET CHANGE IN FUND BALANCE | | | |
| | \$ 434,416 | \$ 434,416 | (149,810) |
| FUND BALANCE, JANUARY 1 | | | |
| | | | 2,635,259 |
| FUND BALANCE, DECEMBER 31 | | | |
| | | | \$ 2,485,449 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 7,050,000 | \$ 7,050,000 | \$ 6,727,258 |
| Investment Income | 50,000 | 50,000 | 14,329 |
| Total Revenues | 7,100,000 | 7,100,000 | 6,741,587 |
| EXPENDITURES | | | |
| Community Development | | | |
| Contractual Services | 3,535,000 | 3,535,000 | 3,391,616 |
| Capital Outlay | 770,000 | 770,000 | 181,700 |
| Total Expenditures | 4,305,000 | 4,305,000 | 3,573,316 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 2,795,000 | 2,795,000 | 3,168,271 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (Out) | (3,640,800) | (3,640,800) | (3,930,077) |
| Total Other Financing Sources (Uses) | (3,640,800) | (3,640,800) | (3,930,077) |
| NET CHANGE IN FUND BALANCE | \$ (845,800) | \$ (845,800) | (761,806) |
| FUND BALANCE, JANUARY 1 | | | 781,277 |
| FUND BALANCE, DECEMBER 31 | | | \$ 19,471 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

1. BUDGETS

Annual budgets are adopted for all governmental (except for the GEMT 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 funds had expenditures in excess of budget:

| Fund | Final Budget | Actual |
|----------------------------|--------------|--------------|
| Firefighters' Pension Fund | \$ 3,435,071 | \$ 4,421,984 |
| Police Pension Fund | 3,214,347 | 4,596,251 |

**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 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 a 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, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 6,522,456 | \$ 6,522,456 | \$ 6,433,050 |
| Home Rule Sales | 5,190,000 | 6,818,432 | 7,675,584 |
| Utilities | 3,201,686 | 3,201,686 | 2,979,368 |
| Franchise | 305,907 | 305,907 | 419,460 |
| Restaurant/Bar | 1,457,000 | 1,639,876 | 2,156,649 |
| Miscellaneous | 567,962 | 664,258 | 1,194,466 |
| Total Taxes | 17,245,011 | 19,152,615 | 20,858,577 |
| Licenses and Permits | | | |
| Licenses | | | |
| Amusement | 4,943 | 4,943 | 4,025 |
| Fire/Life Safety | 22,411 | 22,411 | 13,600 |
| Liquor | 195,000 | 195,000 | 277,644 |
| Rooming House | 12,772 | 12,772 | 10,050 |
| Other | 60,650 | 60,650 | 46,735 |
| Permits | | | |
| Building and Electrical | 424,656 | 424,656 | 653,215 |
| Other | 14,840 | 14,840 | 52,270 |
| Total Licenses and Permits | 735,272 | 735,272 | 1,057,539 |
| Intergovernmental | | | |
| State Sales | 4,975,000 | 5,813,320 | 6,205,962 |
| Income | 4,423,080 | 4,423,080 | 5,787,319 |
| Local Use | 1,750,000 | 1,750,000 | 1,634,277 |
| Replacement | 190,000 | 190,000 | 290,821 |
| Grants | 696,558 | 696,558 | 1,598,172 |
| TIF Property Tax Surplus | 345,000 | 345,000 | 284,815 |
| Total Intergovernmental | 12,379,638 | 13,217,958 | 15,801,366 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--------------------------------|----------------------------|-------------------------|----------------------|
| REVENUES (Continued) | | | |
| Charges for Services | | | |
| Fire Services | \$ 1,111,171 | \$ 1,111,171 | \$ 1,026,811 |
| Ambulance Fees | 2,400,000 | 2,400,000 | 3,477,605 |
| Police Services | 21,074 | 21,074 | 28,455 |
| Zoning Fees | 15,934 | 15,934 | 9,400 |
| Inspection Fees | 4,464 | 4,464 | 2,000 |
| Administration Fees | 135,000 | 135,000 | 145,716 |
| Fuel Sales | 39,452 | 39,452 | 19,910 |
| Rental Crime Free Registration | 136,861 | 136,861 | 191,413 |
| Plan Review Fees | 35,213 | 35,213 | 40,546 |
| Background Check Fee | 1,199 | 1,199 | - |
| Total Charges for Services | 3,900,368 | 3,900,368 | 4,941,856 |
| Fines and Forfeitures | | | |
| Circuit Court | 137,353 | 137,353 | 121,315 |
| Tow | 121,376 | 121,376 | 109,471 |
| Parking | 119,458 | 119,458 | 99,140 |
| Abatement | 1,347 | 1,347 | 2,621 |
| False Fire Alarm | 22,198 | 22,198 | 45,150 |
| DUI | 15,360 | 15,360 | 16,609 |
| Police Forfeitures | 14,113 | 14,113 | 11,876 |
| Other | 82,221 | 82,221 | 70,101 |
| Total Fines and Forfeitures | 513,426 | 513,426 | 476,283 |
| Investment Income | 180,000 | 180,000 | 17,675 |
| Miscellaneous | | | |
| Refunds/Reimbursements | 469,550 | 469,550 | 519,412 |
| Miscellaneous | 27,869 | 27,869 | 30,079 |
| Total Miscellaneous | 497,419 | 497,419 | 549,491 |
| TOTAL REVENUES | \$ 35,451,134 | \$ 38,197,058 | \$ 43,702,787 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|----------------------|
| GENERAL GOVERNMENT | | | |
| Elected Officials | \$ 86,204 | \$ 86,204 | \$ 82,686 |
| Municipal Band | 41,088 | 41,088 | 41,088 |
| City Manager's Office Administration | 807,542 | 815,542 | 784,341 |
| Human Resources Division | 226,668 | 281,948 | 270,359 |
| General Fund Support Service | 3,146,676 | 3,741,676 | 3,636,661 |
| Finance Administration | 312,235 | 317,735 | 312,345 |
| Information and Technology | 827,315 | 869,075 | 781,994 |
| Less Administrative Costs Charged to Other Departments and Funds | (467,000) | (564,500) | (427,108) |
| Total General Government | 4,980,728 | 5,588,768 | 5,482,366 |
| PUBLIC SAFETY | | | |
| Police Protection | 13,521,877 | 14,368,164 | 14,363,965 |
| Fire Protection | 11,244,178 | 12,468,546 | 12,678,568 |
| Total Public Safety | 24,766,055 | 26,836,710 | 27,042,533 |
| HIGHWAYS AND STREETS | | | |
| Public Works Administration | 262,091 | 262,091 | 263,635 |
| Public Facilities and Fleet Maintenance | 514,937 | 514,937 | 428,588 |
| Streets | 1,982,980 | 1,982,980 | 1,994,333 |
| Engineering | 108,984 | 108,984 | 100,316 |
| Total Highways and Streets | 2,868,992 | 2,868,992 | 2,786,872 |
| COMMUNITY DEVELOPMENT | | | |
| Community Development Administration | 519,183 | 519,183 | 514,608 |
| Building and Code Enforcement | 576,909 | 576,909 | 561,096 |
| Total Community Development | 1,096,092 | 1,096,092 | 1,075,704 |
| TOTAL EXPENDITURES | \$ 33,711,867 | \$ 36,390,562 | \$ 36,387,475 |

(See independent auditor's report.)

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| GENERAL GOVERNMENT | | | |
| Elected Officials | | | |
| Personnel Services | \$ 69,849 | \$ 69,849 | \$ 69,851 |
| Commodities | 520 | 520 | 1,159 |
| Contractual Services | 15,835 | 15,835 | 11,676 |
| Total Elected Officials | 86,204 | 86,204 | 82,686 |
| Municipal Band | | | |
| Contractual Services | 41,088 | 41,088 | 41,088 |
| Total Municipal Band | 41,088 | 41,088 | 41,088 |
| City Manager's Office Administration | | | |
| Personnel Services | 583,393 | 583,393 | 559,372 |
| Commodities | 2,250 | 2,250 | 2,103 |
| Contractual Services | 221,899 | 229,899 | 222,866 |
| Total City Manager's Office Administration | 807,542 | 815,542 | 784,341 |
| Human Resources Division | | | |
| Personnel Services | 174,743 | 203,363 | 202,589 |
| Commodities | 1,100 | 2,320 | 1,856 |
| Contractual Services | 50,825 | 76,265 | 65,914 |
| Total Human Resource Division | 226,668 | 281,948 | 270,359 |
| General Fund Support Service | | | |
| Personnel Services | 1,049,876 | 1,444,876 | 1,444,876 |
| Contractual Services | 1,612,150 | 1,812,150 | 1,701,160 |
| Intergovernmental | 484,650 | 484,650 | 490,625 |
| Total General Fund Support Service | 3,146,676 | 3,741,676 | 3,636,661 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|---------------|
| GENERAL GOVERNMENT (Continued) | | | |
| Finance Administration | | | |
| Personnel Services | \$ 247,601 | \$ 250,601 | \$ 247,994 |
| Commodities | 6,670 | 6,670 | 5,344 |
| Contractual Services | 57,964 | 60,464 | 58,285 |
| Capital Outlay | - | - | 722 |
| Total Finance Administration | 312,235 | 317,735 | 312,345 |
| Information and Technology | | | |
| Personnel Services | 344,313 | 344,313 | 337,965 |
| Commodities | 23,395 | 37,895 | 37,420 |
| Contractual Services | 450,607 | 468,867 | 390,082 |
| Capital Outlay | 9,000 | 18,000 | 16,527 |
| Total Information and Technology | 827,315 | 869,075 | 781,994 |
| Less Administrative Costs Charged to Other Departments and Funds | (467,000) | (564,500) | (427,108) |
| Total General Government | 4,980,728 | 5,588,768 | 5,482,366 |
| PUBLIC SAFETY | | | |
| Police Protection | | | |
| Police Department Administration | | | |
| Personnel Services | 342,052 | 352,352 | 360,708 |
| Commodities | 95,638 | 95,638 | 107,687 |
| Contractual Services | 86,950 | 86,950 | 91,938 |
| Total Police Department Administration | 524,640 | 534,940 | 560,333 |
| Patrol Services | | | |
| Personnel Services | 7,494,762 | 8,145,353 | 8,249,804 |
| Commodities | 97,186 | 97,186 | 126,142 |
| Contractual Services | 77,575 | 77,575 | 93,178 |
| Capital Outlay | 2,000 | 2,000 | 3,118 |
| Total Patrol Services | 7,671,523 | 8,322,114 | 8,472,242 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| PUBLIC SAFETY (Continued) | | | |
| Police Protection (Continued) | | | |
| Communications | | | |
| Personnel Services | \$ 825,217 | \$ 825,217 | \$ 1,151,171 |
| Commodities | 3,325 | 3,325 | 3,471 |
| Contractual Services | 9,956 | 9,956 | 4,784 |
| Total Communications | 838,498 | 838,498 | 1,159,426 |
| Criminal Investigations | | | |
| Personnel Services | 2,251,270 | 2,364,568 | 2,351,888 |
| Commodities | 15,750 | 15,750 | 25,231 |
| Contractual Services | 24,604 | 24,604 | 28,231 |
| Total Criminal Investigations | 2,291,624 | 2,404,922 | 2,405,350 |
| Police Department Special Services | | | |
| Personnel Services | 2,177,403 | 2,171,227 | 1,669,549 |
| Commodities | 7,208 | 7,208 | 8,708 |
| Contractual Services | 10,981 | 89,255 | 88,357 |
| Total Police Department Special Services | 2,195,592 | 2,267,690 | 1,766,614 |
| Total Police Protection | 13,521,877 | 14,368,164 | 14,363,965 |
| Fire Protection | | | |
| Fire Department Administration | | | |
| Personnel Services | 562,756 | 590,399 | 713,941 |
| Commodities | 34,780 | 34,780 | 59,529 |
| Contractual Services | 76,075 | 76,075 | 100,058 |
| Total Fire Department Administration | 673,611 | 701,254 | 873,528 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|---------------|
| PUBLIC SAFETY (Continued) | | | |
| Fire Protection (Continued) | | | |
| Fire Department Operations | | | |
| Personnel Services | \$ 10,325,927 | \$ 11,522,652 | \$ 11,484,489 |
| Commodities | 83,200 | 83,200 | 123,755 |
| Contractual Services | 157,940 | 157,940 | 196,411 |
| Capital Outlay | 3,500 | 3,500 | 385 |
| | | | |
| Total Fire Department Operations | 10,570,567 | 11,767,292 | 11,805,040 |
| | | | |
| Total Fire Protection | 11,244,178 | 12,468,546 | 12,678,568 |
| | | | |
| Total Public Safety | 24,766,055 | 26,836,710 | 27,042,533 |
| | | | |
| HIGHWAYS AND STREETS | | | |
| Public Works Administration | | | |
| Personnel Services | 253,791 | 253,791 | 254,916 |
| Commodities | 200 | 200 | - |
| Contractual Services | 8,100 | 8,100 | 8,719 |
| | | | |
| Total Public Works Administration | 262,091 | 262,091 | 263,635 |
| | | | |
| Public Facilities and Fleet Maintenance | | | |
| Personnel Services | 221,187 | 221,187 | 221,951 |
| Commodities | 29,650 | 29,650 | 22,267 |
| Contractual Services | 264,100 | 264,100 | 184,370 |
| | | | |
| Total Public Facilities and Fleet Maintenance | 514,937 | 514,937 | 428,588 |
| | | | |
| Streets | | | |
| Personnel Services | 1,393,240 | 1,393,240 | 1,408,904 |
| Commodities | 271,250 | 271,250 | 229,644 |
| Contractual Services | 310,990 | 310,990 | 354,982 |
| Capital Outlay | 7,500 | 7,500 | 803 |
| | | | |
| Total Streets | 1,982,980 | 1,982,980 | 1,994,333 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|----------------------|
| HIGHWAYS AND STREETS (Continued) | | | |
| Engineering | | | |
| Personnel Services | \$ 102,834 | \$ 102,834 | \$ 98,452 |
| Commodities | 5,550 | 5,550 | - |
| Contractual Services | 600 | 600 | 1,864 |
| | | | |
| Total Engineering | 108,984 | 108,984 | 100,316 |
| | | | |
| Total Highways and Streets | 2,868,992 | 2,868,992 | 2,786,872 |
| | | | |
| COMMUNITY DEVELOPMENT | | | |
| Community Development Administration | | | |
| Personnel Services | 250,958 | 250,958 | 252,126 |
| Commodities | 3,300 | 3,300 | 2,816 |
| Contractual Services | 264,925 | 264,925 | 259,666 |
| | | | |
| Total Community Development Administration | 519,183 | 519,183 | 514,608 |
| | | | |
| Building and Code Enforcement | | | |
| Personnel Services | 524,051 | 524,051 | 500,690 |
| Commodities | 1,300 | 1,300 | 2,018 |
| Contractual Services | 51,558 | 51,558 | 58,388 |
| | | | |
| Total Building and Code Enforcement | 576,909 | 576,909 | 561,096 |
| | | | |
| Total Community Development | 1,096,092 | 1,096,092 | 1,075,704 |
| | | | |
| TOTAL EXPENDITURES | \$ 33,711,867 | \$ 36,390,562 | \$ 36,387,475 |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The American Rescue Plan Act Grant Fund is used to account for grant funds received from the U.S. Treasury in response to the COVID-19 pandemic.

The GEMT Fund is used to account for federal Ground Emergency Medical Transportation program funds, which provides gap funding between Medicaid-paid ambulance transports and the actual cost of the ambulance service. The funds will be expended on fire related purposes.

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 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 924 Greenbriar Special Service Area #28 Fund is used to account for the accumulation of resources for improvements for Special Service Area #28.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

The Market Square Special Service Area #29 Fund is used to account for the accumulation of resources for improvements for Special Service Area #29.

The Hunter Ridgebrook Special Service Area #30 Fund is used to account for the accumulation of resources for improvements for Special Service Area #30.

The Tax Increment Financing #3 Fund is used to account for redevelopment activities within a 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.

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 Capital Equipment Replacement 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, 2021

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|--|----------------------|------------------|---------------------|--|
| ASSETS | | | | |
| Cash and Investments | \$ 10,365,447 | \$ 85,911 | \$ 1,362,723 | \$ 11,814,081 |
| Receivables | | | | |
| Property Taxes | 631,754 | - | - | 631,754 |
| Other Taxes | - | 5,877 | 160,279 | 166,156 |
| Due from Other Governments | 236,587 | - | 1,585,109 | 1,821,696 |
| Due from Other Funds | - | - | 26,704 | 26,704 |
| TOTAL ASSETS | \$ 11,233,788 | \$ 91,788 | \$ 3,134,815 | \$ 14,460,391 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 930,465 | \$ - | \$ 1,017,506 | \$ 1,947,971 |
| Unearned Revenue | 1,222,355 | - | 14,557 | 1,236,912 |
| Due to Other Funds | 26,704 | - | - | 26,704 |
| Total Liabilities | 2,179,524 | - | 1,032,063 | 3,211,587 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Property Taxes | 631,754 | - | - | 631,754 |
| Total Liabilities and Deferred Inflows of Resources | 2,811,278 | - | 1,032,063 | 3,843,341 |
| FUND BALANCES | | | | |
| Restricted | | | | |
| Public Safety | 69,549 | - | - | 69,549 |
| Highways and Streets | 4,096,115 | - | - | 4,096,115 |
| Economic Development | 3,626,801 | - | - | 3,626,801 |
| Specific Purpose | 304,184 | - | - | 304,184 |
| Assigned for Debt Service | - | 91,788 | - | 91,788 |
| Assigned for Public Safety | 325,748 | - | - | 325,748 |
| Assigned for Specific Purpose | 113 | - | - | 113 |
| Assigned for Capital Projects | - | - | 2,102,752 | 2,102,752 |
| Total Fund Balances | 8,422,510 | 91,788 | 2,102,752 | 10,617,050 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 11,233,788 | \$ 91,788 | \$ 3,134,815 | \$ 14,460,391 |

(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, 2021

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|--|----------------------------|-------------------------|-----------------------------|--|
| REVENUES | | | | |
| Taxes | \$ 865,836 | \$ 64,367 | \$ 1,082,475 | \$ 2,012,678 |
| Intergovernmental | 5,158,002 | - | 1,935,389 | 7,093,391 |
| Charges for Services | 338,427 | - | 218,260 | 556,687 |
| Fines and Forfeitures | - | 37,130 | - | 37,130 |
| Investment Income | 3,226 | - | 104 | 3,330 |
| Miscellaneous | 20,017 | - | 381,857 | 401,874 |
| Total Revenues | 6,385,508 | 101,497 | 3,618,085 | 10,105,090 |
| EXPENDITURES | | | | |
| General Government | 1,047,945 | - | 405,507 | 1,453,452 |
| Public Safety | 62,803 | - | - | 62,803 |
| Highways and Streets | 1,201,883 | - | - | 1,201,883 |
| Community Development | 2,801 | - | - | 2,801 |
| Capital Outlay | 3,802,886 | - | 2,415,591 | 6,218,477 |
| Debt Service | | | | |
| Principal Retirement | - | 1,145,000 | 133,723 | 1,278,723 |
| Interest and Fiscal Charges | - | 48,727 | 27,277 | 76,004 |
| Total Expenditures | 6,118,318 | 1,193,727 | 2,982,098 | 10,294,143 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 267,190 | (1,092,230) | 635,987 | (189,053) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 2,650,000 | 1,190,800 | 47,500 | 3,888,300 |
| Transfers (Out) | (28,723) | - | (124,985) | (153,708) |
| Capital Lease Issuance | - | - | 305,464 | 305,464 |
| Proceeds from Sale of Capital Assets | - | - | 84,735 | 84,735 |
| Total Other Financing Sources (Uses) | 2,621,277 | 1,190,800 | 312,714 | 4,124,791 |
| NET CHANGE IN FUND BALANCES | 2,888,467 | 98,570 | 948,701 | 3,935,738 |
| FUND BALANCES (DEFICIT), JANUARY 1 | 5,534,043 | (6,782) | 1,154,051 | 6,681,312 |
| FUND BALANCES, DECEMBER 31 | \$ 8,422,510 | \$ 91,788 | \$ 2,102,752 | \$ 10,617,050 |

(See independent auditor's report.)

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

December 31, 2021

| | American Rescue Plan Act Grant | GEMT | Motor Fuel Tax | Foreign Fire Insurance Tax |
|--|---|-------------------|---------------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 1,272,467 | \$ 651,490 | \$ 4,411,446 | \$ 69,549 |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | - | - | - | - |
| Property Taxes | - | - | 163,733 | - |
| Due from Other Governments | - | - | - | - |
| TOTAL ASSETS | \$ 1,272,467 | \$ 651,490 | \$ 4,575,179 | \$ 69,549 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 49,999 | \$ 325,742 | \$ 479,064 | \$ - |
| Unearned Revenue | 1,222,355 | - | - | - |
| Due to Other Funds | - | - | - | - |
| Total Liabilities | 1,272,354 | 325,742 | 479,064 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Property Taxes | - | - | - | - |
| Total Liabilities and Deferred Inflows of Resources | 1,272,354 | 325,742 | 479,064 | - |
| FUND BALANCES | | | | |
| Restricted | | | | |
| Public Safety | - | - | - | 69,549 |
| Highways and Streets | - | - | 4,096,115 | - |
| Economic Development | - | - | - | - |
| Specific Purpose | - | - | - | - |
| Assigned for Public Safety | - | 325,748 | - | - |
| Assigned for Specific Purpose | 113 | - | - | - |
| Total Fund Balances | 113 | 325,748 | 4,096,115 | 69,549 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 1,272,467 | \$ 651,490 | \$ 4,575,179 | \$ 69,549 |

| Housing Rehabilitation | Community Development Block Grant | Heritage Ridge Special Service Area #3 | Knolls Special Service Area #4 | Greek Row Special Service Area #6 | Heartland Fields Special Service Area #14 | 924 Greenbriar Special Service Area #28 |
|-----------------------------------|--|---|---|--|--|--|
| \$ 70,282 | \$ 38 | \$ 2,336 | \$ 4,421 | \$ 14,971 | \$ 10,952 | \$ - |
| - | - | 1,000 | 5,500 | 15,500 | 2,500 | - |
| - | 72,854 | - | - | - | - | - |
| \$ 70,282 | \$ 72,892 | \$ 3,336 | \$ 9,921 | \$ 30,471 | \$ 13,452 | \$ - |
| \$ - | \$ 46,188 | \$ - | \$ 1,300 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | 26,704 | - | - | - | - | - |
| - | 72,892 | - | 1,300 | - | - | - |
| - | - | 1,000 | 5,500 | 15,500 | 2,500 | - |
| - | 72,892 | 1,000 | 6,800 | 15,500 | 2,500 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 70,282 | - | 2,336 | 3,121 | 14,971 | 10,952 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 70,282 | - | 2,336 | 3,121 | 14,971 | 10,952 | - |
| \$ 70,282 | \$ 72,892 | \$ 3,336 | \$ 9,921 | \$ 30,471 | \$ 13,452 | \$ - |

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

| | Market Square Special Service Area #29 | Hunter Ridgebrook Special Service Area #30 | TIF Increment Financing #3 | Total |
|--|--|--|----------------------------------|----------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 200,018 | \$ 2,504 | \$ 3,654,973 | \$ 10,365,447 |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | | | | |
| Property Taxes | 50,000 | 50,000 | 507,254 | 631,754 |
| Due from Other Governments | - | - | - | 236,587 |
| TOTAL ASSETS | \$ 250,018 | \$ 52,504 | \$ 4,162,227 | \$ 11,233,788 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUNDS BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ 28,172 | \$ 930,465 |
| Unearned Revenue | - | - | - | 1,222,355 |
| Due to Other Funds | - | - | - | 26,704 |
| Total Liabilities | - | - | 28,172 | 2,179,524 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Property Taxes | 50,000 | 50,000 | 507,254 | 631,754 |
| Total Liabilities and Deferred Inflows of Resources | 50,000 | 50,000 | 535,426 | 2,811,278 |
| FUND BALANCES | | | | |
| Restricted | | | | |
| Public Safety | - | - | - | 69,549 |
| Highways and Streets | - | - | - | 4,096,115 |
| Economic Development | - | - | 3,626,801 | 3,626,801 |
| Specific Purpose | 200,018 | 2,504 | - | 304,184 |
| Assigned for Public Safety | - | - | - | 325,748 |
| Assigned for Specific Purpose | - | - | - | 113 |
| Total Fund Balances | 200,018 | 2,504 | 3,626,801 | 8,422,510 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 250,018 | \$ 52,504 | \$ 4,162,227 | \$ 11,233,788 |

(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, 2021

| | American Rescue Act Plan Grant | GEMT | Motor Fuel Tax | Foreign Fire Insurance Tax |
|--|---|-------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 72,923 |
| Charges for Services | 12,684 | 325,743 | - | - |
| Intergovernmental | 1,478,105 | - | 2,759,400 | - |
| Investment Income | 113 | 5 | 1,960 | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 1,490,902 | 325,748 | 2,761,360 | 72,923 |
| EXPENDITURES | | | | |
| General Government | 356,076 | - | - | - |
| Public Safety | - | - | - | 62,803 |
| Highways and Streets | - | - | 1,201,883 | - |
| Community Development | - | - | - | - |
| Capital Outlay | 1,134,713 | - | 1,548,588 | 23,611 |
| Total Expenditures | 1,490,789 | - | 2,750,471 | 86,414 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 113 | 325,748 | 10,889 | (13,491) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | - |
| Transfers (Out) | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| NET CHANGE IN FUND BALANCES | 113 | 325,748 | 10,889 | (13,491) |
| FUND BALANCES, JANUARY 1 | - | - | 4,085,226 | 83,040 |
| FUND BALANCES, DECEMBER 31 | \$ 113 | \$ 325,748 | \$ 4,096,115 | \$ 69,549 |

| Housing Rehabilitation | Community Development Block Grant | Heritage Ridge Special Service Area #3 | Knolls Special Service Area #4 | Greek Row Special Service Area #6 | Heartland Fields Special Service Area #14 | 924 Greenbriar Special Service Area #28 |
|-----------------------------------|--|---|---|--|--|--|
| \$ - | \$ - | \$ 999 | \$ 5,490 | \$ 16,401 | \$ 2,500 | \$ 8,704 |
| - | - | - | - | - | - | - |
| - | 920,497 | - | - | - | - | - |
| 35 | - | - | 1 | 2 | 1 | - |
| - | - | - | - | - | - | 20,017 |
| 35 | 920,497 | 999 | 5,491 | 16,403 | 2,501 | 28,721 |
| 278 | 576,234 | 1,298 | 4,398 | 11,661 | 500 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 70 | 344,263 | - | - | - | - | - |
| 348 | 920,497 | 1,298 | 4,398 | 11,661 | 500 | - |
| (313) | - | (299) | 1,093 | 4,742 | 2,001 | 28,721 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | (28,723) |
| - | - | - | - | - | - | (28,723) |
| (313) | - | (299) | 1,093 | 4,742 | 2,001 | (2) |
| 70,595 | - | 2,635 | 2,028 | 10,229 | 8,951 | 2 |
| \$ 70,282 | \$ - | \$ 2,336 | \$ 3,121 | \$ 14,971 | \$ 10,952 | \$ - |

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2021

| | Market Square Special Service Area #29 | Hunter Ridgebrook Special Service Area #30 | TIF Increment Financing #3 | Total |
|--|---|---|---|---------------------|
| REVENUES | | | | |
| Taxes | \$ 200,007 | \$ 100,003 | \$ 458,809 | \$ 865,836 |
| Charges for Services | - | - | - | 338,427 |
| Intergovernmental | - | - | - | 5,158,002 |
| Investment Income | 11 | 1 | 1,097 | 3,226 |
| Miscellaneous | - | - | - | 20,017 |
| Total Revenues | 200,018 | 100,004 | 459,906 | 6,385,508 |
| EXPENDITURES | | | | |
| General Government | - | 97,500 | - | 1,047,945 |
| Public Safety | - | - | - | 62,803 |
| Highways and Streets | - | - | - | 1,201,883 |
| Community Development | - | - | 2,801 | 2,801 |
| Capital Outlay | - | - | 751,641 | 3,802,886 |
| Total Expenditures | - | 97,500 | 754,442 | 6,118,318 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 200,018 | 2,504 | (294,536) | 267,190 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 2,650,000 | 2,650,000 |
| Transfers (Out) | - | - | - | (28,723) |
| Total Other Financing Sources (Uses) | - | - | 2,650,000 | 2,621,277 |
| NET CHANGE IN FUND BALANCES | 200,018 | 2,504 | 2,355,464 | 2,888,467 |
| FUND BALANCES, JANUARY 1 | - | - | 1,271,337 | 5,534,043 |
| FUND BALANCES, DECEMBER 31 | \$ 200,018 | \$ 2,504 | \$ 3,626,801 | \$ 8,422,510 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT GRANT FUND**

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Intergovernmental | | | |
| Grants | \$ - | \$ 5,211,477 | \$ 1,478,105 |
| Charges for Services | | | |
| Rental Income | - | - | 12,684 |
| Interest Income | - | 30,000 | 113 |
| | | | |
| Total Revenues | - | 5,241,477 | 1,490,902 |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | - | 546,644 | 356,076 |
| Capital Outlay | - | 1,200,000 | 1,134,713 |
| | | | |
| Total Expenditures | - | 1,746,644 | 1,490,789 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | 3,494,833 | 113 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (Out) | - | (2,397,996) | - |
| | | | |
| Total Other Financing Sources (Uses) | - | (2,397,996) | - |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 1,096,837</u> | 113 |
| FUND BALANCE, JANUARY 1 | | | <u>-</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 113</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|-----------------------------------|------------------------------|------------------------------|----------------------------|
| REVENUES | | | |
| Intergovernmental | | | |
| State Motor Fuel Tax | \$ 1,375,000 | \$ 1,489,536 | \$ 1,792,150 |
| REBUILD Illinois Funds | 967,250 | 967,250 | 967,250 |
| Investment Income | 50,000 | 50,000 | 1,960 |
| | | | |
| Total Revenues | 2,392,250 | 2,506,786 | 2,761,360 |
| EXPENDITURES | | | |
| Highways and Streets | | | |
| Commodities | 350,000 | 350,000 | 292,169 |
| Contractual Services | 1,125,000 | 1,125,000 | 909,714 |
| Capital Outlay | 3,110,000 | 3,110,000 | 1,548,588 |
| | | | |
| Total Expenditures | 4,585,000 | 4,585,000 | 2,750,471 |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (2,192,750)</u></u> | <u><u>\$ (2,078,214)</u></u> | 10,889 |
| FUND BALANCE, JANUARY 1 | | | <u>4,085,226</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 4,096,115</u></u> |

(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, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Taxes | | | |
| Foreign Fire Insurance Tax | \$ 58,669 | \$ 72,919 | \$ 72,923 |
| Total Revenues | 58,669 | 72,919 | 72,923 |
| EXPENDITURES | | | |
| Public Safety | | | |
| Commodities | 15,450 | 40,450 | 49,160 |
| Contractual Services | 3,332 | 3,332 | 13,643 |
| Capital Outlay | 39,887 | 47,887 | 23,611 |
| Total Expenditures | 58,669 | 91,669 | 86,414 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (18,750) | (13,491) |
| FUND BALANCE, JANUARY 1 | | | 83,040 |
| FUND BALANCE, DECEMBER 31 | | | \$ 69,549 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------|----------------------------|-------------------------|------------------|
| REVENUES | | | |
| Investment Income | \$ 250 | \$ 250 | \$ 35 |
| Total Revenues | 250 | 250 | 35 |
| EXPENDITURES | | | |
| Current | | | |
| General Government | | | |
| Contractual Services | 352 | 352 | 278 |
| Capital Outlay | 65,736 | 65,736 | 70 |
| Total Expenditures | 66,088 | 66,088 | 348 |
| NET CHANGE IN FUND BALANCE | <u>\$ (65,838)</u> | <u>\$ (65,838)</u> | (313) |
| FUND BALANCE, JANUARY 1 | | | <u>70,595</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 70,282</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|-----------------------------|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Intergovernmental Grants | \$ 400,000 | \$ 920,500 | \$ 920,497 |
| Total Revenues | 400,000 | 920,500 | 920,497 |
| EXPENDITURES | | | |
| General Government | | | |
| Commodities | 100 | 100 | 107 |
| Contractual Services | 289,900 | 574,900 | 576,127 |
| Capital Outlay | 110,000 | 345,500 | 344,263 |
| Total Expenditures | 400,000 | 920,500 | 920,497 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ - | - |
| FUND BALANCE, JANUARY 1 | | | - |
| FUND BALANCE, DECEMBER 31 | | | \$ - |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------|----------------------------|-------------------------|-----------------------|
| <hr/> | | | |
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 1,000 | \$ 1,000 | \$ 999 |
| | <hr/> | | |
| Total Revenues | 1,000 | 1,000 | 999 |
| | <hr/> | | |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | 1,025 | 1,300 | 1,298 |
| | <hr/> | | |
| Total Expenditures | 1,025 | 1,300 | 1,298 |
| | <hr/> | | |
| NET CHANGE IN FUND BALANCE | <u>\$ (25)</u> | <u>\$ (300)</u> | (299) |
| FUND BALANCE, JANUARY 1 | | | <hr/> 2,635 |
| FUND BALANCE, DECEMBER 31 | | | <hr/> <u>\$ 2,336</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------|----------------------------|-------------------------|-----------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 5,500 | \$ 5,500 | \$ 5,490 |
| Investment Income | - | - | 1 |
| Total Revenues | 5,500 | 5,500 | 5,491 |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | 5,000 | 5,000 | 4,398 |
| Total Expenditures | 5,000 | 5,000 | 4,398 |
| NET CHANGE IN FUND BALANCE | <u>\$ 500</u> | <u>\$ 500</u> | 1,093 |
| FUND BALANCE, JANUARY 1 | | | <u>2,028</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 3,121</u> |

(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, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------------|-------------------------|-------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 15,500 | \$ 15,500 | \$ 16,401 |
| Investment Income | - | - | 2 |
| Total Revenues | 15,500 | 15,500 | 16,403 |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | 15,500 | 15,500 | 11,661 |
| Total Expenditures | 15,500 | 15,500 | 11,661 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 4,742 |
| FUND BALANCE, JANUARY 1 | | | <u>10,229</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 14,971</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|-----------------------------------|----------------------------|-------------------------|-------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Investment Income | - | - | 1 |
| Total Revenues | 2,500 | 2,500 | 2,501 |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | 2,500 | 3,000 | 500 |
| Total Expenditures | 2,500 | 3,000 | 500 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (500)</u> | 2,001 |
| FUND BALANCE, JANUARY 1 | | | <u>8,951</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 10,952</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
924 GREENBRIAR SPECIAL SERVICE AREA #28 FUND**

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 8,704 | \$ 8,704 | \$ 8,704 |
| Miscellaneous Income | - | 20,019 | 20,017 |
| Total Revenues | 8,704 | 28,723 | 28,721 |
| EXPENDITURES | | | |
| None | - | - | - |
| EXCESS OF REVENUES OVER EXPENDITURES | 8,704 | 28,723 | 28,721 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (Out) | (8,704) | (28,723) | (28,723) |
| Total Other Financing Sources (Uses) | (8,704) | (28,723) | (28,723) |
| NET CHANGE IN FUND BALANCE | \$ - | \$ - | (2) |
| FUND BALANCE, JANUARY 1 | | | 2 |
| 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
MARKET SQUARE SPECIAL SERVICE AREA #29 FUND**

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|--------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 175,000 | \$ 175,000 | \$ 200,007 |
| Investment Income | - | - | 11 |
| Total Revenues | 175,000 | 175,000 | 200,018 |
| EXPENDITURES | | | |
| Capital Outlay | 172,000 | 172,000 | - |
| EXCESS OF REVENUES OVER EXPENDITURES | 3,000 | 3,000 | 200,018 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (Out) | (500) | - | - |
| Total Other Financing Sources (Uses) | (500) | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,500</u> | <u>\$ 3,000</u> | 200,018 |
| FUND BALANCE, JANUARY 1 | | | <u>-</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 200,018</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HUNTER RIDGEBROOK SPECIAL SERVICE AREA #30 FUND**

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------------|-------------------------|------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 100,000 | \$ 100,000 | \$ 100,003 |
| Investment Income | - | - | 1 |
| Total Revenues | 100,000 | 100,000 | 100,004 |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | 97,500 | 97,500 | 97,500 |
| Total Expenditures | 97,500 | 97,500 | 97,500 |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,500</u> | <u>\$ 2,500</u> | 2,504 |
| FUND BALANCE, JANUARY 1 | | | <u>-</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 2,504</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING #3 FUND**

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|----------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 450,000 | \$ 450,000 | \$ 458,809 |
| Investment Income | 250 | 250 | 1,097 |
| Total Revenues | 450,250 | 450,250 | 459,906 |
| EXPENDITURES | | | |
| Community Development | | | |
| Contractual Services | 7,650 | 7,650 | 2,801 |
| Capital Outlay | 3,010,000 | 3,010,000 | 751,641 |
| Total Expenditures | 3,017,650 | 3,017,650 | 754,442 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,567,400) | (2,567,400) | (294,536) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 2,450,000 | 2,450,000 | 2,650,000 |
| Total Other Financing Sources (Uses) | 2,450,000 | 2,450,000 | 2,650,000 |
| NET CHANGE IN FUND BALANCE | <u>\$ (117,400)</u> | <u>\$ (117,400)</u> | 2,355,464 |
| FUND BALANCE, JANUARY 1 | | | <u>1,271,337</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 3,626,801</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

December 31, 2021

| | General Debt Service | TIF Debt Service | Total |
|--|---------------------------------|-----------------------------|------------------|
| ASSETS | | | |
| Cash and Investments | \$ 85,911 | \$ - | \$ 85,911 |
| Taxes Receivable | 5,877 | - | 5,877 |
| TOTAL ASSETS | \$ 91,788 | \$ - | \$ 91,788 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| None | \$ - | \$ - | \$ - |
| Total Liabilities | - | - | - |
| FUND BALANCES | | | |
| Assigned for Debt Service | 91,788 | - | 91,788 |
| Total Fund Balances | 91,788 | - | 91,788 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 91,788 | \$ - | \$ 91,788 |

(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, 2021

| | General Debt Service | TIF Debt Service | Total |
|--|---------------------------------|-----------------------------|--------------|
| REVENUES | | | |
| Taxes | \$ 64,367 | \$ - | \$ 64,367 |
| Fines and Forfeitures | 37,130 | - | 37,130 |
| | | | |
| Total Revenues | 101,497 | - | 101,497 |
| EXPENDITURES | | | |
| Debt Service | | | |
| Principal | - | 1,145,000 | 1,145,000 |
| Interest and Fiscal Charges | 2,927 | 45,800 | 48,727 |
| | | | |
| Total Expenditures | 2,927 | 1,190,800 | 1,193,727 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 98,570 | (1,190,800) | (1,092,230) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 1,190,800 | 1,190,800 |
| | | | |
| Total Other Financing Sources (Uses) | - | 1,190,800 | 1,190,800 |
| NET CHANGE IN FUND BALANCES | 98,570 | - | 98,570 |
| FUND BALANCES (DEFICIT), JANUARY 1 | (6,782) | - | (6,782) |
| FUND BALANCES, DECEMBER 31 | \$ 91,788 | \$ - | \$ 91,788 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|------------------|
| REVENUES | | | |
| Taxes | | | |
| Hotel/Motel | \$ 49,000 | \$ 50,100 | \$ 64,367 |
| Fines and Forfeitures | 45,000 | 45,000 | 37,130 |
| | | | |
| Total Revenues | 94,000 | 95,100 | 101,497 |
| EXPENDITURES | | | |
| Debt Service | | | |
| Interest and Fiscal Charges | 1,900 | 3,000 | 2,927 |
| | | | |
| Total Expenditures | 1,900 | 3,000 | 2,927 |
| NET CHANGE IN FUND BALANCE | <u>\$ 92,100</u> | <u>\$ 92,100</u> | 98,570 |
| FUND BALANCE (DEFICIT), JANUARY 1 | | | <u>(6,782)</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 91,788</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| None | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - |
| EXPENDITURES | | | |
| Debt Service | | | |
| Principal Retirement | 1,145,000 | 1,145,000 | 1,145,000 |
| Interest and Fiscal Charges | 45,800 | 45,800 | 45,800 |
| Total Expenditures | 1,190,800 | 1,190,800 | 1,190,800 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,190,800) | (1,190,800) | (1,190,800) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 1,190,800 | 1,190,800 | 1,190,800 |
| Total Other Financing Sources (Uses) | 1,190,800 | 1,190,800 | 1,190,800 |
| 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, 2021

| | Capital Projects | Capital Equipment Replacement | Total |
|--|-----------------------------|--|---------------------|
| ASSETS | | | |
| Cash and Investments | \$ 388,596 | \$ 974,127 | \$ 1,362,723 |
| Taxes Receivable | 140,243 | 20,036 | 160,279 |
| Due from Other Governments | 1,585,109 | - | 1,585,109 |
| Due from Other Funds | 26,704 | - | 26,704 |
| TOTAL ASSETS | \$ 2,140,652 | \$ 994,163 | \$ 3,134,815 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 988,804 | \$ 28,702 | \$ 1,017,506 |
| Unearned Revenue | - | 14,557 | 14,557 |
| Total Liabilities | 988,804 | 43,259 | 1,032,063 |
| FUND BALANCES | | | |
| Assigned for Capital Projects | 1,151,848 | 950,904 | 2,102,752 |
| Total Fund Balances | 1,151,848 | 950,904 | 2,102,752 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 2,140,652 | \$ 994,163 | \$ 3,134,815 |

(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, 2021

| | Capital Projects | Capital Equipment Replacement | Total |
|--|-----------------------------|--|--------------|
| REVENUES | | | |
| Taxes | \$ 947,167 | \$ 135,308 | \$ 1,082,475 |
| Charges for Services | - | 218,260 | 218,260 |
| Intergovernmental | 1,935,389 | - | 1,935,389 |
| Investment Income | - | 104 | 104 |
| Miscellaneous Income | 142,500 | 239,357 | 381,857 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 3,025,056 | 593,029 | 3,618,085 |
| EXPENDITURES | | | |
| General Government | | | |
| Commodities | 22,000 | - | 22,000 |
| Contractual Services | 383,507 | - | 383,507 |
| Capital Outlay | 1,904,655 | 510,936 | 2,415,591 |
| Debt Service | | | |
| Principal | - | 133,723 | 133,723 |
| Interest | - | 27,277 | 27,277 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 2,310,162 | 671,936 | 2,982,098 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | <hr/> | <hr/> | <hr/> |
| | 714,894 | (78,907) | 635,987 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 22,500 | 25,000 | 47,500 |
| Transfers (Out) | - | (124,985) | (124,985) |
| Proceeds from Sale of Capital Assets | - | 84,735 | 84,735 |
| Capital Lease Issuance | - | 305,464 | 305,464 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Financing Sources (Uses) | 22,500 | 290,214 | 312,714 |
| NET CHANGE IN FUND BALANCES | | | |
| | <hr/> | <hr/> | <hr/> |
| | 737,394 | 211,307 | 948,701 |
| FUND BALANCES, JANUARY 1 | | | |
| | <hr/> | <hr/> | <hr/> |
| | 414,454 | 739,597 | 1,154,051 |
| FUND BALANCES, DECEMBER 31 | | | |
| | <hr/> | <hr/> | <hr/> |
| | \$ 1,151,848 | \$ 950,904 | \$ 2,102,752 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| REVENUES | | | |
| Taxes | | | |
| Local Motor Fuel Taxes | \$ 800,000 | \$ 800,000 | \$ 947,167 |
| Intergovernmental | | | |
| Grants | 2,940,000 | 2,940,000 | 1,935,389 |
| Miscellaneous | 310,000 | 310,000 | 142,500 |
| Total Revenues | 4,050,000 | 4,050,000 | 3,025,056 |
| EXPENDITURES | | | |
| General Government | | | |
| Commodities | 47,000 | 72,100 | 22,000 |
| Contractual Services | 250,000 | 293,500 | 383,507 |
| Capital Outlay | 3,327,000 | 3,327,000 | 1,904,655 |
| Total Expenditures | 3,624,000 | 3,692,600 | 2,310,162 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 426,000 | 357,400 | 714,894 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 22,500 | 22,500 |
| Proceeds from Sale of Capital Assets | 130,000 | 130,000 | - |
| Total Other Financing Sources (Uses) | 130,000 | 152,500 | 22,500 |
| NET CHANGE IN FUND BALANCE | \$ 556,000 | \$ 509,900 | 737,394 |
| FUND BALANCE, JANUARY 1 | | | 414,454 |
| FUND BALANCE, DECEMBER 31 | | | \$ 1,151,848 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|-------------------|
| REVENUES | | | |
| Taxes | | | |
| Local Motor Fuel Taxes | \$ 175,000 | \$ 175,000 | \$ 135,308 |
| Charges for Services | | | |
| Rental Income | 220,000 | 220,000 | 218,260 |
| Investment Income | 500 | 500 | 104 |
| Miscellaneous Income | 250,000 | 250,000 | 239,357 |
| | | | |
| Total Revenues | 645,500 | 645,500 | 593,029 |
| EXPENDITURES | | | |
| General Government | | | |
| Contractual Services | 20,000 | 20,000 | - |
| Capital Outlay | 470,644 | 785,525 | 510,936 |
| Debt Service | | | |
| Principal | 16,667 | 133,447 | 133,723 |
| Interest | - | 22,119 | 27,277 |
| | | | |
| Total Expenditures | 507,311 | 961,091 | 671,936 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 138,189 | (315,591) | (78,907) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 25,000 | 25,000 |
| Transfers (Out) | - | - | (124,985) |
| Proceeds from Sale of Capital Assets | - | - | 84,735 |
| Capital Lease Issuance | - | 305,464 | 305,464 |
| | | | |
| Total Other Financing Sources (Uses) | - | 330,464 | 290,214 |
| NET CHANGE IN FUND BALANCE | <u>\$ 138,189</u> | <u>\$ 14,873</u> | 211,307 |
| FUND BALANCE, JANUARY 1 | | | <u>739,597</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 950,904</u> |

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

The Water Fund is used to account for the provision of water service to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection. The Water Fund consists of three sub-funds reported as departments: Operations and Maintenance, New Construction and Capital.

The Airport Fund is used to account for the operations of the DeKalb/Taylor Municipal Airport. Financing may be provided from a number of sources including federal and state grants, user fees and local motor fuel 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 NET POSITION
WATER FUND DEPARTMENT ACCOUNTS

December 31, 2021

| | Operations and Maintenance | System Construction | Capital | Eliminations | Total |
|---|----------------------------------|------------------------|--------------|--------------|--------------|
| CURRENT ASSETS | | | | | |
| Cash and Investments | \$ 2,057,578 | \$ 910,823 | \$ 3,938,042 | \$ - | \$ 6,906,443 |
| Receivables | | | | | |
| Accounts Receivable | 2,716,082 | - | - | - | 2,716,082 |
| Total Current Assets | 4,773,660 | 910,823 | 3,938,042 | - | 9,622,525 |
| NONCURRENT ASSETS | | | | | |
| Capital Assets | | | | | |
| Nondepreciable | 1,221,326 | - | - | - | 1,221,326 |
| Depreciable | 53,778,267 | - | - | - | 53,778,267 |
| Accumulated Depreciation | (26,656,234) | - | - | - | (26,656,234) |
| Net Pension Asset - IMRF | 1,233,855 | - | - | - | 1,233,855 |
| Total Noncurrent Assets | 29,577,214 | - | - | - | 29,577,214 |
| Total Assets | 34,350,874 | 910,823 | 3,938,042 | - | 39,199,739 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension Items - IMRF | 80,389 | - | - | - | 80,389 |
| Pension Items - OPEB | 188,575 | - | - | - | 188,575 |
| Asset Retirement Obligation | 417,250 | - | - | - | 417,250 |
| Total Deferred Outflows of Resources | 686,214 | - | - | - | 686,214 |
| Total Assets and Deferred Outflows of Resources | 35,037,088 | 910,823 | 3,938,042 | - | 39,885,953 |

(This schedule is continued on the following page.)

CITY OF DEKALB, ILLINOIS

COMBINING SCHEDULE OF NET POSITION (Continued)
WATER FUND DEPARTMENT ACCOUNTS

December 31, 2021

| | Operations and Maintenance | System Construction | Capital | Eliminations | Total |
|---|---|--------------------------------|----------------|---------------------|---------------|
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | \$ 1,898,051 | \$ - | \$ 312,445 | \$ - | \$ 2,210,496 |
| Accrued Payroll | 38,609 | - | - | - | 38,609 |
| Accrued Interest Payable | 786 | - | - | - | 786 |
| Deposits Payable | 12,550 | - | - | - | 12,550 |
| Unearned Revenue | 58,336 | - | 1,000,000 | - | 1,058,336 |
| OPEB Liability | 50,011 | - | - | - | 50,011 |
| IEPA Loans Payable | 45,005 | - | - | - | 45,005 |
| Compensated Absences Payable | 64,688 | - | - | - | 64,688 |
| Capital Leases | 56,277 | - | - | - | 56,277 |
| Total Current Liabilities | 2,224,313 | - | 1,312,445 | - | 3,536,758 |
| LONG-TERM LIABILITIES | | | | | |
| OPEB Liability | 1,048,299 | - | - | - | 1,048,299 |
| IEPA Loans Payable | 757,841 | - | - | - | 757,841 |
| Compensated Absences Payable | 258,752 | - | - | - | 258,752 |
| Capital Leases | 201,725 | - | - | - | 201,725 |
| Asset Retirement Obligation | 450,000 | - | - | - | 450,000 |
| Total Long-Term Liabilities | 2,716,617 | - | - | - | 2,716,617 |
| Total Liabilities | 4,940,930 | - | 1,312,445 | - | 6,253,375 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension Items - IMRF | 1,791,715 | - | - | - | 1,791,715 |
| Pension Items - OPEB | 57,904 | - | - | - | 57,904 |
| Total Deferred Inflows of Resources | 1,849,619 | - | - | - | 1,849,619 |
| Total Liabilities and Deferred Inflows of Resources | 6,790,549 | - | 1,312,445 | - | 8,102,994 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 27,282,511 | - | - | - | 27,282,511 |
| Unrestricted | 964,028 | 910,823 | 2,625,597 | - | 4,500,448 |
| TOTAL NET POSITION | \$ 28,246,539 | \$ 910,823 | \$ 2,625,597 | \$ - | \$ 31,782,959 |

(See independent auditor's report.)

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, 2021

| | Operations and Maintenance | | | System Construction | | |
|--|----------------------------|-----------------|----------------------|---------------------|-----------------|-------------------|
| | Original Budget | Final Budget | Actual | Original Budget | Final Budget | Actual |
| OPERATING REVENUES | | | | | | |
| Charges for Services | | | | | | |
| Water Sales | \$ 5,490,600 | \$ 5,490,600 | \$ 5,662,693 | \$ 50,000 | \$ 50,000 | \$ 85,570 |
| Permits | 30,000 | 30,000 | 31,396 | - | - | - |
| Miscellaneous | 12,000 | 12,000 | 14,613 | - | - | - |
| Total Operating Revenues | 5,532,600 | 5,532,600 | 5,708,702 | 50,000 | 50,000 | 85,570 |
| OPERATING EXPENSES EXCLUDING DEPRECIATION | | | | | | |
| Personal Services | 2,420,714 | 2,420,714 | 1,542,125 | - | - | - |
| Commodities | 497,800 | 497,800 | 448,109 | - | - | - |
| Contractual Services | 892,575 | 892,575 | 819,866 | - | - | - |
| Other Services/Expenses | 33,000 | 33,000 | 31,390 | - | - | - |
| Equipment | - | 22,677 | 21,248 | - | - | - |
| Total Operating Expenses | 3,844,089 | 3,866,766 | 2,862,738 | - | - | - |
| OPERATING INCOME (LOSS) | 1,688,511 | 1,665,834 | 2,845,964 | 50,000 | 50,000 | 85,570 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Investment Income | 2,000 | 2,000 | 190 | 1,000 | 1,000 | 106 |
| Gain on Sale of Capital Assets | 2,000 | 2,000 | - | - | - | - |
| Principal | (559,731) | (610,689) | (611,185) | - | - | - |
| Interest Expense | (21,414) | (30,233) | (27,189) | - | - | - |
| Total Non-Operating Revenues (Expenses) | (577,145) | (636,922) | (638,184) | 1,000 | 1,000 | 106 |
| NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | 1,111,366 | 1,028,912 | 2,207,780 | 51,000 | 51,000 | 85,676 |
| TRANSFERS | | | | | | |
| Transfers In | - | 8,704 | 2,172,457 | - | - | - |
| Transfers (Out) | (2,022,200) | (2,022,200) | (1,582,090) | - | - | - |
| Total Transfers | (2,022,200) | (2,013,496) | 590,367 | - | - | - |
| CONTRIBUTIONS | | | | | | |
| Capital Contributions | - | - | 1,696,450 | - | - | - |
| Total Contributions | - | - | 1,696,450 | - | - | - |
| CHANGE IN NET POSITION - BUDGETARY BASIS | \$ (910,834) | \$ (984,584) | 4,494,597 | \$ 51,000 | \$ 51,000 | 85,676 |
| ADJUSTMENTS TO GAAP BASIS | | | | | | |
| Additions to Capital Assets | | | - | | | - |
| Principal Payments | | | 611,185 | | | - |
| Depreciation | | | (1,230,320) | | | - |
| Amortization of Asset Retirement Obligation | | | (11,188) | | | - |
| Total Adjustment to GAAP Basis | | | (630,323) | | | - |
| CHANGE IN NET POSITION - GAAP BASIS | | | 3,864,274 | | | 85,676 |
| NET POSITION, JANUARY 1 | | | 23,922,499 | | | 825,147 |
| Prior Period Adjustment | | | 459,766 | | | - |
| NET POSITION, JANUARY 1, RESTATED | | | 24,382,265 | | | 825,147 |
| NET POSITION, DECEMBER 31 | | | <u>\$ 28,246,539</u> | | | <u>\$ 910,823</u> |

(See independent auditor's report.)
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CITY OF DEKALB, ILLINOIS**SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
AIRPORT FUND**

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| OPERATING REVENUES | | | |
| Charges for Services | | | |
| Rents/Taxes | \$ 390,000 | \$ 390,000 | \$ 339,628 |
| Fuel Sales | 425,000 | 500,000 | 509,095 |
| Airport Operations | 30,000 | 30,000 | 22,998 |
| Miscellaneous | 5,500 | 5,500 | 21,732 |
| Total Operating Revenues | 850,500 | 925,500 | 893,453 |
| OPERATING EXPENSES | | | |
| Personal Services | 305,530 | 305,530 | 231,298 |
| Commodities | 372,350 | 432,350 | 419,465 |
| Contractual Services | 216,500 | 216,500 | 218,641 |
| Other Services | 43,600 | 43,600 | 29,330 |
| Equipment | 24,500 | 24,500 | 4,198 |
| Permanent Improvements | 5,000 | 440,000 | 581,125 |
| Total Operating Expenses | 967,480 | 1,462,480 | 1,484,057 |
| OPERATING INCOME (LOSS) | (116,980) | (536,980) | (590,604) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Investment Income | 100 | 100 | 73 |
| State Sales Tax | 4,000 | 4,000 | - |
| Home Rule Sales Tax | 5,500 | 5,500 | 7,806 |
| Home Rule Motor Fuel Tax | 210,000 | 210,000 | 202,958 |
| Principal Expense | (66,125) | (66,125) | (69,000) |
| Interest Expense | (1,561) | (1,561) | - |
| Total Non-Operating Revenues (Expenses) | 151,914 | 151,914 | 141,837 |

(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, 2021

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|-----------------------------|
| NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS | <u>\$ 34,934</u> | <u>\$ (385,066)</u> | <u>\$ (448,767)</u> |
| TRANSFERS | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>214,262</u> |
| Total Transfers | <u>-</u> | <u>-</u> | <u>214,262</u> |
| CONTRIBUTIONS | | | |
| Capital Grants and Contributions | <u>37,500</u> | <u>457,500</u> | <u>555,215</u> |
| Total Contributions | <u>37,500</u> | <u>457,500</u> | <u>555,215</u> |
| CHANGE IN NET POSITION - BUDGETARY BASIS | <u><u>\$ 72,434</u></u> | <u><u>\$ 72,434</u></u> | <u>320,710</u> |
| ADJUSTMENTS TO GAAP BASIS | | | |
| Additions to Capital Assets | | | 143,749 |
| Principal Payments | | | 69,000 |
| Depreciation and Amortization | | | <u>(403,543)</u> |
| Total Adjustments to GAAP Basis | | | <u>(190,794)</u> |
| CHANGE IN NET POSITION | | | 129,916 |
| NET POSITION, JANUARY 1 | | | <u>30,269,910</u> |
| NET POSITION, DECEMBER 31 | | | <u><u>\$ 30,399,826</u></u> |

(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, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| OPERATING REVENUES | | | |
| Charges for Services | \$ 2,055,000 | \$ 2,055,000 | \$ 2,044,023 |
| Miscellaneous | 200 | 200 | 426 |
| Total Operating Revenues | 2,055,200 | 2,055,200 | 2,044,449 |
| OPERATING EXPENSES | | | |
| Contractual Services | 2,105,000 | 2,105,000 | 2,048,917 |
| Total Operating Expenses | 2,105,000 | 2,105,000 | 2,048,917 |
| OPERATING INCOME (LOSS) | (49,800) | (49,800) | (4,468) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Investment Income | 100 | 100 | 6 |
| Total Non-Operating Revenues (Expenses) | 100 | 100 | 6 |
| CHANGE IN NET POSITION | <u>\$ (49,700)</u> | <u>\$ (49,700)</u> | (4,462) |
| NET POSITION, JANUARY 1 | | | <u>5,270</u> |
| NET POSITION, DECEMBER 31 | | | <u>\$ 808</u> |

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Workers' Compensation/Liability Insurance Fund - used to account for self-insurance activity related to workers' compensation, property and general liability. 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 City and Library employees, retirees and other funds.

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

| | Workers' Compensation/ Liability Insurance | Health Insurance | Total |
|-------------------------------|---|-----------------------------|---------------------|
| | | | |
| CURRENT ASSETS | | | |
| Cash and Investments | \$ 2,042,659 | \$ 184,547 | \$ 2,227,206 |
| Receivables | | | |
| Other | 39,807 | 555,464 | 595,271 |
| | | | |
| Total Current Assets | 2,082,466 | 740,011 | 2,822,477 |
| | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 32,565 | 50,534 | 83,099 |
| Claims Payable | 263,370 | - | 263,370 |
| Unearned Revenue | - | 17,345 | 17,345 |
| | | | |
| Total Current Liabilities | 295,935 | 67,879 | 363,814 |
| | | | |
| NONCURRENT LIABILITIES | | | |
| Claims Payable | 263,370 | - | 263,370 |
| | | | |
| Total Noncurrent Liabilities | 263,370 | - | 263,370 |
| | | | |
| Total Liabilities | 559,305 | 67,879 | 627,184 |
| | | | |
| NET POSITION | | | |
| Unrestricted | 1,523,161 | 672,132 | 2,195,293 |
| | | | |
| TOTAL NET POSITION | \$ 1,523,161 | \$ 672,132 | \$ 2,195,293 |

(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, 2021

| | Workers' Compensation/Liability Insurance | | |
|----------------------------------|--|-------------------------|---------------|
| | Original Budget | Final Budget | Actual |
| OPERATING REVENUES | | | |
| Charges for Services | | | |
| Employer Contributions | \$ 681,070 | \$ 1,031,070 | \$ 898,220 |
| Employee Contributions | - | - | - |
| Retiree Contributions | - | - | - |
| Library/Other Contributions | - | - | - |
| Miscellaneous | 55,000 | 55,000 | 124,582 |
| | <hr/> | <hr/> | <hr/> |
| Total Operating Revenues | 736,070 | 1,086,070 | 1,022,802 |
| | <hr/> | <hr/> | <hr/> |
| OPERATING EXPENSES | | | |
| Administration | | | |
| Fringe Benefit Payments | - | - | - |
| Administrative Expenses | 549,000 | 696,500 | 776,911 |
| Health Insurance Premiums | - | - | - |
| Claims | 350,000 | 350,000 | (132,372) |
| | <hr/> | <hr/> | <hr/> |
| Total Operating Expenses | 899,000 | 1,046,500 | 644,539 |
| | <hr/> | <hr/> | <hr/> |
| OPERATING INCOME (LOSS) | (162,930) | 39,570 | 378,263 |
| | <hr/> | <hr/> | <hr/> |
| NON-OPERATING REVENUES | | | |
| Investment Income | 1,000 | 1,000 | 198 |
| | <hr/> | <hr/> | <hr/> |
| Total Non-Operating Revenues | 1,000 | 1,000 | 198 |
| | <hr/> | <hr/> | <hr/> |
| CHANGE IN NET POSITION | \$ (161,930) | \$ 40,570 | 378,461 |
| | <hr/> | <hr/> | <hr/> |
| NET POSITION, JANUARY 1 | | | 1,144,700 |
| | | | <hr/> |
| NET POSITION, DECEMBER 31 | | | \$ 1,523,161 |
| | | | <hr/> |

| Health Insurance | | | Total | | |
|--------------------|-----------------|--------------|--------------------|-----------------|--------------|
| Original Budget | Final Budget | Actual | Original Budget | Final Budget | Actual |
| \$ 4,957,430 | \$ 5,002,430 | \$ 5,063,504 | \$ 5,638,500 | \$ 6,033,500 | \$ 5,961,724 |
| 827,096 | 827,096 | 854,409 | 827,096 | 827,096 | 854,409 |
| 788,179 | 788,179 | 637,919 | 788,179 | 788,179 | 637,919 |
| 298,701 | 298,701 | 275,327 | 298,701 | 298,701 | 275,327 |
| - | - | - | 55,000 | 55,000 | 124,582 |
| 6,871,406 | 6,916,406 | 6,831,159 | 7,607,476 | 8,002,476 | 7,853,961 |
| 305,500 | 367,500 | 331,305 | 305,500 | 367,500 | 331,305 |
| 4,525 | 9,525 | 3,281 | 553,525 | 706,025 | 780,192 |
| 6,815,206 | 6,789,706 | 6,488,764 | 6,815,206 | 6,789,706 | 6,488,764 |
| - | - | - | 350,000 | 350,000 | (132,372) |
| 7,125,231 | 7,166,731 | 6,823,350 | 8,024,231 | 8,213,231 | 7,467,889 |
| (253,825) | (250,325) | 7,809 | (416,755) | (210,755) | 386,072 |
| 135 | 135 | 20 | 1,135 | 1,135 | 218 |
| 135 | 135 | 20 | 1,135 | 1,135 | 218 |
| \$ (253,690) | \$ (250,190) | 7,829 | \$ (415,620) | \$ (209,620) | 386,290 |
| | | 664,303 | | | 1,809,003 |
| | | \$ 672,132 | | | \$ 2,195,293 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2021

| | Workers' Compensation/ Liability Insurance | Health Insurance | Total |
|--|---|---------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Interfund Services Transactions | \$ 884,919 | \$ 5,080,465 | \$ 5,965,384 |
| Receipts from Employees and Others | - | 1,767,655 | 1,767,655 |
| Receipts from Miscellaneous Revenue | 124,582 | - | 124,582 |
| Payments to Suppliers | (1,020,782) | (6,827,967) | (7,848,749) |
| Net Cash from Operating Activities | (11,281) | 20,153 | 8,872 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| None | - | - | - |
| 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 | 198 | 20 | 218 |
| Net Cash from Investing Activities | 198 | 20 | 218 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (11,083) | 20,173 | 9,090 |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | 2,053,742 | 164,374 | 2,218,116 |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | \$ 2,042,659 | \$ 184,547 | \$ 2,227,206 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ 378,263 | \$ 7,809 | \$ 386,072 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities | | | |
| Changes in Assets and Liabilities | | | |
| Receivables | (13,301) | 2,638 | (10,663) |
| Accounts Payable | (2,059) | (4,617) | (6,676) |
| Claims Payable | (374,184) | - | (374,184) |
| Unearned Revenue | - | 14,323 | 14,323 |
| NET CASH FROM OPERATING ACTIVITIES | \$ (11,281) | \$ 20,153 | \$ 8,872 |
| SCHEDULE OF NONCASH TRANSACTIONS | | | |
| None | \$ - | \$ - | \$ - |

(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, 2021

| | Pension Trust | | |
|---|---------------------------|----------------------------------|----------------------|
| | Police Pension | Firefighters' Pension | Total |
| ASSETS | | | |
| Cash and Short-Term Investments | \$ 6,097,024 | \$ 3,379,787 | \$ 9,476,811 |
| Investments | | | |
| U.S. Treasury Obligations | 7,871,968 | 2,815,733 | 10,687,701 |
| U.S. Agency Obligations | 2,465,726 | 1,831,315 | 4,297,041 |
| Corporate Bonds | 1,649,508 | 5,612,627 | 7,262,135 |
| Municipal Bonds | - | 331,670 | 331,670 |
| Mutual Funds | 32,867,722 | 25,362,376 | 58,230,098 |
| Receivables | | | |
| Due from City | 73,914 | 15,306 | 89,220 |
| Accrued Interest | 28,565 | 56,670 | 85,235 |
| Prepaid Expenses | 3,123 | 250 | 3,373 |
| | | | |
| Total Assets | 51,057,550 | 39,405,734 | 90,463,284 |
| LIABILITIES | | | |
| Accounts Payable | 21,931 | 1,709 | 23,640 |
| | | | |
| Total Liabilities | 21,931 | 1,709 | 23,640 |
| | | | |
| NET POSITION RESTRICTED FOR PENSIONS | \$ 51,035,619 | \$ 39,404,025 | \$ 90,439,644 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION PENSION TRUST FUNDS

For the Year Ended December 31, 2021

| | Pension Trust | | |
|--|---------------------------|----------------------------------|---------------|
| | Police Pension | Firefighters' Pension | Total |
| ADDITIONS | | | |
| Contributions | | | |
| Employer Contributions | \$ 3,614,881 | \$ 4,282,230 | \$ 7,897,111 |
| Employee Contributions | 564,388 | 522,552 | 1,086,940 |
| Total Contributions | 4,179,269 | 4,804,782 | 8,984,051 |
| Investment Income | | | |
| Net Appreciation in Fair Value of Investments | 3,865,651 | 3,446,278 | 7,311,929 |
| Interest | 1,883,752 | 1,502,112 | 3,385,864 |
| Total Investment Income | 5,749,403 | 4,948,390 | 10,697,793 |
| Less Investment Expense | (72,835) | (49,848) | (122,683) |
| Net Investment Income | 5,676,568 | 4,898,542 | 10,575,110 |
| Total Additions | 9,855,837 | 9,703,324 | 19,559,161 |
| DEDUCTIONS | | | |
| Administrative Expenses | 61,055 | 43,066 | 104,121 |
| Benefits and Refunds | 4,462,361 | 4,329,070 | 8,791,431 |
| Total Deductions | 4,523,416 | 4,372,136 | 8,895,552 |
| NET INCREASE | 5,332,421 | 5,331,188 | 10,663,609 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| January 1 | 45,703,198 | 34,072,837 | 79,776,035 |
| December 31 | \$ 51,035,619 | \$ 39,404,025 | \$ 90,439,644 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**STATEMENT OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND**

For the Year Ended December 31, 2021

| | Police Pension | | |
|--|----------------------------|-------------------------|---------------|
| | Original Budget | Final Budget | Actual |
| ADDITIONS | | | |
| Contributions | | | |
| Employer Contributions | \$ 3,614,881 | \$ 3,614,881 | \$ 3,614,881 |
| Employee Contributions | 623,416 | 623,416 | 564,388 |
| Total Contributions | 4,238,297 | 4,238,297 | 4,179,269 |
| Investment Income | | | |
| Net Appreciation in Fair Value of Investments | 1,657,405 | 1,657,405 | 3,865,651 |
| Interest | 1,243,054 | 1,243,054 | 1,883,752 |
| Total Investment Income | 2,900,459 | 2,900,459 | 5,749,403 |
| Less Investment Expense | (62,153) | (62,153) | (72,835) |
| Net Investment Income | 2,838,306 | 2,838,306 | 5,676,568 |
| Total Additions | 7,076,603 | 7,076,603 | 9,855,837 |
| DEDUCTIONS | | | |
| Administrative Expenses | 84,522 | 84,522 | 61,055 |
| Benefits and Refunds | 3,067,672 | 3,067,672 | 4,462,361 |
| Total Deductions | 3,152,194 | 3,152,194 | 4,523,416 |
| NET INCREASE | \$ 3,924,409 | \$ 3,924,409 | 5,332,421 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| January 1 | | | 45,703,198 |
| December 31 | | | \$ 51,035,619 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**STATEMENT OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
FIREFIGHTERS' PENSION FUND**

For the Year Ended December 31, 2021

| | Firefighters' Pension | | |
|--|------------------------------|-------------------------|----------------------|
| | Original Budget | Final Budget | Actual |
| ADDITIONS | | | |
| Contributions | | | |
| Employer Contributions | \$ 4,282,230 | \$ 4,282,230 | \$ 4,282,230 |
| Employee Contributions | 414,192 | 414,192 | 522,552 |
| Total Contributions | 4,696,422 | 4,696,422 | 4,804,782 |
| Investment Income | | | |
| Net Appreciation in Fair Value of Investments | 1,559,279 | 1,559,279 | 3,446,278 |
| Interest | 1,169,459 | 1,169,459 | 1,502,112 |
| Total Investment Income | 2,728,738 | 2,728,738 | 4,948,390 |
| Less Investment Expense | (58,473) | (58,473) | (49,848) |
| Net Investment Income | 2,670,265 | 2,670,265 | 4,898,542 |
| Total Additions | 7,366,687 | 7,366,687 | 9,703,324 |
| DEDUCTIONS | | | |
| Administrative Expenses | 46,360 | 46,360 | 43,066 |
| Benefits and Refunds | 3,330,238 | 3,330,238 | 4,329,070 |
| Total Deductions | 3,376,598 | 3,376,598 | 4,372,136 |
| NET INCREASE | <u>\$ 3,990,089</u> | <u>\$ 3,990,089</u> | 5,331,188 |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| January 1 | | | <u>34,072,837</u> |
| December 31 | | | <u>\$ 39,404,025</u> |

(See independent auditor's report.)

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

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET

December 31, 2021

| | General | Capital Projects | Permanent | Total | Adjustments | Statement of Net Position |
|---|---------------------|---------------------|-------------------|---------------------|----------------------|------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and Investments | \$ 1,576,010 | \$ 46,523 | \$ 199,414 | \$ 1,821,947 | \$ - | \$ 1,821,947 |
| Receivables (Net, Where Applicable, of Allowance for Uncollectibles) | | | | | | |
| Property Taxes | 2,675,754 | - | - | 2,675,754 | - | 2,675,754 |
| Accounts | 107,259 | - | - | 107,259 | - | 107,259 |
| Prepaid Items | 86,416 | - | - | 86,416 | - | 86,416 |
| Total Current Assets | 4,445,439 | 46,523 | 199,414 | 4,691,376 | - | 4,691,376 |
| NONCURRENT ASSETS | | | | | | |
| Capital Assets | | | | | | |
| Not Depreciated | - | - | - | - | 1,558,032 | 1,558,032 |
| Depreciated (Net of Accumulated Depreciation) | - | - | - | - | 21,392,440 | 21,392,440 |
| Net Pension Asset - IMRF | - | - | - | - | 826,584 | 826,584 |
| Total Noncurrent Assets | - | - | - | - | 23,777,056 | 23,777,056 |
| Total Assets | 4,445,439 | 46,523 | 199,414 | 4,691,376 | 23,777,056 | 28,468,432 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension Items - IMRF | - | - | - | - | 53,854 | 53,854 |
| OPEB Items | - | - | - | - | 60,571 | 60,571 |
| Total Deferred Outflows of Resources | - | - | - | - | 114,425 | 114,425 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 4,445,439</u> | <u>\$ 46,523</u> | <u>\$ 199,414</u> | <u>\$ 4,691,376</u> | <u>\$ 23,891,481</u> | <u>\$ 28,582,857</u> |

| | General | Capital Projects | Permanent | Total | Adjustments | Statement of Net Position |
|--|---------------------|---------------------|-------------------|---------------------|----------------------|------------------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 12,705 | \$ - | \$ - | \$ 12,705 | \$ - | \$ 12,705 |
| Accrued Payroll | 22,215 | - | - | 22,215 | - | 22,215 |
| Accrued Interest Payable | - | - | - | - | 82,811 | 82,811 |
| Long-Term Liabilities | | | | | | |
| Due Within One Year | - | - | - | - | 349,708 | 349,708 |
| Due in More than One Year | - | - | - | - | 4,716,291 | 4,716,291 |
| Total Liabilities | 34,920 | - | - | 34,920 | 5,148,810 | 5,183,730 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension Items - IMRF | - | - | - | - | 1,200,307 | 1,200,307 |
| OPEB Items | - | - | - | - | 18,599 | 18,599 |
| Unavailable Property Taxes | 2,675,754 | - | - | 2,675,754 | - | 2,675,754 |
| Total Deferred Inflows of Resources | 2,675,754 | - | - | 2,675,754 | 1,218,906 | 3,894,660 |
| Total Liabilities and Deferred Inflows of Resources | 2,710,674 | - | - | 2,710,674 | 6,367,716 | 9,078,390 |
| FUND BALANCES/NET POSITION | | | | | | |
| Net Investment in Capital Assets | - | - | - | - | 18,280,472 | 18,280,472 |
| Nonspendable | 86,416 | - | - | 86,416 | (86,416) | - |
| Restricted - Endowments | - | - | 199,414 | 199,414 | - | 199,414 |
| Assigned | - | 46,523 | - | 46,523 | (46,523) | - |
| Unrestricted | 1,648,349 | - | - | 1,648,349 | (623,768) | 1,024,581 |
| Total Fund Balances/Net Position | 1,734,765 | 46,523 | 199,414 | 1,980,702 | 17,523,765 | 19,504,467 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/ NET POSITION | \$ 4,445,439 | \$ 46,523 | \$ 199,414 | \$ 4,691,376 | \$ 23,891,481 | \$ 28,582,857 |

(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, 2021

| | General | Capital Projects | Permanent | Total | Adjustments | Statement of Activities |
|--|---------------------|---------------------|-------------------|---------------------|----------------------|----------------------------|
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Property Taxes | \$ 2,334,037 | \$ - | \$ - | \$ 2,334,037 | \$ - | \$ 2,334,037 |
| Replacement Taxes | 65,533 | - | - | 65,533 | - | 65,533 |
| Intergovernmental | 593,934 | - | - | 593,934 | - | 593,934 |
| Grants | 182,754 | - | - | 182,754 | - | 182,754 |
| Charges for Services | 12,899 | - | - | 12,899 | - | 12,899 |
| Investment Income | 4,942 | (287) | 584 | 5,239 | - | 5,239 |
| Miscellaneous | 5,822 | - | - | 5,822 | - | 5,822 |
| Total Revenues | 3,199,921 | (287) | 584 | 3,200,218 | - | 3,200,218 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Culture and Recreation | 2,240,604 | - | 3,505 | 2,244,109 | 188,195 | 2,432,304 |
| Debt Service | | | | | | |
| Principal | 470,858 | - | - | 470,858 | (470,858) | - |
| Interest and Fiscal Charges | 173,975 | - | - | 173,975 | (6,194) | 167,781 |
| Total Expenditures | 2,885,437 | - | 3,505 | 2,888,942 | (288,857) | 2,600,085 |
| NET CHANGE IN FUND BALANCES/ NET POSITION | 314,484 | (287) | (2,921) | 311,276 | 288,857 | 600,133 |
| FUND BALANCES/ NET POSITION, JANUARY 1 | 1,420,281 | 46,810 | 202,335 | 1,669,426 | 17,234,908 | 18,904,334 |
| FUND BALANCES/ NET POSITION, DECEMBER 31 | \$ 1,734,765 | \$ 46,523 | \$ 199,414 | \$ 1,980,702 | \$ 17,523,765 | \$ 19,504,467 |

(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, 2021

| CSFA Number | Program Name | State | Federal | Other | Total |
|------------------------|---|---------------------|---------------------|----------------------|----------------------|
| 420-00-1960 | Afton Road/Bike Path/ADA Sidewalk Ramps/Other | \$ 848,948 | \$ - | \$ - | \$ 848,948 |
| 420-00-2367 | Opportunity Zone Grant (912 Edgebrook & 1015 Blackhawk demo) | 350,280 | - | - | 350,280 |
| 444-26-1565 | Tobacco Enforcement Program | - | 1,246 | - | 1,246 |
| 494-00-0957 | Gurler Rd/IL 23 Preliminary & Construction (Ferrara) | 722,161 | - | - | 722,161 |
| 494-00-1006 | Illinois Special Bridge Program | - | - | - | - |
| 494-00-2356 | REBUILD ILLINOIS Local Bond Program | 276,309 | - | - | 276,309 |
| 494-10-0343 | Highway Safety STEP Grant (State and Community Highway Safety/National Priority Safety Program) | - | 4,793 | - | 4,793 |
| 494-60-0327 | Airport Improvement Program | 10,491 | 459,159 | - | 469,650 |
| 494-80-1141 | Transit Downstate Operating Assistance Program | 4,554,874 | - | - | 4,554,874 |
| 569-00-2537 | Body Camera Grant | - | 11,776 | - | 11,776 |
| | Other Grant Programs and Activities | 19,000 | 4,770,136 | 6,603 | 4,795,739 |
| | All Other Costs not Allocated | - | - | 53,271,287 | 53,271,287 |
| TOTALS | | \$ 6,782,063 | \$ 5,247,110 | \$ 53,277,890 | \$ 65,307,063 |

(See independent auditor's report.)

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Tax Levy | | | Interest Due on | | | |
|------------------------------|---------------------|------------------|---------------------|------------------------|------------------|---------------|------------------|
| | Principal | Interest | Total | January 1 | Amount | July 1 | Amount |
| 2021 | \$ 755,000 | \$ 59,573 | \$ 814,573 | 2022 | \$ 40,545 | 2022 | \$ 19,028 |
| 2022 | 645,000 | 19,028 | 664,028 | 2023 | 19,028 | 2023 | - |
| | <u>\$ 1,400,000</u> | <u>\$ 78,601</u> | <u>\$ 1,478,601</u> | | <u>\$ 59,573</u> | | <u>\$ 19,028</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

| | |
|-------------------------|--|
| 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 |
| 2021 | \$ - | \$ 130,680 | \$ 130,680 | 2022 | \$ 65,340 | 2022 | \$ 65,340 |
| 2022 | 765,000 | 123,031 | 888,031 | 2023 | 65,340 | 2023 | 57,691 |
| 2023 | 780,000 | 107,582 | 887,582 | 2024 | 57,691 | 2024 | 49,891 |
| 2024 | 795,000 | 91,832 | 886,832 | 2025 | 49,891 | 2025 | 41,941 |
| 2025 | 810,000 | 75,782 | 885,782 | 2026 | 41,941 | 2026 | 33,841 |
| 2026 | 830,000 | 58,863 | 888,863 | 2027 | 33,841 | 2027 | 25,022 |
| 2027 | 845,000 | 41,066 | 886,066 | 2028 | 25,022 | 2028 | 16,044 |
| 2028 | 865,000 | 22,356 | 887,356 | 2029 | 16,044 | 2029 | 6,312 |
| 2029 | 505,000 | 6,312 | 511,312 | 2030 | 6,312 | 2030 | - |
| | <u>\$ 6,195,000</u> | <u>\$ 657,504</u> | <u>\$ 6,852,504</u> | | <u>\$ 361,422</u> | | <u>\$ 296,082</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

| | |
|-------------------------|--|
| Date of Issue | June 18, 2013 |
| Date of Maturity | January 1, 2022 |
| Authorized Issue | \$2,380,000 |
| Denomination of Notes | \$5,000 |
| Interest Rates | 0.80% to 3.00% |
| 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 |
| 2021 | \$ 745,000 | \$ 11,175 | \$ 756,175 | 2022 | \$ 11,175 | 2022 | \$ - |
| | <u>\$ 745,000</u> | <u>\$ 11,175</u> | <u>\$ 756,175</u> | | <u>\$ 11,175</u> | | <u>\$ -</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Tax Levy | | | Interest Due on | | | |
|------------------------------|---------------------|-------------------|---------------------|------------------------|-------------------|---------------|-------------------|
| | Principal | Interest | Total | January 1 | Amount | July 1 | Amount |
| 2021 | \$ 35,000 | \$ 70,753 | \$ 105,753 | 2022 | \$ 35,536 | 2022 | \$ 35,217 |
| 2022 | 185,000 | 68,751 | 253,751 | 2023 | 35,217 | 2023 | 33,534 |
| 2023 | 870,000 | 59,151 | 929,151 | 2024 | 33,534 | 2024 | 25,617 |
| 2024 | 885,000 | 43,180 | 928,180 | 2025 | 25,617 | 2025 | 17,563 |
| 2025 | 905,000 | 26,891 | 931,891 | 2026 | 17,563 | 2026 | 9,328 |
| 2026 | 920,000 | 10,284 | 930,284 | 2027 | 9,328 | 2027 | 956 |
| 2027 | 105,000 | 956 | 105,956 | 2028 | 956 | 2028 | - |
| | <u>\$ 3,905,000</u> | <u>\$ 279,966</u> | <u>\$ 4,184,966</u> | | <u>\$ 157,751</u> | | <u>\$ 122,215</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2020**

December 31, 2021

| | |
|-------------------------|---|
| Date of Issue | November 19, 2020 |
| Date of Maturity | January 1, 2030 |
| Authorized Issue | \$1,900,000 |
| Denomination of Notes | \$5,000 |
| Interest Rates | 2.30% to 2.50% |
| Interest Dates | January 1 and July 1 |
| Principal Maturity Date | January 1 |
| Payable at | Amalgamated Bank of Chicago, Chicago, Illinois |
| Purpose | Refund principal installments of bonds payable in the year 2021 |

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Tax Levy | | | Interest Due on | | | |
|---------------------|---------------------|-------------------|---------------------|-----------------|-------------------|--------|-------------------|
| | Principal | Interest | Total | January 1 | Amount | July 1 | Amount |
| 2021 | \$ - | \$ 46,110 | \$ 46,110 | 2022 | \$ 23,055 | 2022 | \$ 23,055 |
| 2022 | - | 46,110 | 46,110 | 2023 | 23,055 | 2023 | 23,055 |
| 2023 | - | 46,060 | 46,060 | 2024 | 23,055 | 2024 | 23,005 |
| 2024 | - | 46,060 | 46,060 | 2025 | 23,055 | 2025 | 23,005 |
| 2025 | - | 46,060 | 46,060 | 2026 | 23,055 | 2026 | 23,005 |
| 2026 | - | 46,060 | 46,060 | 2027 | 23,055 | 2027 | 23,005 |
| 2027 | 425,000 | 41,223 | 466,223 | 2028 | 23,055 | 2028 | 18,168 |
| 2028 | 540,000 | 29,856 | 569,856 | 2029 | 18,168 | 2029 | 11,688 |
| 2029 | 935,000 | 11,688 | 946,688 | 2030 | 11,688 | 2030 | - |
| | <u>\$ 1,900,000</u> | <u>\$ 359,227</u> | <u>\$ 2,259,227</u> | | <u>\$ 191,241</u> | | <u>\$ 167,986</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

| | |
|------------------|--|
| 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 |
| 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 | 18,211 | 312 | 18,523 |
| | <u>\$ 179,181</u> | <u>\$ 24,587</u> | <u>\$ 203,768</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

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

December 31, 2021

| | |
|------------------|--|
| Date of Issue | June 30, 2019 |
| Date of Maturity | June 30, 2039 |
| Authorized Issue | \$694,701 |
| Interest Rates | 1.840% |
| Interest Dates | June 30 and December 30 |
| Payable at | Illinois Environmental Protection Agency |
| Purpose | Watermain Upgrades Phase 2 |

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | |
|------------------------|---------------------|-------------------|-------------------|
| | Principal | Interest | Total |
| 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 | 20,733 | 191 | 20,924 |
| | <u>\$ 623,665</u> | <u>\$ 108,628</u> | <u>\$ 732,293</u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013A

December 31, 2021

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Requirements</u> | | |
|------------------------|---------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2022 | \$ 325,000 | \$ 160,750 | \$ 485,750 |
| 2023 | 335,000 | 150,850 | 485,850 |
| 2024 | 345,000 | 140,650 | 485,650 |
| 2025 | 355,000 | 130,150 | 485,150 |
| 2026 | 365,000 | 118,894 | 483,894 |
| 2027 | 375,000 | 106,400 | 481,400 |
| 2028 | 390,000 | 93,013 | 483,013 |
| 2029 | 405,000 | 78,594 | 483,594 |
| 2030 | 420,000 | 62,600 | 482,600 |
| 2031 | 435,000 | 45,500 | 480,500 |
| 2032 | 450,000 | 27,800 | 477,800 |
| 2033 | 470,000 | 9,400 | 479,400 |
| | <u>\$ 4,670,000</u> | <u>\$ 1,124,601</u> | <u>\$ 5,794,601</u> |

(See independent auditor's report.)

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page(s)</u> |
|---|----------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 164-173 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, sales tax and property tax. | 174-181 |
| 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. | 182-186 |
| 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. | 187-188 |
| 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. | 189-193 |

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

CITY OF DEKALB, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

| Fiscal Year | 2013 | 2014 | 2015 | 2016 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Net Investment in Capital Assets | \$ 118,266,115 | \$ 116,047,087 | \$ 113,826,017 | \$ 111,898,622 |
| Restricted | 12,182,850 | 11,764,636 | 12,897,923 | 13,365,048 |
| Unrestricted (Deficit) | (13,241,757) | (11,899,046) | (69,597,568) | (79,546,145) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 117,207,208 | \$ 115,912,677 | \$ 57,126,372 | \$ 45,717,525 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Net Investment in Capital Assets | \$ 47,928,816 | \$ 49,590,809 | \$ 52,605,345 | \$ 52,803,874 |
| Unrestricted | 4,899,564 | 4,329,375 | 4,305,333 | 3,123,080 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 52,828,380 | \$ 53,920,184 | \$ 56,910,678 | \$ 55,926,954 |
| PRIMARY GOVERNMENT | | | | |
| Net Investment in Capital Assets | \$ 166,194,931 | \$ 165,637,896 | \$ 166,431,362 | \$ 164,702,496 |
| Restricted | 12,182,850 | 11,764,636 | 12,897,923 | 13,365,048 |
| Unrestricted (Deficit) | (8,342,193) | (7,569,671) | (65,292,235) | (76,423,065) |
| TOTAL PRIMARY GOVERNMENT | \$ 170,035,588 | \$ 169,832,861 | \$ 114,037,050 | \$ 101,644,479 |

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

| 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 109,971,927 | \$ 108,657,023 | \$ 106,591,976 | \$ 104,229,352 | \$ 101,978,389 | \$ 100,713,960 |
| 13,940,693 | 13,672,932 | 8,135,923 | 9,053,404 | 9,052,513 | 10,601,569 |
| (78,676,335) | (81,592,842) | (105,205,972) | (105,991,353) | (105,910,709) | (95,988,583) |
| \$ 45,236,285 | \$ 40,737,113 | \$ 9,521,927 | \$ 7,291,403 | \$ 5,120,193 | \$ 15,326,946 |
| \$ 52,481,077 | \$ 54,064,502 | \$ 54,929,044 | \$ 53,576,318 | \$ 54,420,312 | \$ 57,750,421 |
| 3,146,393 | 2,550,706 | 2,080,736 | 2,563,240 | 3,448,734 | 4,433,172 |
| \$ 55,627,470 | \$ 56,615,208 | \$ 57,009,780 | \$ 56,139,558 | \$ 57,869,046 | \$ 62,183,593 |
| \$ 162,453,004 | \$ 162,721,525 | \$ 161,521,020 | \$ 157,805,670 | \$ 156,398,701 | \$ 158,464,381 |
| 13,940,693 | 13,672,932 | 8,135,923 | 9,053,404 | 9,052,513 | 10,601,569 |
| (75,529,942) | (79,042,136) | (103,125,236) | (103,428,113) | (102,461,975) | (91,555,411) |
| \$ 100,863,755 | \$ 97,352,321 | \$ 66,531,707 | \$ 63,430,961 | \$ 62,989,239 | \$ 77,510,539 |

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

| Fiscal Year | 2013 | 2014 | 2015 | 2016 |
|---|------------------------|------------------------|------------------------|------------------------|
| EXPENSES | | | | |
| Governmental Activities | | | | |
| General Government | \$ 11,865,375 | \$ 9,744,441 | \$ 12,795,131 | \$ 8,456,094 |
| Public Safety | 19,017,122 | 20,797,002 | 22,259,920 | 33,400,660 |
| Highways and Streets | 1,449,053 | 5,016,398 | 4,158,954 | 8,086,082 |
| Community Development | 13,208,902 | 10,726,424 | 8,859,472 | 6,984,506 |
| Interest | 1,080,709 | 1,209,191 | 987,476 | 1,057,938 |
| Total Governmental Activities Expenses | 46,621,161 | 47,493,456 | 49,060,953 | 57,985,280 |
| Business-Type Activities | | | | |
| Water and Sewer | 4,081,382 | 4,080,350 | 4,288,137 | 5,354,514 |
| Airport | 1,641,540 | 1,322,518 | 1,410,722 | 1,263,527 |
| Refuse | 1,756,850 | 1,844,724 | 1,920,958 | 2,110,657 |
| Total Business-Type Activities Expenses | 7,479,772 | 7,247,592 | 7,619,817 | 8,728,698 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | \$ 54,100,933 | \$ 54,741,048 | \$ 56,680,770 | \$ 66,713,978 |
| PROGRAM REVENUES | | | | |
| Governmental Activities | | | | |
| Charges for Services | | | | |
| General Government | \$ 330,222 | \$ 485,114 | \$ 417,915 | \$ 456,082 |
| Public Safety | 2,090,752 | 2,504,342 | 3,608,300 | 2,875,539 |
| Highways and Streets | 125,794 | 144,137 | 107,317 | - |
| Community Development | 422,991 | 460,458 | 4,588,613 | 685,065 |
| Operating Grants and Contributions | 1,131,494 | 1,166,973 | 1,114,773 | 1,218,315 |
| Capital Grants and Contributions | 4,843,630 | 4,072,079 | 4,375,595 | 3,933,596 |
| TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES | 8,944,883 | 8,833,103 | 14,212,513 | 9,168,597 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Charges for Services | | | | |
| Water and Sewer | 5,503,049 | 5,179,180 | 5,377,744 | 5,391,676 |
| Airport | 1,094,127 | 772,805 | 658,557 | 468,110 |
| Refuse | 1,773,670 | 2,053,424 | 2,010,485 | 2,047,188 |
| Capital Grants and Contributions | 130,658 | 959,182 | 2,566,070 | 81,555 |
| Total Business-Type Activities Program Revenues | 8,501,504 | 8,964,591 | 10,612,856 | 7,988,529 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | \$ 17,446,387 | \$ 17,797,694 | \$ 24,825,369 | \$ 17,157,126 |
| NET (EXPENSE) REVENUE | | | | |
| Governmental Activities | \$ (37,676,278) | \$ (38,660,353) | \$ (34,848,440) | \$ (48,816,683) |
| Business-Type Activities | 1,021,732 | 1,716,999 | 2,993,039 | (740,169) |
| TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE | \$ (36,654,546) | \$ (36,943,354) | \$ (31,855,401) | \$ (49,556,852) |

| 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 5,395,790 | \$ 8,247,776 | \$ 8,430,414 | \$ 13,266,076 | \$ 12,290,289 | \$ 12,950,452 |
| 13,631,506 | 26,862,629 | 30,080,212 | 30,633,036 | 31,062,832 | 29,347,402 |
| 4,480,747 | 4,887,066 | 8,903,634 | 8,642,569 | 8,381,178 | 8,177,322 |
| 7,362,107 | 12,186,289 | 13,587,704 | 11,074,609 | 8,084,930 | 6,566,844 |
| 433,303 | 777,001 | 695,210 | 567,712 | 344,390 | 257,132 |
| 31,303,453 | 52,960,761 | 61,697,174 | 64,184,002 | 60,163,619 | 57,299,152 |
| 2,766,772 | 5,174,324 | 5,246,979 | 6,161,930 | 4,530,798 | 4,215,143 |
| 674,622 | 1,357,269 | 1,481,000 | 1,499,191 | 1,429,568 | 1,743,851 |
| 1,024,302 | 2,132,643 | 2,086,409 | 1,869,548 | 1,880,876 | 2,048,917 |
| 4,465,696 | 8,664,236 | 8,814,388 | 9,530,669 | 7,841,242 | 8,007,911 |
| \$ 35,769,149 | \$ 61,624,997 | \$ 70,511,562 | \$ 73,714,671 | \$ 68,004,861 | \$ 65,307,063 |
| \$ 291,387 | \$ 506,158 | \$ 538,305 | \$ 545,288 | \$ 568,435 | \$ 2,368,356 |
| 1,580,396 | 2,866,226 | 3,266,797 | 4,455,679 | 3,584,171 | 5,574,418 |
| - | - | - | - | - | - |
| 231,479 | 608,386 | 459,501 | 689,914 | 652,167 | 925,679 |
| 672,466 | 1,213,286 | 1,308,752 | 1,537,111 | 3,686,140 | 8,140,559 |
| 1,866,646 | 3,737,849 | 3,960,020 | 8,945,753 | 7,784,936 | 2,902,639 |
| 4,642,374 | 8,931,905 | 9,533,375 | 16,173,745 | 16,275,849 | 19,911,651 |
| 2,929,368 | 5,762,896 | 5,686,158 | 5,934,319 | 6,093,310 | 6,514,842 |
| 328,053 | 776,906 | 837,997 | 816,913 | 821,246 | 871,721 |
| 1,063,382 | 2,160,482 | 2,058,770 | 1,871,079 | 1,913,462 | 2,044,023 |
| 42,829 | 789,468 | 478,930 | 36,230 | 72,943 | 2,251,665 |
| 4,363,632 | 9,489,752 | 9,061,855 | 8,658,541 | 8,900,961 | 11,682,251 |
| \$ 9,006,006 | \$ 18,421,657 | \$ 18,595,230 | \$ 24,832,286 | \$ 25,176,810 | \$ 31,593,902 |
| \$ (26,661,079) | \$ (44,028,856) | \$ (52,163,799) | \$ (48,010,257) | \$ (43,887,770) | \$ (37,387,501) |
| (102,064) | 825,516 | 247,467 | (872,128) | 1,059,719 | 3,674,340 |
| \$ (26,763,143) | \$ (43,203,340) | \$ (51,916,332) | \$ (48,882,385) | \$ (42,828,051) | \$ (33,713,161) |

CITY OF DEKALB, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

| Fiscal Year | 2013 | 2014 | 2015 | 2016 |
|-----------------------------------|----------------------|----------------------|----------------------|------------------------|
| GENERAL REVENUES AND OTHER | | | | |
| CHANGES IN NET POSITION | | | | |
| Governmental Activities | | | | |
| Taxes | | | | |
| Property | \$ 12,673,310 | \$ 12,392,230 | \$ 11,981,519 | \$ 11,812,941 |
| Sales | 11,078,544 | 10,435,096 | 11,092,497 | 11,801,518 |
| Utility | 3,534,755 | 3,600,059 | 3,433,879 | 3,202,384 |
| Income | 4,130,363 | 4,197,440 | 4,515,729 | 4,462,992 |
| Other | 4,835,868 | 4,994,817 | 5,340,751 | 5,585,744 |
| Investment Income | 124,029 | 164,693 | 182,353 | (257,706) |
| Miscellaneous | 623,137 | 953,687 | 1,258,401 | 598,730 |
| Gain on Sale of Capital Assets | - | - | - | 1,741 |
| Transfers In (Out) | 494,250 | 627,800 | (29,377) | (62,163) |
| Total Governmental Activities | 37,494,256 | 37,365,822 | 37,775,752 | 37,146,181 |
| Business-Type Activities | | | | |
| Taxes | | | | |
| Sales | - | - | - | - |
| Other | - | - | - | - |
| Investment Income | 4,338 | 113 | 27 | 38,672 |
| Miscellaneous | (6,038) | 2,492 | 4,326 | 109,342 |
| Transfers In (Out) | (494,250) | (627,800) | 29,337 | 62,163 |
| Total Business-Type Activities | (495,950) | (625,195) | 33,690 | 210,177 |
| TOTAL PRIMARY GOVERNMENT | \$ 36,998,306 | \$ 36,740,627 | \$ 37,809,442 | \$ 37,356,358 |
| CHANGE IN NET POSITION | | | | |
| Governmental Activities | \$ (182,022) | \$ (1,294,531) | \$ 2,927,312 | \$ (11,670,502) |
| Business-Type Activities | 525,782 | 1,091,804 | 3,026,729 | (529,992) |
| TOTAL PRIMARY GOVERNMENT | | | | |
| CHANGE IN NET POSITION | \$ 343,760 | \$ (202,727) | \$ 5,954,041 | \$ (12,200,494) |

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

| | 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|------------|----------------|-----------------|----------------|----------------|---------------|
| | | | | | | |
| \$ | 12,678,579 | \$ 13,783,140 | \$ 14,454,907 | \$ 14,519,186 | \$ 13,124,148 | \$ 13,953,220 |
| | 6,197,334 | 11,857,871 | 11,966,582 | 12,192,725 | 10,871,781 | 13,881,546 |
| | 1,513,310 | 3,144,611 | 3,252,309 | 3,148,963 | 2,957,600 | 2,979,368 |
| | 1,786,638 | 4,044,119 | 4,216,580 | 4,686,511 | 4,784,693 | 5,787,319 |
| | 3,279,118 | 5,648,898 | 5,966,613 | 9,087,721 | 7,983,331 | 10,189,376 |
| | 103,038 | 201,169 | 547,273 | 747,317 | 152,682 | 35,808 |
| | 344,060 | 671,129 | 765,685 | 787,132 | 811,637 | 962,391 |
| | 23,515 | 10,744 | 14,785 | - | 581,038 | - |
| | 254,247 | 168,003 | (299,600) | 321,800 | 449,650 | 68,015 |
| | 26,179,839 | 39,529,684 | 40,885,134 | 45,491,355 | 41,716,560 | 47,857,043 |
| | | | | | | |
| | - | 716 | 12,864 | 11,467 | 7,101 | 7,806 |
| | - | 267,120 | 284,299 | 268,072 | 183,805 | 202,958 |
| | 18,951 | 10,557 | 739 | 5,894 | 3,687 | 921 |
| | 37,876 | 51,832 | 61,426 | 38,273 | 25,700 | 36,771 |
| | (254,247) | (168,003) | 299,600 | (321,800) | (449,650) | (68,015) |
| | (197,420) | 162,222 | 658,928 | 1,906 | (229,357) | 180,441 |
| \$ | 25,982,419 | \$ 39,691,906 | \$ 41,544,062 | \$ 45,493,261 | \$ 41,487,203 | \$ 48,037,484 |
| | | | | | | |
| \$ | (481,240) | \$ (4,499,172) | \$ (11,278,665) | \$ (2,518,902) | \$ (2,171,210) | \$ 10,469,542 |
| | (299,484) | 987,738 | 906,395 | (870,222) | 830,362 | 3,854,781 |
| | | | | | | |
| \$ | (780,724) | \$ (3,511,434) | \$ (10,372,270) | \$ (3,389,124) | \$ (1,340,848) | \$ 14,324,323 |

CITY OF DEKALB, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year | 2013 | 2014 | 2015 | 2016 |
|---|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | |
| Nonspendable | \$ 37,161 | \$ 30,216 | \$ 22,865 | \$ 361,584 |
| Restricted | - | 104,523 | 173,187 | - |
| Committed | 6,262 | 6,262 | 6,447 | - |
| Unassigned | 5,177,514 | 5,916,598 | 8,018,754 | 9,123,076 |
| TOTAL GENERAL FUND | \$ 5,220,937 | \$ 6,057,599 | \$ 8,221,253 | \$ 9,484,660 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | 12,176,588 | 11,660,113 | 12,728,487 | 13,365,048 |
| Assigned | 3,739,068 | 498,285 | 571,040 | 358,251 |
| Unassigned (Deficit) | - | (205,934) | - | (23,787) |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 15,915,656 | \$ 11,952,464 | \$ 13,299,527 | \$ 13,699,512 |

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

Data Source

Audited Financial Statements

| 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|--------------|---------------|---------------|---------------|
| \$ 570,613 | \$ 591,381 | \$ 78,507 | \$ 36,238 | \$ 22,864 | \$ 19,901 |
| 283,543 | 210,625 | 171,555 | 154,897 | 101,934 | - |
| - | - | - | - | - | - |
| 8,374,964 | 8,271,793 | 7,152,795 | 10,333,569 | 12,161,612 | 19,605,967 |
| \$ 9,229,120 | \$ 9,073,799 | \$ 7,402,857 | \$ 10,524,704 | \$ 12,286,410 | \$ 19,625,868 |
| \$ 51 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13,679,908 | 13,462,307 | 7,964,368 | 8,898,507 | 8,950,579 | 10,601,569 |
| 1,130,130 | 587,790 | 782,790 | 1,221,434 | 1,154,051 | 2,520,401 |
| (1,583) | (13,977) | 27,452 | (589,845) | (6,782) | - |
| \$ 14,808,506 | \$ 14,036,120 | \$ 8,774,610 | \$ 9,530,096 | \$ 10,097,848 | \$ 13,121,970 |

CITY OF DEKALB, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year | 2013 | 2014 | 2015 | 2016 |
|--|---------------------|-----------------------|---------------------|---------------------|
| REVENUES | | | | |
| Taxes | \$ 24,330,856 | \$ 24,430,463 | \$ 24,733,924 | \$ 25,403,303 |
| Intergovernmental | 17,863,890 | 16,384,065 | 18,199,099 | 16,614,186 |
| Licenses, Permits, and Fees | 483,375 | 554,740 | 713,565 | 876,788 |
| Charges for Services | 1,727,442 | 1,961,818 | 2,003,002 | 2,285,408 |
| Fines and Forfeitures | 758,942 | 1,077,493 | 1,005,578 | 854,491 |
| Investment Income | 120,520 | 163,453 | 182,313 | (257,706) |
| Miscellaneous | 623,137 | 953,687 | 1,258,401 | 600,698 |
| Total Revenues | 45,908,162 | 45,525,719 | 48,095,882 | 46,377,168 |
| EXPENDITURES | | | | |
| General Government | 10,496,713 | 9,356,378 | 11,547,939 | 8,310,899 |
| Public Safety | 18,642,683 | 19,942,140 | 20,479,288 | 21,418,254 |
| Highways and Streets | 750,074 | 800,879 | 537,655 | 3,773,836 |
| Community Development | 4,083,703 | 4,015,770 | 8,500,421 | 3,588,312 |
| Capital Outlay | 18,631,978 | 10,892,511 | 1,547,500 | 4,835,430 |
| Debt Service | | | | |
| Principal Retirement | 2,268,121 | 2,548,453 | 2,296,031 | 2,065,017 |
| Interest and Fiscal Charges | 835,209 | 1,054,116 | 988,529 | 911,606 |
| Payment to Escrow Agent | - | - | - | - |
| Total Expenditures | 55,708,481 | 48,610,247 | 45,897,363 | 44,903,354 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (9,800,319) | (3,084,528) | 2,198,519 | 1,473,814 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 5,138,884 | 6,123,312 | 5,655,359 | 3,130,209 |
| Transfers (Out) | (4,707,634) | (6,220,512) | (6,034,736) | (2,942,372) |
| Bonds Issued | 12,910,969 | - | 776,775 | - |
| Premium (Discount) on Bonds Issued | 87,782 | - | - | - |
| Capital Lease Issuance | - | - | - | - |
| Payment to Bond Escrow Agent | - | - | (776,775) | - |
| Sale of Capital Assets | 11,400 | 55,198 | 6,920 | 1,741 |
| Total Other Financing Sources (Uses) | 13,441,401 | (42,002) | (372,457) | 189,578 |
| NET CHANGE IN FUND BALANCES | \$ 3,641,082 | \$ (3,126,530) | \$ 1,826,062 | \$ 1,663,392 |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | | | | |
| | 6.99% | 8.00% | 7.35% | 6.79% |

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

| 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|----------------|---------------|---------------|---------------|
| \$ 19,709,294 | \$ 27,155,993 | \$ 28,247,127 | \$ 28,400,416 | \$ 25,602,576 | \$ 29,598,513 |
| 8,284,796 | 16,273,781 | 16,878,635 | 25,717,553 | 25,590,052 | 30,034,472 |
| 308,697 | 707,768 | 539,473 | 786,023 | 782,199 | 1,057,539 |
| 1,447,496 | 2,578,224 | 3,000,898 | 4,226,585 | 3,560,391 | 5,498,543 |
| 347,070 | 694,778 | 724,233 | 678,274 | 462,184 | 513,413 |
| 103,038 | 201,169 | 547,273 | 747,317 | 152,682 | 35,808 |
| 344,060 | 671,129 | 765,685 | 787,132 | 811,637 | 962,391 |
| 30,544,451 | 48,282,842 | 50,703,324 | 61,343,300 | 56,961,721 | 67,700,679 |
| 5,067,474 | 8,121,452 | 8,743,307 | 13,202,365 | 12,654,811 | 14,239,248 |
| 13,881,369 | 23,393,464 | 24,675,119 | 24,895,032 | 26,254,131 | 27,105,336 |
| 2,317,801 | 4,107,314 | 3,889,329 | 3,525,262 | 3,778,587 | 3,988,755 |
| 1,432,478 | 2,278,250 | 7,487,615 | 6,719,997 | 4,541,106 | 4,470,121 |
| 6,213,218 | 8,636,195 | 8,841,258 | 6,752,289 | 5,970,508 | 6,401,122 |
| 861,667 | 2,145,092 | 2,331,667 | 2,411,667 | 2,531,572 | 1,278,723 |
| 437,752 | 837,529 | 767,026 | 716,793 | 569,014 | 76,004 |
| - | - | - | 87,905 | - | - |
| 30,211,759 | 49,519,296 | 56,735,321 | 58,311,310 | 56,299,729 | 57,559,309 |
| 332,692 | (1,236,454) | (6,031,997) | 3,031,990 | 661,992 | 10,141,370 |
| 2,193,115 | 3,866,057 | 6,757,503 | 3,427,783 | 8,297,685 | 4,199,300 |
| (1,695,868) | (3,568,054) | (7,307,103) | (3,105,983) | (7,848,035) | (4,131,285) |
| - | - | - | 3,925,000 | 1,900,000 | - |
| - | - | - | - | - | - |
| - | - | - | - | 414,385 | 305,464 |
| - | - | - | (3,891,000) | (1,795,554) | - |
| 23,515 | 10,744 | 14,785 | 201,165 | 698,985 | 111,520 |
| 520,762 | 308,747 | (534,815) | 556,965 | 1,667,466 | 484,999 |
| \$ 853,454 | \$ (927,707) | \$ (6,566,812) | \$ 3,588,955 | \$ 2,329,458 | \$ 10,626,369 |
| 4.32% | 6.21% | 5.54% | 5.58% | 5.62% | 2.50% |

CITY OF DEKALB, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

| Calendar Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Merchandise | \$ 149,564,784 | \$ 145,091,378 | \$ 145,331,012 | \$ 142,983,051 | \$ 137,420,731 | \$ 134,043,552 | \$ 137,457,526 | \$ 140,297,236 | \$ 122,523,873 | \$ 124,968,842 |
| Food | 65,852,747 | 65,400,022 | 65,602,683 | 62,574,399 | 60,061,923 | 61,402,912 | 60,556,999 | 63,316,542 | 61,187,309 | 64,444,080 |
| Drinking and Eating Places | 68,587,766 | 67,411,032 | 72,375,099 | 73,690,804 | 75,136,564 | 78,199,389 | 77,415,911 | 78,536,423 | 65,058,399 | 82,401,510 |
| Apparel | 7,128,112 | 8,019,269 | 9,156,209 | 9,682,582 | 9,307,673 | 8,752,664 | 8,940,050 | 8,829,338 | 6,365,279 | 12,969,491 |
| Furniture, H.H., and Radio | 20,684,998 | 20,194,461 | 20,299,326 | 22,219,433 | 21,361,547 | 20,542,886 | 20,796,026 | 20,271,123 | 19,484,265 | 20,623,337 |
| Lumber, Building Hardware | 22,120,923 | 23,492,009 | 26,215,248 | 26,667,559 | 28,115,438 | 28,176,775 | 26,415,723 | 27,954,666 | 32,970,571 | 36,541,796 |
| Automobile and Filling Stations | 90,624,448 | 81,838,781 | 83,933,383 | 81,644,714 | 75,090,664 | 81,886,476 | 88,657,779 | 92,950,445 | 72,723,001 | 86,920,239 |
| Drugs and Miscellaneous Retail | 74,197,724 | 78,920,501 | 81,900,819 | 86,883,148 | 89,850,869 | 88,288,532 | 90,418,273 | 93,950,025 | 93,616,891 | 146,359,704 |
| Agriculture and All Others | 29,448,085 | 30,174,323 | 30,610,577 | 26,789,604 | 26,717,140 | 29,536,527 | 28,344,059 | 30,044,964 | 24,683,192 | 40,926,766 |
| Manufacturers | 1,546,592 | 3,116,244 | 3,392,915 | 1,455,793 | 3,703,355 | 4,092,447 | 4,035,268 | 5,179,972 | 4,169,842 | 4,440,419 |
| TOTAL | \$ 529,756,179 | \$ 523,658,020 | \$ 538,817,271 | \$ 534,591,087 | \$ 526,765,904 | \$ 534,922,160 | \$ 543,037,614 | \$ 561,330,734 | \$ 502,782,622 | \$ 620,596,184 |
| 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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Merchandise | \$ 99,024,929 | \$ 96,069,313 | \$ 95,614,092 | \$ 94,092,573 | \$ 93,307,247 | \$ 91,778,515 | \$ 91,746,946 | \$ 87,715,878 | \$ 80,974,905 | \$ 89,174,458 |
| Food | 29,741,123 | 28,856,277 | 28,086,495 | 24,719,290 | 23,139,941 | 24,029,142 | 23,108,895 | 25,661,271 | 21,583,161 | 28,270,968 |
| Drinking and Eating Places | 67,176,678 | 66,489,229 | 70,711,436 | 71,004,958 | 74,617,226 | 77,430,970 | 76,139,535 | 77,114,722 | 63,914,505 | 81,165,651 |
| Apparel | 7,046,287 | 7,946,743 | 9,091,595 | 9,583,535 | 9,213,771 | 8,675,507 | 8,888,619 | 8,753,242 | 6,297,903 | 12,927,623 |
| Furniture, H.H., and Radio | 20,503,154 | 20,039,027 | 20,419,645 | 22,061,903 | 21,256,310 | 20,441,189 | 20,702,497 | 20,186,846 | 19,434,401 | 20,621,497 |
| Lumber, Building Hardware | 22,070,597 | 23,431,577 | 26,161,570 | 26,623,933 | 28,061,982 | 28,122,673 | 26,358,482 | 27,900,877 | 32,921,512 | 36,394,317 |
| Automobile and Filling Stations | 47,519,288 | 48,575,366 | 46,268,699 | 38,844,447 | 33,810,004 | 37,358,062 | 45,233,786 | 45,730,317 | 35,305,553 | 43,436,078 |
| Drugs and Miscellaneous Retail | 56,447,398 | 58,367,979 | 59,423,173 | 59,678,688 | 59,042,749 | 57,463,105 | 57,367,783 | 57,096,451 | 52,209,241 | 92,065,093 |
| Agriculture and All Others | 28,487,957 | 28,584,214 | 29,168,574 | 25,247,798 | 25,269,254 | 27,645,407 | 26,141,655 | 26,328,704 | 22,478,730 | 37,264,339 |
| Manufacturers | 1,250,597 | 2,801,034 | 3,018,957 | 1,149,345 | 3,446,081 | 3,871,997 | 3,840,194 | 4,992,557 | 3,993,901 | 4,300,702 |
| TOTAL | \$ 379,268,008 | \$ 381,160,759 | \$ 387,964,236 | \$ 373,006,470 | \$ 371,164,565 | \$ 376,816,567 | \$ 379,528,392 | \$ 381,480,865 | \$ 339,113,812 | \$ 445,620,726 |
| 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 |
|--------------------------|------------------------------------|---|------------------------|-----------------------|--------------|
| 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% | 0.25% | 5.00% | 8.00% |
| 2020 | 1.75% | 1.00% | 0.25% | 5.00% | 8.00% |
| 2021 | 1.75% | 1.00% | 0.25% | 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* |
|----------------------|--------------------|-------------------|-------------------|-------------|-----------------|----------------|-----------------------------------|
| 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 |
| 2020 | 351,406,926 | 189,583,406 | 65,682,775 | 1,202,192 | 2,457,763 | 610,333,062 | 1.4564 |
| 2021 | 388,913,054 | 215,495,770 | 85,864,902 | 1,223,239 | 2,674,708 | 694,171,673 | 1.3716 |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| TAX RATES | | | | | | | | | | |
| City of DeKalb | 0.7952 | 0.9809 | 1.0245 | 1.1942 | 1.2021 | 1.2268 | 1.1883 | 1.1549 | 1.0687 | 0.9861 |
| DeKalb Library | 0.3369 | 0.3701 | 0.3868 | 0.4911 | 0.4562 | 0.3872 | 0.2081 | 0.3868 | 0.3877 | 0.3855 |
| | 1.1321 | 1.3510 | 1.4113 | 1.6853 | 1.6583 | 1.6140 | 1.3964 | 1.5417 | 1.4564 | 1.3716 |
| DeKalb County | 1.0892 | 1.2013 | 1.2483 | 1.2364 | 1.1429 | 1.1201 | 1.0951 | 1.0752 | 1.0629 | 1.0315 |
| DeKalb Township | 0.1508 | 0.1687 | 0.1797 | 0.1820 | 0.1724 | 0.1709 | 0.1683 | 0.1632 | 0.1600 | 0.1486 |
| DeKalb Road & Bridge | 0.1768 | 0.1977 | 0.2106 | 0.2133 | 0.2020 | 0.2006 | 0.1961 | 0.1867 | 0.1849 | 0.1730 |
| DeKalb County Forest Preserve District | 0.0797 | 0.0852 | 0.0876 | 0.0853 | 0.0799 | 0.0783 | 0.0766 | 0.0748 | 0.0740 | 0.0736 |
| Kishwaukee Water Reclamation District | 0.1244 | 0.1393 | 0.1486 | 0.1504 | 0.1425 | 0.1389 | 0.1375 | 0.1360 | 0.1337 | 0.1200 |
| DeKalb School District #428 | 7.0275 | 7.8215 | 8.2714 | 8.2500 | 7.8132 | 7.7209 | 7.3854 | 7.1838 | 7.0649 | 6.8084 |
| Kishwaukee Community College | 0.6416 | 0.7294 | 0.7123 | 0.6972 | 0.6700 | 0.6669 | 0.6683 | 0.6528 | 0.6528 | 0.6432 |
| DeKalb Park District | 0.6745 | 0.7519 | 0.7969 | 0.7960 | 0.7559 | 0.7450 | 0.7366 | 0.7205 | 0.7098 | 0.6963 |
| TOTAL TAX RATE PER \$100 EQUALIZED ASSESSED VALUATION | | | | | | | | | | |
| | 11.0966 | 12.4460 | 13.0667 | 13.2959 | 12.6371 | 12.4556 | 11.8603 | 11.7347 | 11.4994 | 11.0662 |
| SHARE OF TOTAL TAX RATE LEVIED BY CITY OF DEKALB AND THE DEKALB LIBRARY | | | | | | | | | | |
| | 10.20% | 10.85% | 10.80% | 12.68% | 13.12% | 12.96% | 11.77% | 13.14% | 12.67% | 12.39% |

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

PRINCIPAL TAXPAYERS

Current Year and Nine Years Ago

| Taxpayers | Type of Business | 2021 | | | 2012 | | |
|--|--------------------------|----------------------------------|------|---|----------------------------------|------|---|
| | | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| 3M | Warehouse/Distribution | \$ 27,506,252 | 1 | 3.96% | | | |
| DeKalb Distribution Associates (Ferrara Candy) | Warehouse/Distribution | 23,787,703 | 2 | 3.43% | | | |
| Target | Warehouse/Distribution | 12,186,264 | 3 | 1.76% | \$ 12,151,249 | 1 | 2.28% |
| ARC - Goodyear | Warehouse/Distribution | 7,462,437 | 4 | 1.08% | 7,522,255 | 3 | 1.41% |
| DeKalb Area Retirement Center (Oak Crest) | Retirement Center | 7,420,649 | 5 | 1.07% | 5,948,382 | 6 | 1.11% |
| Nestle | Warehouse/Distribution | 7,032,322 | 6 | 1.01% | 7,274,596 | 4 | 1.36% |
| Panduit | Manufacturing | 6,703,333 | 7 | 0.97% | 8,026,861 | 2 | 1.50% |
| DeKalb 1 Preservation University Village I & II | Apartments | 5,654,829 | 8 | 0.81% | | | |
| Northland Plaza | Retail | 3,425,767 | 9 | 0.49% | 6,135,015 | 5 | 1.15% |
| Walmart | Retail | 2,998,133 | 10 | 0.43% | | | |
| Fairview MSFP II, LLC | Warehouse/Distribution | | | | 4,545,512 | 7 | 0.85% |
| Dream Fund LLC | Apartments | | | | 4,425,772 | 8 | 0.83% |
| Heritage Woods | Assisted Living Facility | | | | 3,984,782 | 9 | 0.75% |
| JLAR | Apartments/Retail | | | | 3,780,502 | 10 | 0.71% |
| TOTAL | | \$ 104,177,689 | | 15.01% | \$ 63,794,926 | | 11.95% |

Note: Some taxpayers contain multiple parcels.

Data Sources

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

CITY OF DEKALB, ILLINOIS

PROPERTY TAX RATES, LEVIES, AND COLLECTIONS

Last Ten Levy Years

| Tax Levy Year | City of DeKalb | | | | | | | DeKalb Library | | | | | | |
|---------------|-----------------|--------------------------|----------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------|-----------------|--------------------------|----------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------|
| | Rates per \$100 | Total Tax Levy Requested | Collections within the Levy Year | | | Total Collections to Date | | Rates per \$100 | Total Tax Levy Requested | Collections within the Levy Year | | | Total Collections to Date | |
| | | | Amount | Percent of Levy Collected | Collections in Subsequent Years | Amount | Percent of Levy Collected | | | Amount | Percent of Levy Collected | Collections in Subsequent Years | Amount | Percent of Levy Collected |
| | | | | | | | | | | | | | | |
| 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 | 6,178,386 | 98.54% | - | 6,178,386 | 98.54% | 0.3868 | 2,754,942 | 2,721,263 | 98.78% | - | 2,721,263 | 98.78% |
| 2020 | 1.0687 | 6,522,456 | 6,433,050 | 98.63% | - | 6,433,050 | 98.63% | 0.3877 | 2,366,378 | 2,334,102 | 98.64% | - | 2,334,102 | 98.64% |
| 2021 | 0.9861 | 6,845,317 | - | 0.00% | - | - | 0.00% | 0.3855 | 2,675,708 | - | 0.00% | - | - | 0.00% |

Note: Amount reflects collection through December 31, 2021.

Data Sources

Office of the County Clerk
Office of the County Treasurer

| Rates per \$100 | Total Tax Levy Requested | Total | | | | |
|--------------------|--------------------------------|-------------------------------------|---------------------------------|---------------------------------------|------------------------------|---------------------------------|
| | | Collections within the Levy Year | | Collections in Subsequent Years | Total Collections to Date | |
| | | Amount | Percent of Levy Collected | | Amount | Percent of Levy Collected |
| 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% |
| 1.5417 | 9,024,591 | 8,899,649 | 98.62% | - | 8,899,649 | 98.62% |
| 1.4564 | 8,888,834 | 8,767,152 | 98.63% | - | 8,767,152 | 98.63% |
| 1.3716 | 9,521,025 | - | 0.00% | - | - | 0.00% |

CITY OF DEKALB, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

| Fiscal Year Ended | Governmental Activities | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income* | Per Capita* |
|----------------------------------|--------------------------------|---------------------------|---------------------------------|----------------------------------|---------------------------|---|---|------------------------|
| | G.O. Bonds | Capital Leases | G.O. Bonds | IEPA Loan Payable | Capital Leases | | | |
| 2013 | \$ 31,587,600 | \$ 851,150 | \$ 3,269,269 | \$ 3,673,988 | \$ 13,786 | \$ 39,395,793 | 4.68% | \$ 894.75 |
| 2014 | 29,313,530 | 527,697 | 2,996,366 | 3,370,464 | 7,038 | 36,215,095 | 4.23% | 822.51 |
| 2015 | 27,274,168 | 216,666 | 2,093,225 | 2,951,138 | - | 32,535,197 | 3.86% | 738.53 |
| 2016 | 25,305,591 | 199,999 | 1,726,575 | 2,518,781 | - | 29,750,946 | 3.54% | 675.70 |
| 2016** | 24,153,425 | 183,333 | 1,792,865 | 2,480,195 | - | 28,609,818 | 3.40% | 649.78 |
| 2017 | 22,235,654 | 166,665 | 1,370,000 | 1,849,536 | - | 25,621,855 | 2.89% | 581.92 |
| 2018 | 19,872,398 | 149,998 | 1,030,000 | 1,389,155 | - | 22,441,551 | 2.43% | 509.69 |
| 2019 | 17,467,275 | 133,331 | 685,000 | 1,600,094 | - | 19,885,700 | 2.01% | 451.64 |
| 2020 | 15,371,601 | 501,144 | 345,000 | 1,086,578 | 222,685 | 17,527,008 | 1.48% | 398.07 |
| 2021 | 14,200,070 | 672,885 | - | 802,846 | 258,002 | 15,933,803 | 1.59% | 395.48 |

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** |
|----------------------------------|---|--|---------------|--|-------------------------|
| 2013 | \$ 34,856,869 | \$ 185,283 | \$ 34,671,586 | 6.50% | \$ 787.45 |
| 2014 | 32,309,896 | - | 32,309,896 | 6.65% | 733.82 |
| 2015 | 29,367,393 | - | 29,367,393 | 6.32% | 666.62 |
| 2016 | 27,032,166 | - | 27,032,166 | 5.78% | 613.95 |
| 2016*** | 25,946,290 | - | 25,946,290 | 5.15% | 589.29 |
| 2017 | 23,605,654 | - | 23,605,654 | 4.46% | 536.13 |
| 2018 | 20,902,398 | - | 20,902,398 | 3.81% | 474.73 |
| 2019 | 18,152,275 | - | 18,152,275 | 3.10% | 412.27 |
| 2020 | 15,716,601 | - | 15,716,601 | 2.58% | 356.95 |
| 2021 | 14,200,070 | 91,788 | 14,108,282 | 2.03% | 350.17 |

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 data.

**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, 2021

| Governmental Unit | Gross Bonded Debt | Percentage of Debt Applicable to the City* | City's Share of Debt |
|--|------------------------------|---|---------------------------------|
| City of DeKalb | \$ 14,872,955 | 100.00% | \$ 14,872,955 |
| DeKalb County | 43,858,399 | 31.65% | 13,881,183 |
| DeKalb Community Unit School District #428 | 90,610,000 | 83.27% | 75,450,947 |
| Sycamore Community School District #427 | 73,914,246 | 2.17% | 1,603,939 |
| Kishwaukee Community College #523 | 60,790,595 | 29.15% | 17,720,458 |
| DeKalb Park District | - | 99.10% | - |
| Total Overlapping | <u>\$ 269,173,240</u> | | <u>\$ 108,656,527</u> |
| Total Direct and Overlapping | <u>\$ 284,046,195</u> | | <u>\$ 123,529,482</u> |

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

Data Source

Office of the County Clerk

CITY OF DEKALB, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2021

The City is a home rule municipality.

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

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

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

CITY OF DEKALB, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

| Fiscal Year | Tax Increment Financing Bonds and Notes | | | | | | | Coverage |
|----------------|---|-----------------------------|---|----------------------------------|--------------|----------|-------|----------|
| | Incremental Property Taxes | Incremental Sales Tax | Less Excluded Contractual Obligations | Available for Debt Service | Debt Service | | | |
| | | | | | Principal | Interest | | |
| 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 | 8,596,642 | - | - | 8,596,642 | - | - | N/A | |
| 2020 | 6,911,662 | - | - | 6,911,662 | - | - | N/A | |
| 2021 | 6,727,258 | - | - | 6,727,258 | - | - | 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 |
|------------------------|-------------------|-------------------------------------|----------------------------|---|-------------------------------------|------------------------------|
| 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% |
| 2020 | 44,030 | 610,333,062 | 1,186,960,740 | 26,958 | 45,020 | 7.1% |
| 2021 | 40,290 | 694,171,673 | 999,957,510 | 24,819 | 44,223 | 4.3% |

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

Data Sources

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

CITY OF DEKALB, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

| Employer | 2021 | | | 2012 | | |
|---------------------------------|------|-----------|----------------------------------|------|-----------|----------------------------------|
| | Rank | Employees | % of Total City Population | Rank | Employees | % of Total City Population |
| Northern Illinois University | 1 | 3,344 | 8.30% | 1 | 3,596 | 8.17% |
| Target Distribution Center | 2 | 1,250 | 3.10% | | | |
| KishHealth System | 3 | 1,200 | 2.98% | 2 | 1,200 | 2.73% |
| DeKalb School District | 4 | 1,162 | 2.88% | | | |
| 3M | 5 | 950 | 2.36% | 3 | 480 | 1.09% |
| Ferrara Candy | 6 | 500 | 1.24% | | | |
| Wal-Mart Super Center | 7 | 360 | 0.89% | 4 | 475 | 1.08% |
| American Marketing & Publishing | 8 | 350 | 0.87% | | | |
| Nestle Distribution | 9 | 265 | 0.66% | 7 | 250 | 0.57% |
| Sonoco Corp - Alloyd Brands | 10 | 250 | 0.62% | | | |
| Kishwaukee College | | | | 5 | 430 | 0.98% |
| Ideal Industries Inc. | | | | 6 | 350 | 0.79% |
| SK Express | | | | 8 | 200 | 0.45% |
| Engineered Storage Products | | | | 9 | 120 | 0.27% |
| Edward Hines Lumber Co. | | | | 10 | 100 | 0.23% |

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 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|---------------|---------------|---------------|
| GENERAL GOVERNMENT | | | | |
| Legislative | 9.00 | 9.00 | 9.00 | 9.00 |
| Administrative Services | 20.00 | 20.50 | 22.50 | 24.00 |
| | 29.00 | 29.50 | 31.50 | 33.00 |
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Officers | 63.00 | 65.00 | 65.00 | 65.00 |
| Civilians | 30.00 | 30.50 | 34.00 | 34.00 |
| | 93.00 | 95.50 | 99.00 | 99.00 |
| Fire | | | | |
| Firefighters | 52.00 | 57.00 | 57.00 | 57.00 |
| Staff | 1.00 | 1.00 | 1.50 | 2.00 |
| | 53.00 | 58.00 | 58.50 | 59.00 |
| COMMUNITY IMPROVEMENT | | | | |
| Community Development | 7.50 | 8.00 | 6.50 | 6.00 |
| 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 | 0.50 | 2.00 |
| Streets | 21.00 | 21.00 | 21.00 | 21.00 |
| | 32.00 | 32.50 | 31.00 | 32.00 |
| Water and Sewer | 10.00 | 10.50 | 10.50 | 10.50 |
| Airport Division | 4.50 | 6.00 | 6.00 | 6.00 |
| Mass Transit | 2.00 | 2.00 | 3.50 | 3.50 |
| TOTAL FULL-TIME EQUIVALENT EMPLOYEES | 223.50 | 234.00 | 240.00 | 243.00 |

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

| 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------|--------|--------|--------|--------|--------|
| 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| 23.50 | 22.50 | 22.50 | 20.00 | 19.00 | 16.00 |
| 32.50 | 31.50 | 31.50 | 29.00 | 28.00 | 25.00 |
| 65.00 | 65.00 | 63.00 | 64.00 | 65.00 | 65.00 |
| 34.00 | 34.00 | 24.50 | 22.00 | 23.00 | 24.00 |
| 99.00 | 99.00 | 87.50 | 86.00 | 88.00 | 89.00 |
| 57.00 | 57.00 | 57.00 | 56.00 | 55.00 | 53.00 |
| 2.00 | 2.00 | 2.00 | 1.50 | 1.00 | 1.50 |
| 59.00 | 59.00 | 59.00 | 57.50 | 56.00 | 54.50 |
| 7.50 | 10.00 | 11.00 | 11.00 | 7.50 | 7.00 |
| 2.00 | 2.00 | 3.00 | 4.00 | 3.00 | 3.00 |
| 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 2.00 | 2.00 | 0.00 | - | 1.50 | 1.00 |
| 21.00 | 21.00 | 21.00 | 17.50 | 18.00 | 15.50 |
| 33.50 | 36.00 | 37.00 | 34.50 | 32.00 | 28.50 |
| 10.50 | 10.00 | 10.00 | 10.50 | 10.50 | 9.50 |
| 6.00 | 6.00 | 6.00 | 5.00 | 6.50 | 4.50 |
| 3.50 | 3.50 | 4.00 | 2.50 | 2.50 | 2.50 |
| 244.00 | 245.00 | 235.00 | 225.00 | 223.50 | 213.50 |

CITY OF DEKALB, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

| Function/Program | 2013 | 2014 | 2015 | 2016 |
|--------------------------------------|---------------|--------------|---------------|---------------|
| GENERAL GOVERNMENT | | | | |
| Community Development | | | | |
| Building Permits Issued | | | | |
| Residential Permits Issued | | | | |
| New Construction | 1 | 4 | 3 | 6 |
| Remodel | 67 | 52 | 49 | 54 |
| Industrial/Commercial Permits Issued | | | | |
| New Construction | 15 | 21 | 19 | 16 |
| Remodel | 20 | 25 | 27 | 33 |
| Other Permits | 634 | 651 | 580 | 595 |
| Total Number of Permits | 737 | 753 | 678 | 704 |
| Total Building Permit Valuation | \$ 11,611,226 | \$ 8,958,807 | \$ 54,359,021 | \$ 66,276,980 |
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Physical Arrests | 2,917 | 2,795 | 2,987 | 2,911 |
| Traffic Violations | 4,729 | 4,253 | 3,956 | 3,788 |
| Parking Violations | 9,733 | 7,144 | 6,335 | 5,555 |
| Fire | | | | |
| Fire Responses (Fire and Non-Fire) | 3,437 | 3,489 | 3,948 | 4,084 |
| Emergency Medical Services Responses | 5,236 | 5,207 | 5,196 | 5,344 |
| PUBLIC WORKS | | | | |
| Vehicles Maintained by Department | 133 | 135 | 142 | 144 |
| Street Reconstruction (Miles) | 0.51 | 0.43 | - | - |
| Street Resurfacing (Miles) | 2.17 | 1.22 | 1.66 | 1.77 |
| WATER | | | | |
| Average Daily Consumption 12/31 | | | | |
| Industrial/Commercial | 201,379 | 200,651 | 200,225 | 218,893 |
| Residential | 1,058,891 | 1,062,330 | 998,511 | 961,306 |
| Government/Church/School | 294,876 | 281,486 | 256,770 | 251,341 |
| Water Billing Accounts on 12/31 | | | | |
| Industrial/Commercial | 753 | 731 | 717 | 682 |
| Residential | 10,015 | 9,960 | 9,963 | 10,030 |
| Government/Church/School | 225 | 222 | 211 | 217 |

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

Data Source

Various City Departments

| 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|---------------|--------------|---------------|---------------|----------------|
| - | 2 | 23 | 5 | 6 | 9 |
| 25 | 33 | 43 | 48 | 51 | 50 |
| 5 | 21 | 1 | 12 | 16 | 25 |
| 22 | 47 | 27 | 33 | 46 | 27 |
| 355 | 860 | 949 | 981 | 1,061 | 1,231 |
| 407 | 963 | 1,043 | 1,079 | 1,180 | 1,342 |
| \$ 3,581,909 | \$ 35,210,556 | \$ 6,296,207 | \$ 43,564,241 | \$ 98,621,090 | \$ 255,083,715 |
| 1,650 | 2,811 | 2,954 | 2,650 | 2,123 | 1,880 |
| 1,442 | 3,612 | 3,222 | 2,947 | 1,976 | 2,208 |
| 2,899 | 5,049 | 6,261 | 4,893 | 5,179 | 6,657 |
| 1,667 | 4,062 | 3,549 | 1,547 | 1,259 | 1,473 |
| 2,122 | 5,376 | 5,829 | 5,121 | 5,066 | 5,973 |
| 145 | 142 | 144 | 144 | 138 | 138 |
| - | - | - | - | 0.89 | 0.30 |
| 1.14 | 1.07 | 1.56 | 1.56 | 3.70 | 1.85 |
| 222,383 | 187,775 | 180,052 | 179,796 | 156,608 | 162,687 |
| 979,803 | 986,419 | 967,315 | 932,695 | 990,901 | 991,829 |
| 305,061 | 272,898 | 236,905 | 237,628 | 175,944 | 199,929 |
| 749 | 751 | 745 | 741 | 738 | 727 |
| 9,964 | 9,968 | 9,990 | 10,009 | 10,024 | 10,023 |
| 217 | 218 | 216 | 216 | 215 | 212 |

CITY OF DEKALB, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| PUBLIC SAFETY | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations/Municipal Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Vehicles | 28 | 28 | 29 | 29 | 28 | 28 | 31 | 32 | 33 | 34 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Ambulances | 6 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Fire Trucks | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| PUBLIC WORKS | | | | | | | | | | |
| Residential Streets (Miles) | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 129 |
| Traffic Signals | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 25 | 25 | 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) | 177 | 177 | 177 | 178 | 178 | 178 | 178 | 178 | 178 | 181 |

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

Data Source

Various City Departments



CITY OF DEKALB, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended December 31, 2021

An abstract background featuring a complex pattern of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a sense of depth and architectural structure.

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CITY OF DEKALB, ILLINOIS
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the City Council
City of DeKalb, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 13, 2022. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component unit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 13, 2022

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; AND ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the City Council
City of DeKalb, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of DeKalb, Illinois' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility for the Auditor Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 13, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
June 13, 2022

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

| Federal Grantor | Pass-Through Grantor | Program Title | Federal ALN Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|---|---------------------------------------|---|-----------------------------------|---------------------------------|---------------------|---|
| Department of Homeland Security | Illinois Emergency Management Agency | COVID-19 Disaster Assistance Public Assistance | 97.036 | FEMA-4489-DR-IL | \$ 6,799 | \$ - |
| Department of Homeland Security | Illinois Emergency Management Agency | COVID-19 Disaster Assistance Public Assistance | 97.036 | FEMA-4489-DR-IL | 5,586 | - |
| | | Subtotal of COVID-19 Disaster Assistance Public Assistance Grants | | | 12,385 | - |
| Department of Homeland Security | N/A | Assistance to Firefighters Grant Program | 97.044 | EMW-2018-FO-02195 | 16,364 | |
| Department of Homeland Security | Illinois Law Enforcement Alarm System | Homeland Security Grant Program | 97.067 | Training Reimbursements | 1,363 | - |
| | | Total Department of Homeland Security | | | 30,112 | - |
| Department of Agriculture | Illinois Law Enforcement Alarm System | Law Enforcement Agreements | 10.704 | Body Camera Grant | 11,776 | - |
| Department of Justice | N/A | Bulletproof Vest Partnership Program | 16.607 | N/A | 11,980 | - |
| Department of Justice | N/A | Coronavirus Emergency Supplemental Funding | 16.034 | 2020-VD-BX-0246 | 19,858 | - |
| | | Total Department of Justice | | | 31,838 | - |
| | | CDBG Entitlement Grant Cluster | | | | |
| Department of Housing and Urban Development | N/A | Community Development Block Grants/Entitlement Grants | 14.218* | B-16-MC-17-0034 | 65,606 | - |
| Department of Housing and Urban Development | N/A | Community Development Block Grants/Entitlement Grants | 14.218* | B-17-MC-17-0034 | 104,395 | - |

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2021

| Federal Grantor | Pass-Through Grantor | Program Title | Federal ALN Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|---|--|---|-----------------------------------|---------------------------------|---------------------|---|
| Department of Housing and Urban Development | N/A | Community Development Block Grants/Entitlement Grants | 14.218* | B-18-MC-17-0034 | \$ 38,865 | \$ - |
| Department of Housing and Urban Development | N/A | Community Development Block Grants/Entitlement Grants | 14.218* | B-19-MC-17-0034 | 77,999 | - |
| Department of Housing and Urban Development | N/A | Community Development Block Grants/Entitlement Grants | 14.218* | B-20-MC-17-0034 | 248,835 | 13,750 |
| Department of Housing and Urban Development | N/A | COVID-19 Community Development Block Grants/Entitlement Grants | 14.218* | B-20-MW17-0034 | 265,599 | 160,599 |
| Department of Housing and Urban Development | N/A | Community Development Block | 14.218* | B-21-MC17-0034 | 119,198 | 50,250 |
| | | Total Department of Housing and Urban Development | | | <u>920,497</u> | <u>224,599</u> |
| Department of Transportation | Illinois Department of Transportation | Airport Improvement Program | 20.106 | DKB-4431 | 8,142 | - |
| Department of Transportation | Illinois Department of Transportation | Airport Improvement Program-Noncash | 20.106 | DKB-4800 (21-0327-23909) | 334,956 | - |
| Department of Transportation | Illinois Department of Transportation | Airport Improvement Program-Noncash | 20.106 | DKB-4556 | 116,061 | - |
| | | Subtotal Airport Improvement Program grants | | | <u>459,159</u> | <u>-</u> |
| | | Federal Transit Cluster | | | | |
| Department of Transportation | N/A | Federal Transit Formula Grants | 20.507 | IL-2016-028-00 (IL-90-X761) | 43,082 | 27,507 |
| Department of Transportation | N/A | Federal Transit Formula Grants | 20.507 | IL-2017-032-00 (IL-90-X775) | 369,815 | 366,692 |
| Department of Transportation | N/A | Federal Transit Formula Grants | 20.507 | IL-2019-004-00 (IL-90-X790) | 7,631 | 5,515 |
| Department of Transportation | N/A | Federal Transit Formula Grants | 20.507 | IL-2020-003-00 (IL-90-X800) | 69,198 | 52,364 |
| | | Federal Transit Formula Grants | 20.507 | IL-2021-001-00 (IL-90-X836) | 264,893 | 226,963 |
| | | Federal Transit Formula Grants | 20.507 | IL-90-X0735-00 | 23,048 | - |
| | | COVID-19 Federal Transit Formula Grants | 20.507 | IL-2020-017-00 (IL-90-4001) | 8,216 | 1,498 |
| | | Subtotal Federal Transit Formula | | | <u>785,883</u> | <u>680,539</u> |

CITY OF DEKALB, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2021

| Federal Grantor | Pass-Through Grantor | Program Title | Federal ALN Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|---|---------------------------------------|--|-----------------------------------|---------------------------------|---------------------|---|
| | | Highway Safety Cluster | | | | |
| Department of Transportation | Illinois Department of Transportation | State and Community Highway Safety | 20.600 | HS-21-0206 | \$ 4,289 | \$ - |
| Department of Transportation | Illinois Department of Transportation | State and Community Highway Safety | 20.600 | HS-22-0182 | 504 | - |
| | | Subtotal State and Community Highway Safety | | | 4,793 | - |
| | | Total Department of Transportation | | | 1,249,835 | 680,539 |
| Department of Treasury | N/A | COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027* | 20-494251 | 3,001,806 | - |
| Department of Health and Human Services | N/A | Block Grants Prevention and Treatment of Substance Abuse | 93.959 | N/A | 1,246 | - |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | | \$ 5,247,110 | \$ 905,138 |

*Denotes Major Program

CITY OF DEKALB, ILLINOIS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. It is a summary of the activity of the City's federal award programs prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

Note B - Illinois Environmental Protection Agency Loans

The City had Illinois Environmental Protection Agency Loans outstanding in the amount of \$802,846 at December 31, 2021. The loans have no continuing compliance requirements aside from loan repayment.

Note C - Other Information

The City did not receive any federal insurance or noncash assistance during the year ended December 31, 2021.

The City did not elect to use the 10% federal de minimis indirect cost rate.

CITY OF DEKALB ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditor's report issued on compliance for
major federal programs:

*Unmodified (ALN #21.027,
14.218)*

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR Section 200.516(a)?

_____ yes X no

Identification of major federal programs:

ALN Number(s)

Name of Federal Program or Cluster

14.218

CDBG Entitlement Grant Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery
Funds

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2021

Section II - Findings - Financial Statement Audit

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None



CITY OF DEKALB, ILLINOIS

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended December 31, 2021

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CITY OF DEKALB, ILLINOIS
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management's assertion, included in its representation letter dated June 13, 2022, that the City of DeKalb, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2021. Management is responsible for the City's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City of DeKalb's compliance with the specified requirements.

In our opinion, management's assertion that the City of DeKalb complied with the aforementioned requirements for the year ended December 31, 2021 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Members of the City Council, management of the City, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 13, 2022

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2021, which collectively comprise the basic financial statements of the City and have issued our report thereon dated June 13, 2022, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information (schedule of revenues, expenditures, and changes in fund balances and schedules of fund balance by source for the Tax Increment Financing #1 Fund, Tax Increment Financing # 3 Fund, and Tax Increment Financing Debt Service Fund) are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
June 13, 2022

SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
TAX INCREMENT FINANCING DISTRICTS REDEVELOPMENT FUNDS**

For the Year Ended December 31, 2021

| | Special Revenue Funds | | Debt Service Fund | |
|--|-----------------------------------|-----------------------------------|--------------------------|--------------------------------|
| | Tax Increment Financing #1 | Tax Increment Financing #3 | TIF Debt Service | Total (Memorandum Only) |
| REVENUES | | | | |
| Taxes | \$ 6,727,258 | \$ 458,809 | \$ - | \$ 7,186,067 |
| Investment Income | 14,329 | 1,097 | - | 15,426 |
| Total Revenues | 6,741,587 | 459,906 | - | 7,201,493 |
| EXPENDITURES | | | | |
| Community Development | | | | |
| Contractual Services | 3,391,616 | 2,801 | - | 3,394,417 |
| Capital Outlay | 181,700 | 751,641 | - | 933,341 |
| Debt Service | | | | |
| Principal Retirement | - | - | 1,145,000 | 1,145,000 |
| Interest and Fiscal Charges | - | - | 45,800 | 45,800 |
| Total Expenditures | 3,573,316 | 754,442 | 1,190,800 | 5,518,558 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,168,271 | (294,536) | (1,190,800) | 1,682,935 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | 2,650,000 | 1,190,800 | 3,840,800 |
| Transfers (Out) | (3,930,077) | - | - | (3,930,077) |
| Total Other Financing Sources (Uses) | (3,930,077) | 2,650,000 | 1,190,800 | (89,277) |
| NET CHANGE IN FUND BALANCES | (761,806) | 2,355,464 | - | 1,593,658 |
| FUND BALANCES, JANUARY 1 | 781,277 | 1,271,337 | - | 2,052,614 |
| FUND BALANCES, DECEMBER 31 | \$ 19,471 | \$ 3,626,801 | \$ - | \$ 3,646,272 |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE
TAX INCREMENT FINANCING #1 FUND**

For the Year Ended December 31, 2021

| | |
|---|-------------------------|
| BEGINNING BALANCE, JANUARY 1, 2021 | <u>\$ 781,277</u> |
| DEPOSITS | |
| Property Taxes | 6,727,258 |
| Investment Income | <u>14,329</u> |
| Total Deposits | <u>6,741,587</u> |
| Balance Plus Deposits | <u>7,522,864</u> |
| EXPENDITURES AND TRANSFERS | |
| Community Development | 3,391,616 |
| Capital Outlay | 181,700 |
| Transfers Out | <u>3,930,077</u> |
| Total Expenditures and Transfers | <u>7,503,393</u> |
| ENDING BALANCE, DECEMBER 31, 2021 | <u><u>\$ 19,471</u></u> |
| ENDING BALANCE BY SOURCE | |
| Property Tax | <u>\$ 19,471</u> |
| Subtotal | 19,471 |
| Less Surplus Funds | <u>-</u> |
| ENDING BALANCE | <u><u>\$ 19,471</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE
TAX INCREMENT FINANCING #3 FUND**

For the Year Ended December 31, 2021

| | |
|---|----------------------------|
| BEGINNING BALANCE, JANUARY 1, 2021 | <u>\$ 1,271,337</u> |
| DEPOSITS | |
| Property Taxes | 458,809 |
| Investment Income | 1,097 |
| Transfers In | <u>2,650,000</u> |
| Total Deposits | <u>3,109,906</u> |
| Balance Plus Deposits | <u>4,381,243</u> |
| EXPENDITURES | |
| Community Development | 2,801 |
| Capital Outlay | <u>751,641</u> |
| Total Expenditures | <u>754,442</u> |
| ENDING BALANCE, DECEMBER 31, 2021 | <u><u>\$ 3,626,801</u></u> |
| ENDING BALANCE BY SOURCE | |
| Property Tax | <u>\$ 3,626,801</u> |
| Subtotal | 3,626,801 |
| Less Surplus Funds | <u>-</u> |
| ENDING BALANCE | <u><u>\$ 3,626,801</u></u> |

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE
TIF DEBT SERVICE FUND**

For the Year Ended December 31, 2021

| | |
|---|--------------------|
| BEGINNING BALANCE, JANUARY 1, 2021 | <u>\$ -</u> |
| DEPOSITS | |
| Transfers In | <u>1,190,800</u> |
| Total Deposits | <u>1,190,800</u> |
| Balance Plus Deposits | <u>1,190,800</u> |
| EXPENDITURES | |
| Debt Service | <u>1,190,800</u> |
| Total Expenditures | <u>1,190,800</u> |
| ENDING BALANCE, DECEMBER 31, 2021 | <u><u>\$ -</u></u> |
| ENDING BALANCE BY SOURCE | |
| None | <u>\$ -</u> |
| Subtotal | - |
| Less Surplus Funds | <u>-</u> |
| ENDING BALANCE | <u><u>\$ -</u></u> |

(See independent auditor's report.)



CITY OF DEKALB, ILLINOIS

DOWNSTATE OPERATING ASSISTANCE CERTIFICATION AND INDEPENDENT AUDITOR'S REPORTS

For the Fiscal Year Ended June 30, 2021

An abstract background featuring a complex pattern of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a sense of depth and architectural structure.

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CITY OF DEKALB, ILLINOIS
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**INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF REVENUES AND EXPENSES
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-21-48-IL**

Members of the City Council
City of DeKalb
DeKalb, Illinois

Report on the Audit of the Schedule

Opinion

We have audited the accompanying schedule of revenues and expenses under downstate operating assistance grant OP-21-48 of City of DeKalb, Illinois for the year ended June 30, 2021.

In our opinion, the accompanying schedule present fairly, in all material respects, the schedule of revenues and expenses under downstate operating assistance grant OP-21-48 of City of DeKalb, Illinois for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America and provisions of the Downstate Operating Assistance Grant Agreement.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Downstate Operating Assistance Grant Agreement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America and for 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 Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in this schedule.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Sikich LLP

Naperville, Illinois
June 13, 2022

CITY OF DEKALB, ILLINOIS

SCHEDULE OF REVENUES AND EXPENSES

UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-21-48-IL

FOR THE YEAR ENDED JUNE 30, 2021

OPERATING REVENUES AND INCOME

| | | |
|--|--|---------------------|
| 401 | Passenger fares for transit services | \$ 7,506 |
| 402 | Special transit fares | - |
| 403 | School bus service | - |
| 404 | Freight tariffs | - |
| 405 | Total charter service revenues | - |
| 406 | Auxiliary revenue | - |
| 407 | Non-transportation revenue | - |
| 407 .99 | Sec. 5307 force acct & admin cost reimbursement | - |
| 411 | State cash grants and reimbursement - <i>other than</i> <i>Downstate Operating Assistance</i> | - |
| 412 | State special fare assistance | - |
| 413 | Federal cash grants & reimbursement | 1,201,010 |
| 413 .99 | Sec. 5307 capital funds applied to state eligible op. expenses | - |
| .99 | Job Access Reverse Commute & New Freedom | - |
| 430 | Contributed services | 1,622,933 |
| 440 | Subsidy from other sectors of operations | - |
| Total operating revenues and income | | \$ 2,831,449 |

OPERATING EXPENSES

| | | |
|--|--|---------------------|
| 501 | Labor | \$ 593,874 |
| 502 | Fringe benefits | 82,998 |
| 503 | Professional services | 26,123 |
| 504 | Materials & supplies consumed | 427,455 |
| 505 | Utilities | 598 |
| 506 | Casualty & liability | - |
| 507 | Taxes | - |
| 508 | Net purchased transportation | 6,480,549 |
| 509 | Miscellaneous expense | 7,027 |
| 511 | Interest expense | - |
| 512 | Leases, rentals, and purchase-lease payments | - |
| Total operating expenses | | 7,618,624 |
| Total eligible operating expenses | | \$ 7,618,624 |

CITY OF DEKALB, ILLINOIS

**SCHEDULE OF REVENUES AND EXPENSES
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-21-48-IL (Continued)**

FOR THE YEAR ENDED JUNE 30, 2021

| | |
|--|---------------------|
| Total eligible operating expenses | \$ 7,618,624 |
| Total operating revenues and income | <u>2,831,449</u> |
| Deficit | <u>\$ 4,787,175</u> |
| 65% of eligible expenses | <u>\$ 4,952,106</u> |
| Maximum contract amount | <u>\$ 6,154,536</u> |
| FY21 eligible downstate operating assistance (deficit, 65% of eligible expense, or maximum contract amount, whichever is less) | <u>\$ 4,787,175</u> |
| FY21 downstate operating assistance received (prior to the close of fiscal year) | <u>\$ 4,536,139</u> |
| FY21 downstate operating assistance receivable (at close of fiscal year and subsequently received) | <u>\$ 250,552</u> |
| FY21 downstate operating assistance (over) under paid | <u>\$ 484</u> |

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS
AND REGULATIONS APPLICABLE TO THE FINANCIAL ASSISTANCE
RECEIVED UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-21-48-IL**

Members of the City Council
City of DeKalb
DeKalb, Illinois

Report on Compliance

Opinion

We have audited the City of DeKalb's (the City) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2021.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on the downstate operating assistance grant for the year ended June 30, 2021.

Basis for Opinion

We conducted our audit on compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the State of Illinois Department of Transportation. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Report of Compliance section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the financial assistance received under the downstate operating assistance grant.

Auditor's Responsibilities for the Report of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the State of Illinois Department of Transportation will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the report on compliance.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the provisions of the "Downstate Operating Assistance Grant Program Agreement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Purpose of this Report

The purpose of this report on is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation. Accordingly, this report is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 13, 2022

CITY OF DEKALB, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Findings and Questioned Costs

None

Summary Schedule of Prior Audit Findings

None



CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

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

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

SiKich LLP

Naperville, Illinois
June 13, 2022

ACCOUNTING TECHNOLOGY ADVISORY