

CITY OF MACOMB, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2018

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To the Mayor and City Council
City of Macomb
Macomb, Illinois

Independent Auditor's Report

Report on the Financial Statements

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 Macomb, Illinois (City) as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Macomb City Township (Township), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Township, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion on Governmental Activities, Business-Type Activities, the Water Fund, and the Sewer Fund

As discussed in Note 14 to the financial statements, management has not recorded certain other postemployment benefits (OPEB) liabilities in the governmental activities, the business-type activities, the Water Fund, and the Sewer Fund and, accordingly, has not recorded OPEB expense related to those liabilities. Accounting principles generally accepted in the United States of America require that those OPEB liabilities be recorded, which would increase the liabilities and expenses, and decrease the net position of the governmental activities, the business-type activities, the Water Fund, and the Sewer Fund of the City as of April 30, 2018. The amount by which this departure would affect the liabilities, expenses, and net position of the governmental activities, the business-type activities, the Water Fund, and the Sewer Fund has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities, Business-Type Activities, the Water Fund, and the Sewer Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities, Business-Type Activities, the Water Fund, and the Sewer Fund of the City as of April 30, 2018, and the 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.

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, each major fund other than the Water Fund and the Sewer Fund, and the aggregate remaining fund information of the City as of April 30, 2018, 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 of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting of the Township. The Township's financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer contributions, changes in the net pension liability and related ratios, investment returns for pensions, budgetary comparison information and notes to required supplementary information, on pages 5 through 11, 67 through 70, 71 through 74, 75, 76 through 78, and 79, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information listed in the table of contents as "combining and individual fund financial statements and schedules" and "other supplemental schedules", is presented for purposes of additional analysis and is 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. Such 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplemental schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2017, which are not presented with the accompanying financial statements and we expressed qualified opinions on the governmental activities, the business-type activities, the Water Fund, and the Sewer Fund due to the omission of other postemployment benefits liabilities and related expense and unmodified opinions on the respective financial statements of each major fund other than the Water Fund and the Sewer Fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund financial schedules, related to the 2017 financial statements are presented for purposes of additional analysis and are 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 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2017 combining and individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Werner, Rogers, Doran & Ruyon, LLC

October 10, 2018

**REQUIRED SUPPLEMENTARY INFORMATION –
MANAGEMENT’S DISCUSSION AND ANALYSIS**

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2018 (Unaudited)

Our discussion and analysis of the City of Macomb's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2018. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City's total combined net position was \$58,607,029 on April 30, 2018.
- During the year the City's combined change in net position was a decrease of \$1,985,301 which was due mainly to the recognition of the current year increase in net pension liabilities.
- The total cost of the City's programs was \$23,519,550.
- The general corporate account reported a year-end cash balance of \$3,762,918, which amounts to just over four months of general corporate account operating expenditures.

Overview of the Financial Statements

This annual report consists of four parts, Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Other Supplementary Information. The Basic Financial Statements includes two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are Fund Financial Statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements:
 - The Governmental Funds statements tell how general government services were financed.
 - Proprietary Funds statements offer financial information about the activities the government operates like businesses (water, sewer and garbage).
 - Fiduciary Funds statements provide information about the financial relationships in which the City acts solely as a trustee for the benefit of others, to whom the resources in question belong, such as the Firefighters' and Police Pension Funds.

The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information and subsequently, Other Supplemental Schedules that further explain and support the information in the basic financial statements.

The Macomb City Township has been included as a discretely-presented component unit. Financial statements are available for the Township by contacting the Township office at 232 East Jackson Street, Macomb, Illinois 61455.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2018 (Unaudited)

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities report information about the City as a whole. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. A comparative analysis of City-wide data is provided. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors however, such as changes in the property tax base, statewide economic conditions, or the status of the City's infrastructure, need to be considered to assess the overall health of the City.

Condensed Statement of Net Position, as of April 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total Government		
	2018	2017	2018	2017	2018	2017	Change %
Assets							
Current and							
Other Assets	\$14,414,714	\$16,087,372	\$ 4,505,767	\$ 4,527,520	\$18,920,481	\$20,614,892	-8%
Capital Assets	48,016,003	46,746,199	25,407,389	25,458,150	73,423,392	72,204,349	2%
Total Assets	62,430,717	62,833,571	29,913,156	29,985,670	92,343,873	92,819,241	-1%
Deferred Outflows of Resources	5,407,020	5,445,743	234,264	306,091	5,641,284	5,751,834	
Liabilities							
Current and							
Other Liabilities	1,024,446	1,273,585	349,687	344,553	1,374,133	1,618,138	-15%
Long-Term							
Liabilities	24,653,978	24,908,521	7,512,318	8,380,361	32,166,296	33,288,882	-3%
Total Liabilities	25,678,424	26,182,106	7,862,005	8,724,914	33,540,429	34,907,020	-4%
Deferred Inflows of Resources	5,183,499	3,062,579	654,200	9,146	5,837,699	3,071,725	90%
Net Position							
Net Investment in							
Capital Assets	42,638,961	40,812,474	18,086,826	17,635,929	60,725,787	58,448,403	4%
Restricted	2,242,245	2,127,316	398,630	377,246	2,640,875	2,504,562	5%
Unrestricted	(7,905,392)	(3,905,161)	3,145,759	3,544,526	(4,759,633)	(360,635)	1220%
Total Net Position	\$36,975,814	\$39,034,629	\$21,631,215	\$21,557,701	\$58,607,029	\$60,592,330	-3%

The Statement of Net Position can be found on pages 12-13 of this report.

The current year's governmental activities left the City with \$37.0 million in net position, of which \$42.6 million is the net investment in capital assets, \$2.2 million is restricted for community development, employee benefits, maintenance of roadways, public safety, cemetery care, capital projects, transportation and other purposes, and (\$7.9) million is unrestricted. The increase in deferred inflows of resources is the result of deferred amounts related to pensions.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2018 (Unaudited)

The current year's business-type activities left the City with \$21.6 million in net position, of which \$18.1 million is the net investment in capital assets, \$399 thousand is restricted for debt service, and \$3.1 million is unrestricted.

Condensed Statement of Activities for the Years Ended April 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total Government		
	2018	2017	2018	2017	2018	2017	Change %
Revenues							
Program Revenues							
Charges for Services	\$ 1,131,526	\$ 1,109,169	\$ 6,668,357	\$ 6,542,842	\$ 7,799,883	\$ 7,652,011	2%
Operating Grants and Contributions	3,253,167	3,080,749	7,360	-	3,260,527	3,080,749	6%
Capital Grants and Contributions	106,801	395,383	-	-	106,801	395,383	-73%
General Revenues							
Property Taxes	2,242,735	2,252,151	-	-	2,242,735	2,252,151	0%
Income Taxes	2,082,215	1,904,309	-	-	2,082,215	1,904,309	9%
Sales Taxes	4,345,835	4,523,107	-	-	4,345,835	4,523,107	-4%
Other Taxes	1,236,946	1,283,476	32,775	30,682	1,269,721	1,314,158	-3%
Investment Income	33,446	33,499	2,184	2,144	35,630	35,643	0%
Other General Revenues	379,297	564,892	11,605	1,320	390,902	566,212	-31%
Total Revenues	14,811,968	15,146,735	6,722,281	6,576,988	21,534,249	21,723,723	-1%
Expenses							
General Government	2,860,177	2,964,852	-	-	2,860,177	2,964,852	-4%
Public Safety	7,825,065	7,512,483	-	-	7,825,065	7,512,483	4%
Highways and Streets	2,171,198	3,432,630	-	-	2,171,198	3,432,630	-37%
Transportation	2,584,390	2,847,542	-	-	2,584,390	2,847,542	-9%
Community Development	2,829,504	1,395,014	-	-	2,829,504	1,395,014	103%
Culture and Recreation	24,940	25,966	-	-	24,940	25,966	-4%
Interest on Long-Term Debt	123,480	134,538	-	-	123,480	134,538	-8%
Water	-	-	2,646,961	2,323,242	2,646,961	2,323,242	14%
Sewer	-	-	1,609,110	1,407,747	1,609,110	1,407,747	14%
Garbage	-	-	844,725	885,640	844,725	885,640	-5%
Total Expenses	18,418,754	18,313,025	5,100,796	4,616,629	23,519,550	22,929,654	3%
Excess Before Transfers	(3,606,786)	(3,166,290)	1,621,485	1,960,359	(1,985,301)	(1,205,931)	65%
Transfers	1,547,971	1,326,973	(1,547,971)	(1,326,973)	-	-	n/a
Change in Net Position	(2,058,815)	(1,839,317)	73,514	633,386	(1,985,301)	(1,205,931)	65%
Net Position, Beginning	39,034,629	40,873,946	21,557,701	20,924,315	60,592,330	61,798,261	
Net Position, End of Year	\$ 36,975,814	\$ 39,034,629	\$ 21,631,215	\$ 21,557,701	\$ 58,607,029	\$ 60,592,330	-3%

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2018 (Unaudited)

The Statement of Activities can be found on pages 14-15 of this report.

Fiscal year 2018 showed governmental activities program revenues of \$4.5 million and general revenues of \$10.3 million.

Governmental activities are broken out by functional area for program revenues and expenses: General Government, Public Safety, Highway and Streets, Transportation, Community Development, Culture and Recreation and Interest on Long-Term Debt. General revenues are separated mainly into taxes and investment earnings.

Some of the basic impacts on revenues and expenses are reflected below:

Revenues

Economic Condition - which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volume of consumption.

Changing Patterns in Intergovernmental and Grant revenue - certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one time) grants are less predictable and often distorting in their impact on a year-to-year comparison.

Expenses

Introduction of New Programs - within the functional expense categories (Public Safety, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase/decrease in Authorized Personnel - changes in service demands may cause the City Council to increase/decrease authorized staffing. Significantly, we have seen an increase in overtime costs associated with the Fire and Police departments due to loss or injury of employees and training periods for new officers.

Salary Increases (annual adjustments and merit) - the ability to attract and retain personnel resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation - while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels, and parts. The City's bulk fuel cost was \$16,999 under budget (5.3%), vehicle repairs and maintenance was \$45,276 under budget (31.6%), and utility costs were \$13,665 under budget (30.0%).

Reporting the City's Most Significant Funds

The Fund Financial Statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or fees. The City has three types of funds - governmental, proprietary, and fiduciary.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2018 (Unaudited)

General Fund

Revenues for the General Fund increased by \$315,044 or 2.8% from 2017 to 2018, due mostly to an increase in property taxes. Total expenditures increased \$1,236,184 or 9.2%, driven by an increase in highways and streets and community development. The City's management continues to strive for cost containment of expenses while ensuring adequate revenue policies.

Illinois Municipal Retirement Fund

The City's IMRF Fund is used to account for resources, mainly property taxes, to be paid to the Illinois Municipal Retirement Fund for employee retirement benefits. Total revenues for 2018 were \$75,890 and total expenditures were \$429,692.

Section 5311 Transportation Grant Fund

The public transportation program receives funding from the federal Section 5311 operating assistance program and the State of Illinois Downstate Operating Assistance Program. The total transportation revenue during the year from both programs was \$2,006,296. This revenue, along with funds received from fares, other federal and state grants, and WIU student fees are used to provide both fixed route bus services in Macomb and door-to-door demand response services in Macomb and McDonough County.

Water Fund

Operating revenues in the Water Fund increased \$31,410 or 0.9% due to an increase in debt service fees, while operating expenses increased \$366,390 or 16.7% as a result of a significant increase in supplies/materials. City management continues to balance investments in the waterworks system with close attention to appropriate revenue needs.

Sewer Fund

Operating revenues in the Sewer Fund increased \$95,763, or 4.9% due mostly to an increase in debt service fees, while operating expenses increased \$133,306 or 9.5%, mainly due to an increase in supplies/materials. City management's approach to the sewer enterprise is one of continuous improvements to the system while maintaining adequate revenue streams.

Garbage Fund

Operating revenues in the Garbage Fund decreased \$1,658, or 0.2%, while operating expenses decreased \$40,915 or 4.6%, mainly due to the decrease in yard waste pick-up costs.

Budget to Actual Analysis

Revenues in the General Fund were \$686,647 or 5.5% less than budgeted, due mainly to a decrease in intergovernmental revenues. Expenditures in the General Fund were \$148,067 or 1.0% less than budgeted mainly due to fewer than anticipated capital outlays.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2018 (Unaudited)

Capital Assets

At the end of the fiscal year 2018, the City had combined total capital assets, net of accumulated depreciation, of \$73,423,392 invested in a broad range of asset types including land, buildings, vehicles and equipment, city facilities, and sewer and water lines. The City added \$4,389,977 of new capital assets during the year much of which consisted of construction of roads. Other additions included water and sewer system projects. The City recorded \$3,170,934 of depreciation expense during the year.

Infrastructure Assets

The City has elected to depreciate infrastructure assets over their estimated useful life using the straight-line method of depreciation. If a road project is considered maintenance, a recurring cost that does not extend the road's useful life or expand its capacity, the cost of the project is expensed. An overlay of a road will be considered maintenance whereas a rebuild of a road will be capitalized. A more detailed description of the City's capital asset activity can be found in Note 5 of the basic financial statements.

Long Term Debt

At year-end, the City's long-term debt consisted of an equipment purchase contract, loans payable, notes and bonds payable, compensated absences, and net pension liability, with the total of all long-term debt being over \$32.2 million. A large portion of debt is the result of the City's issuance of General Obligation Bonds (Alternate Revenue Source), Series 2012 on October 16, 2012 in the amount of \$7,500,000 to be used to finance an infrastructure capital improvements program within the City.

The City has a statutory debt limitation of \$16,609,163 against which total debt applicable to the limit is \$20,946 or 0.1% of total debt capacity. The City has for years followed a conservative debt issuance philosophy. The City's most recent general obligation bond rating was Aa3, a rating that has been assigned to the City by Moody's Investors Service. A more detailed description of the City's long-term debt activity can be found in Note 7 and 9 of the basic financial statements.

Conditions that could have an effect on the Financial Position of the City

- The City's financial health is linked, in part, to the well-being of Western Illinois University, which has seen a significant decline in student enrollment over the past five years. The impact on city finances can be seen primarily by decreases in the Local Infrastructure Sales Tax, which funds street improvements, as well as the Hotel/Motel Tax, which is not crucial to primary city services. If enrollment does not improve in the next couple of years, Macomb's 2020 census will see a significant drop, which will negatively impact per-capita Local Government Distributive Fund (LGDF) payments to the City's general fund. On the positive side, local manufactures like NTN-Bower and Pella Manufacturing are adding jobs at a rapid rate, with plans to expand their local workforce by 400 -500 people over the next few years.
- The City has launched an aggressive Capital Improvement Program contained in the Five Year Plan and funded by a local option sales tax increase. This effort will prepare the City to remain competitive in the recruitment of new businesses and residents to the community.
- In prior years the City raised utility rates for water and sewer, with an eye toward regular measured and appropriate increases to meet continuing funding requirements. While the City did not increase rates for fiscal year 2017-18, operating revenues for the Water and Sewer Funds increased over 1% and 5% respectively due to rate increases effective for the 2015-16 fiscal year.
- The rising requirements of Pension Funds and Insurance and Tort Judgment functions have resulted in lesser amounts available for General Government activities.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis
April 30, 2018
(Unaudited)

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's financial position. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to the Business Office Manager, City of Macomb, 232 E. Jackson St., Macomb, Illinois 61455.

BASIC FINANCIAL STATEMENTS

CITY OF MACOMB, ILLINOIS

Statement of Net Position
April 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit Macomb City Township</u>
Assets and Deferred Outflows of Resources				
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 8,371,087	\$ 2,313,161	\$ 10,684,248	\$ 211,112
Investments	-	-	-	220,679
Receivables:				
Property Taxes	2,521,154	-	2,521,154	-
Sales Taxes	1,016,998	-	1,016,998	-
Other Taxes	607,643	-	607,643	-
Consumer Accounts	33,766	360,355	394,121	-
Unbilled Usage	-	399,808	399,808	-
Loans	150,222	-	150,222	-
Internal Balances	106,250	(106,250)	-	-
Due from Other Governments	612,515	-	612,515	-
Prepaid Items	260,407	-	260,407	-
Inventory	119,494	715,487	834,981	-
Total Current Assets	<u>13,799,536</u>	<u>3,682,561</u>	<u>17,482,097</u>	<u>431,791</u>
Noncurrent Assets				
Restricted Assets				
Cash and Cash Equivalents	-	628,630	628,630	-
Net Pension Asset	615,178	194,576	809,754	-
Capital Assets				
Capital Assets not Being Depreciated	1,356,454	-	1,356,454	-
Property and Equipment	85,054,673	46,146,073	131,200,746	-
Less Accumulated Depreciation	(38,395,124)	(20,738,684)	(59,133,808)	-
Total Capital Assets	<u>48,016,003</u>	<u>25,407,389</u>	<u>73,423,392</u>	<u>-</u>
Total Noncurrent Assets	<u>48,631,181</u>	<u>26,230,595</u>	<u>74,861,776</u>	<u>-</u>
Total Assets	<u>62,430,717</u>	<u>29,913,156</u>	<u>92,343,873</u>	<u>431,791</u>
Deferred Outflows of Resources				
Deferred Outflows of Resources Related to Pensions	<u>5,407,020</u>	<u>234,264</u>	<u>5,641,284</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 67,837,737</u>	<u>\$ 30,147,420</u>	<u>\$ 97,985,157</u>	<u>\$ 431,791</u>

See Accompanying Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total	Component Unit Macomb City Township
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 298,144	\$ 147,045	\$ 445,189	\$ -
Accrued Liabilities	349,882	152,628	502,510	2,005
Unearned Revenue	48,867	-	48,867	-
Intergovernmental Payable	276,248	-	276,248	-
Interest Payable	51,305	50,014	101,319	-
Long-Term Obligations, Due Within One Year:				
Compensated Absences	1,267,049	191,755	1,458,804	-
Loans Payable	20,000	-	20,000	-
Equipment Purchase Contract	20,946	-	20,946	-
Notes and Bonds Payable	475,000	505,491	980,491	-
Total Current Liabilities	<u>2,807,441</u>	<u>1,046,933</u>	<u>3,854,374</u>	<u>2,005</u>
Noncurrent Liabilities				
Long-Term Obligations, Due in More Than One Year:				
Notes and Bonds Payable	4,861,096	6,815,072	11,676,168	-
Net Pension Liability	18,009,887	-	18,009,887	-
Total Noncurrent Liabilities	<u>22,870,983</u>	<u>6,815,072</u>	<u>29,686,055</u>	<u>-</u>
Total Liabilities	<u>25,678,424</u>	<u>7,862,005</u>	<u>33,540,429</u>	<u>2,005</u>
Deferred Inflows of Resources				
Deferred Property Taxes	2,521,154	-	2,521,154	-
Deferred Inflows of Resources Related to Pensions	<u>2,662,345</u>	<u>654,200</u>	<u>3,316,545</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>5,183,499</u>	<u>654,200</u>	<u>5,837,699</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	42,638,961	18,086,826	60,725,787	-
Restricted for:				
Community Development	331,532	-	331,532	-
Employee Benefits	177,762	-	177,762	11,584
Maintenance of Roadways	590,551	-	590,551	-
Public Safety	320,410	-	320,410	-
Cemetery Care	49,482	-	49,482	-
Transportation	694,064	-	694,064	-
Debt Service	-	398,630	398,630	-
Other Purposes	78,444	-	78,444	213,307
Unrestricted Net Position	<u>(7,905,392)</u>	<u>3,145,759</u>	<u>(4,759,633)</u>	<u>204,895</u>
Total Net Position	<u>36,975,814</u>	<u>21,631,215</u>	<u>58,607,029</u>	<u>429,786</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 67,837,737</u>	<u>\$ 30,147,420</u>	<u>\$ 97,985,157</u>	<u>\$ 431,791</u>

CITY OF MACOMB, ILLINOIS

Statement of Activities
For the Year Ended April 30, 2018

Functions / Programs	Expenses	Program Revenues		
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 2,860,178	\$ 447,403	\$ 484,870	\$ -
Public Safety	7,825,065	321,651	273,878	-
Highways and Streets	2,171,198	317,840	555,474	-
Transportation	2,584,390	-	1,931,220	106,801
Community Development	2,829,504	44,482	1,325	-
Culture and Recreation	24,940	150	6,400	-
Interest on Long-Term Debt	123,479	-	-	-
Total Governmental Activities	18,418,754	1,131,526	3,253,167	106,801
Business-Type Activities:				
Water	2,646,961	3,711,255	7,360	-
Sewer	1,609,110	2,068,783	-	-
Garbage	844,725	888,319	-	-
Total Business-Type Activities	5,100,796	6,668,357	7,360	-
Total Primary Government	\$ 23,519,550	\$ 7,799,883	\$ 3,260,527	\$ 106,801
Component Unit:				
Macomb City Township	\$ 235,770	\$ 5,320	\$ -	\$ -

General Revenues
Taxes:
 Property Taxes
 Income Taxes
 Sales Taxes
 Other Taxes
Investment Income
Other General Revenues
Transfers
Total General Revenues
and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

See Accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total	Component Unit
			Macomb City Township
(\$ 1,927,905)	\$ -	(\$ 1,927,905)	\$ -
(7,229,536)	-	(7,229,536)	-
(1,297,884)	-	(1,297,884)	-
(546,369)	-	(546,369)	-
(2,783,697)	-	(2,783,697)	-
(18,390)	-	(18,390)	-
(123,479)	-	(123,479)	-
(13,927,260)	-	(13,927,260)	-
-	1,071,654	1,071,654	-
-	459,673	459,673	-
-	43,594	43,594	-
-	1,574,921	1,574,921	-
(13,927,260)	1,574,921	(12,352,339)	-
-	-	-	(230,450)
2,242,735	-	2,242,735	244,296
2,082,215	-	2,082,215	-
4,345,835	-	4,345,835	-
1,236,946	32,775	1,269,721	10,425
33,446	2,184	35,630	1,100
379,297	11,605	390,902	13,560
1,547,971	(1,547,971)	-	-
11,868,445	(1,501,407)	10,367,038	269,381
(2,058,815)	73,514	(1,985,301)	38,931
39,034,629	21,557,701	60,592,330	390,855
<u>\$ 36,975,814</u>	<u>\$ 21,631,215</u>	<u>\$ 58,607,029</u>	<u>\$ 429,786</u>

CITY OF MACOMB, ILLINOIS

Governmental Funds Balance Sheet April 30, 2018

	Major Funds				
	General Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 5,417,971	\$ 183,442	\$ 623,333	\$ 968,008	\$ 7,192,754
Receivables:					
Property Taxes	2,203,739	2,022	-	314,382	2,520,143
Sales Taxes	1,016,998	-	-	-	1,016,998
Other Taxes	607,643	-	-	-	607,643
Consumer Accounts	23,454	-	-	-	23,454
Loans	-	-	-	150,222	150,222
Inter-account Receivables					
Due from Other Funds	117,287	-	-	-	117,287
Due from Other Governments	-	-	563,259	49,256	612,515
Inventory	99,330	-	-	20,164	119,494
Total Assets	\$ 9,486,422	\$ 185,464	\$ 1,186,592	\$ 1,502,032	\$ 12,360,510
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	\$ 79,085	\$ -	\$ 216,280	\$ 2,779	\$ 298,144
Accrued Liabilities	132,763	5,680	-	266	138,709
Unearned Revenue	48,867	-	-	-	48,867
Intergovernmental Payable	-	-	276,248	-	276,248
Due to Other Funds	725	-	-	-	725
Total Liabilities	261,440	5,680	492,528	3,045	762,693
Deferred Inflows of Resources					
Deferred Property Taxes	2,203,739	2,022	-	314,382	2,520,143
Total Deferred Inflows of Resources	2,203,739	2,022	-	314,382	2,520,143
Fund Balances					
Nonspendable	99,330	-	-	170,386	269,716
Restricted	389,583	177,762	694,064	980,836	2,242,245
Committed	694,600	-	-	-	694,600
Assigned	925,623	-	-	33,383	959,006
Unassigned	4,912,107	-	-	-	4,912,107
Total Fund Balances	7,021,243	177,762	694,064	1,184,605	9,077,674
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,486,422	\$ 185,464	\$ 1,186,592	\$ 1,502,032	\$ 12,360,510

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position April 30, 2018

Total fund balances - governmental funds	\$	9,077,674
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation of \$38,395,124) used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		48,016,003
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:		
Compensated Absences	(1,267,049)
Loans Payable	(20,000)
Equipment Purchase Contract	(20,946)
Bonds Payable	(5,336,096)
Accrued Interest Payable	(51,305)
The City reports a net pension asset and liability and related deferred amounts in the statement of net position as a long-term liability and related deferred outflows of resources related to pensions.	(14,650,034)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included as governmental activities in the statement of net position.		<u>1,227,567</u>
Net position of governmental activities	\$	<u>36,975,814</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2018

	Major Funds				
	General Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,909,971	\$ 60,900	\$ -	\$ 262,133	\$ 2,233,004
Sales Taxes	4,345,835	-	-	-	4,345,835
Income Taxes	2,082,215	-	-	-	2,082,215
Other Taxes	1,212,374	14,815	-	9,757	1,236,946
Investment Income	16,450	175	514	7,298	24,437
Fines and Forfeitures	235,580	-	-	-	235,580
Licenses and Permits	298,481	-	-	-	298,481
Intergovernmental Revenues	733,215	-	1,941,820	568,490	3,243,525
Charges for Services	589,973	-	-	-	589,973
Miscellaneous	276,520	-	63,962	52,031	392,513
Total Revenues	11,700,614	75,890	2,006,296	899,709	14,682,509
Expenditures					
Current:					
General Government	2,485,412	179,577	-	9,710	2,674,699
Public Safety	6,546,482	69,582	-	47,657	6,663,721
Highways and Streets	3,842,321	175,279	-	113,684	4,131,284
Transportation	-	-	1,824,707	-	1,824,707
Community Development	1,146,161	5,254	-	1,591,756	2,743,171
Culture and Recreation	15,590	-	-	9,350	24,940
Capital Outlay	36,188	-	-	50,000	86,188
Debt Service:					
Principal	528,574	-	-	20,000	548,574
Interest and Fees	135,430	-	-	-	135,430
Total Expenditures	14,736,158	429,692	1,824,707	1,842,157	18,832,714
Excess (Deficiency) of Revenues Over Expenditures	(3,035,544)	(353,802)	181,589	(942,448)	(4,150,205)
Other Financing Sources					
Transfers In	2,791,972	310,000	-	1,495,000	4,596,972
Transfers Out	(1,760,000)	-	-	(1,289,001)	(3,049,001)
Proceeds from the Sale of Capital Assets	12,000	-	-	-	12,000
Total Other Financing Sources	1,043,972	310,000	-	205,999	1,559,971
Net Change in Fund Balances	(1,991,572)	(43,802)	181,589	(736,449)	(2,590,234)
Fund Balances - Beginning of Year	9,012,815	221,564	512,475	1,921,054	11,667,908
Fund Balances - End of Year	\$ 7,021,243	\$ 177,762	\$ 694,064	\$ 1,184,605	\$ 9,077,674

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities For the Year Ended April 30, 2018

Net change in total fund balances	(\$ 2,590,234)
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Amounts reported for governmental activities in the statement of activities are different because:

Contributions/donations of capital assets are not a current financial resource in governmental funds.	96,201
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds:

Increase in compensated absences	(34,750)	
Decrease in net pension liability and related deferred amounts	(1,582,541)	
Decrease in unamortized bond premium	8,109	
Decrease in interest payable	<u>3,842</u>	
Total expenses of noncurrent resources	(1,605,340)	

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay and highway expenditures resulting in new assets	3,441,786
Depreciation expense	(2,268,183)

Repayment of debt principal; Loan Payable - \$20,000, Equipment Purchase Contract - \$63,574 and General Obligation Bonds - \$465,000, is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.	548,574
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The activity of the internal service funds are included in governmental activities in the statement of activities.	<u>318,381</u>
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Change in net position of governmental activities	(\$ <u>2,058,815</u>)
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See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Net Position Proprietary Funds April 30, 2018

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Assets and Deferred Outflows of Resources					
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 1,383,141	\$ 891,331	\$ 38,689	\$ 2,313,161	\$ 1,178,333
Receivables:					
Property Taxes	-	-	-	-	1,011
Consumer Accounts	198,234	106,833	55,288	360,355	-
Unbilled Usage	244,886	128,790	26,132	399,808	-
Prepaid Items	-	-	-	-	260,407
Inventory	665,076	50,411	-	715,487	-
Total Current Assets	<u>2,491,337</u>	<u>1,177,365</u>	<u>120,109</u>	<u>3,788,811</u>	<u>1,439,751</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	618,756	9,874	-	628,630	-
Net Pension Asset	119,755	74,821	-	194,576	-
Capital Assets:					
Property and Equipment	24,544,761	21,586,542	14,770	46,146,073	-
Less Accumulated Depreciation	(10,603,450)	(10,121,525)	(13,709)	(20,738,684)	-
Total Capital Assets	<u>13,941,311</u>	<u>11,465,017</u>	<u>1,061</u>	<u>25,407,389</u>	<u>-</u>
Total Noncurrent Assets	<u>14,679,822</u>	<u>11,549,712</u>	<u>1,061</u>	<u>26,230,595</u>	<u>-</u>
Total Assets	<u>17,171,159</u>	<u>12,727,077</u>	<u>121,170</u>	<u>30,019,406</u>	<u>1,439,751</u>
Deferred Outflows of Resources					
Deferred Outflows of Resources Related to Pensions	<u>132,234</u>	<u>102,030</u>	<u>-</u>	<u>234,264</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 17,303,393</u>	<u>\$ 12,829,107</u>	<u>\$ 121,170</u>	<u>\$ 30,253,670</u>	<u>\$ 1,439,751</u>

See Accompanying Notes to Basic Financial Statements.

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 113,012	\$ 33,933	\$ 100	\$ 147,045	\$ -
Accrued Liabilities	145,311	6,893	424	152,628	211,173
Interest Payable	39,498	10,516	-	50,014	-
Due to Other Funds	106,250	-	-	106,250	-
Compensated Absences	162,912	28,843	-	191,755	-
Notes and Bonds Payable - Current	377,714	127,777	-	505,491	-
Total Current Liabilities	944,697	207,962	524	1,153,183	211,173
Noncurrent Liabilities:					
Notes and Bonds Payable	4,060,138	2,754,934	-	6,815,072	-
Total Noncurrent Liabilities	4,060,138	2,754,934	-	6,815,072	-
Total Liabilities	5,004,835	2,962,896	524	7,968,255	211,173
Deferred Inflows of Resources					
Deferred Property Taxes	-	-	-	-	1,011
Deferred Inflows of Resources Related to Pensions	380,566	273,634	-	654,200	-
Total Deferred Inflows of Resources	380,566	273,634	-	654,200	1,011
Net Position					
Net Investment In Capital Assets	9,503,459	8,582,306	1,061	18,086,826	-
Restricted - Expendable for					
Debt Service	388,756	9,874	-	398,630	-
Unrestricted Net Position	2,025,777	1,000,397	119,585	3,145,759	1,227,567
Total Net Position	11,917,992	9,592,577	120,646	21,631,215	1,227,567
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 17,303,393	\$ 12,829,107	\$ 121,170	\$ 30,253,670	\$ 1,439,751

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CITY OF MACOMB, ILLINOIS

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Year Ended April 30, 2018

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Licenses and Permits	\$ -	\$ -	\$ 2,780	\$ 2,780	\$ -
Charges for Services	3,711,255	2,068,783	885,539	6,665,577	2,744,309
Total Operating Revenues	<u>3,711,255</u>	<u>2,068,783</u>	<u>888,319</u>	<u>6,668,357</u>	<u>2,744,309</u>
Operating Expenses					
Waterworks, Sewerage and Garbage:					
Personnel	553,793	411,753	13,071	978,617	-
Utilities	180,258	189,729	306	370,293	-
Contractual Services	171,919	53,342	808,603	1,033,864	-
Supplies and Materials	1,142,492	493,434	21,268	1,657,194	-
Worker's Compensation	-	-	-	-	322,513
General Liability Insurance	-	-	-	-	257,143
Insurance Deductibles	-	-	-	-	14,551
Premiums and Administrative Fees	-	-	-	-	477,998
Health Claims	-	-	-	-	1,386,981
Depreciation	508,479	392,795	1,477	902,751	-
Total Operating Expenses	<u>2,556,941</u>	<u>1,541,053</u>	<u>844,725</u>	<u>4,942,719</u>	<u>2,459,186</u>
Operating Income	<u>1,154,314</u>	<u>527,730</u>	<u>43,594</u>	<u>1,725,638</u>	<u>285,123</u>
Nonoperating Revenues (Expenses)					
Property Taxes	-	-	-	-	9,731
Other Taxes	-	987	31,788	32,775	-
Grants	7,360	-	-	7,360	-
Investment Income	1,254	678	252	2,184	9,009
Interest Expense	(90,020)	(68,057)	-	(158,077)	-
Miscellaneous Revenue	11,000	-	605	11,605	14,518
Total Nonoperating Revenues (Expenses)	<u>(70,406)</u>	<u>(66,392)</u>	<u>32,645</u>	<u>(104,153)</u>	<u>33,258</u>
Income Before Transfers	<u>1,083,908</u>	<u>461,338</u>	<u>76,239</u>	<u>1,621,485</u>	<u>318,381</u>
Transfers					
Transfers In	100,000	50,074	-	150,074	-
Transfers Out	(1,098,886)	(516,767)	(82,392)	(1,698,045)	-
Total Transfers	<u>(998,886)</u>	<u>(466,693)</u>	<u>(82,392)</u>	<u>(1,547,971)</u>	<u>-</u>
Change in Net Position	<u>85,022</u>	<u>(5,355)</u>	<u>(6,153)</u>	<u>73,514</u>	<u>318,381</u>
Net Position - Beginning of Year	<u>11,832,970</u>	<u>9,597,932</u>	<u>126,799</u>	<u>21,557,701</u>	<u>909,186</u>
Net Position - End of Year	<u>\$ 11,917,992</u>	<u>\$ 9,592,577</u>	<u>\$ 120,646</u>	<u>\$ 21,631,215</u>	<u>\$ 1,227,567</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Cash Flows Proprietary Funds For the Year Ended April 30, 2018

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 3,722,052	\$ 2,450,388	\$ 893,912	\$ 7,066,352	\$ 438,786
Cash Received from Interfund Services Provided	-	-	-	-	2,320,041
Cash Payments for Goods and Services	(1,460,049)	(724,495)	(831,076)	(3,015,620)	-
Cash Payments to Employees	(454,300)	(350,632)	(12,984)	(817,916)	-
Cash Payments for Claims, Premiums, and Fees	-	-	-	-	(2,461,857)
Net Cash Provided by Operating Activities	<u>1,807,703</u>	<u>1,375,261</u>	<u>49,852</u>	<u>3,232,816</u>	<u>296,970</u>
Cash Flows from Noncapital Financing Activities					
Interfund Borrowing	(106,250)	-	-	(106,250)	-
Interfund Lending	-	-	-	-	-
Property and Other Taxes Received	-	987	31,788	32,775	18,725
Transfers In	100,000	50,074	-	150,074	-
Transfers Out	(1,098,886)	(516,767)	(82,392)	(1,698,045)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,105,136)</u>	<u>(465,706)</u>	<u>(50,604)</u>	<u>(1,621,446)</u>	<u>18,725</u>
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(75,794)	(776,196)	-	(851,990)	-
Principal Paid on Bonds and Notes	(389,073)	(112,585)	-	(501,658)	-
Interest Paid on Bonds and Notes	(94,374)	(57,541)	-	(151,915)	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(559,241)</u>	<u>(946,322)</u>	<u>-</u>	<u>(1,505,563)</u>	<u>-</u>
Cash Flows from Investing Activities					
Income Received on Investments	<u>1,254</u>	<u>678</u>	<u>252</u>	<u>2,184</u>	<u>9,009</u>
Net Cash Provided by Investing Activities	<u>1,254</u>	<u>678</u>	<u>252</u>	<u>2,184</u>	<u>9,009</u>
Net Increase (Decrease) in Cash	144,580	(36,089)	(500)	107,991	324,704
Cash and Cash Equivalents, Beginning of Year	<u>1,857,317</u>	<u>937,294</u>	<u>39,189</u>	<u>2,833,800</u>	<u>853,629</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,001,897</u>	<u>\$ 901,205</u>	<u>\$ 38,689</u>	<u>\$ 2,941,791</u>	<u>\$ 1,178,333</u>

See Accompanying Notes to Basic Financial Statements.

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	\$ 1,154,314	\$ 527,730	\$ 43,594	\$ 1,725,638	\$ 285,123
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	508,479	392,795	1,477	902,751	-
Other Nonoperating Cash Receipts	18,360	-	605	18,965	14,518
Decrease (Increase) in Accounts and Unbilled Usage Receivable	(7,563)	381,605	4,988	379,030	-
Decrease in Prepaid Items	-	-	-	-	7,218
Decrease in Inventories	49,978	1,562	-	51,540	-
Increase (Decrease) in Accounts Payable	(24,261)	10,448	(899)	(14,712)	-
Increase (Decrease) in Accrued Liabilities	12,186	1,411	87	13,684	(9,889)
Increase in Net Pension Liability	80,671	57,886	-	138,557	-
Increase in Compensated Absences	15,539	1,824	-	17,363	-
Total Adjustments	653,389	847,531	6,258	1,507,178	11,847
Net Cash Provided by Operating Activities	<u>\$ 1,807,703</u>	<u>\$ 1,375,261</u>	<u>\$ 49,852</u>	<u>\$ 3,232,816</u>	<u>\$ 296,970</u>
Reconciliation to Proprietary Funds - Statement of Net Position					
Cash and Cash Equivalents, End of Year from Adjoining Page	<u>\$ 2,001,897</u>	<u>\$ 901,205</u>	<u>\$ 38,689</u>	<u>\$ 2,941,791</u>	<u>\$ 1,178,333</u>
Amounts from Statement of Net Position					
Cash and Cash Equivalents	1,383,141	891,331	38,689	2,313,161	1,178,333
Restricted Cash and Cash Equivalents	618,756	9,874	-	628,630	-
Total	<u>\$ 2,001,897</u>	<u>\$ 901,205</u>	<u>\$ 38,689</u>	<u>\$ 2,941,791</u>	<u>\$ 1,178,333</u>

CITY OF MACOMB, ILLINOIS

Statement of Fiduciary Net Position Fiduciary Funds April 30, 2018

	Pension Trust Funds	Agency Fund
Assets		
Cash and Cash Equivalents	\$ 366,451	\$ 5,722
Investments:		
Money Market Mutual Funds	391,014	-
U.S. Government and Agency Securities:		
U.S. Treasury Notes	1,904,644	-
Government National Mortgage Association (GNMA)	61,078	-
U.S. Government Sponsored Agency Securities:		
Federal Home Loan Mortgage Corporation (FHLMC)	188,208	-
Federal National Mortgage Association (FNMA)	1,487,032	-
Other Debt Securities:		
Corporate Bonds	3,273,319	-
Equity Securities:		
Mutual Fund Equities	12,980,439	-
Common Stock	4,948,437	-
Total Investments	25,234,171	-
Accounts Receivable	-	15,248
Interest Receivable	46,738	-
Total Assets	<u>25,647,360</u>	<u>\$ 20,970</u>
Liabilities		
Accounts Payable	15,798	10,658
Due to Other Funds	-	10,312
Total Liabilities	<u>15,798</u>	<u>\$ 20,970</u>
Net Position		
Net Position Restricted for Pensions	<u>\$ 25,631,562</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended April 30, 2018

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 1,582,877
Plan Member	279,749
Other Sources	<u>750</u>
Total Contributions	<u>1,863,376</u>
Investment Income	
Interest	254,465
Dividends	655,113
Net Appreciation in Fair Value of Investments	<u>1,161,395</u>
Gross Investment Income	2,070,973
Less Investment Expense	<u>(129,239)</u>
Total Investment Income	<u>1,941,734</u>
Total Additions	<u>3,805,110</u>
Deductions	
Pension Benefit Payments and Refunds	2,423,045
Administration	<u>26,520</u>
Total Deductions	<u>2,449,565</u>
Net Increase in Net Position	1,355,545
Net Position Restricted for Pensions	
Beginning of Year	<u>24,276,017</u>
End of Year	<u>\$ 25,631,562</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

The City of Macomb, Illinois (the City) was incorporated in 1856. The City has a Mayor/City Administrator government system with aldermen elected from five City wards, and provides the following services to the community: fire and police protection, public works, recreation, economic development, and general administration. In addition, the City operates water, sewer, and garbage enterprises.

The financial statements of the City are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP). USGAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, 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.

The accompanying financial statements present the City (the primary government) and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Component Units that are Fiduciary in Nature

These component units are legally separate entities from the City, but are so intertwined with the City that they are, in substance, the same as the City. The Firefighters' Pension Fund and Police Pension Fund of the City of Macomb are Illinois local governments, as such, they are separate legal entities with their own management and budget authority.

These funds exist solely to provide pension benefits for the City's firefighters and police officers and their beneficiaries. The financial statements of the Pension Funds as of and for the fiscal year ended April 30, 2018, are reported as pension trust funds - fiduciary funds. Although each Pension Fund prepares an annual report for submission to the Illinois Department of Insurance, separately issued component unit financial statements are not available for the Pension Funds.

Discretely-Presented Component Unit

The Macomb City Township (Township) is a body corporate and politic established under Illinois Compiled Statutes governed by an elected Board of Trustees and Supervisor. The Board of Trustees is comprised of the members of the City Council of the City of Macomb, Illinois. The financial statements of the Township are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America. Separate financial statements are available for the Township by contacting the Township office at 232 East Jackson Street, Macomb, Illinois 61455.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

No other agencies or units of local government meet the criteria of GASB Statement Numbers 14, 39 or 61 for inclusion in the reporting entity as a component unit.

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 non-fiduciary activities of the primary government. Governmental activities are supported by taxes and intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental and business-type activities' columns for amounts reported in the individual funds as internal receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the activities' columns as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties. Interfund services provided and used (sales and purchases of goods and services between funds for a price approximating their external exchange value) are not eliminated in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants, motor fuel tax allotments and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenue is recognized based upon the expenditures recorded.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales and telecommunication taxes which are considered revenues to be available if they are collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, hotel/motel tax, licenses, charges for services, food and beverage taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

Illinois Municipal Retirement Fund – This fund is used to account for resources used by to pay the City's portion of eligible employee retirement contributions to the Illinois Municipal Retirement Fund. The main revenue sources are property taxes and personal property replacement taxes.

Section 5311 Transportation Grant Fund - This fund is used to account for the federal and state grant program for the McDonough County Public Transportation Program. The City reports the net expenses paid to the service providers of the program. The main revenue sources are state and federal grants. Additional revenue sources include fees and donations.

The City reports the following proprietary funds, all of which are major funds:

Waterworks (Water) Fund - This fund is used to account for the revenues and expenses of the department for providing a safe and adequate water supply for domestic and industrial usage, as well as for fire protection.

Sewerage (Sewer) Fund - This fund is used to account for the revenues and expenses of the department responsible for maintaining a dependable system for collecting and treating the waste water of the City.

Garbage Fund - This fund is used to account for the revenues and expenditures of the City for administering garbage collection services to the City's residents.

Additionally, the City reports the following fund types:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

1. Summary of Significant Accounting Policies

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Internal Service Funds - These funds account for the City's self-insured health plan and expenses related to insurance and certain legal proceedings provided to the City's departments on a cost-reimbursement basis.

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the following fund types: Pension Trust Funds and Agency Funds. The Pension Trust Funds were discussed earlier. Agency Funds account for monies held on behalf of others, mainly the City's employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and garbage enterprise funds and the City's health insurance internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The City Administrator submits to the City Council a proposed budget ordinance for the fiscal year commencing May 1 and ending April 30. The budget document is prepared for all budgetary funds on the GAAP basis and includes a statement of the revenues and expenditures of the immediately preceding two fiscal years and a projection of the revenues and the proposed itemized budgeted expenditures for the ensuing fiscal year.
- 2) The City Council holds public hearings to discuss the proposed budget ordinance. The budget is available for public inspection at least ten days prior to final adoption.
- 3) After approval of the budget by the City Council, it is officially adopted by ordinance. The budget for the fiscal year ended April 30, 2018 was adopted on April 17, 2017. State statutes and local ordinances require that the budget ordinance be approved by the end of the first quarter of the current fiscal year.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

- 4) Revisions to the budget line items within a fund can be authorized by the City Administrator. Revisions to the budget between funds may be made in accordance with the Illinois Compiled Statutes (65 ILCS 5/8), requiring two-thirds vote of the City Council. The legal level of control is at the individual fund level. All unencumbered appropriations lapse at year-end.
- 5) Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, and Capital Projects Funds through an internal reporting system. Although not legally required under Illinois Statutes, the City also prepares budgets as a control device for proprietary funds, although such funds do not budget for depreciation expense. Budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year.
- 6) Budgets were adopted for the following funds for the fiscal year ended April 30, 2018, information for which is provided in the annual report: General Fund (including the following Accounts of the General Fund: General Corporate, Sales Tax Infrastructure, City Hall Maintenance, Street and Bridge, Cemetery Maintenance, Fire Protection Tax, Police Protection Tax, Corporate Sick Leave and Vacation Accrual, Facade Program, Macomb Downtown Development, Hotel/Motel Tax, Information Technology, Community Development, and Gift), Illinois Municipal Retirement Fund, Section 5311 - Transportation Grant Fund, Downtown TIF District Fund, TIF West Side #3 Fund, MDDC Revolving Loan Fund, CDAP Revolving Loan Fund, Motor Fuel Tax Fund, Sculpting Downtown Macomb Fund, Downtown Revitalization Fund, Water Fund, Sewer Fund, and Garbage Fund. Budgets were adopted for the following internal service and pension trust funds for the fiscal year ended April 30, 2018, however, budgetary reporting for these funds is not required and is not provided in the annual report: Insurance and Tort Judgment Fund, Health Insurance Fund, Firefighters' Pension Fund, and Police Pension Fund.

Cash and Cash Equivalents

For purposes of the statement of cash flows, for the City's Proprietary Funds, the City has defined cash equivalents to include savings accounts, money market accounts, and certificates of deposits with an original maturity of three months or less when purchased. Investments are reported at fair value. Fair value has been based on quoted market prices at April 30, 2018 for debt and equity securities. The composition of pension trust investments, additional deposit and investment information, and fair values are presented in Note 2.

Accounts Receivable

Receivables, including loans receivable, in the governmental, proprietary, and fiduciary funds are reported at the gross amount with no allowance for doubtful accounts, since the amount of any uncollectible accounts is not expected to be significant.

Unbilled Usage

Unbilled usage represents estimated charges for water and sewer usage and garbage collection fees that have not been billed at year end.

Inventories

Inventories are stated at the lower of cost or market, with cost determined on a first-in, first-out (FIFO) basis. Inventories in the governmental funds consist of expendable supplies and are recorded as expenditures when consumed. Inventories in the enterprise funds consist of items held for use in repair and maintenance, as well as expanding the utility systems.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

Capital Assets

Capital assets used in governmental fund operations (general capital assets) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the statement of net position. Capital assets in the proprietary funds are capitalized within the fund.

The City defines capital assets as assets with an estimated useful life in excess of one year subject to the capitalization threshold. The minimum capitalization amounts are as follows: machinery, equipment, and vehicles - \$5,000; buildings and improvements - \$25,000; land - \$5,000; infrastructure - \$25,000; optional equipment attached to a vehicle - \$2,500. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received.

Public domain (infrastructure) general capital assets such as roads, bridges, sidewalks, etc. have been capitalized. The City has estimated the costs of roads, bridges and street lights, etc., put in use by the City prior to April 30, 2003, the date of the adoption of Government Accounting Standards Board Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Estimates are based on 2010 construction costs deflated back to the estimated construction dates.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	30-125 years
Land Improvements	20-50 years
Machinery, equipment, and vehicles	3-20 years
Infrastructure	20-100 years
Water and sewer systems	20-100 years

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. Interest of \$182,097 has been capitalized in the Water Fund as of April 30, 2018.

Property Taxes

The City passes its annual tax levy ordinance in December. The taxes are extended by the McDonough County Clerk against the equalized assessed valuation as of January 1 of the calendar year that the levy ordinance was enacted. Property taxes become a lien at that time. Tax receipts are remitted to the City by the McDonough County Collector soon after collection. Property tax bills are due and payable in two installments, the first half due in June and the balance in September. The amounts recorded as revenue for fiscal year 2018 represent the taxes from the 2016 and prior year levies.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

1. Summary of Significant Accounting Policies

Since the 2017 taxes are not due and collectible until June and are intended to finance the operations of fiscal year 2019, they are not considered available as of April 30 and are therefore shown as deferred revenue in the governmental funds and will be recognized as revenue only as they become available in fiscal year 2019. The 2018 tax levy has not been recorded as a receivable at April 30, 2018, as the tax attached as a lien on property as of January 1, 2018, however, the tax will not be levied until December 2018 and, accordingly, is not measurable at April 30, 2018.

Compensated Absences

The City's vacation policy allows for twenty-four hours of vacation from the onset of employment to the first anniversary, one week of vacation after one year of service, two weeks after two years of service, eleven days after five years of service, three weeks after eight years of service, sixteen days after twelve years of service, and four weeks after fifteen years of service. Earned vacations are vested upon the anniversary date of employment. Unused vacation time may be carried forward based upon personnel manual or union agreement and any time exceeding the set amount in the agreements is lost. Upon separation, the employee is to receive compensation for the vested portion of the accrued vacation leave.

City policies allow full-time employees, at retirement, to be paid for certain accrued benefits, including all accrued vacation, all accrued compensatory time, and up to 60 days of accrued sick leave. In addition, full-time employees with at least 20 years of service are eligible to receive one month's severance pay at retirement. These benefits are paid to the retiring employee at their prevailing wage rate at the time of retirement.

Vested or accumulated vacation leave and sick leave are accrued when incurred by the City in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave of the proprietary funds is recorded as an expense and liability of that fund as the benefits accrue to employees. A liability in the governmental funds is reported only if the benefit has matured.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and the Firefighters' and Police Pension Plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by those plans, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Debt

In the government-wide financial statements and in the proprietary funds 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, accounting losses on advance refunding of bonds are deferred and amortized over the life of the bonds. Issuance costs are expensed in the year the bonds are issued.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs during the period of debt issuance. 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.

Interfund Transactions

The City has the following types of interfund transactions:

Loans - These are amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (due from other funds) in lender funds and interfund payables (due to other funds) in borrower funds.

Services Provided and Used - These are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures/expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statements of net position.

Reimbursements - These are repayments from the funds responsible for particular expenditures/expenses to the funds that initially paid for them. Reimbursements are reported as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund.

Transfers - These are flows of assets (typically cash) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In Proprietary Funds, transfers are reported after nonoperating revenues and expenses.

Fund Balances

The City has reported fund balances using five separate classifications as listed below. The City may not necessarily utilize each classification in a given fiscal year.

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification may include inventories, prepaid amounts and long-term loans receivable.

Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City's highest level of decision-making authority, the City Council.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

1. Summary of Significant Accounting Policies

Assigned fund balance - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the City Council, Mayor, or another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Note 15 provides details of fund balances.

Net Position

Restricted net position is legally restricted by outside parties for a specific purpose. None of the restricted net position resulted from enabling legislation adopted by the City. Net investment in capital assets is the book value of capital assets less any long-term debt outstanding that was issued to construct or acquire the capital assets.

Use of Resources Policy

The City considers restricted resources to have been used first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted balances are available. Committed, assigned, and unassigned amounts are considered to have been spent in that order when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Expenditures incurred for a specifically identified purpose will reduce the specific identified classification of fund balance.

Use of Estimates

Management of the City has made certain estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

2. Deposits and Investments

The City maintains a cash pool that is available for use by all funds except the Pension Trust Funds. Each fund type's portion of this pool is displayed on the statement of net position as "cash and cash equivalents." Certain funds also maintain separate accounts or investments, some of which are required by statute or other regulations. The City also maintained cash on hand of \$625.

The City Council has adopted an investment policy to invest in instruments allowed by the Illinois Public Funds Investment Act (30 ILCS 235/2). The City's policy further limits investments to (1) certificates of deposit, (2) the Illinois Funds Investment Pool, (3) United States government securities, (4) securities guaranteed by the full faith and credit of the United States government, and (5) any other securities permitted by law and approved by the City Council.

It is the policy of the City to invest all public 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. The primary objectives of the policy, in order of priority are; conformance with other legal requirements, safety of principal, liquidity, and attainment of market rates of return.

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 City's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the City's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by an independent third party institution in the name of the City, evidenced by a written collateral agreement. At April 30, 2018, the City's bank balances were \$9,277,166, and the carrying value of those deposits was \$8,945,304, all of which was either insured by the FDIC or covered by collateral pledged by an independent third party institution in the City's name.

Investments

The City maintains an investment in the Illinois Funds Money Market Fund. The balance at April 30, 2018 was \$2,739,122. The Illinois Funds is an external investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds share price, the price for which the investment could be sold. The Illinois Funds Money Market and Prime Fund are rated AAAM by Standard and Poor's.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

2. Deposits and Investments

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that investments will have short term durations due to cash flow needs. The policy limits investments to instruments maturing within four years of the time of purchase.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not specifically address credit risk, but the City limits its exposure to credit risk by primarily investing in Illinois Funds.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or that are in the possession of an outside party. The City limits its exposure to custodial credit risk by utilizing independent, third party institutions, selected by the City, to act as custodian for its securities and collateral.

Concentration of credit risk - The City places no limit on the amount the City may invest in any one issuer. All of the City's investments are in the State Treasurer Illinois Funds.

Firefighters' and Police Pension Funds

Deposits with Financial Institutions

The Firefighters' Pension Board and the Police Pension Board have adopted investment policies to investment in instruments allowed by the Illinois Compiled Statutes (40 ILCS 5/1-113). The statutes allow pension funds to invest in the same securities as the City. The Firefighters' Pension investment policy further limits investments to AA+ rated contracts and agreements with life insurance companies, AA+ securities issued by the State of Illinois, county, township, or municipal corporation of the State of Illinois, U.S. Government agency bonds, certificates of deposit, and domestic equity investments.

Custodial credit risk for deposits with financial institutions is the risk that in an event of a bank's failure, the Firefighters' and Police Pension Funds deposits may not be returned to them. The Firefighters' and Police Pension Funds investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Funds' deposits with financial institutions.

Fair Value Measurement - Investments are measured at fair value on a recurring basis. The City and Pension Fund categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City and Pension Fund have the following recurring fair value measurements as of April 30, 2018:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

2. Deposits and Investments

Firefighters' Pension Fund		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasury Securities	\$ 706,857	\$ 706,857	\$ -	\$ -
U.S. Agency Securities	29,061	-	29,061	-
U.S. Agency Sponsored Securities	816,745	-	816,745	-
Corporate Bonds	1,555,369	-	1,555,369	-
Total Debt Securities	<u>3,108,032</u>	<u>706,857</u>	<u>2,401,175</u>	<u>-</u>
Equity Securities:				
Mutual Funds	7,119,824	7,119,824	-	-
Total Investments by Fair Value Level	<u>\$ 10,227,856</u>	<u>\$ 7,826,681</u>	<u>\$ 2,401,175</u>	<u>\$ -</u>

Police Pension Fund		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasury Securities	\$ 1,197,787	\$ 1,197,787	\$ -	\$ -
U.S. Agency Securities	32,017	-	32,017	-
U.S. Agency Sponsored Securities	858,495	-	858,495	-
Corporate Bonds	1,717,950	-	1,717,950	-
Total Debt Securities	<u>3,806,249</u>	<u>1,197,787</u>	<u>2,608,462</u>	<u>-</u>
Equity Securities:				
Mutual Funds	5,860,615	5,860,615	-	-
Common Stock	4,948,437	4,948,437	-	-
Total Equity Securities	<u>10,809,052</u>	<u>10,809,052</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 14,615,301</u>	<u>\$ 12,006,839</u>	<u>\$ 2,608,462</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments

The following tables present the investments in debt securities of the Pension Trust Funds as of April 30, 2018 by type of investment, fair values, and maturities (using the segmented time distribution):

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

2. Deposits and Investments

Firefighters' Pension Fund

Investment Description	Total Fair Value 4/30/2018	Investment Maturities			
		Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 706,857	\$ -	\$ 281,872	\$ 424,985	\$ -
GNMA	29,061	-	-	14,498	14,563
FHLMC	75,542	-	-	-	75,542
FNMA	741,203	-	-	-	741,203
Corporate Bonds	1,555,369	-	764,953	425,001	365,415
Money Market Funds	162,047	162,047	-	-	-

Police Pension Fund

Investment Description	Total Fair Value 4/30/2018	Investment Maturities			
		Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 1,197,787	\$ 84,226	\$ 433,115	\$ 198,023	\$ 482,423
GNMA	32,017	-	-	19,735	12,282
FHLMC	112,666	-	-	-	112,666
FNMA	745,829	-	-	-	745,829
Corporate Bonds	1,717,950	370,318	727,586	411,379	208,667
Money Market Funds	228,967	228,967	-	-	-

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. In accordance with the Pension Funds' investment policies, the Pension Funds' investment portfolios will remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Firefighters' and Police Pension Funds will not be able to recover the value of its investments or that are in the possession of an outside party. The Pension Funds' investment policies do not specifically address custodial credit risk for investments, but the Pension Funds limit their exposure to custodial credit risk by utilizing an independent, third party institution, selected by the Pension Funds, to act as custodian for its securities and collateral.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Funds' investment policies limit the Pension Funds' investments made in contract and agreement of Life Insurance Companies licensed to do business in the State of Illinois shall be rated at least A+ by A.M. Best Company, Aa3 rated by Moody's and AA+ rated by Standard & Poor's rating services. Securities issued by the State of Illinois, or any county, township, or municipal corporation of the State of Illinois, may be held in the portfolio as long as the said security is not rated less than Aa by Moody's or AA+ by Standard and Poor's.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

2. Deposits and Investments

The Pension Trust Funds' investments, fair values, and credit ratings as described by Standard & Poor's rating agency were as follows:

Investment Description	Firefighters' Pension		Police Pension		Credit Rating
	Total Fair Value 4/30/2018	% of Total Investments	Total Fair Value 4/30/2018	% of Total Investments	
Money Market Mutual Funds					
Regions Bank Trust	\$ -	0.00%	\$ 228,967	1.54%	AAAm
U.S. Bank	162,047	1.57%	-	0.00%	AAAm
Subtotal	<u>162,047</u>	<u>1.57%</u>	<u>228,967</u>	<u>1.54%</u>	
U.S. Government and Agency Securities					
U.S. Treasury Notes	706,857	6.80%	1,197,787	8.07%	N/A
Government National Mortgage Association	29,061	0.28%	32,017	0.22%	N/A
Subtotal	<u>735,918</u>	<u>7.08%</u>	<u>1,229,804</u>	<u>8.29%</u>	
U.S. Government Sponsored Agency Securities					
Federal Home Loan Mortgage Corporation	75,542	0.73%	112,666	0.76%	AAA/AA+
Federal National Mortgage Association	741,203	7.13%	745,829	5.02%	AA+
Subtotal	<u>816,745</u>	<u>7.86%</u>	<u>858,495</u>	<u>5.78%</u>	
Corporate Bonds	1,555,369	14.96%	1,717,950	11.57%	AAA/BBB-
Mutual Funds	7,119,824	68.53%	5,860,615	39.48%	N/A
Common Stock	-	0.00%	4,948,437	33.34%	N/A
Total Investments	<u>\$ 10,389,903</u>	<u>100.00%</u>	<u>\$ 14,844,268</u>	<u>100.00%</u>	

N/A - Rating not required

Concentration of credit Risk - It is the policy of the Pension Funds to invest in a manner that seeks to ensure the preservation of capital. The Pension Funds are to consciously diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, and by number of investments.

At year end, the Pension Funds had investments which represented 5 percent or more of total Pension Fund investments and net position at April 30, 2018 (other than U.S. Government and Agency securities) as follows: Firefighters' - Federal National Mortgage Association of \$741,203; Police - Federal National Mortgage Association of \$745,829.

Total investments in equities (combined mutual funds and common stocks) exceeded the maximum allowable percentage of 65% of total net position at April 30, 2018 for both the Pension Funds.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

2. Deposits and Investments

The Firefighter's Pension Fund has adopted an asset allocation policy as follows:

	Minimum	Target	Maximum
Cash	0%	2%	10%
Fixed Income	45%	53%	70%
Domestic Equities	20%	40%	45%
International Equities	0%	5%	10%

The Police Pension Fund has adopted an asset allocation policy as follows:

	Minimum	Target	Maximum
Cash	1%	2%	5%
Fixed Income	48%	53%	73%
Large Cap Domestic Equities	20%	36%	43%
Small Cap Domestic Equities	2%	3%	7%
International Equities	0%	3%	7%
Real Estate	0%	3%	5%

The Pension Funds further require that total investments in contract and agreements of life insurance companies shall not exceed 10 percent of the aggregate market value of the Fund.

A reconciliation of the City's cash and investment balances as reported in the basic financial statements and the deposits and investments presented in this note is as follows:

Reconciliation of notes to financial statements

Cash and Investments (Note Above)

Cash - Carrying Amount of City Deposits	\$ 8,945,304
Cash on Hand	625
Investments - City Investments in Illinois Funds	2,739,122
Investments - Firefighters' Pension Fund	10,389,903
Investments - Police Pension Fund	14,844,268
Total	<u>\$ 36,919,222</u>

Cash and Investments (Basic Financial Statements)

Primary Government Cash - Statement of Net Position	\$ 10,684,248
Primary Government Restricted Cash - Statement of Net Position	628,630
Pension Trust Funds Cash and Cash Equivalents - Statement of Fiduciary Net Position	366,451
Pension Trust Funds Investments - Statement of Fiduciary Net Position	25,234,171
Agency Fund Cash - Statement of Fiduciary Net Position	5,722
Total	<u>\$ 36,919,222</u>

Macomb City Township

The Macomb City Township has adopted an investment policy to invest in instruments allowed by the Illinois Public Funds Investment Act (30 ILCS 230/5).

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

2. Deposits and Investments

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 Township's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the Township's investment policy requires all deposits with financial institutions in excess of federal depository insurance to be secured by collateral valued at market or par, whichever is less. Deposits of \$431,791 are insured or collateralized with securities held by the Township, its agent, or by the pledging financial institution's trust department or agent in the name of the Township.

3. Loans Receivable (MDDC Revolving and CDAP Revolving Loans)

The City provides low interest loans to various individuals and businesses under a revolving loan program for the purpose of community development. These loans, totaling \$150,222 as of April 30, 2018, are accounted for in the governmental funds, bear interest at 3% to 5%, and are due in monthly installments with maturity dates ranging from June 2017 to April 2027. The City expects to collect approximately \$48,232 within the next fiscal year, with the remainder to be collected in subsequent years. The loans are collateralized by various mortgages and security agreements.

4. Individual Fund Disclosures

Fund Deficit

As of April 30, 2018, the Child Safety Seat Grant Account of the General Fund had a deficit fund balance of \$725. The deficit is due to the timing of funding. Future funding is anticipated to bring the account and fund out of the deficit.

Expenditures/Expenses Exceeding Budgets

During fiscal year 2018, the following accounts/funds had expenditures/operating expenses exceed budgeted expenditures/operating expenses:

Fund/Account	Expenditures	
	Budgeted	Actual
General Fund:		
General Corporate Account	\$ 9,504,250	\$ 9,662,720
Sales Tax Infrastructure Account	2,072,240	2,564,303
Fire Protection Tax Account	80,870	81,769
Corporate Sick Leave and Vacation Accrual Account	3,110	53,475
Gift Account	4,750	8,319
Downtown Revitalization Fund	1,400,000	1,448,304
TIF West Side #3	59,500	88,571

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

4. Individual Fund Disclosures

Restricted Net Position

The Water Fund had restricted net position of \$398,630 for future debt service principal and interest payments. Governmental restricted net position includes: \$331,532 restricted for community development, \$177,762 restricted for employee benefits, \$590,551 restricted for maintenance of roadways, \$320,410 restricted for public safety, \$49,482 restricted for cemetery care, \$694,064 restricted for transportation, and \$78,444 restricted for other purposes.

Macomb City Township

The Macomb City Township had net position of \$11,584 restricted for employee benefits and \$213,307 restricted for other purposes.

Interfund Assets/Liabilities

As of April 30, 2018, the following amounts represent interfund assets/liabilities:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Governmental Fund:		
General Fund	\$ 117,287	\$ 725
Major Proprietary Fund:		
Water Fund	-	106,250
Agency Fund:		
Flex Benefit Fund	-	10,312
Total Interfund Balances	<u>\$ 117,287</u>	<u>\$ 117,287</u>

These balances resulted from the time lag between dates that (1) interfund goods and services were provided or reimbursable expenditures occurred (2) transactions were recorded in the accounting system, and (3) payments between funds were made. The interfund balances are expected to be repaid in the next fiscal year.

Transfers

The following transfers were made during the fiscal year:

	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 2,791,972	\$ 1,760,000
Illinois Municipal Retirement Fund	310,000	-
Nonmajor Governmental Funds	1,495,000	1,289,001
Major Enterprise Funds:		
Water Fund	100,000	1,098,886
Sewer Fund	50,074	516,767
Garbage Fund	-	82,392
Total Transfers	<u>\$ 4,747,046</u>	<u>\$ 4,747,046</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

4. Individual Fund Disclosures

Generally, transfers occur to meet the operating purposes of another fund. Notable transfers include: the transfers to the General Fund from the Water, Sewer, and Garbage Funds of \$1,098,886, \$516,767, and \$82,392, respectively, are routine transfers to cover the administrative costs of the General Fund and the Public Works Director's salary. A routine transfer of \$514,001 was paid from the Motor Fuel Tax Fund, a nonmajor governmental fund, to the General Fund for street maintenance.

5. Capital Assets

Capital asset activity for the City's Governmental Activities for the year ended April 30, 2018 was as follows:

	Balance at May 1, 2017	Additions	Deletions	Balance at Apr. 30, 2018
Capital Assets not Being depreciated:				
Land	\$ 1,356,454	\$ -	\$ -	\$ 1,356,454
Construction In Progress	467,889	-	467,889	-
Total Capital Assets not Being Depreciated, Net	<u>1,824,343</u>	<u>-</u>	<u>467,889</u>	<u>1,356,454</u>
Capital Assets Being Depreciated:				
911 Center/Police Station	1,563,817	-	-	1,563,817
Building and Improvements	20,291,791	58,536	-	20,350,327
Infrastructure	47,025,041	3,790,524	-	50,815,565
Land Improvements	709,845	-	-	709,845
Licensed Vehicles	7,534,264	136,316	164,724	7,505,856
Machinery and Equipment	4,097,563	20,500	8,800	4,109,263
Subtotal	<u>81,222,321</u>	<u>4,005,876</u>	<u>173,524</u>	<u>85,054,673</u>
Accumulated Depreciation				
911 Center/Police Station	1,563,817	-	-	1,563,817
Building and Improvements	3,909,901	551,286	-	4,461,187
Infrastructure	20,123,585	620,794	-	20,744,379
Land Improvements	460,194	56,635	-	516,829
Licensed Vehicles	5,997,260	454,654	164,724	6,287,190
Machinery and Equipment	4,245,708	584,814	8,800	4,821,722
Subtotal	<u>36,300,465</u>	<u>2,268,183</u>	<u>173,524</u>	<u>38,395,124</u>
Total Capital Assets Being Depreciated, Net	<u>44,921,856</u>	<u>1,737,693</u>	<u>-</u>	<u>46,659,549</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 46,746,199</u>	<u>\$ 1,737,693</u>	<u>\$ 467,889</u>	<u>\$ 48,016,003</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

5. Capital Assets

Depreciation expense for the City's Governmental Activities was charged to governmental functions as follows:

General Government	\$ 122,507
Public Safety	145,328
Highways and Streets	1,210,926
Community Development	29,739
Transportation	<u>759,682</u>
 Total Depreciation Expense	 <u>\$ 2,268,182</u>

A summary of the changes in capital assets of the City's Business-type Activities by Proprietary Fund for the period May 1, 2017 through April 30, 2018 is as follows:

	Balance at May 1, 2017	Additions	Deletions	Balance at Apr. 30, 2018
WATER FUND				
Capital Assets Being Depreciated:				
Water System	\$ 22,778,397	\$ 75,794	\$ -	\$ 22,854,191
Land Improvements	6,380	-	-	6,380
Licensed Vehicles	349,088	-	-	349,088
Machinery and Equipment	1,335,102	-	-	1,335,102
Subtotal	<u>24,468,967</u>	<u>75,794</u>	<u>-</u>	<u>24,544,761</u>
Accumulated Depreciation				
Water System	8,913,044	425,977	-	9,339,021
Land Improvements	6,380	-	-	6,380
Licensed Vehicles	324,387	12,670	-	337,057
Machinery and Equipment	851,160	69,832	-	920,992
Subtotal	<u>10,094,971</u>	<u>508,479</u>	<u>-</u>	<u>10,603,450</u>
Total Water Fund				
Capital Assets, Net	<u>\$ 14,373,996</u>	<u>(\$ 432,685)</u>	<u>\$ -</u>	<u>\$ 13,941,311</u>
 SEWER FUND				
Capital Assets Being Depreciated:				
Sewer System	\$ 17,670,591	\$ 638,081	\$ -	\$ 18,308,672
Land Improvements	86,632	-	-	86,632
Licensed Vehicles	705,950	-	-	705,950
Machinery and Equipment	2,347,173	138,115	-	2,485,288
Subtotal	<u>20,810,346</u>	<u>776,196</u>	<u>-</u>	<u>21,586,542</u>
Accumulated Depreciation				
Sewer System	6,835,733	332,368	-	7,168,101
Land Improvements	86,632	-	-	86,632
Licensed Vehicles	653,353	12,048	-	665,401
Machinery and Equipment	2,153,012	48,379	-	2,201,391
Subtotal	<u>9,728,730</u>	<u>392,795</u>	<u>-</u>	<u>10,121,525</u>
Total Sewer Fund				
Capital Assets, Net	<u>\$ 11,081,616</u>	<u>\$ 383,401</u>	<u>\$ -</u>	<u>\$ 11,465,017</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

5. Capital Assets

	Balance at May 1, 2017	Additions	Deletions	Balance at Apr. 30, 2018
GARBAGE FUND				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 14,770	\$ -	\$ -	\$ 14,770
Subtotal	<u>14,770</u>	<u>-</u>	<u>-</u>	<u>14,770</u>
Accumulated Depreciation				
Machinery and Equipment	12,232	1,477	-	13,709
Subtotal	<u>12,232</u>	<u>1,477</u>	<u>-</u>	<u>13,709</u>
Total Garbage Fund				
Capital Assets, Net	<u>\$ 2,538</u>	<u>(\$ 1,477)</u>	<u>\$ -</u>	<u>\$ 1,061</u>
Total Business-type Activities				
Capital Assets, Net	<u>\$ 25,458,150</u>	<u>(\$ 50,761)</u>	<u>\$ -</u>	<u>\$ 25,407,389</u>

Depreciation expense of \$508,479, \$392,795, and \$1,477 for the City's business-type activities was charged to the Water, Sewer, and Garbage functions, respectively.

6. Section 5311 Transportation Grant Fund

The Section 5311 Transportation Grant Fund includes grant funds received from the federal Section 5311 Operating Assistance Program and the State of Illinois Downstate Operating Assistance Program. The net increase in fund balance of the fund represents the local match equivalent received by service providers which are netted with eligible expenses of the program. The fund balance may be used for future operating or capital expenses of the McDonough County Public Transportation Program.

7. Long-Term Debt

Changes in Long-Term Debt

Debt service payments for governmental activities are typically paid from the City's General Fund. A summary of changes in the City's long-term debt of governmental activities is as follows:

Governmental Activities	Balance May 1, 2017	Additions	Retirements	Balance April 30, 2018	Principal Due Within One Year
Equipment Purchase Contract	\$ 84,520	\$ -	\$ 63,574	\$ 20,946	\$ 20,946
Loan Payable	40,000	-	20,000	20,000	20,000
G.O. Bonds, Series 2012	5,720,000	-	465,000	5,255,000	475,000
Premium on 2012 Bonds	89,205	-	8,109	81,096	-
Compensated Absences	1,232,299	1,267,049	1,232,299	1,267,049	1,267,049
Totals	<u>\$ 7,166,024</u>	<u>\$ 1,267,049</u>	<u>\$ 1,788,982</u>	<u>\$ 6,644,091</u>	<u>\$ 1,782,995</u>

A summary of changes in the City's long-term debt of business-type activities is as follows:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

7. Long-Term Debt

Business-Type Activities	Balance May 1, 2017	Additions	Retirements	Balance April 30, 2018	Principal Due Within One Year
Notes Payable:					
Illinois EPA - Water	\$ 836,832	\$ -	\$ 110,824	\$ 726,008	\$ 113,612
Illinois EPA - Water Ammoniation	470,465	-	34,849	435,616	34,849
Illinois EPA - Water Tower	924,628	-	38,400	886,228	39,253
Illinois EPA - Water Pollution Control	2,995,296	4,704	117,289	2,882,711	127,777
Bonds Payable:					
G.O. Bonds, Series 2008A - Water	320,000	-	155,000	165,000	165,000
G.O. Bonds, Series 2016	2,275,000	-	50,000	2,225,000	25,000
Compensated Absences	174,392	191,755	174,392	191,755	191,755
Totals	<u>\$ 7,996,613</u>	<u>\$ 196,459</u>	<u>\$ 680,754</u>	<u>\$ 7,512,318</u>	<u>\$ 697,246</u>

Details of Long-Term Debt

Equipment Purchase Contract

The City acquired a fire truck under an equipment purchase contract in 2005 for \$582,000. The City refinanced the contract in fiscal year 2014. The contract had an outstanding balance of \$20,946 as of April 30, 2018. The contract is due in monthly installments of \$5,439, including interest at 3 percent, with a final installment due October 25, 2018. The annual debt service requirements on this contract are as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 20,946	\$ 154	\$ 21,100
Total	<u>\$ 20,946</u>	<u>\$ 154</u>	<u>\$ 21,100</u>

Loan Payable

During the fiscal year ended April 30, 2015, the City purchased a parcel of land for \$100,000. The City paid \$20,000 from current resources and agreed to pay the remainder in \$20,000 installments over four years at zero percent interest. The loan is scheduled to be repaid from the TIF West Side #3 Fund through the use of tax increment property taxes. The annual debt service requirements on the loan are as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 20,000	\$ -	\$ 20,000
Total	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

7. Long-Term Debt

General Obligation Bonds

The City issued General Obligation Bonds (Alternate Revenue Source), Series 2012 on October 16, 2012 in the amount of \$7,500,000 to be used to finance an infrastructure capital improvements program within the City. The bonds bear interest at 2.00% to 2.75% over the life of the bonds, payable on June 1 and December 1 each year. Principal is due December 1 of each year beginning with December 1, 2013 in amounts ranging from \$430,000 to \$585,000 and have a final principal maturity date of December 1, 2027. The bonds are scheduled to be repaid from the General Fund through the use of sales taxes. The annual debt service requirements on the bonds are as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 475,000	\$ 124,438	\$ 599,438
2020	485,000	114,938	599,938
2021	495,000	105,238	600,238
2022	505,000	95,338	600,338
2023	515,000	83,975	598,975
2024-2028	<u>2,780,000</u>	<u>225,015</u>	<u>3,005,015</u>
Total	<u>\$ 5,255,000</u>	<u>\$ 748,942</u>	<u>\$ 6,003,942</u>

Compensated Absences

The City has also included in the statement of net position the vested portion of the vacation and sick-leave benefits for governmental and business-type activities, totaling \$1,267,049 and \$191,755, respectively, which is not expected to be paid from current available resources.

Notes Payable - Illinois EPA – Water

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$726,008 as of April 30, 2018, which bears interest at 2.50 percent and is payable on April 20 and October 20 each year and has a final maturity date of April 20, 2024. The annual debt service requirements on this note are as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 113,612	\$ 17,445	\$ 131,057
2020	116,470	14,587	131,057
2021	119,400	11,657	131,057
2022	122,404	8,653	131,057
2023	125,483	5,574	131,057
2024	<u>128,639</u>	<u>2,417</u>	<u>131,056</u>
Total	<u>\$ 726,008</u>	<u>\$ 60,333</u>	<u>\$ 786,341</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

7. Long-Term Debt

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$435,616 as of April 30, 2018 for an ammonization project. The loan is interest-free. The repayment schedule for the loan is as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 34,849	\$ -	\$ 34,849
2020	34,849	-	34,849
2021	34,849	-	34,849
2022	34,850	-	34,850
2023	34,849	-	34,849
2024-2028	174,246	-	174,246
2029-2031	87,124	-	87,124
Total	<u>\$ 435,616</u>	<u>\$ -</u>	<u>\$ 435,616</u>

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$886,228 as of April 30, 2018 for a water tower project which bears interest at 2.21 percent. The repayment schedule for the loan is as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 39,253	\$ 19,370	\$ 58,623
2020	40,125	18,498	58,623
2021	41,017	17,606	58,623
2022	41,929	16,694	58,623
2023	42,860	15,763	58,623
2024-2028	229,019	64,096	293,115
2029-2033	255,622	37,493	293,115
2034-2037	196,403	8,777	205,180
Total	<u>\$ 886,228</u>	<u>\$ 198,297</u>	<u>\$ 1,084,525</u>

Waterworks General Obligation Bonds

The City issued General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2008A in fiscal year 2009 for water treatment plant improvements. These bonds are payable from a pledge of the City's water enterprise revenues and are being repaid by the enterprise fund. The bonds payable as of April 30, 2018 were \$165,000 in the Water Fund. \$2,120,000 of the 2008 bond issue was refunded by the General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016 in fiscal year 2017. The Waterworks bonds bear interest at 4.50% to 4.75% over the life of the bonds, payable on November 1 and May 1 each year and have a final principal maturity date of May 1, 2018.

During the current fiscal year, the pledge of the water revenue of \$166,325 for paying the series 2008A bonds principal and interest was 4.5% of total water operating revenues.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

7. Long-Term Debt

The annual debt service requirements are as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 165,000	\$ 3,919	\$ 168,919
Total	<u>\$ 165,000</u>	<u>\$ 3,919</u>	<u>\$ 168,919</u>

Waterworks General Obligation Refunding Bonds

The City issued General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016 in fiscal year 2017 to refund a portion of the General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2008A. These bonds are payable from a pledge of the City's water enterprise revenues and are being repaid by the enterprise fund. The bonds payable as of April 30, 2018 were \$2,225,000 in the Water Fund. The Waterworks bonds bear interest at 2.00% to 3.00% over the life of the bonds, payable on November 1 and May 1 each year and have a final principal maturity date of May 1, 2028. The annual debt service requirements are as follows:

Year Ending April 30,	Principal	Interest	Total
2019	\$ 25,000	\$ 55,850	\$ 80,850
2020	200,000	53,600	253,600
2021	205,000	49,550	254,550
2022	210,000	45,400	255,400
2023	210,000	41,200	251,200
2024-2028	1,125,000	122,300	1,247,300
2029	<u>250,000</u>	<u>3,750</u>	<u>253,750</u>
Total	<u>\$ 2,225,000</u>	<u>\$ 371,650</u>	<u>\$ 2,596,650</u>

Based on the ordinance requirements, a total of \$618,756 has been held in restricted reserve accounts in the Water Fund at April 30, 2018.

The Sewer Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$2,882,711 as of April 30, 2018 for a wastewater treatment project which bears interest at 1.86 percent. The repayment schedule for the loan is as follows:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

7. Long-Term Debt

Year Ending April 30,	Principal	Interest	Total
2019	\$ 127,777	\$ 53,027	\$ 180,804
2020	130,165	50,639	180,804
2021	132,597	48,207	180,804
2022	135,075	45,729	180,804
2023	137,599	43,205	180,804
2024-2028	727,535	176,482	904,017
2029-2033	798,098	105,920	904,018
2034-2037	693,865	29,351	723,216
Total	<u>\$ 2,882,711</u>	<u>\$ 552,560</u>	<u>\$ 3,435,271</u>

Prior Year Advance Refunding and Defeasance of Debt

In fiscal year 2017, the City used bond proceeds of \$2,275,000 from the issuance of the General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016 to advance refund \$2,120,000 of outstanding General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2008A. The proceeds including bond premium, net of the issuance costs, were used to purchase U.S. Government securities (\$2,296,810). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased portion of the above-mentioned bonds. \$2,120,000 of the defeased portion of the 2008A bonds remained outstanding at April 30, 2018. The bonds are scheduled to be called on May 1, 2018.

Statutory Debt Margin

As of April 30, 2018, the general obligation debt issued by the City did not exceed its statutory debt margin as shown by the following:

Equalized Assessed Valuation - 2017 Tax Year		<u>\$ 192,570,008</u>
Legal Debt Limit - 8.625% of Equalized Assessed Valuation		\$ 16,609,163
	Amount of Debt Applicable to Debt Limit	
	<u>Total Debt</u>	
Equipment Purchase Contract	20,946	20,946
Loan Payable	20,000	-
General Obligation Bonds	<u>5,255,000</u>	-
	5,295,946	20,946
Legal Debt Margin		<u>\$ 16,588,217</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

8. Short-Term Debt

Line of Credit

On January 13, 2010, the City opened a \$750,000 line of credit at an interest rate of 3.23 percent at a local bank for the purpose of short-term borrowing to fund the transportation facility project. The line of credit was increased to \$2,000,000 and the interest rate was adjusted to 2.65 percent during the fiscal year ended April 30, 2013. The line of credit was lowered back to \$750,000 on September 1, 2014. The City did not borrow any funds during the fiscal year ended April 30, 2018.

9. Employee Retirement Systems and Plans

Illinois Municipal Retirement Fund

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

At December 31, 2017, the following employees were covered by the benefit terms:

	Regular
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	99
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	34
Active Plan Members	58
Total	<u>191</u>

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2017 was 10.65%. For the fiscal year ended April 30, 2018, the City contributed \$292,850 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2018

9. Employee Retirement Systems and Plans

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37.00%	6.85%
International Equity	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternative Investments	7.00%	2.65-7.35%
Cash Equivalents	1.00%	2.25%
Total	100.00%	

Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability for the Regular Plan and SLEP, respectively. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rates are reported above.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

Changes in the Net Pension Liability

	<u>Regular Plan</u>
Total Pension Liability	
Service Cost	\$ 284,656
Interest	1,751,936
Differences Between Expected and Actual Experience	193,093
Changes of Assumptions	(798,116)
Benefit Payments, Including Refunds of Plan Member Contributions	(1,729,981)
Net Change in Total Pension Liability	(298,412)
Total Pension Liability - Beginning	24,081,813
Total Pension Liability - Ending	<u>23,783,401</u>
 Plan Fiduciary Net Position	
Contributions from Employer	306,811
Contributions from Plan Members	127,319
Pension Plan Net Investment Income	4,271,619
Benefit Payments, Including Refunds of Plan Member Contributions	(1,729,981)
Other Changes	(874,145)
Net Change in Plan Fiduciary Net Position	2,101,623
Plan Fiduciary Net Position - Beginning	22,491,532
Plan Fiduciary Net Position - Ending	<u>24,593,155</u>
 Net Pension Liability (Asset) - Ending	 <u><u>(\$ 809,754)</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, for the Regular Plan and SLEP, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

<i>Regular Plan</i>	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ 1,793,169	(\$ 809,754)	(\$ 2,989,569)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2018, the City recognized pension expense/(income) of \$881,820 for the Regular Plan. At April 30, 2018, the City reported deferred outflows or resources and deferred outflows of resources related to pensions from the following sources:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

	Regular Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 160,848	\$ 3,446
Changes of assumptions	5,053	581,672
Net difference between projected and actual earnings on pension plan investments	<u>683,417</u>	<u>2,132,903</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	<u>849,318</u>	<u>2,718,021</u>
<i>Pension Contributions Made Subsequent to the Measurement Date</i>	<u>102,385</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 951,703</u>	<u>\$ 2,718,021</u>

Amounts of deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	Regular Plan
Year Ending December 31	Net Deferred Inflows of Resources
2018	\$ 368,931
2019	383,414
2020	583,133
2021	533,225
Total	<u>\$ 1,868,703</u>

Firefighter's Pension and Police Pension Plans

Plan Descriptions

The City contributes to two single-employer defined benefit pension plans: the City of Macomb Firefighters' Pension Plan and the City of Macomb Police Pension Plan (Plans or Funds). Each Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries as defined in 40 ILCS 5/Article 4 for Firefighters and 40 ILCS 5/Article 3 for Police. Retirement benefits vary depending on salary, length of service, and date of membership in the Plan. Sworn Fire and Police personnel are covered by the Plans.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

The Plans are part of the City's financial reporting entity and are included in the City's financial report as pension trust funds. Although these are single-employer pension plans, the defined benefits and employee and employer contribution requirements are governed by Illinois Compiled Statutes and may only be amended by the Illinois legislature. The City of Macomb Firefighters' Pension Fund is administered by the City of Macomb Firefighters' Pension Board of Trustees. Two members of the Firefighters' Pension Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees. The City of Macomb Police Pension Fund is administered by the City of Macomb Police Pension Board of Trustees. Two members of the Police Pension Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Participating employees are required to contribute 9.455% and 9.91% of their salary to the Firefighters' and Police Plans, respectively. If a participating employee leaves the covered employment, other than due to employment connected disability or death, before 20 years of credited service, accumulated employee contributions are refundable to the employee. The City is required to contribute the remaining amounts necessary to finance the plans 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 Firefighters' and Police Pension Plans. For the year ended April 30, 2018, the City's contributions were 57.05% and 53.73%, of covered payroll for the Firefighters' and Police Pension Plans, respectively.

Beginning in fiscal year 2017, the City started using an annual actuarial report provided by Foster & Foster Actuaries for the Firefighters' and Police Pension funds.

At April 30, 2018 (the date of the latest actuarial valuation), membership in each plan consisted of the following:

	Firefighters' Pension	Police Pension
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	32	30
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-	11
Active Plan Members	21	25
Total	53	66

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Firefighters' Pension Fund and the Police Pension Fund are pension trust funds and are accounted for by the accrual basis of accounting. Employee and employer contributions are recognized as additions 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 each plan.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. Details regarding cash and investments are disclosed in note 2.

Net Pension Liability

The components of the net pension liability of the Police and Firefighters' Pension Plans as of April 30, 2018 were as follows:

	Firefighters' Pension	Police Pension
Total Pension Liability	\$ 20,728,809	\$ 22,912,640
Plan Fiduciary Net Position	10,575,822	15,055,740
Net Pension Liability	<u>\$ 10,152,987</u>	<u>\$ 7,856,900</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.02%	65.71%
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See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Plans.

Actuarial Assumptions

The total pension liability for each pension plan was determined by actuarial valuations as of April 30, 2018 with a measurement date of April 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: April 30, 2018 - Actuarially determined contribution rates are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date:

Actuarial Cost Method: Entry Age Normal Amortization Method Level Dollar.

Amortization Period: Ends in fiscal year 2040.

Asset Valuation Method: 5-year smoothed market.

Inflation: 2.50 percent.

Salary Increases: Graded rates from 7.36% at age 25 to 3.62% at age 55, plus 2.50% inflation allowance.

Postretirement Benefit Increases: Postretirement benefit increases are 3.00 percent, compounded, for Tier 1 employees, and 3.00 percent or one-half of the annual increase in the Consumer Price Index, whichever is less, simple, for Tier 2 employees.

Investment Rate of Return: 7.00.

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition.

Mortality: RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015. Disabled Lives includes a 150% load for participants under age 50.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

Methods and Assumptions Used for Accounting Purposes as of the Valuation Date:

Actuarial Cost Method: Entry Age Normal.
Asset Valuation Method: Market (Fair) Value.

Discount Rates

A single discount rate of 7.00% was used to measure the total pension liability for the Firefighters' Pension Plan and the Police Pension Plan. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Firefighters' Pension Plan	Police Pension Plan
Total Pension Liability		
Service Cost	\$ 302,469	\$ 349,378
Interest	1,349,295	1,520,808
Differences Between Expected and Actual Experience	304,034	370,093
Changes of Assumptions	388,471	667,965
Benefit Payments, Including Refunds of Plan Member Contributions	(1,177,272)	(1,245,773)
Net Change in Total Pension Liability	1,166,997	1,662,471
Total Pension Liability - Beginning	19,561,812	21,250,169
Total Pension Liability - Ending	<u>20,728,809</u>	<u>22,912,640</u>
Plan Fiduciary Net Position		
Contributions from Employer	739,538	844,089
Contributions from Plan Members	117,425	162,324
Pension Plan Net Investment Income	642,091	1,299,643
Benefit Payments, Including Refunds of Plan Member Contributions	(1,177,272)	(1,245,773)
Pension Plan Administrative Expense	(11,611)	(14,909)
Other Changes	-	-
Net Change in Plan Fiduciary Net Position	310,171	1,045,374
Plan Fiduciary Net Position - Beginning	10,265,651	14,010,366
Plan Fiduciary Net Position - Ending	<u>10,575,822</u>	<u>15,055,740</u>
Net Pension Liability - Ending	<u>\$ 10,152,987</u>	<u>\$ 7,856,900</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% for the Firefighters' and Police Pension Plans, 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 or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Firefighters' Pension			
City's Net Pension Liability	\$ 12,793,389	\$ 10,152,987	\$ 7,975,060
Police Pension			
City's Net Pension Liability	\$ 10,928,663	\$ 7,856,900	\$ 5,338,441

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2018, the City recognized pension expense of \$1,733,643 and \$996,023 for the Firefighters' and Police Pension Plans, respectively. At April 30, 2018, the City reported deferred outflows or resources related to pensions from the following sources:

	Firefighters' Pension Plan	Police Pension Plan	
	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions			
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ 1,962,391	\$ 465,918	\$ 590,976
Changes of assumptions	985,930	936,324	-
Net difference between projected and actual earnings on pension plan investments	339,018	-	7,548
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	<u>\$ 3,287,339</u>	<u>\$ 1,402,242</u>	<u>\$ 598,524</u>

Amounts of deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

	Firefighters' Pension Plan	Police Pension Plan
Year Ending December 31	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2019	\$ 894,666	\$ 279,787
2020	894,666	279,789
2021	708,604	61,552
2022	673,986	131,396
2023	115,417	29,662
Thereafter	-	21,532
Total	<u>\$ 3,287,339</u>	<u>\$ 803,718</u>

Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.23% and 9.22% for the Firefighters' and Police Pension Plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Funding Policy

The City funds its contributions to the Firefighters' and Police pension plans through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal costs, plus the amount to amortize the unfunded accrued liability. The City levies an amount to cover the Annual Required Contribution based on the actuarial calculations for the next tax extension. Therefore, the annual required contributions for the year ended April 30, 2016 are levied for the 2016 tax levy and will be collected during the fiscal year ending April 30, 2018.

Reconciliation of Pension Note to Government-Wide Financial Statements

Amounts Reported in Note 9

	IMRF Regular Plan	Firefighters' Pension Plan	Police Pension Plan	Total
Net Pension Liability Asset	\$ 809,754	\$ -	\$ -	\$ 809,754
Net Pension Liability	-	10,152,987	7,856,900	18,009,887
Deferred Outflows of Resources				
Related to Pensions	951,703	3,287,339	1,402,242	5,641,284
Deferred Inflows of Resources				
Related to Pensions	2,718,021	-	598,524	3,316,545

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

9. Employee Retirement Systems and Plans

Amounts Reported in the Government-Wide Financial Statements

	Governmental Activities	Business-Type Activities	Total
Net Pension Asset	\$ 615,178	\$ 194,576	\$ 809,754
Net Pension Liability	18,009,887	-	18,009,887
Deferred Outflows of Resources			
Related to Pensions	5,407,020	234,264	5,641,284
Deferred Inflows of Resources			
Related to Pensions	2,662,345	654,200	3,316,545

10. Commitments and Contingencies

Litigation: From time to time, the City is involved in legal and administrative proceedings with respect to employment, civil rights, property taxes, and other matters. Although the City is unable to predict the outcome of these matters, the City believes that any appropriate liabilities have been established and that the final outcome of these actions will not have a material adverse effect on the results of operations or the financial position of the City.

Federal Grant Programs: The City currently participates in and in prior fiscal years has participated in various federal grant programs, principally Section 5311 Transportation Grants. Federal grant programs are subject to program compliance audits by the grantor agencies. The City's compliance with applicable grant requirements will be established at some future date; however, the City believes that any noncompliance will not have a material effect on the financial statements.

Subleases: The City had two operating leases in effect at year end for space on its water towers. The 60 month leases each provide for rent to be increased by 3%-4% per year.

Each lease agreement contains a provision for four 5-year renewal options with one having monthly payments ranging from \$4,329 to \$4,503 and the other lease having two annual payments of \$27,769 and \$27,906. Both leases have been renewed for the first renewal option. Minimum future sublease payments under these leases for fiscal year 2019 total \$112,691. Sublease income under these leases during the year ending April 30, 2018 was \$109,063.

Intergovernmental Agreement: The City entered into an agreement with the Macomb McDonough County Enterprise Zone (Enterprise Zone) to use all of the funds received by the City from the Enterprise Zone to partially finance the City's commitment to pay as much as \$75,000 annually to Macomb Area Economic Development Corporation (MAEDCO). Payments are to assist MAEDCO with its financing of the purchase of real estate for the Pella Corporation project. Minimum future payments under this agreement include \$48,737 in each fiscal year 2017 through 2020.

11. Risk Management

General and Professional Liability, Property, Casualty, Auto Liability, Crime, Errors and Omissions, Workers' Compensation Coverage - The City is exposed to various risks of loss related to torts, thefts or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has purchased commercial insurance with the following limits: \$3,000,000 aggregate on liability claims, \$1,000,000 on auto claims, \$70,478,306 on property claims, specifically identified amounts on equipment claims and statutory limit on workers' compensation claims.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

11. Risk Management

The cost of insurance premiums for the above coverage is accounted for in the Insurance and Tort Judgment Fund, an Internal Service Fund. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Employee Health Care Coverage - The City sponsors a self-insured health plan to pay medical claims of the City's employees and their covered dependents and to minimize the total cost of the annual insurance to the City. The City accounts for the activity in the Health Insurance Fund, an Internal Service Fund. Funding amounts in the Health Insurance Fund are used to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$967,160 at April 30, 2018 and is reported as unrestricted net position. Employee claims are processed and paid by a third party plan administrator. The plan administrator is reimbursed for paid claims by the City's Health Insurance Fund. The City's General Fund and Enterprise Fund provide funding to the Health Insurance Fund in amounts established by the City as follows: \$952 per employee per month for individual coverage and \$2,228 per employee per month for family coverage. At April 30, 2018, there were 98 members enrolled in the City's plan.

Medical claims exceeding \$50,000 per covered employee and \$1,000,000 in the aggregate are covered through a private insurance carrier. Liabilities are reported when it is probable that a loss has been incurred and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The amount of settlements has not exceeded this coverage in any of the past three fiscal years.

The following represents the changes in health claims liabilities for the City for the past two fiscal years:

	Insurance Claims Payable April 30, 2018	Insurance Claims Payable April 30, 2017
Beginning Balance	\$ 212,068	\$ 217,327
Provision for Expenditures	1,741,101	1,417,814
Payments made for Claims	(1,741,996)	(1,423,073)
Ending Balance	<u>\$ 211,173</u>	<u>\$ 212,068</u>

12. Major Customer - Water and Sewer Funds

Charges for services in the Water and the Sewer Funds include charges to Western Illinois University, which account for more than 10 percent of the total charges for services in each of these funds. Charges for water and sewer services for the year ended April 30, 2018 and consumer accounts receivable as of April 30, 2018 from Western Illinois University were as follows:

Fund	Charges for Services	Receivable
Water	\$ 555,061	\$ 34,876
Sewer	<u>321,539</u>	<u>21,310</u>
Total	<u>\$ 876,600</u>	<u>\$ 56,186</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

13. Jointly Governed Organizations and Joint Ventures

Jointly Governed Organization

The City, in conjunction with McDonough County, Illinois created the Macomb Public Building Commission under the Public Building Commission Act. The Commission's board is composed of three members appointed by the City Council and two members appointed by the County Board. The County is involved as a lessee in a capital lease with the Commission as the lessor.

Joint Venture

The City is a participant with McDonough County, Illinois and the McDonough County Emergency Telephone System Board (ETSB) in a joint venture to operate a 911 emergency services communication and dispatch enterprise. The Macomb/McDonough Emergency Dispatch Center, Inc., a not-for-profit corporation, was created for that purpose. The corporation is governed by a six-member board composed of 1) the County Board Chairman or a County board member designated by the Chairman, 2) the County Sheriff or a designated full-time employee of the Sheriff's Department, 3) the City Mayor, 4) the City Police Chief, 5) the ETSB Chairman, and 6) the ETSB Secretary. The City, the County, and the ETSB each contributed various property, equipment, services, and/or funds for initial relocation and occupancy costs to the corporation.

The City, the County, and the ETSB are each obligated by an intergovernmental cooperation agreement to pay one-third of the costs of the corporation for wages, employee benefits, and normal office supplies. The ETSB's liability for operation costs during any fiscal year of the corporation is limited to a cap amount determined by the City, the County, and the ETSB. The City and the County share equally the amount of costs in excess of the determined cap of the ETSB's share of costs. The ETSB contributes to the corporation annually an amount sufficient to pay the entire cost of equipment installation, operation, maintenance, repair and replacement, employee training, and telephone line charges. The Center's fiscal year end is November 30. Separate audited financial statements for the Center are available through the Macomb/McDonough County Emergency Dispatch Center, Inc.

Summarized financial information of the Center as of and for the year ended November 30, 2017 follows:

<i>Statement of Net Position</i>		<i>Statement of Activities</i>	
Assets:			
Current Assets	\$ 376,381	Operating Revenues	\$ 899,033
Property and Equipment, Net	304,276	Operating Expenses	967,863
Total Assets	<u>680,657</u>	Net Income (Loss)	<u>(68,830)</u>
Deferred Outflows of Resources	229,284	Nonoperating Revenues	342
Total Assets and Deferred Outflows	<u>\$ 909,941</u>	Contribution Revenue	153,574
Liabilities	\$ 444,448	Change in Net Position	85,086
Deferred Inflows of Resources	7,121	Net Position, Beginning	373,286
Net Position	<u>458,372</u>	Net Position, Ending	<u>\$ 458,372</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 909,941</u>		

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

14. Other Postemployment Benefits

The City is legally required to offer postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the City's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage.

Illinois statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees. The City provides post-retirement health care benefits for retirees and their dependents as per the requirements of the City personnel manual. All retirees are eligible to continue their health care coverage under the City's self-insurance plan. The retirees are responsible for the entire premium payment to secure coverage for them and their dependents based on the rates paid by the City. Retired employees must be covered under the City's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the City's plan to maintain this benefit. At April 30, 2018, there were 8 retired employees covered under the City's plan. The City finances the plan on a pay-as-you-go basis and recognized \$101,748 of expenses with retiree contributions of \$60,360 in the Internal Service Fund.

Statement No. 45 of the Governmental Accounting Standards Board *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 45) was applicable for the City's year ended April 30, 2018. That Statement requires the City to disclose the obligation for other postemployment benefits (OPEB) and actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The City did not implement the provisions of GASB 45 and therefore the amount by which this disclosure would affect the financial statements is not reasonably determinable.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2018

15. Fund Balances

Details of the City's fund balances by individual major fund and nonmajor funds in the aggregate are as follows:

	Major Funds				
	General Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
<i>Nonspendable for:</i>					
Not in Spendable Form	\$ 99,330	\$ -	\$ -	\$ 170,386	\$ 269,716
<i>Restricted for:</i>					
Community Development	19,239	-	-	312,293	331,532
Employee Benefits	-	177,762	-	-	177,762
Maintenance of Roadways	-	-	-	590,551	590,551
Public Safety	255,888	-	-	64,522	320,410
Cemetery Care	49,482	-	-	-	49,482
Transportation	-	-	694,064	-	694,064
Other Purposes	64,974	-	-	13,470	78,444
Total Restricted	<u>389,583</u>	<u>177,762</u>	<u>694,064</u>	<u>980,836</u>	<u>2,242,245</u>
<i>Committed to:</i>					
Capital Projects	694,600	-	-	-	694,600
Total Committed	<u>694,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694,600</u>
<i>Assigned to:</i>					
Community Development	150,682	-	-	-	150,682
Maintenance of Roadways	60,660	-	-	-	60,660
Capital Projects	500,000	-	-	33,383	533,383
Other Purposes	214,281	-	-	-	214,281
Total Assigned	<u>925,623</u>	<u>-</u>	<u>-</u>	<u>33,383</u>	<u>959,006</u>
<i>Unassigned</i>	<u>4,912,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,912,107</u>
Total Fund Balances	<u>\$ 7,021,243</u>	<u>\$ 177,762</u>	<u>\$ 694,064</u>	<u>\$ 1,184,605</u>	<u>\$ 9,077,674</u>

16. Inter-Entity Transactions

The Macomb City Township leases office space from the City. During the fiscal year ended April 30, 2014, the Township paid \$54,000 to the City for office rental covering 2014-2018. The City has recorded unearned revenue for the rental payments pertaining to future years. The Township paid \$64,393 to the City for costs related to the Township's participation in the City's health insurance program.

During the year, the City paid the Township \$12,641 of annexation taxes and \$8,684 of personal property replacement taxes.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MACOMB, ILLINOIS

Required Supplementary Information Schedules of Employer Contributions Firefighters' and Police Pension Plans Last Four Fiscal Years

Firefighters' Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2018	\$ 1,004,151	\$ 739,538	\$ 264,613	\$ 1,296,349	57.05%
2017	728,859	493,965	234,894	1,216,252	40.61%
2016	469,697	499,923	(30,226)	1,143,425	43.72%
2015	410,715	474,854	(64,139)	1,160,210	40.93%

Police Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2018	\$ 870,440	\$ 844,089	\$ 26,351	\$ 1,571,011	53.73%
2017	858,179	800,765	57,414	1,683,359	47.57%
2016	793,744	507,833	285,911	1,546,808	32.83%
2015	508,169	506,272	1,897	1,488,494	34.01%

Notes to Schedule:

The Firefighters' and Police Pension Plans use the following actuarial assumptions.

Valuation Date: May 1, 2017.

Actuarially determined contribution rates are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods And Assumptions Used To Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal.

Amortization Method: Level Dollar

Amortization Period: Ends in fiscal year 2040.

Asset Valuation Method: 5-year smoothed market.

Inflation: 2.50%.

Salary Increases: Graded rates from 7.36% at age 25 to 3.62% at age 55, plus 2.50% inflation allowance.

Postretirement Benefit Increases: Tier 1 provides 50% of salary on last day of service plus 2.5% of annual salary each year. Tier 2 provides 2.5% per year of service times the avg. salary for the eight consecutive years prior to retirement time the number of years of service

Investment Rate of Return: 7.00% per year

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition.

Mortality: RP 2000 Combined Healthy Mortality Table with blue collar adjustment projected by Scale BB. Disabled Lives are projected to the valuation date using scale BB.

Other Information: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF MACOMB, ILLINOIS

Required Supplementary Information

Schedules of Employer Contributions

Illinois Municipal Retirement Fund

Last Four Calendar Years

Regular Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 288,711	\$ 306,811	(\$ 18,100)	\$ 2,710,901	11.32%
2016	338,494	343,544	(5,050)	2,751,982	12.48%
2015	320,040	347,275	(27,235)	2,634,077	13.18%
2014	342,626	466,708	(124,082)	2,502,748	18.65%

Sheriff's Law Enforcement Personnel (SLEP)

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ -	\$ -	\$ -	\$ -	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A

Notes to Schedule:*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate***Valuation Date:*

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal.

Amortization Method: Level Percentage of Payroll, Closed.

Remaining Amortization Period: 26-year closed period.

Asset Valuation Method: 5-Year smoothed market; 20% corridor.

Wage Growth: 3.50%.

Price Inflation: 2.75% - approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50% including inflation.

Investment Rate of Return: 7.50%.

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality: An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). For non-disabled retirees, the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, the IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF MACOMB, ILLINOIS

Required Supplementary Information Schedules of Changes in the Net Pension Liability and Related Ratios Firefighters' and Police Pension Plans Last Four Fiscal Years

	Firefighters' Pension		
	2018	2017	2016
Total Pension Liability			
Service Cost	\$ 302,469	\$ 287,375	\$ 278,385
Interest	1,349,295	1,159,583	1,031,740
Differences Between Expected and Actual Experience	304,034	1,790,995	933,028
Changes of Assumptions	388,471	615,757	455,977
Benefit Payments, Including Refunds of Plan Member Contributions	(1,177,272)	(1,139,985)	(1,089,586)
Net Change in Total Pension Liability	1,166,997	2,713,725	1,609,544
Total Pension Liability - Beginning	19,561,812	16,848,087	15,238,543
Total Pension Liability - Ending (A)	<u>\$ 20,728,809</u>	<u>\$ 19,561,812</u>	<u>\$ 16,848,087</u>
Plan Fiduciary Net Position			
Contributions from Employer	\$ 739,538	\$ 493,965	\$ 499,923
Contributions from Plan Members	117,425	113,069	116,866
Pension Plan Net Investment Income	642,091	821,779	(216,264)
Other Contributions	-	-	-
Benefit Payments, Including Refunds of Plan Member Contributions	(1,177,272)	(1,139,985)	(1,089,586)
Pension Plan Administrative Expense	(11,611)	(10,558)	(17,175)
Net Change in Plan Fiduciary Net Position	310,171	278,270	(706,236)
Plan Fiduciary Net Position - Beginning	10,265,651	9,987,381	10,693,617
Plan Fiduciary Net Position - Ending (B)	<u>\$ 10,575,822</u>	<u>\$ 10,265,651</u>	<u>\$ 9,987,381</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 10,152,987</u>	<u>\$ 9,296,161</u>	<u>\$ 6,860,706</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.02%	52.48%	59.28%
Covered-Employee Payroll	1,296,349	1,216,252	1,143,425
Net Pension Liability as a Percentage of Covered-Employee Payroll	783.20%	764.33%	600.01%

Notes to Schedule:

Changes of assumptions:

For measurement date 04/30/2018, amounts reported as changes of assumptions reflect the following changes based on the results of the 2017 Department of Insurance experience study:

- Updated retirement, termination and disability rate tables.
- Updated assumed salary increase rates.
- Updated the percentage of disabilities assumed to be in the line of duty.
- Updated the percentage of deaths assumed to be in the line of duty.
- Updated Police investment return assumption from 7.25% to 7.00%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Police Pension				
2015	2018	2017	2016	2015
\$ 164,078	\$ 349,378	\$ 338,505	\$ 338,505	\$ 326,876
1,076,943	1,520,808	1,495,816	1,414,627	1,251,335
(608,896)	370,093	(886,463)	258,827	365,586
316,045	667,965	602,926	-	1,496,669
(1,041,244)	(1,245,773)	(1,188,099)	(1,175,206)	(1,199,116)
(93,074)	1,662,471	362,685	836,753	2,241,350
15,331,617	21,250,169	20,887,484	20,050,731	17,809,381
<u>\$ 15,238,543</u>	<u>\$ 22,912,640</u>	<u>\$ 21,250,169</u>	<u>\$ 20,887,484</u>	<u>\$ 20,050,731</u>
\$ 474,854	\$ 844,089	\$ 800,765	\$ 507,833	\$ 506,272
109,959	162,324	158,858	161,818	193,115
721,092	1,299,643	1,280,782	(113,757)	1,115,351
-	-	-	-	181
(1,041,244)	(1,245,773)	(1,188,099)	(1,175,206)	(1,199,115)
(7,945)	(14,909)	(13,207)	(19,933)	(18,373)
256,716	1,045,374	1,039,099	(639,245)	597,431
10,436,901	14,010,366	12,971,267	13,610,512	13,013,081
<u>\$ 10,693,617</u>	<u>\$ 15,055,740</u>	<u>\$ 14,010,366</u>	<u>\$ 12,971,267</u>	<u>\$ 13,610,512</u>
<u>\$ 4,544,926</u>	<u>\$ 7,856,900</u>	<u>\$ 7,239,803</u>	<u>\$ 7,916,217</u>	<u>\$ 6,440,219</u>
70.17%	65.71%	65.93%	62.10%	67.88%
1,160,210	1,571,011	1,683,359	1,546,808	1,488,494
391.73%	500.12%	430.08%	511.78%	432.67%

CITY OF MACOMB, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund Schedules of Changes in the Net Pension Liability and Related Ratios Last Four Calendar Years

Calendar Year Ended December 31,	Regular Plan		
	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 284,656	\$ 287,278	\$ 294,279
Interest on the Total Pension Liability	1,751,936	1,729,591	1,688,531
Differences Between Expected and Actual Experience of the Total Pension Liability	193,093 (9,248)	245,278
Changes of Assumptions	(798,116) (50,577)	50,236
Benefit Payments, Including Refunds of Employee Contributions	(1,729,981) (1,708,937) (1,622,448)
Net Change in Total Pension Liability	(298,412)	248,107	655,876
Total Pension Liability - Beginning	24,081,813	23,833,706	23,177,830
Total Pension Liability - Ending (A)	<u>\$ 23,783,401</u>	<u>\$ 24,081,813</u>	<u>\$ 23,833,706</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 306,811	\$ 343,544	\$ 347,275
Contributions - Employees	127,319	123,839	118,533
Net Investment Income	4,271,619	1,517,536	109,168
Benefit Payments, Including Refunds of Employee Contributions	(1,729,981) (1,708,937) (1,622,448)
Other (Net Transfer)	(874,145)	51,554	799,631
Net Change in Plan Fiduciary Net Position	2,101,623	327,536	(247,841)
Plan Fiduciary Net Position - Beginning	22,491,532	22,163,996	22,411,837
Plan Fiduciary Net Position - Ending (B)	<u>\$ 24,593,155</u>	<u>\$ 22,491,532</u>	<u>\$ 22,163,996</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>(\$ 809,754)</u>	<u>\$ 1,590,281</u>	<u>\$ 1,669,710</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 103.40%	 93.40%	 92.99%
 Covered Valuation Payroll	 2,710,901	 2,751,982	 2,634,077
 Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	 -29.87%	 57.79%	 63.39%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Sheriff's Law Enforcement
Personnel (SLEP)**

<u>2014</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 307,521	\$ -	\$ -	\$ -	\$ -
1,588,758	-	251	324	316
132,387	-	(3,596)	(1,298)	(271)
864,114	-	-	-	61
(1,489,261)	-	-	-	-
1,403,519	-	(3,345)	(974)	106
21,774,311	-	3,345	4,319	4,213
<u>\$ 23,177,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,345</u>	<u>\$ 4,319</u>
\$ 466,708	\$ -	\$ -	\$ -	\$ -
117,052	-	-	-	-
1,324,383	-	251	21	257
(1,489,261)	-	-	-	-
(170,987)	-	(3,597)	(902)	(243)
247,895	-	(3,346)	(881)	14
22,163,942	-	3,346	4,227	4,213
<u>\$ 22,411,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,346</u>	<u>\$ 4,227</u>
<u>\$ 765,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1)</u>	<u>\$ 92</u>
96.70%	N/A	N/A	100.03%	97.87%
2,502,748	-	-	-	-
30.61%	N/A	N/A	N/A	N/A

CITY OF MACOMB, ILLINOIS

Required Supplementary Information Schedules of Investment Returns Firefighters' and Police Pension Plans Last Four Fiscal Years

Annual Money-Weighted Rate of Return,
Net of Investment Expense:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Firefighters' Pension Fund	6.23%	8.33%	-2.09%	6.98%
Police Pension Fund	9.22%	9.81%	-0.85%	8.66%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF MACOMB, ILLINOIS

Required Supplementary Information

Budgetary Comparison Information - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 1,953,600	\$ 1,909,971	(\$ 43,629)
Sales Taxes	4,465,000	4,345,835	(119,165)
Income Taxes	2,200,000	2,082,215	(117,785)
Other Taxes	1,193,149	1,212,374	19,225
Investment Income	12,635	16,450	3,815
Fines and Forfeitures	279,000	235,580	(43,420)
Licenses and Permits	314,250	298,481	(15,769)
Intergovernmental Revenues	1,351,880	733,215	(618,665)
Charges for Services	519,500	589,973	70,473
Miscellaneous	98,247	276,520	178,273
Total Revenues	<u>12,387,261</u>	<u>11,700,614</u>	<u>(686,647)</u>
Expenditures			
Current:			
General Government	2,462,702	2,485,412	(22,710)
Public Safety	6,514,663	6,546,482	(31,819)
Highways and Streets	3,512,962	3,842,321	(329,359)
Community Development	1,048,890	1,146,161	(97,271)
Culture and Recreation	17,000	15,590	1,410
Capital Outlay	727,235	36,188	691,047
Debt Service:			
Principal	465,000	528,574	(63,574)
Interest and Fees	135,773	135,430	343
Total Expenditures	<u>14,884,225</u>	<u>14,736,158</u>	<u>148,067</u>
(Deficiency) of Revenues Over Expenditures	<u>(2,496,964)</u>	<u>(3,035,544)</u>	<u>(538,580)</u>
Other Financing Sources (Uses)			
Inter-account Transfers In (Out)	(1,947,728)	-	1,947,728
Transfers In	2,706,843	2,791,972	85,129
Transfers Out	(50,000)	(1,760,000)	(1,710,000)
Proceeds from the Sale of Capital Assets	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Total Other Financing Sources (Uses)	<u>709,115</u>	<u>1,043,972</u>	<u>334,857</u>
Net Change in Fund Balance	<u>(\$ 1,787,849)</u>	<u>(1,991,572)</u>	<u>(\$ 203,723)</u>
Fund Balance - Beginning of Year		<u>9,012,815</u>	
Fund Balance - End of Year		<u>\$ 7,021,243</u>	

CITY OF MACOMB, ILLINOIS

Required Supplementary Information

Budgetary Comparison Information - Illinois Municipal Retirement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 62,595	\$ 60,900	(\$ 1,695)
Other Taxes	14,815	14,815	-
Investment Income	100	175	75
 Total Revenues	 <u>77,510</u>	 <u>75,890</u>	 <u>(1,620)</u>
Expenditures			
Current:			
General Government			
City Share FICA - General	90,829	75,728	15,101
City Share FICA - General Other	2,930	2,195	735
City Share IMRF - General	108,580	101,654	6,926
Public Safety			
City Share FICA - Fire	21,949	18,858	3,091
City Share FICA - Police	38,648	34,571	4,077
City Share IMRF - Fire	3,575	2,563	1,012
City Share IMRF - Police	13,350	13,590	(240)
Highways and Streets			
City Share FICA - Public Works	69,112	74,944	(5,832)
City Share IMRF - Public Works	94,085	100,335	(6,250)
Community Development			
City Share FICA - TIF	1,313	903	410
City Share IMRF - TIF	1,827	229	1,598
City Share IMRF - Downtown Development	4,079	4,122	(43)
 Total Expenditures	 <u>450,277</u>	 <u>429,692</u>	 <u>20,585</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(372,767)</u>	 <u>(353,802)</u>	 <u>18,965</u>
Other Financing Sources			
Transfers In	<u>310,000</u>	<u>310,000</u>	<u>-</u>
 Total Other Financing Sources	 <u>310,000</u>	 <u>310,000</u>	 <u>-</u>
 Net Change in Fund Balance	 <u>(\$ 62,767)</u>	 <u>(43,802)</u>	 <u>\$ 18,965</u>
 Fund Balance - Beginning of Year		 <u>221,564</u>	
 Fund Balance - End of Year		 <u>\$ 177,762</u>	

CITY OF MACOMB, ILLINOIS

Required Supplementary Information

Budgetary Comparison Information - Section 5311 Transportation Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Investment Income	\$ 500	\$ 514	\$ 14
Intergovernmental Revenues	4,282,000	1,941,820	(2,340,180)
Miscellaneous	60,000	63,962	3,962
	<u>4,342,500</u>	<u>2,006,296</u>	<u>(2,336,204)</u>
Total Revenues			
Expenditures			
Current:			
Transportation			
Transportation Faculty Engineering	15,000	10,600	4,400
Grant Disbursements	-	276,248	(276,248)
Demand Response Service Providers	500,000	562,963	(62,963)
Fixed Route Service Providers	900,000	402,904	497,096
Central Dispatching Costs	20,000	17,789	2,211
Management Costs	170,000	180,652	(10,652)
Audit	3,000	3,000	-
General Operating Expenditures	410,000	370,551	39,449
Capital Outlay			
Equipment	2,282,000	-	2,282,000
	<u>4,300,000</u>	<u>1,824,707</u>	<u>2,475,293</u>
Total Expenditures			
Net Change in Fund Balance	<u>\$ 42,500</u>	181,589	<u>\$ 139,089</u>
Fund Balance - Beginning of Year		512,475	
Fund Balance - End of Year		<u>\$ 694,064</u>	

CITY OF MACOMB, ILLINOIS

Notes to Required Supplementary Information April 30, 2018

1. Presentation

The Budgetary Comparison Information includes only the activity of the General Fund, and the City's two major special revenue funds, the Illinois Municipal Retirement Fund and the Section 5311 Transportation Grant Fund, and is presented on the modified accrual basis of accounting on a function basis. Capital outlay amounts have been presented separately from their respective functions. The budget was not amended during the fiscal year.

2. Expenditures in Excess of Budgeted Expenditures

The expenditures of the General Corporate Account, Sales Tax Infrastructure Account, Fire Protection Tax Account, Corporate Sick Leave/Vacation Account, and Gift Account of the General Fund exceed budgeted expenditures during the fiscal year ended April 30, 2018 by \$158,470, \$492,063, \$899, \$50,365, and \$3,569, respectively.

3. Account Deficit

The General Fund's total fund balance was a surplus of \$7,021,243 at April 30, 2018; however, one account of the General Fund had a deficit fund balance. The Child Safety Seat Grant Account had a deficit fund balance of \$725. The deficit is due to the timing of funding. Future funding is anticipated to bring the account out of the deficit.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MACOMB, ILLINOIS

General Fund Balance Sheet by Account April 30, 2018

	General Corporate Account	Sales Tax Infrastructure Account	City Hall Maintenance Account	Street and Bridge Account	Drug Asset Forfeiture Account	Cemetery Maintenance Account
Assets						
Cash and Cash Equivalents	\$ 3,762,918	\$ 315,340	\$ 34,038	\$ 50	\$ 61,511	\$ 49,482
Receivables:						
Property Taxes	2,083,733	-	-	-	-	-
Sales Taxes	632,809	384,189	-	-	-	-
Other Taxes	520,119	-	-	65,024	-	-
Consumer Accounts	-	-	-	23,454	-	-
Inter-account Receivables						
(Payables)	57	-	-	-	-	-
Due from Other Funds	117,287	-	-	-	-	-
Inventory	-	-	-	99,330	-	-
Total Assets	\$ 7,116,923	\$ 699,529	\$ 34,038	\$ 187,858	\$ 61,511	\$ 49,482
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ 35,922	\$ 4,929	\$ -	\$ 7,860	\$ -	\$ -
Accrued Liabilities	111,824	-	-	20,008	-	-
Unearned Revenue	48,867	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	196,613	4,929	-	27,868	-	-
Deferred Inflows of Resources						
Deferred Property Taxes	2,083,733	-	-	-	-	-
Total Deferred Inflows of Resources	2,083,733	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	99,330	-	-
Restricted	-	-	-	-	61,511	49,482
Committed	-	694,600	-	-	-	-
Assigned	211,723	-	-	60,660	-	-
Unassigned	4,624,854	-	34,038	-	-	-
Total Fund Balances (Deficits)	4,836,577	694,600	34,038	159,990	61,511	49,482
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,116,923	\$ 699,529	\$ 34,038	\$ 187,858	\$ 61,511	\$ 49,482

Sex Offender Registration Account	Police Department Warrants Account	Fire Protection Tax Account	Police Vehicle Account	Police Protection Tax Account	Corporate Sick and Vacation Accrual Account
\$ 6,422	\$ 8,958	\$ 43,169	\$ 12,428	\$ 144,159	\$ 200,000
-	-	60,003	-	60,003	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(57)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,422</u>	<u>\$ 8,958</u>	<u>\$ 103,115</u>	<u>\$ 12,428</u>	<u>\$ 204,162</u>	<u>\$ 200,000</u>
\$ -	\$ 1,373	\$ 13,906	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,373</u>	<u>13,906</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	60,003	-	60,003	-
-	-	60,003	-	60,003	-
-	-	-	-	-	-
6,422	-	29,206	12,428	144,159	-
-	-	-	-	-	-
-	7,585	-	-	-	200,000
<u>6,422</u>	<u>7,585</u>	<u>29,206</u>	<u>12,428</u>	<u>144,159</u>	<u>200,000</u>
<u>\$ 6,422</u>	<u>\$ 8,958</u>	<u>\$ 103,115</u>	<u>\$ 12,428</u>	<u>\$ 204,162</u>	<u>\$ 200,000</u>

(Continued)

CITY OF MACOMB, ILLINOIS

General Fund
Balance Sheet by Account
April 30, 2018

	Facade Program Account	Macomb Downtown Development Account	Child Safety Seat Grant Account	Hotel/Motel Tax Account	Police Forfeiture Account	Police Electronic Tickets Account
Assets						
Cash and Cash Equivalents	\$ 33,947	\$ 13,596	\$ -	\$ 11,834	\$ 1,054	\$ 8,584
Receivables:						
Property Taxes	-	-	-	-	-	-
Sales Taxes	-	-	-	-	-	-
Other Taxes	-	-	-	22,500	-	-
Consumer Accounts	-	-	-	-	-	-
Inter-account Receivables (Payables)	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	<u>\$ 33,947</u>	<u>\$ 13,596</u>	<u>\$ -</u>	<u>\$ 34,334</u>	<u>\$ 1,054</u>	<u>\$ 8,584</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 15,095	\$ -	\$ -
Accrued Liabilities	-	931	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	-	-	725	-	-	-
Total Liabilities	<u>-</u>	<u>931</u>	<u>725</u>	<u>15,095</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Deferred Property Taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	19,239	-	8,584
Committed	-	-	-	-	-	-
Assigned	33,947	12,665	-	-	-	-
Unassigned	-	-	(725)	-	1,054	-
Total Fund Balances (Deficits)	<u>33,947</u>	<u>12,665</u>	<u>(725)</u>	<u>19,239</u>	<u>1,054</u>	<u>8,584</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,947</u>	<u>\$ 13,596</u>	<u>\$ -</u>	<u>\$ 34,334</u>	<u>\$ 1,054</u>	<u>\$ 8,584</u>

Information Technology Account	Community Development Account	Equipment Replacement Account	Gift Account	Payroll Clearing Account	Cable TV Account	Total	
						2018	2017
\$ 44,832	\$ 104,070	\$ 500,000	\$ 58,552	\$ 469	\$ 2,558	\$ 5,417,971	\$ 7,151,418
-	-	-	-	-	-	2,203,739	1,955,586
-	-	-	-	-	-	1,016,998	1,038,143
-	-	-	-	-	-	607,643	820,465
-	-	-	-	-	-	23,454	19,842
-	-	-	-	-	-	-	-
-	-	-	-	-	-	117,287	226,243
-	-	-	-	-	-	99,330	109,057
<u>\$ 44,832</u>	<u>\$ 104,070</u>	<u>\$ 500,000</u>	<u>\$ 58,552</u>	<u>\$ 469</u>	<u>\$ 2,558</u>	<u>\$ 9,486,422</u>	<u>\$ 11,320,754</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,085	\$ 183,298
-	-	-	-	-	-	132,763	108,663
-	-	-	-	-	-	48,867	59,667
-	-	-	-	-	-	725	725
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,440</u>	<u>352,353</u>
-	-	-	-	-	-	2,203,739	1,955,586
-	-	-	-	-	-	2,203,739	1,955,586
-	-	-	-	-	-	99,330	109,057
-	-	-	58,552	-	-	389,583	298,634
-	-	-	-	-	-	694,600	2,470,763
-	104,070	500,000	-	-	2,558	925,623	1,204,483
<u>44,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>-</u>	<u>4,912,107</u>	<u>4,929,878</u>
<u>44,832</u>	<u>104,070</u>	<u>500,000</u>	<u>58,552</u>	<u>469</u>	<u>2,558</u>	<u>7,021,243</u>	<u>9,012,815</u>
<u>\$ 44,832</u>	<u>\$ 104,070</u>	<u>\$ 500,000</u>	<u>\$ 58,552</u>	<u>\$ 469</u>	<u>\$ 2,558</u>	<u>\$ 9,486,422</u>	<u>\$ 11,320,754</u>

CITY OF MACOMB, ILLINOIS

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account For the Year Ended April 30, 2018

	General Corporate Account	Sales Tax Infrastructure Account	City Hall Maintenance Account	Street and Bridge Account	Drug Asset Forfeiture Account
Revenues					
Property Taxes	\$ 1,793,194	\$ -	\$ -	\$ -	\$ -
Sales Taxes	2,691,873	1,653,962	-	-	-
Income Taxes	2,082,215	-	-	-	-
Other Taxes	687,748	-	-	276,565	-
Investment Income	13,257	2,459	-	-	-
Fines and Forfeitures	234,487	-	-	-	-
Licenses and Permits	278,514	-	-	-	-
Intergovernmental Revenues	726,872	-	-	6,106	-
Charges for Services	267,133	-	-	317,840	-
Miscellaneous	119,197	41,719	-	5,068	90,401
Total Revenues	8,894,490	1,698,140	-	605,579	90,401
Expenditures					
Current:					
General Government	2,364,064	-	-	-	-
Public Safety	6,446,353	-	-	-	78,964
Highways and Streets	-	1,964,254	-	1,878,067	-
Community Development	831,803	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	20,500	1,311	-	-	-
Debt Service:					
Principal	-	465,000	-	-	-
Interest and Fees	-	133,738	-	-	-
Total Expenditures	9,662,720	2,564,303	-	1,878,067	78,964
Excess (Deficiency) of Revenues Over Expenditures	(768,230)	(866,163)	-	(1,272,488)	11,437
Other Financing Sources (Uses)					
Inter-account Transfers In (Out)	(106,240)	-	-	31,932	-
Transfers In	789,566	600,000	-	1,252,406	-
Transfers Out	(250,000)	(1,510,000)	-	-	-
Proceeds from the Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	433,326	(910,000)	-	1,284,338	-
Net Change in Fund Balances	(334,904)	(1,776,163)	-	11,850	11,437
Fund Balances (Deficit) - Beginning of Year	5,171,481	2,470,763	34,038	148,140	50,074
Fund Balances (Deficit) - End of Year	\$ 4,836,577	\$ 694,600	\$ 34,038	\$ 159,990	\$ 61,511

Cemetery Maintenance Account	Sex Offender Registration Account	Police Department Warrants Account	Fire Protection Tax Account	Police Vehicle Account	Police Protection Tax Account	Corporate Sick and Vacation Accrual Account
\$ -	\$ -	\$ -	\$ 58,386	\$ -	\$ 58,391	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	11,985	-	11,985	-
-	-	-	151	-	398	-
-	-	-	-	-	-	-
-	-	-	16,992	-	-	-
-	-	-	-	-	-	-
5,000	-	-	-	-	-	-
-	500	6,755	-	3,472	-	-
5,000	500	6,755	87,514	3,472	70,774	-
-	-	-	-	-	-	53,475
-	61	2,722	16,503	-	1,879	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	63,574	-	-	-
-	-	-	1,692	-	-	-
-	61	2,722	81,769	-	1,879	53,475
5,000	439	4,033	5,745	3,472	68,895	(53,475)
-	-	-	-	-	-	54,328
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	54,328
5,000	439	4,033	5,745	3,472	68,895	853
44,482	5,983	3,552	23,461	8,956	75,264	199,147
\$ 49,482	\$ 6,422	\$ 7,585	\$ 29,206	\$ 12,428	\$ 144,159	\$ 200,000

(Continued)

CITY OF MACOMB, ILLINOIS

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account For the Year Ended April 30, 2018

	Facade Program Account	Macomb Downtown Development Account	Child Safety Seat Grant Account	Hotel/Motel Tax Account	Police Forfeiture Account	Police Electronic Tickets Account
Revenues						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-
Other Taxes	-	-	-	224,091	-	-
Investment Income	-	-	-	89	-	-
Fines and Forfeitures	-	-	-	-	-	1,093
Licenses and Permits	-	2,975	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	85	-	-	-	-
Total Revenues	-	3,060	-	224,180	-	1,093
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-
Community Development	50,878	79,011	-	181,460	-	-
Culture and Recreation	-	-	-	15,590	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-
Total Expenditures	50,878	79,011	-	197,050	-	-
Excess (Deficiency) of Revenues Over Expenditures	(50,878)	(75,951)	-	27,130	-	1,093
Other Financing Sources (Uses)						
Inter-account Transfers In (Out)	-	32,000	-	(32,000)	-	-
Transfers In	50,000	50,000	-	-	-	-
Transfers Out	-	-	-	-	-	-
Proceeds from the Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	50,000	82,000	-	(32,000)	-	-
Net Change in Fund Balances	(878)	6,049	-	(4,870)	-	1,093
Fund Balances (Deficit) - Beginning of Year	34,825	6,616	(725)	24,109	1,054	7,491
Fund Balances (Deficit) - End of Year	\$ 33,947	\$ 12,665	(\$ 725)	\$ 19,239	\$ 1,054	\$ 8,584

Information Technology Account	Community Development Account	Equipment Replacement Account	Gift Account	Payroll Clearing Account	Cable TV Account	Total	
						2018	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,909,971	\$ 1,632,691
-	-	-	-	-	-	4,345,835	4,523,107
-	-	-	-	-	-	2,082,215	1,904,309
-	-	-	-	-	-	1,212,374	1,258,900
-	-	-	59	37	-	16,450	22,241
-	-	-	-	-	-	235,580	274,132
-	-	-	-	-	-	298,481	316,599
-	-	-	-	-	237	733,215	575,325
-	-	-	-	-	-	589,973	513,606
-	1,325	-	7,998	-	-	276,520	364,660
-	1,325	-	8,057	37	237	11,700,614	11,385,570
59,188	-	-	8,319	304	62	2,485,412	2,353,915
-	-	-	-	-	-	6,546,482	6,321,855
-	-	-	-	-	-	3,842,321	2,607,340
-	3,009	-	-	-	-	1,146,161	821,313
-	-	-	-	-	-	15,590	14,459
-	14,377	-	-	-	-	36,188	712,888
-	-	-	-	-	-	528,574	521,341
-	-	-	-	-	-	135,430	146,863
59,188	17,386	-	8,319	304	62	14,736,158	13,499,974
(59,188)	(16,061)	-	(262)	(267)	175	(3,035,544)	(2,114,404)
20,000	-	-	-	(20)	-	-	-
20,000	30,000	-	-	-	-	2,791,972	2,344,473
-	-	-	-	-	-	(1,760,000)	(245,000)
-	12,000	-	-	-	-	12,000	7,000
40,000	42,000	-	-	(20)	-	1,043,972	2,106,473
(19,188)	25,939	-	(262)	(287)	175	(1,991,572)	(7,931)
64,020	78,131	500,000	58,814	756	2,383	9,012,815	9,020,746
\$ 44,832	\$ 104,070	\$ 500,000	\$ 58,552	\$ 469	\$ 2,558	\$ 7,021,243	\$ 9,012,815

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		
	Original and Final Budget	Actual	2017 Actual
Revenues			
Property Taxes	\$ 1,835,600	\$ 1,793,194	\$ 1,512,879
Sales Taxes	2,735,000	2,691,873	2,773,254
Income Taxes	2,200,000	2,082,215	1,904,309
Other Taxes			
Replacement Taxes	108,000	90,971	139,452
Auto Use Tax	3,800	4,361	4,019
Use Tax	505,000	540,019	525,929
Video Gaming Tax	36,000	52,397	44,434
Investment Income	12,000	13,257	15,901
Fines and Forfeitures			
Parking Violations	14,000	11,955	15,922
Moving Ordinance Violations	-	19,500	-
Court Fines	265,000	203,032	256,949
Licenses and Permits			
Liquor Licenses	105,000	97,757	108,913
Other Licenses	2,750	2,719	3,129
Building Permits and Fees	36,000	41,107	34,270
Planning and Zoning Fees	-	400	-
Historical Plaque Application	-	150	-
Tow and Impound Fees	73,000	54,840	73,855
Certified Copies	12,000	11,853	12,470
Rental Registration	68,000	69,688	65,682
Intergovernmental Revenues			
WIU Fire Protection	250,000	250,000	250,000
Cable TV Franchise	200,800	192,681	204,250
AmerenCIPS Franchise Fee	115,130	115,130	115,130
Grants	150,000	169,061	-
Charges for Services			
Rents Collected	155,100	174,534	152,130
Cemetery Lot and Openings	42,000	56,475	40,425
City Share Spring Lake	25,000	29,140	30,561
D.A.R.E.	-	300	500
Lifeguard Ambulance Reimbursement	-	6,684	-
Miscellaneous Revenues	56,600	119,197	107,594
Total Revenues	9,005,780	8,894,490	8,391,957
Expenditures			
Current:			
General Government			
General Corporate			
Salaries	32,590	32,149	29,165
Salaries - Overtime	-	1,360	-
Salaries - Part-Time Pay	-	17,881	-

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Employee Insurance	\$ 300	\$ 623	\$ 468
Employer Pension Contribution - Early Retirement	25,373	25,373	25,373
Association Dues and Memberships	15,700	15,597	15,712
Animal Control	67,500	67,298	66,032
Liability Insurance	459,414	459,414	382,399
Police/Fire Commission	15,000	23,864	19,228
Union Negotiations	5,000	25	-
Office Supplies	500	352	175
Office Equipment	300	86	421
Advertising	350	222	-
Postage	-	-	1
Telephone	4,500	5,206	4,264
Televising Services	12,000	12,000	12,000
Emergency Notify Phone System	4,100	-	4,058
Utilities	40,000	31,212	30,493
Civil Defense	11,500	10,190	8,288
Computer Support/Maintenance	-	130	-
Professional Fees	8,000	7,815	11,000
Outside Legal Assistance	-	-	4,725
Community Sponsorships	7,700	6,581	8,558
Pierce St. Storage Building	2,500	61,516	1,936
Equipment Lease Payments	11,200	9,146	9,120
Railroad Crossing Expenditures	2,700	2,900	2,651
Swimming Pool Repair/Maintenance	10,000	46,279	19,202
Spring Lake Campground Improvement	40,000	39,157	24,814
Spring Lake Management Contract	80,000	76,667	80,000
Spring Lake Utilities	35,500	33,062	33,098
City Springlake Park Expenditures	-	-	1,853
Utilities Camp Chigami	-	218	-
Museum Maintenance	1,000	3,635	14,440
Building Lease/Rent Payments	825	824	762
General Operating Expenditures	16,000	11,271	11,564
Building, Grounds and Equipment Maintenance	29,000	19,784	19,898
Township Tax Reimbursements	16,805	12,641	15,655
Total General Corporate	955,357	1,034,478	857,353
Administrator's Office			
Salaries	133,105	133,278	117,913
Salaries - Overtime	300	-	84
Employee Insurance	400	507	572
Deferred Compensation	1,465	397	288
Travel/Training/Continuing Education	1,000	1,637	5,018
Association Dues and Memberships	1,035	105	235
Office Supplies	600	432	711
Office Equipment	300	92	80

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Advertising	\$ 40	\$ 96	\$ -
Publications/Printing	200	90	123
Postage	200	2	72
Telephone	1,600	1,244	1,642
Computer Support/Maintenance	200	-	0
General Operating Expenditures	500	333	2,755
Health Insurance	34,880	34,535	41,128
Total Administrator's Office	175,825	172,748	170,621
City Council			
Salaries	23,800	19,355	20,542
Employee Insurance	570	512	571
Travel/Training/Continuing Education	10,000	1,680	2,910
Telephone	1,680	1,680	1,680
General Operating Expenditures	250	250	267
Total City Council	36,300	23,477	25,970
Business Office			
Salaries	295,900	284,339	266,105
Salaries - Overtime	1,000	-	190
Part Time Salaries	10,000	6,296	9,994
Employee Insurance	1,710	2,122	1,828
Deferred Compensation	2,845	1,944	1,935
Travel/Training/Continuing Education	10,000	20	545
Association Dues and Memberships	275	240	250
Office Supplies	7,500	5,087	6,160
Office Equipment	750	623	297
Advertising	550	567	533
Publications/Printing	6,000	6,024	6,136
Postage	28,000	24,807	27,814
Telephone	3,100	2,264	2,707
Computer Support/Maintenance	31,000	26,981	25,888
Professional Fees	46,000	43,447	45,143
General Operating Expenditures	200	106	248
Health Insurance	104,085	103,056	93,003
Total Business Office	548,915	507,923	488,776
Cemetery			
Salaries	63,340	63,561	62,065
Salaries - Overtime	4,500	6,740	3,526
Salaries - Part-Time Pay	74,025	66,448	76,899
Employee Insurance	1,345	1,193	1,278
Deferred Compensation	560	558	518
Safety Equipment and Uniforms	1,250	1,550	1,460
Travel/Training/Continuing Education	-	20	-

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Drug and Alcohol Tests	\$ 70	\$ 67	\$ 67
Association Dues and Memberships	50	40	40
Office Supplies	50	50	138
Office Equipment	200	-	-
Advertising	200	152	44
Publications/Printing	400	503	332
Telephone	2,400	2,037	2,468
Utilities	4,000	3,206	3,069
Computer Support/Maintenance	200	50	-
Professional Fees	150	-	150
Stone Refurbishment	2,000	115	-
Maintenance of Licensed Vehicles	4,000	1,815	4,091
Gasoline and Fuel	8,800	6,981	6,937
Maintenance Moveable Equipment	4,500	7,344	7,533
Small Hand Tools	4,000	997	2,795
General Operating Expenditures	2,500	782	1,631
Building, Grounds and Equipment Maintenance	6,000	4,832	7,629
Health Insurance	23,255	23,023	22,464
Total Cemetery	<u>207,795</u>	<u>192,064</u>	<u>205,134</u>
Clerk's Office			
Salaries	79,425	79,715	74,696
Salaries - Overtime	650	910	911
Employee Insurance	380	450	406
Deferred Compensation	400	397	371
Travel/Training/Continuing Education	2,500	1,794	1,192
Association Dues and Memberships	500	420	420
Office Supplies	1,600	1,923	1,147
Office Equipment	1,600	153	149
Advertising	500	-	50
Publications/Printing	8,000	3,200	4,077
Postage	600	383	530
Telephone	3,500	2,270	2,352
Computer Support/Maintenance	1,000	-	-
Professional Fees	10,500	9,227	10,431
General Operating Expenditures	100	7	-
Health Insurance	46,505	46,046	44,928
Total Clerk's Office	<u>157,760</u>	<u>146,895</u>	<u>141,660</u>
City Attorney			
Salaries	133,195	133,723	128,968

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		
	Original and Final Budget	Actual	2017 Actual
Salaries - Overtime	\$ 300	\$ -	\$ -
Salaries Part Time	8,815	8,297	8,774
Employee Insurance	630	790	684
Travel	2,000	2,311	1,984
Association Dues/Memberships	1,275	1,382	1,257
Office Supplies	1,000	560	767
Office Equipment	-	27	125
Publications/Printing	500	591	483
Postage	600	370	591
Telephone	1,350	1,197	1,309
Computer Support/Maintenance	1,000	847	725
Professional Fees	500	67	95
General Operating Expenditures	100	21	90
Health Insurance	34,695	34,352	33,518
Total City Attorney	185,960	184,535	179,370
Mayor's Office			
Salaries	66,080	65,973	61,755
Salaries - Overtime	300	-	84
Employee Insurance	250	286	277
Deferred Compensation	430	-	-
Travel/Training/Continuing Education	10,500	9,237	8,843
Association Dues and Memberships	750	205	100
Office Supplies	500	402	698
Office Equipment	300	32	-
Advertising	300	154	83
Publications/Printing	900	803	989
Postage	350	366	400
Telephone	1,100	912	1,010
Computer Support/Maintenance	200	-	-
Professional Fees	100	6	-
General Operating Expenditures	2,200	2,325	2,037
Health Insurance	11,630	11,512	11,232
Total Mayor's Office	95,890	92,213	87,508
Treasurer's Office			
Salaries	7,500	7,529	7,500
Employee Insurance	75	58	69
Deferred Compensation	75	75	72
Travel/Training/Continuing Education	1,600	1,605	1,580
Office Supplies	300	224	108

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Office Equipment	\$ 50	\$ -	\$ 40
Telephone	240	240	240
Total Treasurer's Office	<u>9,840</u>	<u>9,731</u>	<u>9,609</u>
 Total General Government	 <u>2,373,642</u>	 <u>2,364,064</u>	 <u>2,166,001</u>
 Public Safety			
Fire Department			
Salaries	1,295,205	1,283,860	1,229,003
Salaries - Overtime	75,000	94,374	115,345
Salaries - Part-Time Pay	-	7,092	-
Employee Insurance	5,550	6,520	5,953
Deferred Compensation	12,340	11,041	9,857
Travel/Training/Continuing Education	16,000	17,793	13,049
Fire Prevention Education	2,500	2,035	2,457
Association Dues and Memberships	1,500	1,197	923
Office Supplies	600	360	175
Office Equipment	1,000	218	35
Publications/Printing	800	449	1,451
Postage	150	38	128
Telephone	6,000	5,066	5,470
Utilities	16,000	15,265	15,647
Computer Support/Maintenance	250	106	0
Professional Fees	2,000	-	1,684
Equipment Lease Payments	1,900	1,931	1,857
Maintenance of Licensed Vehicles	31,500	12,999	18,715
Maintenance of Radios/Vehicle Equipment	2,500	1,239	1,242
Gasoline and Fuel	7,700	9,055	6,495
Maintenance Moveable Equipment	8,000	4,456	3,183
Hand Tools - Small Equipment	600	277	117
Flags	500	-	-
General Operating Expenditures	3,500	949	2,199
Region 9 Tech Rescue Team	1,000	1,000	1,000
Hazardous Material Response	4,000	1,130	483
Turnout Gear	12,000	18,327	13,736
Building, Grounds and Equipment Maintenance	8,000	3,043	5,404
Building and Grounds - Training Site	1,000	-	0
Building and Grounds Station #2	3,000	986	13,332
Health Insurance	429,255	390,149	387,334
Fire Pension Contribution	529,633	722,623	477,097
Total Fire Department	<u>2,478,983</u>	<u>2,613,578</u>	<u>2,333,371</u>
 Police Department			
Salaries	1,861,390	1,720,365	1,747,843
Salaries - Overtime	320,000	238,448	243,748

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Police Part-Time Wages	\$ 10,000	\$ 4,575	\$ 5,715
Employee Insurance	7,930	10,121	8,426
Deferred Compensation	11,450	11,696	11,205
Safety Equipment and Uniforms	55,000	51,091	63,779
Travel/Training/Continuing Education	50,000	46,991	25,848
Association Dues and Memberships	1,200	490	935
Office Supplies	3,000	2,657	2,819
Office Equipment	2,500	2,043	601
Advertising	200	83	-
Publications/Printing	9,500	5,032	7,685
Postage	900	1,014	842
Telephone	14,000	15,022	13,711
Utilities	15,000	10,461	12,871
Computer Support/Maintenance	6,500	5,934	2,706
Mobile Data Computer Expenditures	8,000	7,027	7,120
Professional Fees	3,000	4,631	5,645
Equipment Lease Payments	5,500	5,642	4,969
911 Communications Center	295,000	295,833	302,000
Maintenance of Licensed Vehicles	45,000	27,891	42,980
Maintenance of Radios/Vehicle Equipment	17,000	7,534	16,397
Gasoline and Fuel	33,000	30,562	27,980
D.A.R.E Expenditures	1,300	687	1,052
General Operating Expenditures	3,600	1,844	4,191
K-9 Unit	1,500	3,178	737
Firing Range	9,000	8,900	8,702
Building, Grounds and Equipment Maintenance	10,600	11,273	7,891
Building and Grounds - Impound Lot	29,000	22,097	23,854
Health Insurance	496,800	444,772	459,312
Police Pension Contribution	611,910	834,881	792,384
Total Police Department	<u>3,938,780</u>	<u>3,832,775</u>	<u>3,853,948</u>
Total Public Safety	<u>6,417,763</u>	<u>6,446,353</u>	<u>6,187,319</u>
Community Development			
General Corporate			
MAEDCO Payments	43,750	47,500	42,500
MAEDCO Payments - Pella	48,740	48,737	48,737
Depot Expenditures	15,000	16,471	10,608
IDOT Depot Upgarde Expenditures	148,500	302,429	-
Total General Corporate	<u>255,990</u>	<u>415,137</u>	<u>101,845</u>
Building and Zoning Office			
Salaries	201,660	188,314	190,652

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Salaries - Overtime	\$ 1,000	\$ -	\$ 2,426
Salaries - Part-Time Pay	53,165	58,358	40,501
Employee Insurance	1,510	1,812	1,708
Deferred Compensation	815	975	990
Safety Equipment and Uniforms	250	170	161
Travel/Training/Continuing Education	4,500	1,845	1,940
Association Dues and Memberships	700	210	0
Employment Contracts	9,430	8,772	7,500
Engineering	2,000	-	402
Office Supplies	2,450	2,313	1,502
Office Equipment	250	109	114
Advertising	2,500	1,766	1,019
Publications/Printing	1,500	1,091	1,745
Postage	2,000	1,569	2,567
Telephone	5,100	4,926	5,123
Computer Support/Maintenance	1,000	299	299
GIS Center Payment	32,315	32,625	31,825
Professional Fees	3,500	3,282	3,029
Mowing Contracts	12,000	8,850	9,552
Plumbing Inspections Contracted	18,000	17,400	15,750
Maintenance of Licensed Vehicles	3,000	1,545	3,119
Gasoline and Fuel	2,310	2,369	2,073
General Operating Expenditures	200	328	128
Emergency Relief Fund	500	193	318
Health Insurance	81,200	77,545	68,008
Total Building and Zoning Office	<u>442,855</u>	<u>416,666</u>	<u>392,451</u>
Total Community Development	<u>698,845</u>	<u>831,803</u>	<u>494,296</u>
Capital Outlay			
Cemetery - Equipment	<u>14,000</u>	<u>20,500</u>	<u>68,800</u>

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Total Expenditures	\$ 9,504,250	\$ 9,662,720	\$ 8,916,416
(Deficiency) of Revenues Over Expenditures	(498,470)	(768,230)	(524,459)
Other Financing Sources (Uses)			
Inter-account Transfers (Out)	(875,913)	(106,240)	(343,427)
Transfers In	830,938	789,566	746,043
Transfers Out	-	(250,000)	-
Total Other Financing Sources (Uses)	(44,975)	433,326	402,616
Net Change in Fund Balance	(\$ 543,445)	(334,904)	(121,843)
Fund Balance - Beginning of Year		<u>5,171,481</u>	<u>5,293,324</u>
Fund Balance - End of Year		<u>\$ 4,836,577</u>	<u>\$ 5,171,481</u>

CITY OF MACOMB, ILLINOIS

Sales Tax Infrastructure Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Sales Taxes	\$ 1,730,000	\$ 1,653,962	\$ 1,749,853
Investment Income	500	2,459	5,448
Miscellaneous	36,847	41,719	184,231
Total Revenues	1,767,347	1,698,140	1,939,532
Expenditures			
Current:			
Highways and Streets			
Professional Fees	2,800	5,150	3,150
Prairie/Jackson-Carroll	-	-	123,276
Glenwood Water Main Project	-	-	248,850
Unspecified Projects	-	-	6,576
Street Micro-Surfacing	50,000	6,000	-
Infrastructure Street Projects	1,180,702	1,832,890	50,472
Collins Avenue	-	-	7,593
Walmart Connecting Road	-	-	56,708
Street Striping	15,000	7,991	10,882
Sidewalks	15,000	525	34
Crack Sealing	50,000	9,750	-
Adams St. Project	-	1,311	43,279
Concrete	35,000	28,332	39,698
Asphalt	15,000	5,183	4,502
Emulsion Oil	48,000	23,663	30,067
Sand / Rock	38,000	14,102	35,221
Pipe/Culvert/Grates/Inlet	24,000	30,668	22,111
Total Highways and Streets	1,473,502	1,965,565	682,419
Capital Outlay			
Woodland Estates	-	-	39,146
University Drive	-	-	47,793
1st Bankers Trust Connect Road	-	-	11,864
Pearl Street Culvert	-	-	25,829
Total Capital Outlay	-	-	124,632
Debt Service			
Principal	465,000	465,000	460,000
Interest and Fees	133,738	133,738	142,938
Total Expenditures	2,072,240	2,564,303	1,409,989

(Continued)

CITY OF MACOMB, ILLINOIS

Sales Tax Infrastructure Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Excess (Deficiency) of Revenues Over Expenditures	(\$ 304,893)	(\$ 866,163)	\$ 529,543
Other Financing Sources (Uses)			
Inter-account Transfers (Out)	(1,400,000)	-	-
Transfers In	600,000	600,000	-
Transfers Out	(50,000)	(1,510,000)	(245,000)
Total Other Financing Sources (Uses)	(850,000)	(910,000)	(245,000)
Net Change in Fund Balance	(\$ 1,154,893)	(1,776,163)	284,543
Fund Balance - Beginning of Year		<u>2,470,763</u>	<u>2,186,220</u>
Fund Balance - End of Year		<u>\$ 694,600</u>	<u>\$ 2,470,763</u>

CITY OF MACOMB, ILLINOIS

City Hall Maintenance Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government			
Building and Grounds	5,000	-	820
Total Expenditures	5,000	-	820
(Deficiency) of Revenues Over Expenditures	(5,000)	-	(820)
Other Financing Sources			
Inter-account Transfers In	-	-	10,000
Total Other Financing Sources	-	-	10,000
Net Change in Fund Balance	(\$ 5,000)	-	9,180
Fund Balance - Beginning of Year		34,038	24,858
Fund Balance - End of Year		\$ 34,038	\$ 34,038

CITY OF MACOMB, ILLINOIS

Street and Bridge Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		
	Original and Final Budget	Actual	2017 Actual
Revenues			
Other Taxes	\$ 278,130	\$ 276,565	\$ 304,763
Intergovernmental Revenues	5,950	6,106	5,945
Charges for Services	292,400	317,840	285,240
Miscellaneous	2,000	5,068	19,260
Total Revenues	578,480	605,579	615,208
Expenditures			
Current:			
Highways and Streets			
Salaries	849,435	824,834	858,605
Salaries - Overtime	34,000	34,854	24,173
Salaries - Part-Time Pay	20,000	15,182	15,483
Employee Insurance	4,985	5,955	5,482
Deferred Compensation	4,760	4,487	4,422
Safety Equipment and Uniforms	10,000	10,009	11,241
Travel/Training/Continuing Education	5,000	9,117	1,857
Drug and Alcohol Tests	1,140	942	1,136
Association Dues and Memberships	860	1,126	1,110
Engineering	1,000	-	-
Office Supplies	1,200	1,226	1,329
Office Equipment	800	1,038	701
Advertising	1,000	155	111
Publications/Printing	500	395	955
Postage	300	96	190
Telephone	10,200	5,819	6,746
Utilities	12,000	10,884	10,490
Computer Support/Maintenance	400	544	1,600
Professional Fees	800	3,611	605
Street Lighting	145,000	85,366	148,382
Weed/Mosquito Spraying	4,000	4,353	1,894
Equipment Lease Payments	2,375	2,416	2,307
Street Lighting Upgrades	2,500	-	1,362
Maintenance of Licensed Vehicles	35,000	35,485	41,942
Maintenance of Radios/Vehicle Equipment	1,500	402	2,440

(Continued)

CITY OF MACOMB, ILLINOIS

Street and Bridge Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Gasoline and Fuel - Bulk	\$ 321,200	\$ 304,201	\$ 289,474
Gasoline and Fuel - Other	39,820	50,747	34,717
Maintenance Moveable Equipment	30,000	21,580	31,709
Hand Tools-Small Equip	8,000	8,196	6,473
General Operating Expenditures	25,000	10,287	24,406
General Operating Expenditures Underground	80,000	103,735	63,250
Traffic Control Signage	5,000	4,774	4,050
Tree Planting/Care/Maintenance	18,000	10,084	17,907
Snow Removal Contract	18,000	8,750	18,000
Building, Grounds and Equipment Maintenance	8,500	8,080	14,656
Health Insurance	337,185	289,337	318,995
Total Highways and Streets	2,039,460	1,878,067	1,968,200
Capital Outlay			
Capital Outlay	-	-	146,911
Total Capital Outlay	-	-	146,911
Total Expenditures	2,039,460	1,878,067	2,115,111
(Deficiency) of Revenues Over Expenditures	(1,460,980)	(1,272,488)	(1,499,903)
Other Financing Sources			
Inter-account Transfers In	205,075	31,932	190,795
Transfers In	1,255,905	1,252,406	1,283,430
Total Other Financing Sources	1,460,980	1,284,338	1,474,225
Net Change in Fund Balance	\$ -	11,850	(25,678)
Fund Balance - Beginning of Year		148,140	173,818
Fund Balance - End of Year		\$ 159,990	\$ 148,140

CITY OF MACOMB, ILLINOIS

Cemetery Maintenance Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Charges for Services	\$ 5,000	\$ 5,000	\$ 4,750
Total Revenues	5,000	5,000	4,750
Expenditures	-	-	-
Net Change in Fund Balance	\$ 5,000	5,000	4,750
Fund Balance - Beginning of Year		44,482	39,732
Fund Balance - End of Year		\$ 49,482	\$ 44,482

CITY OF MACOMB, ILLINOIS

Fire Protection Tax Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		
	Original and Final Budget	Actual	2017 Actual
Revenues			
Property Taxes	\$ 59,000	\$ 58,386	\$ 59,906
Other Taxes	11,000	11,985	11,219
Investment Income	40	151	182
Licenses and Permits	16,500	16,992	16,990
Total Revenues	86,540	87,514	88,297
Expenditures			
Current:			
Public Safety			
Safety Equipment	15,600	16,503	25,547
Capital Outlay			
Capital Outlay	63,235	-	-
Debt Service:			
Principal	-	63,574	61,341
Interest and Fees	2,035	1,692	3,925
Total Expenditures	80,870	81,769	90,813
Net Change in Fund Balance	\$ 5,670	5,745 (2,516)
Fund Balance - Beginning of Year		23,461	25,977
Fund Balance - End of Year		\$ 29,206	\$ 23,461

CITY OF MACOMB, ILLINOIS

Police Protection Tax Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2017 Actual</u>
Revenues			
Property Taxes	\$ 59,000	\$ 58,391	\$ 59,906
Other Taxes	11,219	11,985	11,219
Investment Income	5	398	468
	<u>70,224</u>	<u>70,774</u>	<u>71,593</u>
Total Revenues			
Expenditures			
Current:			
Public Safety			
Maintenance of Radios/Vehicle Equipment	15,500	-	-
Mobile Laptop Computers	8,800	-	-
Capital Outlay	<u>57,000</u>	<u>1,879</u>	<u>80,984</u>
Total Expenditures	<u>81,300</u>	<u>1,879</u>	<u>80,984</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,076)	68,895	(9,391)
Other Financing Sources			
Proceeds from the Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>7,000</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>7,000</u>
Net Change in Fund Balance	(\$ 11,076)	68,895	(2,391)
Fund Balance - Beginning of Year		<u>75,264</u>	<u>77,655</u>
Fund Balance - End of Year		<u>\$ 144,159</u>	<u>\$ 75,264</u>

CITY OF MACOMB, ILLINOIS

Corporate Sick Leave and Vacation Accrual Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2017 Actual</u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government			
Salaries	3,110	53,475	118,904
Total Expenditures	3,110	53,475	118,904
(Deficiency) of Revenues Over Expenditures	(3,110)	(53,475)	(118,904)
Other Financing Sources			
Inter-account Transfers In	3,110	54,328	122,652
Total Other Financing Sources	3,110	54,328	122,652
Net Change in Fund Balance	\$ -	853	3,748
Fund Balance - Beginning of Year		199,147	195,399
Fund Balance - End of Year		<u>\$ 200,000</u>	<u>\$ 199,147</u>

CITY OF MACOMB, ILLINOIS

Facade Program Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Community Development			
Facade Program	70,000	50,878	38,000
Total Expenditures	70,000	50,878	38,000
(Deficiency) of Revenues Over Expenditures	(70,000)	(50,878)	(38,000)
Other Financing Sources			
Inter-account Transfers In	50,000	-	-
Transfers In	-	50,000	25,000
Total Other Financing Sources	50,000	50,000	25,000
Net Change in Fund Balance	(\$ 20,000)	(878)	(13,000)
Fund Balance - Beginning of Year		34,825	47,825
Fund Balance - End of Year		\$ 33,947	\$ 34,825

CITY OF MACOMB, ILLINOIS

Macomb Downtown Development Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

For the Year Ended April 30, 2018

(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Investment Income	\$ -	\$ -	\$ 20
Licenses and Permits	1,000	2,975	1,290
Miscellaneous	-	85	110
Total Revenues	1,000	3,060	1,420
Expenditures			
Current:			
Community Development			
Salaries	38,305	38,888	35,649
Life/Unemployment Insurance	265	318	301
Travel/Training/Continuing Education	2,000	522	1,831
Association Dues and Memberships	250	35	218
Office Supplies	1,000	689	1,073
Advertising/Marketing	1,000	498	475
Printing/Publications	300	282	604
Postage	200	412	699
Telephone	400	590	379
Farmers Market Expenditures	2,000	934	2,738
Brown Bag	2,500	2,868	3,572
Dickens/Polar Express	5,500	5,177	4,514
Elf on the Shelf	200	-	-
Moon Over Macomb	1,500	1,384	1,185
Park & Cruise	2,700	3,171	2,895
General Operating Expenditures	1,000	220	309
Health Insurance	23,255	23,023	22,464
Total Expenditures	82,375	79,011	78,906
(Deficiency) of Revenues Over Expenditures	(81,375)	(75,951)	(77,486)
Other Financing Sources			
Inter-account Transfers In	82,000	32,000	32,000
Transfers In	-	50,000	45,000
Total Other Financing Sources	82,000	82,000	77,000
Net Change in Fund Balance	\$ 625	6,049	(486)
Fund Balance - Beginning of Year		6,616	7,102
Fund Balance - End of Year		\$ 12,665	\$ 6,616

CITY OF MACOMB, ILLINOIS

Hotel/Motel Tax Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Other Taxes	\$ 240,000	\$ 224,091	\$ 217,865
Investment Income	20	89	139
Total Revenues	<u>240,020</u>	<u>224,180</u>	<u>218,004</u>
Expenditures			
Current:			
Community Development			
Community Sponsorships	7,500	5,500	7,500
Hotel/Motel Tax Distribution	186,920	175,960	180,041
Culture and Recreation			
4th of July Celebration	2,000	1,590	-
Fireworks	<u>15,000</u>	<u>14,000</u>	<u>14,459</u>
Total Expenditures	<u>211,420</u>	<u>197,050</u>	<u>202,000</u>
Excess of Revenues Over Expenditures	<u>28,600</u>	<u>27,130</u>	<u>16,004</u>
Other Financing (Uses)			
Inter-account Transfers (Out)	(32,000)	(32,000)	(32,000)
Total Other Financing (Uses)	(32,000)	(32,000)	(32,000)
Net Change in Fund Balance	(\$ 3,400)	(4,870)	(15,996)
Fund Balance - Beginning of Year		<u>24,109</u>	<u>40,105</u>
Fund Balance - End of Year		<u>\$ 19,239</u>	<u>\$ 24,109</u>

CITY OF MACOMB, ILLINOIS

Information Technology Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2017 Actual</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Current:			
General Government			
Salaries	42,600	36,020	33,600
Telephone-Shoretell Support	6,200	5,860	7,842
Computer Support/Maintenance	5,000	4,094	5,784
Computer Hardware	22,300	13,214	11,814
General Operating Expenditures	100	-	72
Total Expenditures	<u>76,200</u>	<u>59,188</u>	<u>59,112</u>
(Deficiency) of Revenues Over Expenditures	<u>(76,200)</u>	<u>(59,188)</u>	<u>(59,112)</u>
Other Financing Sources			
Inter-account Transfers In	20,000	20,000	20,000
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Other Financing Sources	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Net Change in Fund Balance	<u>(\$ 36,200)</u>	<u>(19,188)</u>	<u>(19,112)</u>
Fund Balance - Beginning of Year		<u>64,020</u>	<u>83,132</u>
Fund Balance - End of Year		<u>\$ 44,832</u>	<u>\$ 64,020</u>

CITY OF MACOMB, ILLINOIS

Community Development Account Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Intergovernmental Revenues	\$ 630,000	\$ -	\$ -
Miscellaneous	200	1,325	580
Total Revenues	630,200	1,325	580
Expenditures			
Current:			
Community Development			
Engineering	-	1,416	2,025
Advertising	-	327	-
Professional Fees	750	625	625
Collaborative Community Project	-	167	17,643
General Operating Expenditures	2,500	474	2,277
Capital Outlay			
Blight Reduction Expenditures	630,000	1,317	327,536
Land Acquisition/Demolition	-	13,028	-
Fix/Flatten Properties	20,000	32	1,730
Total Expenditures	653,250	17,386	351,836
(Deficiency) of Revenues Over Expenditures	(23,050)	(16,061)	(351,256)
Other Financing Sources			
Transfers In	-	30,000	225,000
Proceeds from the Sale of Capital Assets	-	12,000	-
Total Other Financing Sources	-	42,000	225,000
Net Change in Fund Balance	(\$ 23,050)	25,939	(126,256)
Fund Balance - Beginning of Year		78,131	204,387
Fund Balance - End of Year		\$ 104,070	\$ 78,131

CITY OF MACOMB, ILLINOIS

Gift Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2017 Actual</u>
Revenues			
Investment Income	\$ 70	\$ 59	\$ 62
Miscellaneous	2,600	7,998	6,086
Total Revenues	<u>2,670</u>	<u>8,057</u>	<u>6,148</u>
Expenditures			
Current:			
General Government			
General Operating Expenditures	150	206	142
Tree Plantings - Donations	600	4,238	7,602
Spring Lake Tree Expenditures	<u>4,000</u>	<u>3,875</u>	<u>1,334</u>
Total Expenditures	<u>4,750</u>	<u>8,319</u>	<u>9,078</u>
Net Change in Fund Balance	(\$ <u>2,080</u>)	(262)	(2,930)
Fund Balance - Beginning of Year		<u>58,814</u>	<u>61,744</u>
Fund Balance - End of Year		<u>\$ 58,552</u>	<u>\$ 58,814</u>

CITY OF MACOMB, ILLINOIS

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2018

Special Revenue Funds							
	DUI Equipment Fund	Federal Drug Fund	Downtown TIF District Fund	2% Fire Tax Fund	TIF West Side #3 Fund	MDDC Revolving Loan Fund	CDAP Revolving Loan Fund
Assets							
Cash and Cash Equivalents	\$ 49,336	\$ 4,756	\$ 70,178	\$ 10,430	\$ 127,970	\$ 108,749	\$ 6,173
Receivables:							
Property Taxes	-	-	213,129	-	101,253	-	-
Loans	-	-	27,875	-	-	7,364	114,983
Due from Other Governments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 49,336</u>	<u>\$ 4,756</u>	<u>\$ 311,182</u>	<u>\$ 10,430</u>	<u>\$ 229,223</u>	<u>\$ 116,113</u>	<u>\$ 121,156</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 511	\$ -	\$ -
Accrued Liabilities	-	-	266	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>266</u>	<u>-</u>	<u>511</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Deferred Property Taxes	-	-	213,129	-	101,253	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>213,129</u>	<u>-</u>	<u>101,253</u>	<u>-</u>	<u>-</u>
Fund Balances							
Nonspendable	-	-	27,875	-	-	7,364	114,983
Restricted	49,336	4,756	69,912	10,430	127,459	108,749	6,173
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>49,336</u>	<u>4,756</u>	<u>97,787</u>	<u>10,430</u>	<u>127,459</u>	<u>116,113</u>	<u>121,156</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 49,336</u>	<u>\$ 4,756</u>	<u>\$ 311,182</u>	<u>\$ 10,430</u>	<u>\$ 229,223</u>	<u>\$ 116,113</u>	<u>\$ 121,156</u>

Motor Fuel Tax Fund	Sculpting Downtown Macomb Fund	Total Special Revenue Funds	Capital Projects Funds			Total	
			Downtown Revitalization Fund	Special Projects Fund	Total Capital Projects Funds	2018	2017
\$ 543,563	\$ 13,470	\$ 934,625	\$ 2,801	\$ 30,582	\$ 33,383	\$ 968,008	\$ 1,688,641
-	-	314,382	-	-	-	314,382	263,645
-	-	150,222	-	-	-	150,222	174,534
49,256	-	49,256	-	-	-	49,256	47,109
20,164	-	20,164	-	-	-	20,164	20,580
<u>\$ 612,983</u>	<u>\$ 13,470</u>	<u>\$ 1,468,649</u>	<u>\$ 2,801</u>	<u>\$ 30,582</u>	<u>\$ 33,383</u>	<u>\$ 1,502,032</u>	<u>\$ 2,194,509</u>
\$ 2,268	\$ -	\$ 2,779	\$ -	\$ -	\$ -	\$ 2,779	\$ 7,172
-	-	266	-	-	-	266	230
-	-	-	-	-	-	-	2,408
<u>2,268</u>	<u>-</u>	<u>3,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,045</u>	<u>9,810</u>
-	-	314,382	-	-	-	314,382	263,645
-	-	314,382	-	-	-	314,382	263,645
20,164	-	170,386	-	-	-	170,386	195,114
590,551	13,470	980,836	-	-	-	980,836	1,094,643
-	-	-	2,801	30,582	33,383	33,383	640,292
-	-	-	-	-	-	-	(8,995)
<u>610,715</u>	<u>13,470</u>	<u>1,151,222</u>	<u>2,801</u>	<u>30,582</u>	<u>33,383</u>	<u>1,184,605</u>	<u>1,921,054</u>
<u>\$ 612,983</u>	<u>\$ 13,470</u>	<u>\$ 1,468,649</u>	<u>\$ 2,801</u>	<u>\$ 30,582</u>	<u>\$ 33,383</u>	<u>\$ 1,502,032</u>	<u>\$ 2,194,509</u>

CITY OF MACOMB, ILLINOIS

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2018

	Special Revenue Funds						
	DUI Equipment Fund	Federal Drug Fund	Downtown TIF District Fund	2% Fire Tax Fund	TIF West Side #3 Fund	MDDC Revolving Loan Fund	CDAP Revolving Loan Fund
Revenues							
Property Taxes	\$ -	\$ -	\$ 195,289	\$ -	\$ 66,844	\$ -	\$ -
Other Taxes	-	-	9,220	-	537	-	-
Investment Income	-	-	592	9	316	596	5,140
Intergovernmental Revenues	-	-	-	19,122	-	-	-
Charges for Services	-	-	-	-	-	-	-
Miscellaneous	18,762	4,756	1,727	-	-	-	-
Total Revenues	18,762	4,756	206,828	19,131	67,697	596	5,140
Expenditures							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	19,691	-	-	27,966	-	-	-
Highways and Streets	-	-	-	-	-	-	-
Community Development	-	-	95,860	-	18,571	-	29,021
Culture and Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	50,000	-	-
Debt Service:							
Principal	-	-	-	-	20,000	-	-
Total Expenditures	19,691	-	95,860	27,966	88,571	-	29,021
Excess (Deficiency) of Revenues Over Expenditures	(929)	4,756	110,968	(8,835)	(20,874)	596	(23,881)
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	35,000	-	-
Transfers Out	-	-	(145,000)	-	-	-	(30,000)
Total Other Financing Sources (Uses)	-	-	(145,000)	-	35,000	-	(30,000)
Net Change in Fund Balances	(929)	4,756	(34,032)	(8,835)	14,126	596	(53,881)
Fund Balances (Deficit) - Beginning of Year	50,265	-	131,819	19,265	113,333	115,517	175,037
Fund Balances (Deficit) - End of Year	\$ 49,336	\$ 4,756	\$ 97,787	\$ 10,430	\$ 127,459	\$ 116,113	\$ 121,156

Motor Fuel Tax Fund	Sculpting Downtown Macomb Fund	Total Special Revenue Funds	Capital Projects Funds			Total	
			Downtown Revitalization Fund	Special Projects Fund	Total Capital Projects Funds	2018	2017
\$ -	\$ -	\$ 262,133	\$ -	\$ -	\$ -	\$ 262,133	\$ 261,396
-	-	9,757	-	-	-	9,757	9,761
645	-	7,298	-	-	-	7,298	6,656
549,368	-	568,490	-	-	-	568,490	565,287
-	-	-	-	-	-	-	25
20,286	6,400	51,931	100	-	100	52,031	59,598
570,299	6,400	899,609	100	-	100	899,709	902,723
-	-	-	-	9,710	9,710	9,710	216,140
-	-	47,657	-	-	-	47,657	16,285
113,684	-	113,684	-	-	-	113,684	71,810
-	-	143,452	1,448,304	-	1,448,304	1,591,756	223,210
-	9,350	9,350	-	-	-	9,350	11,507
-	-	50,000	-	-	-	50,000	-
-	-	20,000	-	-	-	20,000	20,000
113,684	9,350	384,143	1,448,304	9,710	1,458,014	1,842,157	558,952
456,615	(2,950)	515,466	(1,448,204)	(9,710)	(1,457,914)	(942,448)	343,771
-	-	35,000	1,460,000	-	1,460,000	1,495,000	55,000
(514,001)	-	(689,001)	-	(600,000)	(600,000)	(1,289,001)	(885,000)
(514,001)	-	(654,001)	1,460,000	(600,000)	860,000	205,999	(830,000)
(57,386)	(2,950)	(138,535)	11,796	(609,710)	(597,914)	(736,449)	(486,229)
668,101	16,420	1,289,757	(8,995)	640,292	631,297	1,921,054	2,407,283
\$ 610,715	\$ 13,470	\$ 1,151,222	\$ 2,801	\$ 30,582	\$ 33,383	\$ 1,184,605	\$ 1,921,054

CITY OF MACOMB, ILLINOIS

Downtown TIF District Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 203,000	\$ 195,289	\$ 203,631
Other Taxes	8,900	9,220	8,935
Investment Income	50	592	685
Miscellaneous	1,000	1,727	1,500
Total Revenues	<u>212,950</u>	<u>206,828</u>	<u>214,751</u>
Expenditures			
Current:			
Community Development			
Salaries - other	-	36	14
Salaries	17,159	11,496	11,524
Employee Insurance	150	154	145
Travel/Training/Continuing Education	1,900	168	139
Professional Dues	650	650	650
Engineering	1,000	-	-
Advertising/Marketing	500	-	-
Downtown Beautification	5,000	2,121	4,142
Maintenance of Licensed Vehicle	-	155	-
General Operating Expenditures	100	42	38
Building, Grounds and Equipment Maintenance	2,500	1,757	2,392
Surplus Tax Payment	89,000	79,281	77,723
Total Expenditures	<u>117,959</u>	<u>95,860</u>	<u>96,767</u>
Excess of Revenues Over Expenditures	<u>94,991</u>	<u>110,968</u>	<u>117,984</u>
Other Financing (Uses)			
Transfers Out	(145,000)	(145,000)	(115,000)
Total Other Financing (Uses)	<u>(145,000)</u>	<u>(145,000)</u>	<u>(115,000)</u>
Net Change in Fund Balance	<u>(\$ 50,009)</u>	<u>(34,032)</u>	<u>2,984</u>
Fund Balance - Beginning of Year		<u>131,819</u>	<u>128,835</u>
Fund Balance - End of Year		<u>\$ 97,787</u>	<u>\$ 131,819</u>

CITY OF MACOMB, ILLINOIS

TIF West Side #3 Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		
	Original and Final Budget	Actual	2017 Actual
Revenues			
Property Taxes	\$ 57,000	\$ 66,844	\$ 57,765
Other Taxes	800	537	826
Investment Income	25	316	319
Miscellaneous	-	-	2,261
Total Revenues	57,825	67,697	61,171
Expenditures			
Current:			
Community Development			
Utilities	3,500	6,631	3,661
Community Special Project	20,000	-	-
Chandler Park Playground	2,500	290	799
Chandler Park Electrical	3,500	5,542	2,280
General Operating	-	350	-
Building, Grounds and Equipment Maintenance	4,500	1,856	5,136
Surplus Tax Payments	5,500	3,902	5,420
Capital Outlay			
Lamoine Hotel Project	-	50,000	-
Mummert Property	20,000	-	-
Debt Service			
Principal on Loans	-	20,000	20,000
Total Expenditures	59,500	88,571	37,296
Excess (Deficiency) of Revenues Over Expenditures	(1,675)	(20,874)	23,875
Other Financing Sources			
Transfers In	35,000	35,000	35,000
Total Other Financing Sources	35,000	35,000	35,000
Net Change in Fund Balance	\$ 33,325	14,126	58,875
Fund Balance - Beginning of Year		113,333	54,458
Fund Balance - End of Year		\$ 127,459	\$ 113,333

CITY OF MACOMB, ILLINOIS

MDDC Revolving Loan Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2017 Actual</u>
Revenues			
Investment Income	\$ 395	\$ 596	\$ 1,120
Miscellaneous	-	-	17
Total Revenues	<u>395</u>	<u>596</u>	<u>1,137</u>
Expenditures			
Current:			
Community Development			
Professional Fees	-	-	165
General Operating	-	-	18
Total Expenditures	<u>-</u>	<u>-</u>	<u>183</u>
Net Change in Fund Balance	<u>\$ 395</u>	596	954
Fund Balance - Beginning of Year		<u>115,517</u>	<u>114,563</u>
Fund Balance - End of Year		<u>\$ 116,113</u>	<u>\$ 115,517</u>

CITY OF MACOMB, ILLINOIS

CDAP Revolving Loan Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Investment Income	\$ 3,696	\$ 5,140	\$ 3,935
Total Revenues	<u>3,696</u>	<u>5,140</u>	<u>3,935</u>
Expenditures			
Current:			
Community Development			
Professional Fees	-	171	110
Loan Elimination	-	28,850	-
Total Expenditures	<u>-</u>	<u>29,021</u>	<u>110</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,696</u>	<u>(23,881)</u>	<u>3,825</u>
Other Financing (Uses)			
Transfers Out	-	(30,000)	(225,000)
Total Other Financing (Uses)	<u>-</u>	<u>(30,000)</u>	<u>(225,000)</u>
Net Change in Fund Balance	<u>\$ 3,696</u>	<u>(53,881)</u>	<u>(221,175)</u>
Fund Balance - Beginning of Year		<u>175,037</u>	<u>396,212</u>
Fund Balance - End of Year		<u>\$ 121,156</u>	<u>\$ 175,037</u>

CITY OF MACOMB, ILLINOIS

Motor Fuel Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Investment Income	\$ 500	\$ 645	\$ 590
Intergovernmental Revenues	540,000	549,368	545,355
Miscellaneous	20,000	20,286	25,289
Total Revenues	560,500	570,299	571,234
Expenditures			
Current:			
Highways and Streets			
Utilities	5,185	3,861	4,664
Street Lighting	-	16,489	-
Road Salt	110,000	88,112	58,218
Signs	10,000	2,199	3,453
Building, Grounds and Equipment Maintenance	5,000	3,023	5,475
Total Expenditures	130,185	113,684	71,810
Excess of Revenues Over Expenditures	430,315	456,615	499,424
Other Financing (Uses)			
Transfers Out	(545,000)	(514,001)	(545,000)
Total Other Financing (Uses)	(545,000)	(514,001)	(545,000)
Net Change in Fund Balance	(\$ 114,685)	(57,386)	(45,576)
Fund Balance - Beginning of Year		668,101	713,677
Fund Balance - End of Year		\$ 610,715	\$ 668,101

CITY OF MACOMB, ILLINOIS

Sculpting Downtown Macomb Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2017 Actual</u>
Revenues			
Charges for Services	\$ 500	\$ -	\$ 25
Miscellaneous	<u>10,000</u>	<u>6,400</u>	<u>10,550</u>
Total Revenues	<u>10,500</u>	<u>6,400</u>	<u>10,575</u>
Expenditures			
Current:			
Community Development			
Sculpting Macomb Expenditures	<u>12,000</u>	<u>9,350</u>	<u>11,507</u>
Total Expenditures	<u>12,000</u>	<u>9,350</u>	<u>11,507</u>
Net Change in Fund Balance	(\$ <u>1,500</u>)	(2,950)	(932)
Fund Balance - Beginning of Year		<u>16,420</u>	<u>17,352</u>
Fund Balance - End of Year		<u>\$ 13,470</u>	<u>\$ 16,420</u>

CITY OF MACOMB, ILLINOIS

Downtown Revitalization Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	2018		2017
	Original and Final Budget	Actual	Actual
Revenues			
Miscellaneous	\$ -	\$ 100	\$ -
Total Revenues	-	100	-
Expenditures			
Current:			
Community Development			
Downtown Project	1,400,000	1,448,304	108,822
General Operating Expenditures	-	-	32
Total Expenditures	1,400,000	1,448,304	108,854
(Deficiency) of Revenues Over Expenditures	(1,400,000)	(1,448,204)	(108,854)
Other Financing Sources			
Transfers In	1,400,000	1,460,000	20,000
Total Other Financing Sources	1,400,000	1,460,000	20,000
Net Change in Fund Balance	\$ -	11,796	(88,854)
Fund Balance (Deficit) - Beginning of Year		(8,995)	79,859
Fund Balance (Deficit) - End of Year		\$ 2,801	(\$ 8,995)

CITY OF MACOMB, ILLINOIS

Special Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2018 (With Comparative Actual Amounts for the Year Ended April 30, 2017)

	<u>2018</u>		<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Current:			
General Government			
Construction/Engineering	-	7,410	42,874
Candy Lane Sidewalk Grant	-	2,300	173,266
Total Expenditures	<u>-</u>	<u>9,710</u>	<u>216,140</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(9,710)</u>	<u>(216,140)</u>
Other Financing (Uses)			
Transfers Out	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(\$ 600,000)</u>	<u>(609,710)</u>	<u>(216,140)</u>
Fund Balance - Beginning of Year		<u>640,292</u>	<u>856,432</u>
Fund Balance - End of Year		<u>\$ 30,582</u>	<u>\$ 640,292</u>

CITY OF MACOMB, ILLINOIS

Schedule of Revenues, Expenses and Changes in Fund Net Position Budget and Actual - Water Fund For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 3,737,000	\$ 3,711,255	(\$ 25,745)
Total Operating Revenues	<u>3,737,000</u>	<u>3,711,255</u>	<u>(25,745)</u>
Operating Expenses			
Waterworks:			
Personnel	490,795	553,793	(62,998)
Utilities	186,500	180,258	6,242
Contractual Services	166,350	171,919	(5,569)
Supplies and Materials	1,386,900	1,142,492	244,408
Depreciation	<u>-</u>	<u>508,479</u>	<u>(508,479)</u>
Total Operating Expenses	<u>2,230,545</u>	<u>2,556,941</u>	<u>(326,396)</u>
Operating Income	<u>1,506,455</u>	<u>1,154,314</u>	<u>(352,141)</u>
Nonoperating Revenues (Expenses)			
Grants	-	7,360	7,360
Investment Income	695	1,254	559
Interest Expense	(130,305)	(90,020)	40,285
Miscellaneous Revenue	<u>-</u>	<u>11,000</u>	<u>11,000</u>
Total Nonoperating Revenues (Expenses)	<u>(129,610)</u>	<u>(70,406)</u>	<u>59,204</u>
Income Before Transfers	<u>1,376,845</u>	<u>1,083,908</u>	<u>(292,937)</u>
Transfers			
Transfers In	100,115	100,000	(115)
Transfers Out	<u>(1,205,257)</u>	<u>(1,098,886)</u>	<u>106,371</u>
Total Transfers	<u>(1,105,142)</u>	<u>(998,886)</u>	<u>106,256</u>
Change in Net Position	<u>\$ 271,703</u>	<u>85,022</u>	<u>(\$ 186,681)</u>
Net Position - Beginning of Year		<u>11,832,970</u>	
Net Position - End of Year		<u>\$ 11,917,992</u>	

CITY OF MACOMB, ILLINOIS

Schedule of Revenues, Expenses and Changes in Fund Net Position Budget and Actual - Sewer Fund For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 2,051,575	\$ 2,068,783	\$ 17,208
Total Operating Revenues	<u>2,051,575</u>	<u>2,068,783</u>	<u>17,208</u>
Operating Expenses			
Sewerage:			
Personnel	349,715	411,753	(62,038)
Utilities	184,200	189,729	(5,529)
Contractual Services	56,990	53,342	3,648
Supplies and Materials	866,720	493,434	373,286
Depreciation	<u>-</u>	<u>392,795</u>	<u>(392,795)</u>
Total Operating Expenses	<u>1,457,625</u>	<u>1,541,053</u>	<u>(83,428)</u>
Operating Income	<u>593,950</u>	<u>527,730</u>	<u>(66,220)</u>
Nonoperating Revenues (Expenses)			
Other Taxes	1,000	987	(13)
Grants	104,000	-	(104,000)
Investment Income	550	678	128
Interest Expense	<u>(54,740)</u>	<u>(68,057)</u>	<u>(13,317)</u>
Total Nonoperating Revenues (Expenses)	<u>50,810</u>	<u>(66,392)</u>	<u>(117,202)</u>
Income Before Transfers	<u>644,760</u>	<u>461,338</u>	<u>(183,422)</u>
Transfers			
Transfers In	50,075	50,074	(1)
Transfers Out	<u>(516,767)</u>	<u>(516,767)</u>	<u>-</u>
Total Transfers	<u>(466,692)</u>	<u>(466,693)</u>	<u>(1)</u>
Change in Net Position	<u>\$ 178,068</u>	<u>(5,355)</u>	<u>\$ 183,423)</u>
Net Position - Beginning of Year		<u>9,597,932</u>	
Net Position - End of Year		<u>\$ 9,592,577</u>	

CITY OF MACOMB, ILLINOIS

Schedule of Revenues, Expenses and Changes in Fund Net Position Budget and Actual - Garbage Fund For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
Operating Revenues			
Licenses and Permits	\$ 3,000	\$ 2,780	(\$ 220)
Charges for Services	897,900	885,539	(12,361)
Total Operating Revenues	900,900	888,319	(12,581)
Operating Expenses			
Garbage:			
Personnel	13,205	13,071	134
Utilities	470	306	164
Contractual Services	828,060	808,603	19,457
Supplies and Materials	34,500	21,268	13,232
Depreciation	-	1,477	(1,477)
Total Operating Expenses	876,235	844,725	31,510
Operating Income	24,665	43,594	18,929
Nonoperating Revenues			
Other Taxes	29,000	31,788	2,788
Investment Income	25	252	227
Miscellaneous Revenue	2,000	605	(1,395)
Total Nonoperating Revenues	31,025	32,645	1,620
Income Before Transfers	55,690	76,239	20,549
Transfers			
Transfers Out	(82,391)	(82,392)	(1)
Total Transfers	(82,391)	(82,392)	(1)
Change in Net Position	(\$ 26,701)	(6,153)	\$ 20,548
Net Position - Beginning of Year		126,799	
Net Position - End of Year		\$ 120,646	

CITY OF MACOMB, ILLINOIS

Combining Statement of Net Position Internal Service Funds April 30, 2018

	Insurance and Tort Judgment Fund	Health Insurance Fund	Total	
			2018	2017
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 1,178,333	\$ 1,178,333	\$ 853,629
Property Taxes Receivable	1,011	-	1,011	10,005
Prepaid Items	260,407	-	260,407	267,625
Total Assets	<u>\$ 261,418</u>	<u>\$ 1,178,333</u>	<u>\$ 1,439,751</u>	<u>\$ 1,131,259</u>
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Current Liabilities:				
Accrued Liabilities	\$ -	\$ 211,173	\$ 211,173	\$ 212,068
Total Liabilities	<u>-</u>	<u>211,173</u>	<u>211,173</u>	<u>212,068</u>
Deferred Inflows of Resources				
Deferred Property Taxes	<u>1,011</u>	<u>-</u>	<u>1,011</u>	<u>10,005</u>
Net Position				
Unrestricted	<u>260,407</u>	<u>967,160</u>	<u>1,227,567</u>	<u>909,186</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 261,418</u>	<u>\$ 1,178,333</u>	<u>\$ 1,439,751</u>	<u>\$ 1,131,259</u>

CITY OF MACOMB, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended April 30, 2018

	Insurance and Tort Judgment Fund	Health Insurance Fund	Total	
			2018	2017
Operating Revenues				
Charges for Services	\$ 562,739	\$ 2,181,570	\$ 2,744,309	\$ 2,643,402
Total Operating Revenues	<u>562,739</u>	<u>2,181,570</u>	<u>2,744,309</u>	<u>2,643,402</u>
Operating Expenses				
Worker's Compensation	322,513	-	322,513	329,693
General Liability Insurance	257,143	-	257,143	274,875
Insurance Deductibles	14,551	-	14,551	24,793
Premiums and Administrative Fees	-	477,998	477,998	505,610
Health Claims	-	1,386,981	1,386,981	1,345,923
Total Operating Expenses	<u>594,207</u>	<u>1,864,979</u>	<u>2,459,186</u>	<u>2,480,894</u>
Operating Income (Loss)	(31,468)	316,591	285,123	162,508
Nonoperating Revenues				
Property Taxes	9,731	-	9,731	100,342
Investment Income	1	9,008	9,009	2,646
Miscellaneous Revenue	14,518	-	14,518	39,188
Total Nonoperating Revenues	<u>24,250</u>	<u>9,008</u>	<u>33,258</u>	<u>142,176</u>
Change in Net Position	(7,218)	325,599	318,381	304,684
Net Position - Beginning of Year	<u>267,625</u>	<u>641,561</u>	<u>909,186</u>	<u>604,502</u>
Net Position - End of Year	<u>\$ 260,407</u>	<u>\$ 967,160</u>	<u>\$ 1,227,567</u>	<u>\$ 909,186</u>

CITY OF MACOMB, ILLINOIS

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended April 30, 2018

	<u>Insurance and Tort Judgment Fund</u>	<u>Health Insurance Fund</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 14,518	\$ 424,268	\$ 438,786
Cash Received from Interfund Services Provided	562,739	1,757,302	2,320,041
Cash Payments for Claims, Premiums and Fees	(595,983)	(1,865,874)	(2,461,857)
Net Cash Provided by (Used in) Operating Activities	(18,726)	315,696	296,970
Cash Flows from Noncapital Financing Activities			
Property and Other Taxes Received	18,725	-	18,725
Net Cash Provided by Noncapital Financing Activities	18,725	-	18,725
Cash Flows from Investing Activities			
Income Received on Investments	1	9,008	9,009
Net Cash Provided by Investing Activities	1	9,008	9,009
Net Increase in Cash	-	324,704	324,704
Cash and Cash Equivalents, Beginning of Year	-	853,629	853,629
Cash and Cash Equivalents, End of Year	\$ -	\$ 1,178,333	\$ 1,178,333
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	(\$ 31,468)	\$ 316,591	\$ 285,123
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Other Nonoperating Cash Receipts	14,518	-	14,518
Decrease in Prepaid Items	7,218	-	7,218
(Decrease) in Accrued Liabilities	(8,994)	(895)	(9,889)
Total Adjustments	12,742	(895)	11,847
Net Cash Provided by (Used in) Operating Activities	(\$ 18,726)	\$ 315,696	\$ 296,970

CITY OF MACOMB, ILLINOIS

Combining Statement of Fiduciary Net Position Pension Trust Funds April 30, 2018

	Firefighters' Pension Fund	Police Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 176,994	\$ 189,457	\$ 366,451
Investments:			
Money Market Mutual Funds	162,047	228,967	391,014
U.S. Government and Agency Securities:			
U.S. Treasury Notes	706,857	1,197,787	1,904,644
Government National Mortgage Association (GNMA)	29,061	32,017	61,078
U.S. Government Sponsored Agency Securities:			
Federal Home Loan Mortgage Corporation (FHLMC)	75,542	112,666	188,208
Federal National Mortgage Association (FNMA)	741,203	745,829	1,487,032
Other Debt Securities:			
Corporate Bonds	1,555,369	1,717,950	3,273,319
Equity Securities:			
Mutual Fund Equities	7,119,824	5,860,615	12,980,439
Common Stock	-	4,948,437	4,948,437
Total Investments	10,389,903	14,844,268	25,234,171
Interest Receivable	19,471	27,267	46,738
Total Assets	10,586,368	15,060,992	25,647,360
Liabilities			
Accounts Payable	10,546	5,252	15,798
Total Liabilities	10,546	5,252	15,798
Net Position			
Net Position Restricted for Pensions	\$ 10,575,822	\$ 15,055,740	\$ 25,631,562

CITY OF MACOMB, ILLINOIS

Combining Statement of Changes in Fiduciary Net Position Pension Trust Funds For the Year Ended April 30, 2018

	Firefighters' Pension Fund	Police Pension Fund	Total
Additions			
Contributions			
Employer	\$ 739,538	\$ 843,339	\$ 1,582,877
Plan Member	117,425	162,324	279,749
Other Sources	-	750	750
Total Contributions	<u>856,963</u>	<u>1,006,413</u>	<u>1,863,376</u>
Investment Income			
Interest	109,250	145,215	254,465
Dividends	202,388	452,725	655,113
Net Appreciation in Fair Value of Investments	<u>378,258</u>	<u>783,137</u>	<u>1,161,395</u>
Gross Investment Income	689,896	1,381,077	2,070,973
Less Investment Expense	(47,805)	(81,434)	(129,239)
Total Investment Income	<u>642,091</u>	<u>1,299,643</u>	<u>1,941,734</u>
Total Additions	<u>1,499,054</u>	<u>2,306,056</u>	<u>3,805,110</u>
Deductions			
Pension Benefit Payments and Refunds	1,177,272	1,245,773	2,423,045
Administration	<u>11,611</u>	<u>14,909</u>	<u>26,520</u>
Total Deductions	<u>1,188,883</u>	<u>1,260,682</u>	<u>2,449,565</u>
Net Increase in Net Position	310,171	1,045,374	1,355,545
Net Position Restricted for Pensions			
Beginning of Year	<u>10,265,651</u>	<u>14,010,366</u>	<u>24,276,017</u>
End of Year	<u>\$ 10,575,822</u>	<u>\$ 15,055,740</u>	<u>\$ 25,631,562</u>

CITY OF MACOMB, ILLINOIS

Schedule of Changes in Assets and Liabilities Flex Benefits Fund - Agency Fund For the Year Ended April 30, 2018

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 95,774	\$ 90,052	\$ 5,722
Accounts Receivable	<u>21,263</u>	<u>-</u>	<u>6,015</u>	<u>15,248</u>
Total Assets	<u>\$ 21,263</u>	<u>\$ 95,774</u>	<u>\$ 96,067</u>	<u>\$ 20,970</u>
Liabilities				
Accounts Payable	\$ 10,653	\$ 96,072	\$ 96,067	\$ 10,658
Due to Other Funds	<u>10,610</u>	<u>-</u>	<u>298</u>	<u>10,312</u>
Total Liabilities	<u>\$ 21,263</u>	<u>\$ 96,072</u>	<u>\$ 96,365</u>	<u>\$ 20,970</u>

OTHER SUPPLEMENTAL SCHEDULES

CITY OF MACOMB, ILLINOIS

Schedule of Property Tax Information Last Three Tax Years (Unaudited)

Tax Collection Year	Year Ended April 30, 2018		
	2016 Levy	Rate	Amount Extended
General Fund:			
Corporate	\$ 234,703	0.12451	\$ 234,590
Fire Protection	60,000	0.03430	60,015
Police Protection	60,000	0.03430	60,015
Firefighters' Pension	742,778	0.42464	742,785
Police Pension	858,179	0.49061	858,181
Special Revenue Fund:			
Illinois Municipal Retirement Fund/Social Security	62,595	0.03579	62,604
Internal Service Fund:			
Liability Insurance	10,000	0.00572	10,005
Total	<u>\$ 2,028,255</u>	<u>1.14987</u>	<u>\$ 2,028,195</u>
Rate Setting Assessed Valuation - Corporate Levy			<u>\$ 188,501,345</u>
Rate Setting Assessed Valuation - All Other Levies			<u>\$ 174,921,161</u>

Note: Tax Rates are expressed in dollars per \$100 of Assessed Valuation.

Source of Information: McDonough County Clerk

Year Ended April 30, 2017			Year Ended April 30, 2016		
2015 Levy	Rate	Amount Extended	2014 Levy	Rate	Amount Extended
\$ 230,000	0.12450	\$ 230,006	\$ 226,721	0.12375	\$ 226,661
60,000	0.03489	59,989	60,000	0.03517	59,033
60,000	0.03489	59,989	60,000	0.03517	59,033
477,901	0.27784	477,715	491,279	0.28804	483,479
793,744	0.46165	793,411	508,169	0.29780	499,861
258,214	0.15010	258,080	515,226	0.30192	506,777
100,500	0.05844	100,481	90,256	0.05290	88,793
<u>\$ 1,980,359</u>	<u>1.14231</u>	<u>\$ 1,979,671</u>	<u>\$ 1,951,651</u>	<u>1.13475</u>	<u>\$ 1,923,637</u>
		<u>\$ 184,744,561</u>			<u>\$ 183,160,272</u>
		<u>\$ 171,938,625</u>			<u>\$ 167,851,312</u>

CITY OF MACOMB, ILLINOIS

Schedule of Insurance Coverage (Unaudited) April 30, 2018

Type of Coverage and Name of Company	Policy Number	Policy Period	
		From	To
General and Law Enforcement Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Property/Inland Marine/ Auto Coverage Physical Damage Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Automobile Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Crime Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Public Officials Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Workers' Compensation Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Excess Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Boiler and Machinery Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2017	12/01/2018
Stop-Loss Insurance HM Life Insurance Company	405492-A	02/01/2017	02/01/2018

Details of Coverage	Liability Limits	Annual Premium
Bodily Injury/Property Damage/ Law Enforcement Injury	General and Personal Injury \$1,000,000 per occurrence	\$ 75,078
Property	\$3,000,000 aggregate \$70,478,306 annual coverage	89,482
Automobile Liability and Physical Damage	\$1,000,000 per occurrence	28,020
Employee Dishonesty, Money Orders/Counterfeit Currency, Depositors Forgery	\$500,000 per occurrence	864
Physical/Sexual Abuse	\$100,000 per occurrence	965
Workers' Compensation Employer's Liability	\$2,500,000 per occurrence	328,269
Excess Liability	\$7,000,000 excess for general and law enforcement, auto liability, or public officials	36,170
Boiler and Machinery	Included in total building and contents limit up to \$70,478,306	3,350
Excess Insurance	\$1,000,000 maximum aggregate benefit	-

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CITY OF MACOMB, ILLINOIS

Schedule of Supplemental Information Required by Bond Ordinance Waterworks and Sewerage System (Unaudited) April 30, 2018

As of April 30, 2018

Number of metered water customers	5,703
Number of unmetered sewer customers	2
Number of sewer customers	5,427

Year Ended April 30, 2018

Quantity of water pumped:	
Raw	761,989,324 gallons
Finished	578,258,510 gallons
Quantity of sewerage treated	1,148,100,000 gallons
Quantity of water billed	65,842,155 cubic feet

OTHER REPORT



To the Mayor and City Council
City of Macomb
Macomb, Illinois

**Independent Auditor's Report on Compliance with Requirements
Applicable to the Tax Increment Financing Districts**

We have examined the City of Macomb, Illinois, (City)'s compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended April 30, 2018.

This report is intended solely for the information and use of management of the City, the state of Illinois and the appropriate taxing districts with tax authority in the City's TIF Districts and is not intended to be and should not be used by anyone other than these specified parties.

Wermer, Rogers, Doran & Ruzon, LLC

October 10, 2018

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