

CITY OF MACOMB, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2019

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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, 2019, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit, the Macomb City Township (Township) were not audited in accordance with *Governmental Auditing Standards*.

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, 2019. 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, 2019, 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, 2019, 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 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, 2018, 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 2018 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 2018 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 2018 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Werner, Rogers, Doran & Ruzon, LLC

October 25, 2019

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

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2019 (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, 2019. 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 \$58,873,265 on April 30, 2019.
- During the year the City's combined change in net position was an increase of \$266,236.
- The total cost of the City's programs was \$23,267,537.
- The general corporate account reported a year-end cash balance of \$3,990,891, 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, 2019 (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, 2019 and 2018

| | Governmental Activities | | Business-Type Activities | | Total Government | | |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | Change % |
| Assets | | | | | | | |
| Current and | | | | | | | |
| Other Assets | \$15,278,108 | \$14,414,714 | \$ 4,489,056 | \$ 4,505,767 | \$19,767,164 | \$18,920,481 | 4% |
| Capital Assets | 47,426,049 | 48,016,003 | 26,036,727 | 25,407,389 | 73,462,776 | 73,423,392 | 0% |
| Total Assets | <u>62,704,157</u> | <u>62,430,717</u> | <u>30,525,783</u> | <u>29,913,156</u> | <u>93,229,940</u> | <u>92,343,873</u> | 1% |
| Deferred Outflows of Resources | <u>6,713,215</u> | <u>5,407,020</u> | <u>507,600</u> | <u>234,264</u> | <u>7,220,815</u> | <u>5,641,284</u> | |
| Liabilities | | | | | | | |
| Current and | | | | | | | |
| Other Liabilities | 1,017,745 | 1,024,446 | 330,992 | 349,687 | 1,348,737 | 1,374,133 | -2% |
| Long-Term | | | | | | | |
| Liabilities | 28,624,348 | 24,653,978 | 7,975,707 | 7,512,318 | 36,600,055 | 32,166,296 | 14% |
| Total Liabilities | <u>29,642,093</u> | <u>25,678,424</u> | <u>8,306,699</u> | <u>7,862,005</u> | <u>37,948,792</u> | <u>33,540,429</u> | 13% |
| Deferred Inflows of Resources | <u>3,499,786</u> | <u>5,183,499</u> | <u>128,912</u> | <u>654,200</u> | <u>3,628,698</u> | <u>5,837,699</u> | -38% |
| Net Position | | | | | | | |
| Net Investment in | | | | | | | |
| Capital Assets | 42,023,062 | 42,638,961 | 18,931,837 | 18,086,826 | 60,954,899 | 60,725,787 | 0% |
| Restricted | 2,591,545 | 2,242,245 | 460,586 | 398,630 | 3,052,131 | 2,640,875 | 16% |
| Unrestricted | (8,339,114) | (7,905,392) | 3,205,349 | 3,145,759 | (5,133,765) | (4,759,633) | 8% |
| Total Net Position | <u>\$36,275,493</u> | <u>\$36,975,814</u> | <u>\$22,597,772</u> | <u>\$21,631,215</u> | <u>\$58,873,265</u> | <u>\$58,607,029</u> | 0% |

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 \$36.3 million in net position, of which \$42.0 million is the net investment in capital assets, \$2.6 million is restricted for community development, employee benefits, maintenance of roadways, public safety, cemetery care, capital projects, transportation and other purposes, and (\$8.3) 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, 2019 (Unaudited)

The current year's business-type activities left the City with \$22.6 million in net position, of which \$18.9 million is the net investment in capital assets, \$461 thousand is restricted for debt service, and \$3.2 million is unrestricted.

Condensed Statement of Activities for the Years Ended April 30, 2019 and 2018

| | Governmental Activities | | Business-Type Activities | | Total Government | | |
|------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | Change % |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 1,296,389 | \$ 1,131,526 | \$ 6,706,683 | \$ 6,668,357 | \$ 8,003,072 | \$ 7,799,883 | 3% |
| Operating Grants and Contributions | 3,833,683 | 3,253,167 | 436,163 | 7,360 | 4,269,846 | 3,260,527 | 31% |
| Capital Grants and Contributions | 173,497 | 106,801 | - | - | 173,497 | 106,801 | 62% |
| General Revenues | | | | | | | |
| Property Taxes | 2,527,014 | 2,242,735 | - | - | 2,527,014 | 2,242,735 | 13% |
| Income Taxes | 2,360,878 | 2,082,215 | - | - | 2,360,878 | 2,082,215 | 13% |
| Sales Taxes | 4,329,793 | 4,345,835 | - | - | 4,329,793 | 4,345,835 | 0% |
| Other Taxes | 1,388,888 | 1,236,946 | 29,190 | 32,775 | 1,418,078 | 1,269,721 | 12% |
| Investment Income | 38,134 | 33,446 | 2,074 | 2,184 | 40,208 | 35,630 | 13% |
| Other General Revenues | 410,977 | 379,297 | 410 | 11,605 | 411,387 | 390,902 | 5% |
| Total Revenues | 16,359,253 | 14,811,968 | 7,174,520 | 6,722,281 | 23,533,773 | 21,534,249 | 9% |
| Expenses | | | | | | | |
| General Government | 3,028,074 | 2,860,177 | - | - | 3,028,074 | 2,860,177 | 6% |
| Public Safety | 8,194,898 | 7,825,065 | - | - | 8,194,898 | 7,825,065 | 5% |
| Highways and Streets | 3,667,369 | 2,171,198 | - | - | 3,667,369 | 2,171,198 | 69% |
| Transportation | 2,395,879 | 2,584,390 | - | - | 2,395,879 | 2,584,390 | -7% |
| Community Development | 1,163,686 | 2,829,504 | - | - | 1,163,686 | 2,829,504 | -59% |
| Culture and Recreation | 31,565 | 24,940 | - | - | 31,565 | 24,940 | 27% |
| Interest on Long-Term Debt | 112,543 | 123,480 | - | - | 112,543 | 123,480 | -9% |
| Water | - | - | 2,299,054 | 2,646,961 | 2,299,054 | 2,646,961 | -13% |
| Sewer | - | - | 1,488,989 | 1,609,110 | 1,488,989 | 1,609,110 | -7% |
| Garbage | - | - | 885,480 | 844,725 | 885,480 | 844,725 | 5% |
| Total Expenses | 18,594,014 | 18,418,754 | 4,673,523 | 5,100,796 | 23,267,537 | 23,519,550 | -1% |
| Excess Before Transfers | (2,234,761) | (3,606,786) | 2,500,997 | 1,621,485 | 266,236 | (1,985,301) | -113% |
| Transfers | 1,534,440 | 1,547,971 | (1,534,440) | (1,547,971) | - | - | n/a |
| Change in Net Position | (700,321) | (2,058,815) | 966,557 | 73,514 | 266,236 | (1,985,301) | -113% |
| Net Position, Beginning | 36,975,814 | 39,034,629 | 21,631,215 | 21,557,701 | 58,607,029 | 60,592,330 | |
| Net Position, End of Year | <u>\$ 36,275,493</u> | <u>\$ 36,975,814</u> | <u>\$ 22,597,772</u> | <u>\$ 21,631,215</u> | <u>\$ 58,873,265</u> | <u>\$ 58,607,029</u> | 0% |

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2019 (Unaudited)

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

Fiscal year 2019 showed governmental activities program revenues of \$5.3 million and general revenues of \$11.1 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 \$2,033 under budget (0.6%), vehicle repairs and maintenance was \$18,440 under budget (14.0%), and utility costs were \$30,488 under budget (6.4%).

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, 2019 (Unaudited)

General Fund

Revenues for the General Fund increased by \$1,216,407 or 10.4% from 2018 to 2019, due mostly to intergovernmental revenues. Total expenditures decreased \$747,484 or 5.1%, driven by a decrease in highways and streets. 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 2019 were \$16,889 and total expenditures were \$418,643.

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 \$2,261,147. 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 \$31,802 or 0.9% due to an increase in debt service fees, while operating expenses decreased \$361,102 or 14.1% as a result of a significant decrease 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 decreased \$48,017, or 2.3% due mostly to a decrease in bill collections, while operating expenses decreased \$114,978 or 7.5%, mainly due to a decrease 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 increased \$54,541, or 6.1%, while operating expenses increased \$40,755 or 4.8%, mainly due to the increase in yard waste pick-up costs.

Budget to Actual Analysis

Revenues in the General Fund were \$1,082,895 or 9.2% higher than budgeted, due mainly to higher than expected income taxes. Expenditures in the General Fund were \$740,687 or 5.6% higher than budgeted mainly due to increased public safety and capital outlay expenditures.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2019 (Unaudited)

Capital Assets

At the end of the fiscal year 2019, the City had combined total capital assets, net of accumulated depreciation, of \$73,462,776 invested in a broad range of asset types including land, buildings, vehicles and equipment, city facilities, and sewer and water lines. The City added \$2,924,329 of new capital assets during the year much of which consisted of water and sewer mains. Other additions included a new fire truck. The City recorded \$2,884,945 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 equipment loans, notes and bonds payable, compensated absences, and net pension liability, with the total of all long-term debt being over \$36.6 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 \$16,173,820 against which total debt applicable to the limit is \$550,000 or 3.4% 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. The City did not increase rates for fiscal year 2018-19. Operating revenues for the Water Fund increased 0.9%, while operating revenues for the Sewer Fund decreased 2.3%.
- 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, 2019
(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, 2019

| | <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 | \$ 9,678,778 | \$ 2,516,423 | \$ 12,195,201 | \$ 205,408 |
| Investments | - | - | - | 221,187 |
| Receivables: | | | | |
| Property Taxes | 2,545,405 | - | 2,545,405 | - |
| Sales Taxes | 1,001,369 | - | 1,001,369 | - |
| Other Taxes | 907,751 | - | 907,751 | - |
| Consumer Accounts | 31,015 | 353,758 | 384,773 | - |
| Unbilled Usage | - | 365,502 | 365,502 | - |
| Loans | 135,257 | - | 135,257 | - |
| Due from Other Governments | 568,588 | - | 568,588 | - |
| Prepaid Items | 256,574 | - | 256,574 | - |
| Inventory | 153,371 | 778,723 | 932,094 | - |
| Total Current Assets | <u>15,278,108</u> | <u>4,014,406</u> | <u>19,292,514</u> | <u>426,595</u> |
| Noncurrent Assets | | | | |
| Restricted Assets | | | | |
| Cash and Cash Equivalents | - | 474,650 | 474,650 | - |
| Capital Assets | | | | |
| Capital Assets not Being Depreciated | 1,356,454 | - | 1,356,454 | - |
| Property and Equipment | 86,180,210 | 47,479,698 | 133,659,908 | - |
| Less Accumulated Depreciation | (40,110,615) | (21,442,971) | (61,553,586) | - |
| Total Capital Assets | <u>47,426,049</u> | <u>26,036,727</u> | <u>73,462,776</u> | <u>-</u> |
| Total Noncurrent Assets | <u>47,426,049</u> | <u>26,511,377</u> | <u>73,937,426</u> | <u>-</u> |
| Total Assets | <u>62,704,157</u> | <u>30,525,783</u> | <u>93,229,940</u> | <u>426,595</u> |
| Deferred Outflows of Resources | | | | |
| Deferred Outflows of Resources | | | | |
| Related to Pensions | <u>6,713,215</u> | <u>507,600</u> | <u>7,220,815</u> | <u>-</u> |
| Total Assets and Deferred | | | | |
| Outflows of Resources | <u>\$ 69,417,372</u> | <u>\$ 31,033,383</u> | <u>\$ 100,450,755</u> | <u>\$ 426,595</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 | \$ 239,726 | \$ 130,846 | \$ 370,572 | \$ - |
| Accrued Liabilities | 362,948 | 155,141 | 518,089 | 2,023 |
| Unearned Revenue | 92,067 | - | 92,067 | - |
| Intergovernmental Payable | 275,639 | - | 275,639 | - |
| Interest Payable | 47,365 | 45,005 | 92,370 | - |
| Long-Term Obligations, Due Within One Year: | | | | |
| Compensated Absences | 1,256,197 | 195,505 | 1,451,702 | - |
| Loans Payable | 37,505 | - | 37,505 | - |
| Notes and Bonds Payable | 485,000 | 603,793 | 1,088,793 | - |
| Total Current Liabilities | <u>2,796,447</u> | <u>1,130,290</u> | <u>3,926,737</u> | <u>2,023</u> |
| Noncurrent Liabilities | | | | |
| Long-Term Obligations, Due in More Than One Year: | | | | |
| Loans Payable | 512,495 | - | 512,495 | - |
| Notes and Bonds Payable | 4,367,987 | 6,501,097 | 10,869,084 | - |
| Net Pension Liability | 21,965,164 | 675,312 | 22,640,476 | - |
| Total Noncurrent Liabilities | <u>26,845,646</u> | <u>7,176,409</u> | <u>34,022,055</u> | <u>-</u> |
| Total Liabilities | <u>29,642,093</u> | <u>8,306,699</u> | <u>37,948,792</u> | <u>2,023</u> |
| Deferred Inflows of Resources | | | | |
| Deferred Property Taxes | 2,545,405 | - | 2,545,405 | - |
| Deferred Inflows of Resources Related to Pensions | <u>954,381</u> | <u>128,912</u> | <u>1,083,293</u> | <u>-</u> |
| Total Deferred Inflows of Resources | <u>3,499,786</u> | <u>128,912</u> | <u>3,628,698</u> | <u>-</u> |
| Net Position | | | | |
| Net Investment in Capital Assets | 42,023,062 | 18,931,837 | 60,954,899 | - |
| Restricted for: | | | | |
| Community Development | 369,309 | - | 369,309 | - |
| Employee Benefits | 217,835 | - | 217,835 | 15,507 |
| Maintenance of Roadways | 523,920 | - | 523,920 | - |
| Public Safety | 486,407 | - | 486,407 | - |
| Cemetery Care | 54,372 | - | 54,372 | - |
| Transportation | 869,438 | - | 869,438 | - |
| Debt Service | - | 460,586 | 460,586 | - |
| Other Purposes | 70,264 | - | 70,264 | 223,666 |
| Unrestricted Net Position | <u>(8,339,114)</u> | <u>3,205,349</u> | <u>(5,133,765)</u> | <u>185,399</u> |
| Total Net Position | <u>36,275,493</u> | <u>22,597,772</u> | <u>58,873,265</u> | <u>424,572</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 69,417,372</u> | <u>\$ 31,033,383</u> | <u>\$ 100,450,755</u> | <u>\$ 426,595</u> |

CITY OF MACOMB, ILLINOIS

Statement of Activities For the Year Ended April 30, 2019

| 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 | \$ 3,028,074 | \$ 525,319 | \$ 617,875 | \$ - |
| Public Safety | 8,194,898 | 380,466 | 278,999 | - |
| Highways and Streets | 3,667,369 | 330,165 | 548,266 | - |
| Transportation | 2,395,879 | - | 2,004,724 | 173,497 |
| Community Development | 1,163,686 | 60,364 | 380,819 | - |
| Culture and Recreation | 31,565 | 75 | 3,000 | - |
| Interest on Long-Term Debt | 112,543 | - | - | - |
| Total Governmental Activities | 18,594,014 | 1,296,389 | 3,833,683 | 173,497 |
| Business-Type Activities: | | | | |
| Water | 2,299,054 | 3,743,057 | 436,163 | - |
| Sewer | 1,488,989 | 2,020,766 | - | - |
| Garbage | 885,480 | 942,860 | - | - |
| Total Business-Type Activities | 4,673,523 | 6,706,683 | 436,163 | - |
| Total Primary Government | \$ 23,267,537 | \$ 8,003,072 | \$ 4,269,846 | \$ 173,497 |
| Component Unit: | | | | |
| Macomb City Township | \$ 298,061 | \$ 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

| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> | <u>Component Unit</u> |
|------------------------------------|-------------------------------------|----------------------|---------------------------------|
| | | | <u>Macomb City Township</u> |
| (\$ 1,884,880) | \$ - | (\$ 1,884,880) | \$ - |
| (7,535,433) | - | (7,535,433) | - |
| (2,788,938) | - | (2,788,938) | - |
| (217,658) | - | (217,658) | - |
| (722,503) | - | (722,503) | - |
| (28,490) | - | (28,490) | - |
| (112,543) | - | (112,543) | - |
| <u>(13,290,445)</u> | <u>-</u> | <u>(13,290,445)</u> | <u>-</u> |
| - | 1,880,166 | 1,880,166 | - |
| - | 531,777 | 531,777 | - |
| <u>-</u> | <u>57,380</u> | <u>57,380</u> | <u>-</u> |
| - | 2,469,323 | 2,469,323 | - |
| <u>(13,290,445)</u> | <u>2,469,323</u> | <u>(10,821,122)</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(292,741)</u> |
| 2,527,014 | - | 2,527,014 | 269,881 |
| 2,360,878 | - | 2,360,878 | - |
| 4,329,793 | - | 4,329,793 | - |
| 1,388,888 | 29,190 | 1,418,078 | 9,285 |
| 38,134 | 2,074 | 40,208 | 1,382 |
| 410,977 | 410 | 411,387 | 6,979 |
| <u>1,534,440</u> | <u>(1,534,440)</u> | <u>-</u> | <u>-</u> |
| <u>12,590,124</u> | <u>(1,502,766)</u> | <u>11,087,358</u> | <u>287,527</u> |
| (700,321) | 966,557 | 266,236 | (5,214) |
| <u>36,975,814</u> | <u>21,631,215</u> | <u>58,607,029</u> | <u>429,786</u> |
| <u>\$ 36,275,493</u> | <u>\$ 22,597,772</u> | <u>\$ 58,873,265</u> | <u>\$ 424,572</u> |

CITY OF MACOMB, ILLINOIS

Governmental Funds Balance Sheet April 30, 2019

| | Major Funds | | | | |
|--|---------------------|------------------------------------|--|-----------------------------|--------------------------|
| | General Fund | Illinois Municipal Retirement Fund | Section 5311 Transportation Grant Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ 6,128,261 | \$ 224,484 | \$ 769,875 | \$ 1,169,905 | \$ 8,292,525 |
| Receivables: | | | | | |
| Property Taxes | 1,767,501 | 230,834 | - | 297,955 | 2,296,290 |
| Sales Taxes | 1,001,369 | - | - | - | 1,001,369 |
| Other Taxes | 907,751 | - | - | - | 907,751 |
| Consumer Accounts | 20,703 | - | - | - | 20,703 |
| Loans | - | - | - | 135,257 | 135,257 |
| Due from Other Funds | 10,312 | - | - | - | 10,312 |
| Due from Other Governments | - | - | 520,963 | 47,625 | 568,588 |
| Inventory | 136,193 | - | - | 17,178 | 153,371 |
| Total Assets | \$ 9,972,090 | \$ 455,318 | \$ 1,290,838 | \$ 1,667,920 | \$ 13,386,166 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 83,203 | \$ - | \$ 145,761 | \$ 10,762 | \$ 239,726 |
| Accrued Liabilities | 157,116 | 6,649 | - | 154 | 163,919 |
| Unearned Revenue | 92,067 | - | - | - | 92,067 |
| Intergovernmental Payable | - | - | 275,639 | - | 275,639 |
| Total Liabilities | 332,386 | 6,649 | 421,400 | 10,916 | 771,351 |
| Deferred Inflows of Resources | | | | | |
| Deferred Property Taxes | 1,767,501 | 230,834 | - | 297,955 | 2,296,290 |
| Total Deferred Inflows of Resources | 1,767,501 | 230,834 | - | 297,955 | 2,296,290 |
| Fund Balances | | | | | |
| Nonspendable | 136,193 | - | - | 152,435 | 288,628 |
| Restricted | 559,809 | 217,835 | 869,438 | 944,463 | 2,591,545 |
| Committed | 746,064 | - | - | - | 746,064 |
| Assigned | 1,070,498 | - | - | 262,151 | 1,332,649 |
| Unassigned | 5,359,639 | - | - | - | 5,359,639 |
| Total Fund Balances | 7,872,203 | 217,835 | 869,438 | 1,359,049 | 10,318,525 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 9,972,090 | \$ 455,318 | \$ 1,290,838 | \$ 1,667,920 | \$ 13,386,166 |

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position April 30, 2019

| | |
|--|---------------|
| Total fund balances - governmental funds | \$ 10,318,525 |
|--|---------------|

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|--|------------|
| Capital assets (net of accumulated depreciation of \$40,110,615) used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. | 47,426,049 |
|--|------------|

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 | (1,256,197) |
| Loans Payable | (550,000) |
| Bonds Payable | (4,852,987) |
| Accrued Interest Payable | (47,365) |

| | |
|---|---------------|
| 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. | (16,206,330) |
|---|---------------|

| | |
|--|------------------|
| 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>1,443,798</u> |
|--|------------------|

| | |
|---|----------------------|
| Net position of governmental activities | <u>\$ 36,275,493</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, 2019

| | Major Funds | | | | |
|---|---------------------|---|---|------------------------------------|---------------------------------|
| | General Fund | Illinois Municipal Retirement Fund | Section 5311 Transportation Grant Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Revenues | | | | | |
| Property Taxes | \$ 2,239,939 | \$ 2,060 | \$ - | \$ 283,985 | \$ 2,525,984 |
| Sales Taxes | 4,329,793 | - | - | - | 4,329,793 |
| Income Taxes | 2,360,878 | - | - | - | 2,360,878 |
| Other Taxes | 1,363,886 | 14,815 | - | 10,187 | 1,388,888 |
| Investment Income | 15,454 | 14 | 599 | 5,044 | 21,111 |
| Fines and Forfeitures | 247,413 | - | - | - | 247,413 |
| Licenses and Permits | 341,700 | - | - | - | 341,700 |
| Intergovernmental Revenues | 1,072,868 | - | 2,178,221 | 761,395 | 4,012,484 |
| Charges for Services | 685,216 | - | - | - | 685,216 |
| Miscellaneous | 259,874 | - | 82,327 | 57,861 | 400,062 |
| Total Revenues | 12,917,021 | 16,889 | 2,261,147 | 1,118,472 | 16,313,529 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 2,532,600 | 173,238 | - | 192,220 | 2,898,058 |
| Public Safety | 6,774,799 | 67,602 | - | 39,177 | 6,881,578 |
| Highways and Streets | 2,503,531 | 172,922 | - | 243,848 | 2,920,301 |
| Transportation | - | - | 1,924,166 | - | 1,924,166 |
| Community Development | 809,321 | 4,881 | - | 166,568 | 980,770 |
| Culture and Recreation | 16,350 | - | - | 15,215 | 31,565 |
| Capital Outlay | 731,535 | - | 161,607 | - | 893,142 |
| Debt Service: | | | | | |
| Principal | 495,946 | - | - | 20,000 | 515,946 |
| Interest and Fees | 124,592 | - | - | - | 124,592 |
| Total Expenditures | 13,988,674 | 418,643 | 2,085,773 | 677,028 | 17,170,118 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,071,653) | (401,754) | 175,374 | 441,444 | (856,589) |
| Other Financing Sources | | | | | |
| Transfers In | 2,132,612 | 441,827 | - | 250,000 | 2,824,439 |
| Transfers Out | (772,999) | - | - | (517,000) | (1,289,999) |
| Loan Proceeds | 550,000 | - | - | - | 550,000 |
| Proceeds from the Sale of Capital Assets | 13,000 | - | - | - | 13,000 |
| Total Other Financing Sources | 1,922,613 | 441,827 | - | (267,000) | 2,097,440 |
| Net Change in Fund Balances | 850,960 | 40,073 | 175,374 | 174,444 | 1,240,851 |
| Fund Balances - Beginning of Year | 7,021,243 | 177,762 | 694,064 | 1,184,605 | 9,077,674 |
| Fund Balances - End of Year | \$ 7,872,203 | \$ 217,835 | \$ 869,438 | \$ 1,359,049 | \$ 10,318,525 |

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, 2019

| | |
|---|--------------|
| Net change in total fund balances | \$ 1,240,851 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| 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 | 10,852 |
| Decrease in net pension liability and related deferred amounts | (1,556,296) |
| Decrease in unamortized bond premium | 8,109 |
| Decrease in interest payable | 3,940 |
| Total expenses of noncurrent resources | (1,533,395) |
| 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 | 1,367,478 |
| Depreciation expense | (1,957,432) |
| In governmental funds, the proceeds from long-term debt is considered an other financing source, but in the statement of net position, debt is reported as a liability. In the current period, proceeds were received from the issuance of loans. | |
| | (550,000) |
| Repayment of debt principal; Loan Payable - \$20,000, Equipment Purchase Contract - \$20,946 and General Obligation Bonds - \$475,000, is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position. | |
| | 515,946 |
| The activity of the internal service funds are included in governmental activities in the statement of activities. | |
| | 216,231 |
| Change in net position of governmental activities | (\$ 700,321) |

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Net Position Proprietary Funds April 30, 2019

| | 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 | \$ 1,348,354 | \$ 1,129,621 | \$ 38,448 | \$ 2,516,423 | \$ 1,386,253 |
| Receivables: | | | | | |
| Property Taxes | - | - | - | - | 249,115 |
| Consumer Accounts | 194,102 | 99,941 | 59,715 | 353,758 | - |
| Unbilled Usage | 223,724 | 115,784 | 25,994 | 365,502 | - |
| Prepaid Items | - | - | - | - | 256,574 |
| Inventory | 731,094 | 47,629 | - | 778,723 | - |
| Total Current Assets | <u>2,497,274</u> | <u>1,392,975</u> | <u>124,157</u> | <u>4,014,406</u> | <u>1,891,942</u> |
| Noncurrent Assets: | | | | | |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 462,545 | 12,105 | - | 474,650 | - |
| Capital Assets: | | | | | |
| Property and Equipment | 25,713,227 | 21,751,701 | 14,770 | 47,479,698 | - |
| Less Accumulated Depreciation | (11,111,193) | (10,317,008) | (14,770) | (21,442,971) | - |
| Total Capital Assets | <u>14,602,034</u> | <u>11,434,693</u> | <u>-</u> | <u>26,036,727</u> | <u>-</u> |
| Total Noncurrent Assets | <u>15,064,579</u> | <u>11,446,798</u> | <u>-</u> | <u>26,511,377</u> | <u>-</u> |
| Total Assets | <u>17,561,853</u> | <u>12,839,773</u> | <u>124,157</u> | <u>30,525,783</u> | <u>1,891,942</u> |
| Deferred Outflows of Resources | | | | | |
| Deferred Outflows of Resources Related to Pensions | <u>291,044</u> | <u>216,556</u> | <u>-</u> | <u>507,600</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 17,852,897</u> | <u>\$ 13,056,329</u> | <u>\$ 124,157</u> | <u>\$ 31,033,383</u> | <u>\$ 1,891,942</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 | \$ 115,095 | \$ 15,748 | \$ 3 | \$ 130,846 | \$ - |
| Accrued Liabilities | 145,508 | 9,139 | 494 | 155,141 | 199,029 |
| Interest Payable | 34,955 | 10,050 | - | 45,005 | - |
| Compensated Absences | 167,607 | 27,898 | - | 195,505 | - |
| Notes and Bonds Payable - Current | 391,444 | 212,349 | - | 603,793 | - |
| Total Current Liabilities | <u>854,609</u> | <u>275,184</u> | <u>497</u> | <u>1,130,290</u> | <u>199,029</u> |
| Noncurrent Liabilities: | | | | | |
| Notes and Bonds Payable | 3,668,693 | 2,832,404 | - | 6,501,097 | - |
| Net Pension Liability | 385,655 | 289,657 | - | 675,312 | - |
| Total Noncurrent Liabilities | <u>4,054,348</u> | <u>3,122,061</u> | <u>-</u> | <u>7,176,409</u> | <u>-</u> |
| Total Liabilities | <u>4,908,957</u> | <u>3,397,245</u> | <u>497</u> | <u>8,306,699</u> | <u>199,029</u> |
| Deferred Inflows of Resources | | | | | |
| Deferred Property Taxes | - | - | - | - | 249,115 |
| Deferred Inflows of Resources Related to Pensions | <u>75,371</u> | <u>53,541</u> | <u>-</u> | <u>128,912</u> | <u>-</u> |
| Total Deferred Inflows of Resources | <u>75,371</u> | <u>53,541</u> | <u>-</u> | <u>128,912</u> | <u>249,115</u> |
| Net Position | | | | | |
| Net Investment In Capital Assets | 10,541,897 | 8,389,940 | - | 18,931,837 | - |
| Restricted - Expendable for Debt Service | 448,481 | 12,105 | - | 460,586 | - |
| Unrestricted Net Position | <u>1,878,191</u> | <u>1,203,498</u> | <u>123,660</u> | <u>3,205,349</u> | <u>1,443,798</u> |
| Total Net Position | <u>12,868,569</u> | <u>9,605,543</u> | <u>123,660</u> | <u>22,597,772</u> | <u>1,443,798</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 17,852,897</u> | <u>\$ 13,056,329</u> | <u>\$ 124,157</u> | <u>\$ 31,033,383</u> | <u>\$ 1,891,942</u> |

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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, 2019

| | Enterprise Funds | | | | Governmental Activities |
|---|------------------|--------------|--------------|------------------------|-------------------------|
| | Water Fund | Sewer Fund | Garbage Fund | Total Enterprise Funds | Internal Service Funds |
| Operating Revenues | | | | | |
| Licenses and Permits | \$ - | \$ - | \$ 3,164 | \$ 3,164 | \$ - |
| Charges for Services | 3,743,057 | 2,020,766 | 939,696 | 6,703,519 | 2,634,774 |
| Total Operating Revenues | 3,743,057 | 2,020,766 | 942,860 | 6,706,683 | 2,634,774 |
| Operating Expenses | | | | | |
| Waterworks, Sewerage and Garbage: | | | | | |
| Personnel | 520,917 | 389,304 | 12,480 | 922,701 | - |
| Utilities | 193,724 | 187,080 | 356 | 381,160 | - |
| Contractual Services | 93,410 | 63,115 | 831,494 | 988,019 | - |
| Supplies and Materials | 880,045 | 367,867 | 40,089 | 1,288,001 | - |
| Worker's Compensation | - | - | - | - | 329,690 |
| General Liability Insurance | - | - | - | - | 242,867 |
| Insurance Deductibles | - | - | - | - | 14,828 |
| Premiums and Administrative Fees | - | - | - | - | 470,404 |
| Health Claims | - | - | - | - | 1,406,478 |
| Depreciation | 507,743 | 418,709 | 1,061 | 927,513 | - |
| Total Operating Expenses | 2,195,839 | 1,426,075 | 885,480 | 4,507,394 | 2,464,267 |
| Operating Income | 1,547,218 | 594,691 | 57,380 | 2,199,289 | 170,507 |
| Nonoperating Revenues (Expenses) | | | | | |
| Property Taxes | - | - | - | - | 1,030 |
| Other Taxes | - | 879 | 28,311 | 29,190 | - |
| Grants | 436,163 | - | - | 436,163 | - |
| Investment Income | 1,219 | 655 | 200 | 2,074 | 17,023 |
| Interest Expense | (103,215) | (62,914) | - | (166,129) | - |
| Miscellaneous Revenue | - | - | 410 | 410 | 27,671 |
| Total Nonoperating Revenues (Expenses) | 334,167 | (61,380) | 28,921 | 301,708 | 45,724 |
| Income Before Transfers | 1,881,385 | 533,311 | 86,301 | 2,500,997 | 216,231 |
| Transfers | | | | | |
| Transfers In | 100,000 | 50,076 | - | 150,076 | - |
| Transfers Out | (1,030,808) | (570,421) | (83,287) | (1,684,516) | - |
| Total Transfers | (930,808) | (520,345) | (83,287) | (1,534,440) | - |
| Change in Net Position | 950,577 | 12,966 | 3,014 | 966,557 | 216,231 |
| Net Position - Beginning of Year | 11,917,992 | 9,592,577 | 120,646 | 21,631,215 | 1,227,567 |
| Net Position - End of Year | \$ 12,868,569 | \$ 9,605,543 | \$ 123,660 | \$ 22,597,772 | \$ 1,443,798 |

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Cash Flows Proprietary Funds For the Year Ended April 30, 2019

| | 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 | \$ 4,204,514 | \$ 2,040,664 | \$ 938,981 | \$ 7,184,159 | \$ 591,229 |
| Cash Received from Interfund Services Provided | - | - | - | - | 2,264,949 |
| Cash Payments for Goods and Services | (1,234,014) | (633,465) | (872,036) | (2,739,515) | - |
| Cash Payments to Employees | (471,720) | (358,144) | (12,410) | (842,274) | - |
| Cash Payments for Claims, Premiums, and Fees | - | - | - | - | (2,666,311) |
| Net Cash Provided by Operating Activities | <u>2,498,780</u> | <u>1,049,055</u> | <u>54,535</u> | <u>3,602,370</u> | <u>189,867</u> |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Interfund Borrowing | (106,250) | - | - | (106,250) | - |
| Property and Other Taxes Received | - | 879 | 28,311 | 29,190 | 1,030 |
| Transfers In | 100,000 | 50,076 | - | 150,076 | - |
| Transfers Out | (1,030,808) | (570,421) | (83,287) | (1,684,516) | - |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>(1,037,058)</u> | <u>(519,466)</u> | <u>(54,976)</u> | <u>(1,611,500)</u> | <u>1,030</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchases of Capital Assets | (1,168,466) | (388,385) | - | (1,556,851) | - |
| Proceeds from Debt | - | 341,671 | - | 341,671 | - |
| Principal Paid on Bonds and Notes | (377,715) | (179,629) | - | (557,344) | - |
| Interest Paid on Bonds and Notes | (107,758) | (63,380) | - | (171,138) | - |
| Net Cash (Used in) Capital and Related Financing Activities | <u>(1,653,939)</u> | <u>(289,723)</u> | <u>-</u> | <u>(1,943,662)</u> | <u>-</u> |
| Cash Flows from Investing Activities | | | | | |
| Income Received on Investments | <u>1,219</u> | <u>655</u> | <u>200</u> | <u>2,074</u> | <u>17,023</u> |
| Net Cash Provided by Investing Activities | <u>1,219</u> | <u>655</u> | <u>200</u> | <u>2,074</u> | <u>17,023</u> |
| Net Increase (Decrease) in Cash | (190,998) | 240,521 | (241) | 49,282 | 207,920 |
| Cash and Cash Equivalents, Beginning 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> |
| Cash and Cash Equivalents, End of Year | \$ 1,810,899 | \$ 1,141,726 | \$ 38,448 | \$ 2,991,073 | \$ 1,386,253 |

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 | \$ 1,547,218 | \$ 594,691 | \$ 57,380 | \$ 2,199,289 | \$ 170,507 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation Expense | 507,743 | 418,709 | 1,061 | 927,513 | - |
| Other Nonoperating Cash Receipts | 436,163 | - | 410 | 436,573 | 27,671 |
| Decrease (Increase) in Accounts and Unbilled Usage Receivable | 25,294 | 19,898 | (4,289) | 40,903 | (248,104) |
| Decrease in Prepaid Items | - | - | - | - | 3,833 |
| Decrease (Increase) in Inventories | (66,018) | 2,782 | - | (63,236) | - |
| Increase (Decrease) in Accounts Payable | 2,083 | (18,185) | (97) | (16,199) | - |
| Increase in Accrued Liabilities | 197 | 2,246 | 70 | 2,513 | 235,960 |
| Increase in Net Pension Liability | 41,405 | 29,859 | - | 71,264 | - |
| Increase (Decrease) in Compensated Absences | 4,695 | (945) | - | 3,750 | - |
| Total Adjustments | 951,562 | 454,364 | (2,845) | 1,403,081 | 19,360 |
| Net Cash Provided by Operating Activities | \$ 2,498,780 | \$ 1,049,055 | \$ 54,535 | \$ 3,602,370 | \$ 189,867 |
| Reconciliation to Proprietary Funds - Statement of Net Position | | | | | |
| Cash and Cash Equivalents, End of Year from Adjoining Page | \$ 1,810,899 | \$ 1,141,726 | \$ 38,448 | \$ 2,991,073 | \$ 1,386,253 |
| Amounts from Statement of Net Position | | | | | |
| Cash and Cash Equivalents | 1,348,354 | 1,129,621 | 38,448 | 2,516,423 | 1,386,253 |
| Restricted Cash and Cash Equivalents | 462,545 | 12,105 | - | 474,650 | - |
| Total | \$ 1,810,899 | \$ 1,141,726 | \$ 38,448 | \$ 2,991,073 | \$ 1,386,253 |

CITY OF MACOMB, ILLINOIS

Statement of Fiduciary Net Position Fiduciary Funds April 30, 2019

| | <u>Pension Trust Funds</u> | <u>Agency Fund</u> |
|---|------------------------------------|------------------------|
| Assets | | |
| Cash and Cash Equivalents | \$ 46,999 | \$ 1,127 |
| Investments: | | |
| Money Market Mutual Funds | 791,531 | - |
| U.S. Government and Agency Securities: | | |
| U.S. Treasury Notes | 2,756,415 | - |
| Government National Mortgage Association (GNMA) | 48,992 | - |
| U.S. Government Sponsored Agency Securities: | | |
| Federal Home Loan Mortgage Corporation (FHLMC) | 388,673 | - |
| Federal Farm Credit Banks (FFCB) | 159,776 | - |
| Federal National Mortgage Association (FNMA) | 1,628,085 | - |
| Other Debt Securities: | | |
| Corporate Bonds | 2,262,081 | - |
| Equity Securities: | | |
| Mutual Fund Equities | 13,308,859 | - |
| Common Stock | 5,186,344 | - |
| Total Investments | 26,530,756 | - |
| Accounts Receivable | - | 24,848 |
| Interest Receivable | 50,361 | - |
| Total Assets | <u>26,628,116</u> | <u>\$ 25,975</u> |
| Liabilities | | |
| Accounts Payable | 48 | 15,663 |
| Due to Other Funds | - | 10,312 |
| Total Liabilities | <u>48</u> | <u>\$ 25,975</u> |
| Net Position | | |
| Net Position Restricted for Pensions | <u>\$ 26,628,068</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, 2019

| | <u>Pension Trust Funds</u> |
|---|--------------------------------|
| Additions | |
| Contributions | |
| Employer | \$ 1,900,714 |
| Plan Member | 271,257 |
| Other Sources | <u>1,165</u> |
| Total Contributions | <u>2,173,136</u> |
| Investment Income | |
| Interest | 234,129 |
| Dividends | 413,165 |
| Net Appreciation in Fair Value of Investments | <u>984,253</u> |
| Gross Investment Income | 1,631,547 |
| Less Investment Expense | <u>(107,043)</u> |
| Total Investment Income | <u>1,524,504</u> |
| Total Additions | <u>3,697,640</u> |
| Deductions | |
| Pension Benefit Payments and Refunds | 2,676,159 |
| Administration | <u>24,975</u> |
| Total Deductions | <u>2,701,134</u> |
| Net Increase in Net Position | 996,506 |
| Net Position Restricted for Pensions | |
| Beginning of Year | <u>25,631,562</u> |
| End of Year | <u>\$ 26,628,068</u> |

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

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, 2019, 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, 2019

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, 2019

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 wastewater 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, 2019

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, 2019 was adopted on April 2, 2018. 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, 2019

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, 2019, 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, Equipment Replacement, Gift and Cable TV), 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, Rental Rehab Revolving Loans Fund, Motor Fuel Tax Fund, Sculpting Downtown Macomb 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, 2019, 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, 2019 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, 2019

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, 2019.

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 2019 represent the taxes from the 2017 and prior year levies.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

1. Summary of Significant Accounting Policies

Since the 2018 taxes are not due and collectible until June and are intended to finance the operations of fiscal year 2020, 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 2020. The 2019 tax levy has not been recorded as a receivable at April 30, 2019, as the tax attached as a lien on property as of January 1, 2019, however, the tax will not be levied until December 2019 and, accordingly, is not measurable at April 30, 2019.

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, 2019

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, 2019

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, 2019

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 \$624.

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, 2019, the City's bank balances were \$10,339,125, and the carrying value of those deposits was \$10,031,366, 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, 2019 was \$2,685,987. 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, 2019

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, 2019:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2019

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 | \$ 1,024,595 | \$ 1,024,595 | \$ - | \$ - |
| U.S. Agency Securities | 23,432 | - | 23,432 | - |
| U.S. Agency Sponsored Securities | 1,044,480 | - | 1,044,480 | - |
| Corporate Bonds | 1,084,840 | - | 1,084,840 | - |
| Total Debt Securities | <u>3,177,347</u> | <u>1,024,595</u> | <u>2,152,752</u> | <u>-</u> |
| Equity Securities: | | | | |
| Mutual Funds | <u>7,370,692</u> | <u>7,370,692</u> | <u>-</u> | <u>-</u> |
| Total Investments by Fair Value Level | <u>\$ 10,548,039</u> | <u>\$ 8,395,287</u> | <u>\$ 2,152,752</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 | \$ 1,731,820 | \$ 1,731,820 | \$ - | \$ - |
| U.S. Agency Securities | 25,560 | - | 25,560 | - |
| U.S. Agency Sponsored Securities | 1,132,054 | - | 1,132,054 | - |
| Corporate Bonds | 1,177,241 | - | 1,177,241 | - |
| Total Debt Securities | <u>4,066,675</u> | <u>1,731,820</u> | <u>2,334,855</u> | <u>-</u> |
| Equity Securities: | | | | |
| Mutual Funds | 5,938,167 | 5,938,167 | - | - |
| Common Stock | 5,186,344 | 5,186,344 | - | - |
| Total Equity Securities | <u>11,124,511</u> | <u>11,124,511</u> | <u>-</u> | <u>-</u> |
| Total Investments by Fair Value Level | <u>\$ 15,191,186</u> | <u>\$ 12,856,331</u> | <u>\$ 2,334,855</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, 2019 by type of investment, fair values, and maturities (using the segmented time distribution):

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

2. Deposits and Investments

Firefighters' Pension Fund

| Investment Description | Total Fair Value 4/30/2019 | Investment Maturities | | | |
|---------------------------|----------------------------------|-----------------------|----------------------|----------------------|-------------------|
| | | Less than One Year | One to Five Years | Five to Ten Years | Over Ten Years |
| U.S. Treasury Notes | \$ 1,024,595 | \$ - | \$ 548,062 | \$ 321,839 | \$ 154,694 |
| GNMA | 23,432 | - | - | 11,088 | 12,344 |
| FHLMC | 171,291 | - | - | - | 171,291 |
| FNMA | 803,287 | - | - | - | 803,287 |
| FFCB | 69,902 | - | 69,902 | - | - |
| Corporate Bonds | 1,084,840 | - | 673,308 | 411,532 | - |
| Money Market Funds | 343,849 | 343,849 | - | - | - |

Police Pension Fund

| Investment Description | Total Fair Value 4/30/2019 | Investment Maturities | | | |
|---------------------------|----------------------------------|-----------------------|----------------------|----------------------|-------------------|
| | | Less than One Year | One to Five Years | Five to Ten Years | Over Ten Years |
| U.S. Treasury Notes | \$ 1,731,820 | \$ 99,856 | \$ 331,211 | \$ 541,614 | \$ 759,139 |
| GNMA | 25,560 | - | - | 15,159 | 10,401 |
| FHLMC | 217,382 | - | - | - | 217,382 |
| FNMA | 824,798 | - | - | - | 824,798 |
| FFCB | 89,874 | - | - | 89,874 | - |
| Corporate Bonds | 1,177,241 | - | 737,830 | 172,382 | 267,029 |
| Money Market Funds | 447,682 | 447,682 | - | - | - |

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, 2019

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 4/30/2019 | % of Total Invest- ments | Total Fair Value 4/30/2019 | % of Total Invest- ments | |
| Money Market Mutual Funds | | | | | |
| U.S. Bank | \$ 343,849 | 3.16% | \$ 447,682 | 2.88% | AAAm |
| Subtotal | <u>343,849</u> | <u>3.16%</u> | <u>447,682</u> | <u>2.88%</u> | |
| U.S. Government and Agency Securities | | | | | |
| U.S. Treasury Notes | 1,024,595 | 9.41% | 1,731,820 | 11.07% | N/A |
| Government National Mortgage Association | 23,432 | 0.22% | 25,560 | 0.16% | N/A |
| Subtotal | <u>1,048,027</u> | <u>9.63%</u> | <u>1,757,380</u> | <u>11.23%</u> | |
| U.S. Government Sponsored Agency Securities | | | | | |
| Federal Home Loan Mortgage Corporation | 171,291 | 1.57% | 217,382 | 1.39% | AAA/AA+ |
| Federal Farm Credit Banks | 69,902 | 0.64% | 89,874 | 0.57% | AAA/AA+ |
| Federal National Mortgage Association | 803,287 | 7.38% | 824,798 | 5.27% | AAA/AA+ |
| Subtotal | <u>1,044,480</u> | <u>9.59%</u> | <u>1,132,054</u> | <u>7.23%</u> | |
| Corporate Bonds | 1,084,840 | 9.95% | 1,177,241 | 7.53% | AAA/BBB- |
| Mutual Funds | 7,370,692 | 67.67% | 5,938,167 | 37.97% | N/A |
| Common Stock | <u>-</u> | <u>0.00%</u> | <u>5,186,344</u> | <u>33.16%</u> | <u>N/A</u> |
| Total Investments | <u>\$ 10,891,888</u> | <u>100.00%</u> | <u>\$ 15,638,868</u> | <u>100.00%</u> | |

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, 2019 (other than U.S. Government and Agency securities) as follows: Firefighters' - Federal National Mortgage Association of \$803,287; Police - Federal National Mortgage Association of \$824,798.

Total investments in equities (combined mutual funds and common stocks) exceeded the maximum allowable percentage of 65% of total net position at April 30, 2019 for both the Pension Funds.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2019

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 | \$ 10,031,366 |
| Cash on Hand | 624 |
| Investments - City Investments in Illinois Funds | 2,685,987 |
| Investments - Firefighters' Pension Fund | 10,891,888 |
| Investments - Police Pension Fund | 15,638,868 |
| Total | <u>\$ 39,248,733</u> |

Cash and Investments (Basic Financial Statements)

| | |
|--|----------------------|
| Primary Government Cash - Statement of Net Position | \$ 12,195,201 |
| Primary Government Restricted Cash - Statement of Net Position | 474,650 |
| Pension Trust Funds Cash and Cash Equivalents - Statement of Fiduciary Net Position | 46,999 |
| Pension Trust Funds Investments - Statement of Fiduciary Net Position | 26,530,756 |
| Agency Fund Cash - Statement of Fiduciary Net Position | 1,127 |
| Total | <u>\$ 39,248,733</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, 2019

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 \$429,826 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; the carrying value of those deposits was \$426,595.

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 \$135,257 as of April 30, 2019, are accounted for in the governmental funds, bear interest at 3% to 5%, and are due in monthly installments with maturity dates ranging from May 2021 to April 2027. The City expects to collect approximately \$30,214 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, 2019, 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 2019, the following accounts/funds had expenditures/operating expenses exceed budgeted expenditures/operating expenses:

| Fund/Account | Expenditures | |
|---|---------------|---------------|
| | Budgeted | Actual |
| General Fund: (in total) | \$ 13,247,987 | \$ 13,988,674 |
| General Corporate Account | 9,377,574 | 9,521,242 |
| Street and Bridge Account | 1,842,420 | 1,892,877 |
| Fire Protection Tax Account | 37,355 | 586,384 |
| Corporate Sick Leave and Vacation Accrual Account | 29,225 | 109,301 |
| Hotel/Motel Tax Account | 188,300 | 214,916 |
| IT Account | 67,720 | 75,203 |
| Community Development Account | 53,250 | 85,739 |
| Gift Account | 210 | 632 |
| TIF West Side #3 | 42,000 | 55,959 |
| Rental Rehab Revolving Loans Fund | 31,500 | 189,000 |
| Sculpting Downtown Macomb Fund | 12,000 | 15,215 |
| Sewer Fund | 1,252,768 | 1,426,075 |
| Garbage Fund | 882,867 | 885,480 |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2019

4. Individual Fund Disclosures

Restricted Net Position

The Water Fund and Sewer Fund had restricted net position of \$448,481 and \$12,105, respectively, for future debt service principal and interest payments. Governmental restricted net position includes: \$369,309 restricted for community development, \$217,835 restricted for employee benefits, \$523,920 restricted for maintenance of roadways, \$486,407 restricted for public safety, \$54,372 restricted for cemetery care, \$869,438 restricted for transportation, and \$70,264 restricted for other purposes.

Macomb City Township

The Macomb City Township had net position of \$15,507 restricted for employee benefits and \$223,666 restricted for other purposes.

Interfund Assets/Liabilities

As of April 30, 2019, the following amounts represent interfund assets/liabilities:

| | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|--------------------------|---------------------------------|-------------------------------|
| Major Governmental Fund: | | |
| General Fund | \$ 10,312 | \$ - |
| Flex Benefit Fund | - | 10,312 |
| Total Interfund Balances | <u>\$ 10,312</u> | <u>\$ 10,312</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 | \$ 2,132,612 | \$ 772,999 |
| Illinois Municipal Retirement Fund | 441,827 | - |
| Nonmajor Governmental Funds | 250,000 | 517,000 |
| Major Enterprise Funds: | | |
| Water Fund | 100,000 | 1,030,808 |
| Sewer Fund | 50,076 | 570,421 |
| Garbage Fund | - | 83,287 |
| Total Transfers | <u>\$ 2,974,515</u> | <u>\$ 2,974,515</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

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 \$930,808, \$520,345, and \$83,287, respectively, are routine transfers to cover the administrative costs of the General Fund and the Public Works Director's salary. A routine transfer of \$405,000 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, 2019 was as follows:

| | Balance at May 1, 2018 | Additions | Deletions | Balance at Apr. 30, 2019 |
|--|---------------------------|---------------------|----------------|-----------------------------|
| Capital Assets not Being depreciated: | | | | |
| Land | \$ 1,356,454 | \$ - | \$ - | \$ 1,356,454 |
| Total Capital Assets not Being Depreciated, Net | <u>1,356,454</u> | <u>-</u> | <u>-</u> | <u>1,356,454</u> |
| Capital Assets Being Depreciated: | | | | |
| 911 Center/Police Station | 1,563,817 | - | - | 1,563,817 |
| Building and Improvements | 20,350,327 | 173,496 | - | 20,523,823 |
| Infrastructure | 50,815,565 | 448,856 | - | 51,264,421 |
| Land Improvements | 709,845 | - | - | 709,845 |
| Licensed Vehicles | 7,505,856 | 665,368 | 226,682 | 7,944,542 |
| Machinery and Equipment | 4,109,263 | 79,758 | 15,259 | 4,173,762 |
| Subtotal | <u>85,054,673</u> | <u>1,367,478</u> | <u>241,941</u> | <u>86,180,210</u> |
| Accumulated Depreciation | | | | |
| 911 Center/Police Station | 1,563,817 | - | - | 1,563,817 |
| Building and Improvements | 4,461,187 | 397,472 | - | 4,858,659 |
| Infrastructure | 20,744,379 | 647,060 | - | 21,391,439 |
| Land Improvements | 516,829 | 55,035 | - | 571,864 |
| Licensed Vehicles | 6,287,190 | 353,285 | 226,682 | 6,413,793 |
| Machinery and Equipment | 4,821,722 | 504,580 | 15,259 | 5,311,043 |
| Subtotal | <u>38,395,124</u> | <u>1,957,432</u> | <u>241,941</u> | <u>40,110,615</u> |
| Total Capital Assets Being Depreciated, Net | <u>46,659,549</u> | <u>(589,954)</u> | <u>-</u> | <u>46,069,595</u> |
| Total Governmental Activities Capital Assets, Net | <u>\$ 48,016,003</u> | <u>(\$ 589,954)</u> | <u>\$ -</u> | <u>\$ 47,426,049</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

5. Capital Assets

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

| | |
|----------------------------|---------------------|
| General Government | \$ 99,278 |
| Public Safety | 147,362 |
| Highways and Streets | 1,186,988 |
| Community Development | 40,201 |
| Transportation | <u>483,603</u> |
| Total Depreciation Expense | <u>\$ 1,957,432</u> |

A summary of the changes in capital assets of the City's Business-type Activities by Proprietary Fund for the period May 1, 2018 through April 30, 2019 is as follows:

| | Balance at May 1, 2018 | Additions | Deletions | Balance at Apr. 30, 2019 |
|-----------------------------------|---------------------------|--------------------|----------------|-----------------------------|
| WATER FUND | | | | |
| Capital Assets Being Depreciated: | | | | |
| Water System | \$ 22,854,191 | \$ 1,061,484 | \$ - | \$ 23,915,675 |
| Land Improvements | 6,380 | - | - | 6,380 |
| Licensed Vehicles | 349,088 | 88,322 | - | 437,410 |
| Machinery and Equipment | 1,335,102 | 18,660 | - | 1,353,762 |
| Subtotal | <u>24,544,761</u> | <u>1,168,466</u> | <u>-</u> | <u>25,713,227</u> |
| Accumulated Depreciation | | | | |
| Water System | 9,339,021 | 432,140 | - | 9,771,161 |
| Land Improvements | 6,380 | - | - | 6,380 |
| Licensed Vehicles | 337,057 | 11,388 | - | 348,445 |
| Machinery and Equipment | 920,992 | 64,215 | - | 985,207 |
| Subtotal | <u>10,603,450</u> | <u>507,743</u> | <u>-</u> | <u>11,111,193</u> |
| Total Water Fund | | | | |
| Capital Assets, Net | <u>\$ 13,941,311</u> | <u>\$ 660,723</u> | <u>\$ -</u> | <u>\$ 14,602,034</u> |
| SEWER FUND | | | | |
| Capital Assets Being Depreciated: | | | | |
| Sewer System | \$ 18,308,672 | \$ 34,920 | \$ 223,226 | \$ 18,120,366 |
| Land Improvements | 86,632 | - | - | 86,632 |
| Licensed Vehicles | 705,950 | 341,671 | - | 1,047,621 |
| Machinery and Equipment | 2,485,288 | 11,794 | - | 2,497,082 |
| Subtotal | <u>21,586,542</u> | <u>388,385</u> | <u>223,226</u> | <u>21,751,701</u> |
| Accumulated Depreciation | | | | |
| Sewer System | 7,168,101 | 335,034 | 223,226 | 7,279,909 |
| Land Improvements | 86,632 | - | - | 86,632 |
| Licensed Vehicles | 665,401 | 34,826 | - | 700,227 |
| Machinery and Equipment | 2,201,391 | 48,849 | - | 2,250,240 |
| Subtotal | <u>10,121,525</u> | <u>418,709</u> | <u>223,226</u> | <u>10,317,008</u> |
| Total Sewer Fund | | | | |
| Capital Assets, Net | <u>\$ 11,465,017</u> | <u>(\$ 30,324)</u> | <u>\$ -</u> | <u>\$ 11,434,693</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

5. Capital Assets

| | Balance at May 1, 2018 | Additions | Deletions | Balance at Apr. 30, 2019 |
|-----------------------------------|---------------------------|-------------------|-------------|-----------------------------|
| 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 | 13,709 | 1,061 | - | 14,770 |
| Subtotal | <u>13,709</u> | <u>1,061</u> | <u>-</u> | <u>14,770</u> |
| Total Garbage Fund | | | | |
| Capital Assets, Net | <u>\$ 1,061</u> | <u>(\$ 1,061)</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | |
| Total Business-type Activities | | | | |
| Capital Assets, Net | <u>\$ 25,407,389</u> | <u>\$ 629,338</u> | <u>\$ -</u> | <u>\$ 26,036,727</u> |

Depreciation expense of \$507,743, \$418,709, and \$1,061 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, 2018 | Additions | Retirements | Balance April 30, 2019 | Principal Due Within One Year |
|-----------------------------|---------------------------|---------------------|---------------------|------------------------------|-------------------------------------|
| Equipment Purchase Contract | \$ 20,946 | \$ - | \$ 20,946 | \$ - | \$ - |
| Loan Payable | 20,000 | - | 20,000 | - | - |
| Equipment Loan | - | 550,000 | - | 550,000 | 37,505 |
| G.O. Bonds, Series 2012 | 5,255,000 | - | 475,000 | 4,780,000 | 485,000 |
| Premium on 2012 Bonds | 81,096 | - | 8,109 | 72,987 | - |
| Compensated Absences | 1,267,049 | 1,256,197 | 1,267,049 | 1,256,197 | 1,256,197 |
| Totals | <u>\$ 6,644,091</u> | <u>\$ 1,806,197</u> | <u>\$ 1,791,104</u> | <u>\$ 6,659,184</u> | <u>\$ 1,778,702</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

7. Long-Term Debt

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

| Business-Type Activities | Balance May 1, 2018 | Additions | Retirements | Balance April 30, 2019 | Principal Due Within One Year |
|--|---------------------------|-------------------|-------------------|------------------------------|-------------------------------------|
| Notes Payable: | | | | | |
| Illinois EPA - Water | \$ 726,008 | \$ - | \$ 113,612 | \$ 612,396 | \$ 116,470 |
| Illinois EPA - Water Ammoniation | 435,616 | - | 34,850 | 400,766 | 34,849 |
| Illinois EPA - Water Tower | 886,228 | - | 39,253 | 846,975 | 40,125 |
| Illinois EPA - Water Pollution Control | 2,882,711 | - | 127,780 | 2,754,931 | 130,163 |
| Equipment Loan | - | 341,671 | 51,849 | 289,822 | 82,186 |
| Bonds Payable: | | | | | |
| G.O. Bonds, Series 2008A - Water | 165,000 | - | 165,000 | - | - |
| G.O. Bonds, Series 2016 | 2,225,000 | - | 25,000 | 2,200,000 | 200,000 |
| Compensated Absences | 191,755 | 195,505 | 191,755 | 195,505 | 195,505 |
| Totals | <u>\$ 7,512,318</u> | <u>\$ 537,176</u> | <u>\$ 749,099</u> | <u>\$ 7,300,395</u> | <u>\$ 799,298</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 was retired during the fiscal year ended April 30, 2019. The contract was due in monthly installments of \$5,439, including interest at 3 percent, with a final installment that was paid October 25, 2018.

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 was repaid from the TIF West Side #3 Fund through the use of tax increment property taxes. The loan was retired during the fiscal year ended April 30, 2019.

Equipment Loan

During the fiscal year ended April 30, 2019, the City borrowed \$550,000 to purchase a fire truck. The first annual payment of \$57,190 is due November 15, 2019. Interest is charged at a rate of 3.5%, with a final installment due November 15, 2030. The repayment schedule for the loan is as follows:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

7. Long-Term Debt

| Year Ending April 30, | Principal | Interest | Total |
|--------------------------|-------------------|-------------------|-------------------|
| 2020 | \$ 37,505 | \$ 19,685 | \$ 57,190 |
| 2021 | 38,798 | 18,392 | 57,190 |
| 2022 | 40,236 | 16,954 | 57,190 |
| 2023 | 41,677 | 15,513 | 57,190 |
| 2024 | 43,168 | 14,022 | 57,190 |
| 2025-2029 | 240,096 | 45,854 | 285,950 |
| 2030-2031 | 108,520 | 5,860 | 114,380 |
| Total | <u>\$ 550,000</u> | <u>\$ 136,280</u> | <u>\$ 686,280</u> |

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 |
|--------------------------|---------------------|-------------------|---------------------|
| 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 | 530,000 | 72,388 | 602,388 |
| 2025-2028 | 2,250,000 | 152,627 | 2,402,627 |
| Total | <u>\$ 4,780,000</u> | <u>\$ 624,504</u> | <u>\$ 5,404,504</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 \$1,256,197 and \$195,505, 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 \$612,396 as of April 30, 2019, 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:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

7. Long-Term Debt

| Year Ending April 30, | Principal | Interest | Total |
|--------------------------|-------------------|------------------|-------------------|
| 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 | 128,639 | 2,417 | 131,056 |
| Total | <u>\$ 612,396</u> | <u>\$ 42,888</u> | <u>\$ 655,284</u> |

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$400,766 as of April 30, 2019 for an ammonization project. The loan is interest-free. The repayment schedule for the loan is as follows:

| April 30, | Principal | Interest | Total |
|-----------|-------------------|-------------|-------------------|
| 2020 | \$ 34,849 | \$ - | \$ 34,849 |
| 2021 | 34,849 | - | 34,849 |
| 2022 | 34,849 | - | 34,849 |
| 2023 | 34,849 | - | 34,849 |
| 2024 | 34,849 | - | 34,849 |
| 2025-2029 | 139,397 | - | 139,397 |
| 2030-2031 | 87,124 | - | 87,124 |
| Total | <u>\$ 400,766</u> | <u>\$ -</u> | <u>\$ 400,766</u> |

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$846,975 as of April 30, 2019 for a water tower project which bears interest at 2.21 percent. The repayment schedule for the loan is as follows:

| April 30, | Principal | Interest | Total |
|-----------|-------------------|-------------------|---------------------|
| 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 | 43,813 | 14,810 | 58,623 |
| 2025-2029 | 185,206 | 49,286 | 234,492 |
| 2030-2034 | 202,226 | 32,266 | 234,492 |
| 2035-2037 | 249,799 | 14,004 | 263,803 |
| Total | <u>\$ 846,975</u> | <u>\$ 178,927</u> | <u>\$ 1,025,902</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

7. Long-Term Debt

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 were retired during fiscal year 2019. \$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 bore interest at 4.50% to 4.75% over the life of the bonds, payable on November 1 and May 1 each year and had a final principal maturity date of May 1, 2018.

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, 2019 were \$2,200,000 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 |
|--------------------------|---------------------|-------------------|---------------------|
| 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 | 215,000 | 36,950 | 251,950 |
| 2025-2029 | 1,160,000 | 89,100 | 1,249,100 |
| Total | <u>\$ 2,200,000</u> | <u>\$ 315,800</u> | <u>\$ 2,515,800</u> |

Based on the ordinance requirements, a total of \$462,545 has been held in restricted reserve accounts in the Water Fund at April 30, 2019.

Equipment Loan

During the fiscal year ended April 30, 2019, the City acquired equipment through the use of a \$341,671 loan. The loan is due in monthly installments of \$7,775, including interest at 4.4%, with a final installment due October 1, 2022. The repayment schedule for the loan is as follows:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

7. Long-Term Debt

| Year Ending April 30, | Principal | Interest | Total |
|--------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 82,186 | \$ 11,117 | \$ 93,303 |
| 2021 | 85,896 | 7,408 | 93,304 |
| 2022 | 89,743 | 3,560 | 93,303 |
| 2023 | 31,997 | 306 | 32,303 |
| Total | <u>\$ 289,822</u> | <u>\$ 22,391</u> | <u>\$ 312,213</u> |

The Sewer Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$2,754,931 as of April 30, 2019 for a wastewater treatment project which bears interest at 1.86 percent. The repayment schedule for the loan is as follows:

| Year Ending April 30, | Principal | Interest | Total |
|--------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 130,163 | \$ 50,639 | \$ 180,802 |
| 2021 | 132,596 | 48,207 | 180,803 |
| 2022 | 135,075 | 45,729 | 180,804 |
| 2023 | 137,599 | 43,205 | 180,804 |
| 2024 | 140,170 | 40,634 | 180,804 |
| 2025-2029 | 587,365 | 135,848 | 723,213 |
| 2030-2034 | 632,514 | 90,701 | 723,215 |
| 2035-2037 | 859,449 | 44,570 | 904,019 |
| Total | <u>\$ 2,754,931</u> | <u>\$ 499,533</u> | <u>\$ 3,254,464</u> |

Statutory Debt Margin

As of April 30, 2019, the general obligation debt issued by the City did not exceed its statutory debt margin as shown by the following:

| | |
|---|---|
| Equalized Assessed Valuation - 2018 Tax Year | <u>\$ 187,522,550</u> |
| Legal Debt Limit - 8.625% of Equalized Assessed Valuation | \$ 16,173,820 |
| | Amount of Debt Applicable to Debt Limit |
| Loan Payable | \$ 550,000 |
| General Obligation Bonds | - |
| | <u>550,000</u> |
| Legal Debt Margin | <u>\$ 15,623,820</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

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, 2019.

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, 2019

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, 2018, the following employees were covered by the benefit terms:

| | <u>Regular</u> |
|--|-------------------|
| Inactive Plan Members and Beneficiaries Currently Receiving Benefits | 96 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | 37 |
| Active Plan Members | <u>59</u> |
| Total | <u><u>192</u></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 2018 was 10.58%. For the fiscal year ended April 30, 2019, the City contributed \$271,615 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, 2018. 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, 2018:

- 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 7.25%.
- 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, 2019

9. Employee Retirement Systems and Plans

- An IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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.

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% | 7.15% |
| International Equity | 18.00% | 7.25% |
| Fixed Income | 28.00% | 3.75% |
| Real Estate | 9.00% | 6.25% |
| Alternative Investments | 7.00% | 3.20-8.50% |
| Cash Equivalents | 1.00% | 2.50% |
| Total | 100.00% | |

Discount Rate

A Single Discount Rate of 7.25% 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:

- 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
- 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2019

9. Employee Retirement Systems and Plans

Changes in the Net Pension Liability

| | <u>Regular Plan</u> |
|---|--------------------------------|
| Total Pension Liability | |
| Service Cost | \$ 278,122 |
| Interest | 1,730,893 |
| Differences Between Expected and Actual Experience | (268,141) |
| Changes of Assumptions | 613,563 |
| Benefit Payments, Including Refunds of Plan Member Contributions | (1,687,770) |
| Net Change in Total Pension Liability | 666,667 |
| Total Pension Liability - Beginning | 23,783,401 |
| Total Pension Liability - Ending | <u>24,450,068</u> |
| Plan Fiduciary Net Position | |
| Contributions from Employer | 298,292 |
| Contributions from Plan Members | 126,872 |
| Pension Plan Net Investment Income | (1,654,874) |
| Benefit Payments, Including Refunds of Plan Member Contributions | (1,687,770) |
| Other Changes | (58,019) |
| Net Change in Plan Fiduciary Net Position | (2,975,499) |
| Plan Fiduciary Net Position - Beginning | 24,593,155 |
| Plan Fiduciary Net Position - Ending | <u>21,617,656</u> |
| Net Pension Liability (Asset) - Ending | <u><u>\$ 2,832,412</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 7.25%, 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 (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|----------------------------------|------------------------|
| Net Pension Liability (Asset) | \$ 5,582,379 | \$ 2,832,412 | \$ 532,245 |

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

For the year ended April 30, 2019, the City recognized pension expense/(income) of \$596,666 for the Regular Plan. At April 30, 2019, 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, 2019

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 | \$ 79,245 | \$ 188,154 |
| Changes of assumptions | 429,288 | 330,518 |
| Net difference between projected and actual earnings on pension plan investments | <u>1,511,916</u> | <u>-</u> |
| Total Deferred Amounts to be Recognized in Pension Expense in Future Periods | <u>2,020,449</u> | <u>518,672</u> |
| <i>Pension Contributions Made Subsequent to the Measurement Date</i> | <u>75,697</u> | <u>-</u> |
| Total Deferred Amounts Related to Pensions | <u>\$ 2,096,146</u> | <u>\$ 518,672</u> |

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

| Year Ending December 31 | Net Deferred Outflows of Resources |
|-------------------------|------------------------------------|
| 2019 | \$ 410,296 |
| 2020 | 210,577 |
| 2021 | 190,935 |
| 2022 | <u>689,969</u> |
| Total | <u>\$ 1,501,777</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, 2019

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, 2019, the City's contributions were 77.83% and 58.54%, 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, 2019 (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 | 1 | 10 |
| Active Plan Members | 20 | 24 |
| Total | <u>53</u> | <u>64</u> |

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, 2019

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, 2019 were as follows:

| | Firefighters' Pension | Police Pension |
|---|--------------------------|---------------------|
| Total Pension Liability | \$ 22,186,538 | \$ 24,249,594 |
| Plan Fiduciary Net Position | 10,916,752 | 15,711,316 |
| Net Pension Liability | <u>\$ 11,269,786</u> | <u>\$ 8,538,278</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 49.20% | 64.79% |

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, 2019 with a measurement date of April 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: April 30, 2019 - 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: 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.

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

Mortality: RP-2000 Combined Healthy Mortality Table, projected to the valuation date with Scale BB. 20% of active deaths are assumed to be in the line of duty. Disabled Lives are projected to the valuation date using scale BB.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

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

| | <u>Firefighters'</u> <u>Pension Plan</u> | <u>Police</u> <u>Pension Plan</u> |
|---|---|--------------------------------------|
| Total Pension Liability | | |
| Service Cost | \$ 323,247 | \$ 335,925 |
| Interest | 1,430,572 | 1,576,806 |
| Differences Between Expected and Actual Experience | 194,894 | 62,065 |
| Changes of Assumptions | 739,637 | 807,696 |
| Benefit Payments, Including Refunds of Plan Member Contributions | (1,230,621) | (1,445,538) |
| Net Change in Total Pension Liability | 1,457,729 | 1,336,954 |
| Total Pension Liability - Beginning | <u>20,728,809</u> | <u>22,912,640</u> |
| Total Pension Liability - Ending | <u>22,186,538</u> | <u>24,249,594</u> |
| Plan Fiduciary Net Position | | |
| Contributions from Employer | 1,005,378 | 895,336 |
| Contributions from Plan Members | 120,647 | 150,610 |
| Pension Plan Net Investment Income | 456,167 | 1,069,502 |
| Benefit Payments, Including Refunds of Plan Member Contributions | (1,230,621) | (1,445,538) |
| Pension Plan Administrative Expense | (10,641) | (14,334) |
| Net Change in Plan Fiduciary Net Position | 340,930 | 655,576 |
| Plan Fiduciary Net Position - Beginning | <u>10,575,822</u> | <u>15,055,740</u> |
| Plan Fiduciary Net Position - Ending | <u>10,916,752</u> | <u>15,711,316</u> |
| Net Pension Liability - Ending | <u>\$ 11,269,786</u> | <u>\$ 8,538,278</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2019

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 | \$ 14,177,119 | \$ 11,269,786 | \$ 8,884,277 |
| Police Pension | | | |
| City's Net Pension Liability | \$ 11,835,035 | \$ 8,538,278 | \$ 5,842,665 |

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

For the year ended April 30, 2019, the City recognized pension expense of \$2,045,135 and \$1,184,765 for the Firefighters' and Police Pension Plans, respectively. At April 30, 2019, 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 | \$ 1,629,805 | \$ 411,889 | \$ 443,232 |
| Changes of assumptions | 1,342,175 | 1,348,399 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>392,401</u> | <u>-</u> | <u>121,389</u> |
| Total Deferred Amounts to be Recognized in Pension Expense in Future Periods | <u>\$ 3,364,381</u> | <u>\$ 1,760,288</u> | <u>\$ 564,621</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, 2019

9. Employee Retirement Systems and Plans

| Year Ending April 30 | Firefighters' Pension Plan | Police Pension Plan |
|-------------------------|--|--|
| | Net Deferred Outflows of Resources | Net Deferred Outflows of Resources |
| 2020 | \$ 1,137,593 | \$ 447,723 |
| 2021 | 951,531 | 229,486 |
| 2022 | 916,913 | 299,330 |
| 2023 | 358,344 | 197,596 |
| 2024 | - | 21,532 |
| Total | <u>\$ 3,364,381</u> | <u>\$ 1,195,667</u> |

Investment Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.83% and 7.06% 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, 2017 are levied for the 2017 tax levy and will be collected during the fiscal year ending April 30, 2019.

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 | \$2,832,412 | \$ 11,269,786 | \$ 8,538,278 | \$22,640,476 |
| Deferred Outflows of Resources | | | | |
| Related to Pensions | 2,096,146 | 3,364,381 | 1,760,288 | 7,220,815 |
| Deferred Inflows of Resources | | | | |
| Related to Pensions | 518,672 | - | 564,621 | 1,083,293 |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

9. Employee Retirement Systems and Plans

Amounts Reported in the Government-Wide Financial Statements

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------------|----------------------------|-----------------------------|---------------|
| Net Pension Liability | \$ 21,965,164 | \$ 675,312 | \$ 22,640,476 |
| Deferred Outflows of Resources | | | |
| Related to Pensions | 6,713,215 | 507,600 | 7,220,815 |
| Deferred Inflows of Resources | | | |
| Related to Pensions | 954,381 | 128,912 | 1,083,293 |

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 \$4,503 to \$4,683 and the other lease having two annual payments of \$28,602, and \$28,743. Both leases have been renewed for the first renewal option. Minimum future sublease payments under these leases for fiscal year 2020 total \$116,956. Sublease income under these leases during the year ending April 30, 2019 was \$119,163 which included \$6,294 for catch-up generator rent.

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, 2019

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 \$1,187,224 at April 30, 2019 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, 2019, there were 100 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, 2019 | Insurance Claims Payable April 30, 2018 |
|----------------------------|---|---|
| Beginning Balance | \$ 211,173 | \$ 212,068 |
| Provision for Expenditures | 1,600,241 | 1,741,101 |
| Payments made for Claims | (1,612,385) | (1,741,996) |
| Ending Balance | <u>\$ 199,029</u> | <u>\$ 211,173</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, 2019 and consumer accounts receivable as of April 30, 2019 from Western Illinois University were as follows:

| Fund | Charges for Services | Receivable |
|-------|-------------------------|------------------|
| Water | \$ 578,979 | \$ 31,378 |
| Sewer | <u>327,978</u> | <u>19,368</u> |
| Total | <u>\$ 906,957</u> | <u>\$ 50,746</u> |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2019

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, 2018 follows:

| <i>Statement of Net Position</i> | | <i>Statement of Activities</i> | |
|--|------------|--------------------------------|------------|
| Assets: | | | |
| Current Assets | \$ 398,664 | Operating Revenues | \$ 919,307 |
| Property and Equipment, Net | 261,470 | Operating Expenses | 1,036,331 |
| Total Assets | 660,134 | Net Income (Loss) | (117,024) |
| Deferred Outflows of Resources | 70,376 | Nonoperating Revenues | 374 |
| Total Assets and Deferred Outflows | \$ 730,510 | Contribution Revenue | 27,000 |
| Liabilities | \$ 132,856 | Change in Net Position | (89,650) |
| Deferred Inflows of Resources | 221,235 | Net Position, Beginning | 466,069 |
| Net Position | 376,419 | Net Position, Ending | \$ 376,419 |
| Total Liabilities, Deferred Inflows and Net Position | \$ 730,510 | | |

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements April 30, 2019

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, 2019, there were 5 retired employees covered under the City's plan. The City finances the plan on a pay-as-you-go basis and recognized \$41,653 of expenses with retiree contributions of \$58,017 in the Internal Service Fund.

Statement No. 75 of the Governmental Accounting Standards Board *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) was applicable for the City's year ended April 30, 2019. 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 75 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, 2019

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 | \$ 136,193 | \$ - | \$ - | \$ 152,435 | \$ 288,628 |
| <i>Restricted for:</i> | | | | | |
| Community Development | - | - | - | 347,443 | 347,443 |
| Employee Benefits | - | 217,835 | - | - | 217,835 |
| Maintenance of Roadways | - | - | - | 523,920 | 523,920 |
| Public Safety | 421,784 | - | - | 71,845 | 493,629 |
| Cemetery Care | 54,372 | - | - | - | 54,372 |
| Transportation | - | - | 869,438 | - | 869,438 |
| Other Purposes | 83,653 | - | - | 1,255 | 84,908 |
| Total Restricted | <u>559,809</u> | <u>217,835</u> | <u>869,438</u> | <u>944,463</u> | <u>2,591,545</u> |
| <i>Committed to:</i> | | | | | |
| Capital Projects | 746,064 | - | - | - | 746,064 |
| Total Committed | <u>746,064</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>746,064</u> |
| <i>Assigned to:</i> | | | | | |
| Community Development | 412,150 | - | - | - | 412,150 |
| Maintenance of Roadways | 31,621 | - | - | - | 31,621 |
| Capital Projects | 496,997 | - | - | 262,151 | 759,148 |
| Other Purposes | 129,730 | - | - | - | 129,730 |
| Total Assigned | <u>1,070,498</u> | <u>-</u> | <u>-</u> | <u>262,151</u> | <u>1,332,649</u> |
| <i>Unassigned</i> | <u>5,359,639</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,359,639</u> |
| Total Fund Balances | <u>\$ 7,872,203</u> | <u>\$ 217,835</u> | <u>\$ 869,438</u> | <u>\$ 1,359,049</u> | <u>\$ 10,318,525</u> |

16. Inter-Entity Transactions

The Macomb City Township leases office space from the City. During the fiscal year ended April 30, 2019, the Township paid \$54,000 to the City for office rental covering 2018-2022. The City has recorded unearned revenue for the rental payments pertaining to future years. The Township paid \$64,875 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 \$12,868 of annexation taxes and \$9,284 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 Five Fiscal Years

Firefighters' Pension Plan

| <u>Fiscal Year Ended April 30,</u> | <u>Actuarially Determined Contribution</u> | <u>Actual Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Valuation Payroll</u> | <u>Actual Contribution as a Percentage of Covered Valuation Payroll</u> |
|--|--|--------------------------------|---|--|---|
| 2019 | \$ 1,118,776 | \$ 1,005,378 | \$ 113,398 | \$ 1,291,742 | 77.83% |
| 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

| <u>Fiscal Year Ended April 30,</u> | <u>Actuarially Determined Contribution</u> | <u>Actual Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Valuation Payroll</u> | <u>Actual Contribution as a Percentage of Covered Valuation Payroll</u> |
|--|--|--------------------------------|---|--|---|
| 2019 | \$ 944,902 | \$ 895,336 | \$ 49,566 | \$ 1,529,538 | 58.54% |
| 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, 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:

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, projected to the valuation date with Scale BB. 20% of active deaths are assumed to be in the line of duty. 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 Five 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 |
|---|---|------------------------|--|---------------------------------|---|
| 2018 | \$ 298,292 | \$ 298,292 | \$ - | \$ 2,819,399 | 10.58% |
| 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 |
|---|---|------------------------|--|---------------------------------|---|
| 2018 | \$ - | \$ - | \$ - | \$ - | N/A |
| 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 2018 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 2018 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: 25-Year Closed Period

Asset Valuation Method: 5-Year Smoothed Market; 20% Corridor

Wage Growth: 3.5%

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: 7.5%

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, 2016 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 Five Fiscal Years

| | Firefighters' Pension | | | |
|--|-----------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2017 | 2016 |
| Total Pension Liability | | | | |
| Service Cost | \$ 323,247 | \$ 302,469 | \$ 287,375 | \$ 278,385 |
| Interest | 1,430,572 | 1,349,295 | 1,159,583 | 1,031,740 |
| Differences Between Expected and Actual Experience | 194,894 | 304,034 | 1,790,995 | 933,028 |
| Changes of Assumptions | 739,637 | 388,471 | 615,757 | 455,977 |
| Benefit Payments, Including Refunds of Plan Member Contributions | (1,230,621) | (1,177,272) | (1,139,985) | (1,089,586) |
| Net Change in Total Pension Liability | 1,457,729 | 1,166,997 | 2,713,725 | 1,609,544 |
| Total Pension Liability - Beginning | 20,728,809 | 19,561,812 | 16,848,087 | 15,238,543 |
| Total Pension Liability - Ending (A) | <u>\$ 22,186,538</u> | <u>\$ 20,728,809</u> | <u>\$ 19,561,812</u> | <u>\$ 16,848,087</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions from Employer | \$ 1,005,378 | \$ 739,538 | \$ 493,965 | \$ 499,923 |
| Contributions from Plan Members | 120,647 | 117,425 | 113,069 | 116,866 |
| Pension Plan Net Investment Income | 456,167 | 642,091 | 821,779 | (216,264) |
| Other Contributions | - | - | - | - |
| Benefit Payments, Including Refunds of Plan Member Contributions | (1,230,621) | (1,177,272) | (1,139,985) | (1,089,586) |
| Pension Plan Administrative Expense | (10,641) | (11,611) | (10,558) | (17,175) |
| Net Change in Plan Fiduciary Net Position | 340,930 | 310,171 | 278,270 | (706,236) |
| Plan Fiduciary Net Position - Beginning | 10,575,822 | 10,265,651 | 9,987,381 | 10,693,617 |
| Plan Fiduciary Net Position - Ending (B) | <u>\$ 10,916,752</u> | <u>\$ 10,575,822</u> | <u>\$ 10,265,651</u> | <u>\$ 9,987,381</u> |
| Net Pension Liability - Ending (A) - (B) | <u>\$ 11,269,786</u> | <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 | 49.20% | 51.02% | 52.48% | 59.28% |
| Covered-Employee Payroll | 1,291,742 | 1,296,349 | 1,216,252 | 1,143,425 |
| Net Pension Liability as a Percentage of Covered-Employee Payroll | 872.45% | 783.20% | 764.33% | 600.01% |

Notes to Schedule:

Changes of assumptions:

For measurement date 04/30/2019, amounts reported as changes of assumptions reflect the following:

- Mortality rates were updated to reflect the PubS-2010 tables.

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 | 2019 | 2018 | 2017 | 2016 | 2015 |
| \$ 164,078 | \$ 335,925 | \$ 349,378 | \$ 338,505 | \$ 338,505 | \$ 326,876 |
| 1,076,943 | 1,576,806 | 1,520,808 | 1,495,816 | 1,414,627 | 1,251,335 |
| (608,896) | 62,065 | 370,093 | (886,463) | 258,827 | 365,586 |
| 316,045 | 807,696 | 667,965 | 602,926 | - | 1,496,669 |
| (1,041,244) | (1,445,538) | (1,245,773) | (1,188,099) | (1,175,206) | (1,199,116) |
| (93,074) | 1,336,954 | 1,662,471 | 362,685 | 836,753 | 2,241,350 |
| 15,331,617 | 22,912,640 | 21,250,169 | 20,887,484 | 20,050,731 | 17,809,381 |
| \$ 15,238,543 | \$ 24,249,594 | \$ 22,912,640 | \$ 21,250,169 | \$ 20,887,484 | \$ 20,050,731 |
| \$ 474,854 | \$ 895,336 | \$ 844,089 | \$ 800,765 | \$ 507,833 | \$ 506,272 |
| 109,959 | 150,610 | 162,324 | 158,858 | 161,818 | 193,115 |
| 721,092 | 1,069,502 | 1,299,643 | 1,280,782 | (113,757) | 1,115,351 |
| - | - | - | - | - | 181 |
| (1,041,244) | (1,445,538) | (1,245,773) | (1,188,099) | (1,175,206) | (1,199,116) |
| (7,945) | (14,334) | (14,909) | (13,207) | (19,933) | (18,373) |
| 256,716 | 655,576 | 1,045,374 | 1,039,099 | (639,245) | 597,431 |
| 10,436,901 | 15,055,740 | 14,010,366 | 12,971,267 | 13,610,512 | 13,013,081 |
| \$ 10,693,617 | \$ 15,711,316 | \$ 15,055,740 | \$ 14,010,366 | \$ 12,971,267 | \$ 13,610,512 |
| \$ 4,544,926 | \$ 8,538,278 | \$ 7,856,900 | \$ 7,239,803 | \$ 7,916,217 | \$ 6,440,219 |
| 70.17% | 64.79% | 65.71% | 65.93% | 62.10% | 67.88% |
| 1,160,210 | 1,529,538 | 1,571,011 | 1,683,359 | 1,546,808 | 1,488,494 |
| 391.73% | 558.23% | 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 Five Calendar Years

| Calendar Year Ended December 31, | Regular Plan | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2016 | 2015 |
| Total Pension Liability | | | | |
| Service Cost | \$ 278,122 | \$ 284,656 | \$ 287,278 | \$ 294,279 |
| Interest on the Total Pension Liability | 1,730,893 | 1,751,936 | 1,729,591 | 1,688,531 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (268,141) | 193,093 | (9,248) | 245,278 |
| Changes of Assumptions | 613,563 | (798,116) | (50,577) | 50,236 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,687,770) | (1,729,981) | (1,708,937) | (1,622,448) |
| Net Change in Total Pension Liability | 666,667 | (298,412) | 248,107 | 655,876 |
| Total Pension Liability - Beginning | 23,783,401 | 24,081,813 | 23,833,706 | 23,177,830 |
| Total Pension Liability - Ending (A) | <u>\$ 24,450,068</u> | <u>\$ 23,783,401</u> | <u>\$ 24,081,813</u> | <u>\$ 23,833,706</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - Employer | \$ 298,292 | \$ 306,811 | \$ 343,544 | \$ 347,275 |
| Contributions - Employees | 126,872 | 127,319 | 123,839 | 118,533 |
| Net Investment Income | (1,654,874) | 4,271,619 | 1,517,536 | 109,168 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,687,770) | (1,729,981) | (1,708,937) | (1,622,448) |
| Other (Net Transfer) | (58,019) | (874,145) | 51,554 | 799,631 |
| Net Change in Plan Fiduciary Net Position | (2,975,499) | 2,101,623 | 327,536 | (247,841) |
| Plan Fiduciary Net Position - Beginning | 24,593,155 | 22,491,532 | 22,163,996 | 22,411,837 |
| Plan Fiduciary Net Position - Ending (B) | <u>\$ 21,617,656</u> | <u>\$ 24,593,155</u> | <u>\$ 22,491,532</u> | <u>\$ 22,163,996</u> |
| Net Pension Liability (Asset) - Ending (A) - (B) | <u>\$ 2,832,412</u> | <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 | 88.42% | 103.40% | 93.40% | 92.99% |
| Covered Valuation Payroll | 2,819,399 | 2,710,901 | 2,751,982 | 2,634,077 |
| Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll | 100.46% | -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>2018</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>\$ -</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>\$ -</u> | <u>\$ 3,346</u> | <u>\$ 4,227</u> |
| <u>\$ 765,993</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 1)</u> | <u>\$ 92</u> |
| 96.70% | N/A | N/A | N/A | 100.03% | 97.87% |
| 2,502,748 | - | - | - | - | - |
| 30.61% | N/A | 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 Five Fiscal Years

| Annual Money-Weighted Rate of Return, Net of Investment Expense: | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-------|-------|-------|--------|-------|
| Firefighters' Pension Fund | 4.83% | 6.23% | 8.33% | -2.09% | 6.98% |
| Police Pension Fund | 7.06% | 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, 2019

| | Original and Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------------------|---------------------|---|
| Revenues | | | |
| Property Taxes | \$ 2,151,000 | \$ 2,239,939 | \$ 88,939 |
| Sales Taxes | 4,309,000 | 4,329,793 | 20,793 |
| Income Taxes | 2,000,000 | 2,360,878 | 360,878 |
| Other Taxes | 1,178,500 | 1,363,886 | 185,386 |
| Investment Income | 7,345 | 15,454 | 8,109 |
| Fines and Forfeitures | 209,000 | 247,413 | 38,413 |
| Licenses and Permits | 299,225 | 341,700 | 42,475 |
| Intergovernmental Revenues | 882,751 | 1,072,868 | 190,117 |
| Charges for Services | 737,005 | 685,216 | (51,789) |
| Miscellaneous | 60,300 | 259,874 | 199,574 |
| Total Revenues | <u>11,834,126</u> | <u>12,917,021</u> | <u>1,082,895</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 2,476,818 | 2,532,600 | (55,782) |
| Public Safety | 6,542,411 | 6,774,799 | (232,388) |
| Highways and Streets | 2,567,570 | 2,503,531 | 64,039 |
| Community Development | 867,995 | 809,321 | 58,674 |
| Culture and Recreation | 17,000 | 16,350 | 650 |
| Capital Outlay | 176,505 | 731,535 | (555,030) |
| Debt Service: | | | |
| Principal | 475,000 | 495,946 | (20,946) |
| Interest and Fees | 124,688 | 124,592 | 96 |
| Total Expenditures | <u>13,247,987</u> | <u>13,988,674</u> | <u>(740,687)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(1,413,861)</u> | <u>(1,071,653)</u> | <u>342,208</u> |
| Other Financing Sources (Uses) | | | |
| Inter-account Transfers In (Out) | (717,879) | - | 717,879 |
| Transfers In | 2,075,883 | 2,132,612 | 56,729 |
| Transfers Out | (125,000) | (772,999) | (647,999) |
| Loan Proceeds | - | 550,000 | 550,000 |
| Proceeds from the Sale of Capital Assets | 305,000 | 13,000 | (292,000) |
| Total Other Financing Sources (Uses) | <u>1,538,004</u> | <u>1,922,613</u> | <u>384,609</u> |
| Net Change in Fund Balance | <u>\$ 124,143</u> | <u>850,960</u> | <u>\$ 726,817</u> |
| Fund Balance - Beginning of Year | | <u>7,021,243</u> | |
| Fund Balance - End of Year | | <u>\$ 7,872,203</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, 2019

| | Original and Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------------------|-------------------|---|
| Revenues | | | |
| Property Taxes | \$ 2,000 | \$ 2,060 | \$ 60 |
| Other Taxes | 14,815 | 14,815 | - |
| Investment Income | 24 | 14 | (10) |
| Total Revenues | <u>16,839</u> | <u>16,889</u> | <u>50</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| City Share FICA - General | 92,684 | 76,872 | 15,812 |
| City Share FICA - General Other | 2,542 | 2,349 | 193 |
| City Share IMRF - General | 110,822 | 94,017 | 16,805 |
| Public Safety | | | |
| City Share FICA - Fire | 21,419 | 19,172 | 2,247 |
| City Share FICA - Police | 37,095 | 33,489 | 3,606 |
| City Share IMRF - Fire | 1,838 | 2,304 | (466) |
| City Share IMRF - Police | 13,660 | 12,637 | 1,023 |
| Highways and Streets | | | |
| City Share FICA - Public Works | 69,235 | 79,064 | (9,829) |
| City Share IMRF - Public Works | 93,635 | 93,858 | (223) |
| Community Development | | | |
| City Share FICA - TIF | 949 | 954 | (5) |
| City Share IMRF - Downtown Development | 4,344 | 3,927 | 417 |
| Total Expenditures | <u>448,223</u> | <u>418,643</u> | <u>29,580</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (431,384) | (401,754) | <u>29,630</u> |
| Other Financing Sources | | | |
| Transfers In | 441,827 | 441,827 | - |
| Total Other Financing Sources | <u>441,827</u> | <u>441,827</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 10,443</u> | <u>40,073</u> | <u>\$ 29,630</u> |
| Fund Balance - Beginning of Year | | <u>177,762</u> | |
| Fund Balance - End of Year | | <u>\$ 217,835</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, 2019

| | Original and Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| Revenues | | | |
| Investment Income | \$ 1,000 | \$ 599 | (\$ 401) |
| Intergovernmental Revenues | 4,100,000 | 2,178,221 | (1,921,779) |
| Miscellaneous | 50,000 | 82,327 | 32,327 |
| | <u>4,151,000</u> | <u>2,261,147</u> | <u>(1,889,853)</u> |
| Total Revenues | | | |
| Expenditures | | | |
| Current: | | | |
| Transportation | | | |
| Transportation Faculty Engineering | 5,000 | 11,890 | (6,890) |
| Grant Disbursements | - | (609) | 609 |
| Demand Response Service Providers | 600,000 | 541,379 | 58,621 |
| Fixed Route Service Providers | 700,000 | 774,077 | (74,077) |
| Central Dispatching Costs | 20,000 | 18,368 | 1,632 |
| Management Costs | 170,000 | 188,877 | (18,877) |
| Audit | 3,000 | 3,000 | - |
| General Operating Expenditures | 400,000 | 387,184 | 12,816 |
| Capital Outlay | | | |
| Buildings | - | 161,607 | (161,607) |
| Equipment | 2,110,000 | - | 2,110,000 |
| | <u>4,008,000</u> | <u>2,085,773</u> | <u>1,922,227</u> |
| Total Expenditures | | | |
| Net Change in Fund Balance | <u>\$ 143,000</u> | 175,374 | <u>\$ 32,374</u> |
| Fund Balance - Beginning of Year | | <u>694,064</u> | |
| Fund Balance - End of Year | | <u>\$ 869,438</u> | |

CITY OF MACOMB, ILLINOIS

Notes to Required Supplementary Information April 30, 2019

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 Fund in total, General Corporate Account, Street and Bridge Account, Fire Protection Tax Account, Corporate Sick Leave and Vacation Accrual Account, Hotel/Motel Tax Account, IT Account, Community Development Account, and Gift Account of the General Fund exceed budgeted expenditures during the fiscal year ended April 30, 2019 by \$740,687, \$143,668, \$50,457, \$549,029, \$80,076, \$26,616, \$7,483, \$32,489, and \$422, respectively.

3. Account Deficit

The General Fund's total fund balance was a surplus of \$7,872,203 at April 30, 2019; 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, 2019

| | 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 | \$ 3,990,891 | \$ 384,974 | \$ 29,038 | \$ 51 | \$ 47,968 | \$ 54,372 |
| Receivables: | | | | | | |
| Property Taxes | 1,647,919 | - | - | - | - | - |
| Sales Taxes | 635,230 | 366,139 | - | - | - | - |
| Other Taxes | 825,305 | - | - | 61,670 | - | - |
| Consumer Accounts | - | - | - | 20,703 | - | - |
| Inter-account Receivables (Payables) | 782 | - | - | - | - | - |
| Due from Other Funds | 10,312 | - | - | - | - | - |
| Inventory | - | - | - | 136,193 | - | - |
| Total Assets | <u>\$ 7,110,439</u> | <u>\$ 751,113</u> | <u>\$ 29,038</u> | <u>\$ 218,617</u> | <u>\$ 47,968</u> | <u>\$ 54,372</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 16,491 | \$ 5,049 | \$ - | \$ 28,694 | \$ - | \$ - |
| Accrued Liabilities | 119,408 | - | - | 22,109 | - | - |
| Unearned Revenue | 92,067 | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - |
| Total Liabilities | <u>227,966</u> | <u>5,049</u> | <u>-</u> | <u>50,803</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Property Taxes | <u>1,647,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Deferred Inflows of Resources | <u>1,647,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | |
| Nonspendable | - | - | - | 136,193 | - | - |
| Restricted | - | - | - | - | 47,968 | 54,372 |
| Committed | - | 746,064 | - | - | - | - |
| Assigned | 111,798 | - | - | 31,621 | - | - |
| Unassigned | <u>5,122,756</u> | <u>-</u> | <u>29,038</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances (Deficits) | <u>5,234,554</u> | <u>746,064</u> | <u>29,038</u> | <u>167,814</u> | <u>47,968</u> | <u>54,372</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 7,110,439</u> | <u>\$ 751,113</u> | <u>\$ 29,038</u> | <u>\$ 218,617</u> | <u>\$ 47,968</u> | <u>\$ 54,372</u> |

| 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 |
|--|---|--------------------------------------|------------------------------|--|--|
| \$ 7,222 | \$ 12,052 | \$ 189,972 | \$ 15,182 | \$ 165,436 | \$ 200,000 |
| - | - | 59,791 | - | 59,791 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | (57) | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 7,222</u> | <u>\$ 12,052</u> | <u>\$ 249,706</u> | <u>\$ 15,182</u> | <u>\$ 225,227</u> | <u>\$ 200,000</u> |
| \$ - | \$ - | \$ 13,500 | \$ - | \$ - | \$ - |
| - | - | - | - | - | 14,487 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>13,500</u> | <u>-</u> | <u>-</u> | <u>14,487</u> |
| - | - | 59,791 | - | 59,791 | - |
| - | - | 59,791 | - | 59,791 | - |
| - | - | - | - | - | - |
| 7,222 | - | 176,415 | 15,182 | 165,436 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 12,052 | - | - | - | 185,513 |
| <u>7,222</u> | <u>12,052</u> | <u>176,415</u> | <u>15,182</u> | <u>165,436</u> | <u>185,513</u> |
| <u>\$ 7,222</u> | <u>\$ 12,052</u> | <u>\$ 249,706</u> | <u>\$ 15,182</u> | <u>\$ 225,227</u> | <u>\$ 200,000</u> |

(Continued)

CITY OF MACOMB, ILLINOIS

General Fund Balance Sheet by Account April 30, 2019

| | 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 | \$ 51,838 | \$ 11,775 | \$ - | \$ 19,121 | \$ 1,054 | \$ 9,561 |
| Receivables: | | | | | | |
| Property Taxes | - | - | - | - | - | - |
| Sales Taxes | - | - | - | - | - | - |
| Other Taxes | - | - | - | 20,776 | - | - |
| Consumer Accounts | - | - | - | - | - | - |
| Inter-account Receivables (Payables) | - | - | (725) | - | - | - |
| Due from Other Funds | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - |
| Total Assets | <u>\$ 51,838</u> | <u>\$ 11,775</u> | <u>(\$ 725)</u> | <u>\$ 39,897</u> | <u>\$ 1,054</u> | <u>\$ 9,561</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 1,046 | \$ 112 | \$ - | \$ 18,031 | \$ - | \$ - |
| Accrued Liabilities | - | 1,112 | - | - | - | - |
| Unearned Revenue | - | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - |
| Total Liabilities | <u>1,046</u> | <u>1,224</u> | <u>-</u> | <u>18,031</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 | - | - | - | 21,866 | - | 9,561 |
| Committed | - | - | - | - | - | - |
| Assigned | 50,792 | 10,551 | - | - | - | - |
| Unassigned | - | - | (725) | - | 1,054 | - |
| Total Fund Balances (Deficits) | <u>50,792</u> | <u>10,551</u> | <u>(725)</u> | <u>21,866</u> | <u>1,054</u> | <u>9,561</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 51,838</u> | <u>\$ 11,775</u> | <u>(\$ 725)</u> | <u>\$ 39,897</u> | <u>\$ 1,054</u> | <u>\$ 9,561</u> |

| Information Technology Account | Community Development Account | Equipment Replacement Account | Gift Account | Payroll Clearing Account | Cable TV Account | Total | |
|--------------------------------------|-------------------------------------|-------------------------------------|------------------|--------------------------------|---------------------|---------------------|---------------------|
| | | | | | | 2019 | 2018 |
| \$ 9,629 | \$ 412,430 | \$ 435,654 | \$ 61,787 | \$ 322 | \$ 17,932 | \$ 6,128,261 | \$ 5,417,971 |
| - | - | - | - | - | - | 1,767,501 | 2,203,739 |
| - | - | - | - | - | - | 1,001,369 | 1,016,998 |
| - | - | - | - | - | - | 907,751 | 607,643 |
| - | - | - | - | - | - | 20,703 | 23,454 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 10,312 | 117,287 |
| - | - | - | - | - | - | 136,193 | 99,330 |
| <u>\$ 9,629</u> | <u>\$ 412,430</u> | <u>\$ 435,654</u> | <u>\$ 61,787</u> | <u>\$ 322</u> | <u>\$ 17,932</u> | <u>\$ 9,972,090</u> | <u>\$ 9,486,422</u> |
| | | | | | | | |
| \$ - | \$ 280 | \$ - | \$ - | \$ - | \$ - | \$ 83,203 | \$ 79,085 |
| - | - | - | - | - | - | 157,116 | 132,763 |
| - | - | - | - | - | - | 92,067 | 48,867 |
| - | - | - | - | - | - | - | 725 |
| <u>-</u> | <u>280</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>332,386</u> | <u>261,440</u> |
| | | | | | | | |
| - | - | - | - | - | - | 1,767,501 | 2,203,739 |
| - | - | - | - | - | - | 1,767,501 | 2,203,739 |
| | | | | | | | |
| - | - | - | - | - | - | 136,193 | 99,330 |
| - | - | - | 61,787 | - | - | 559,809 | 389,583 |
| - | - | - | - | - | - | 746,064 | 694,600 |
| - | 412,150 | 435,654 | - | - | 17,932 | 1,070,498 | 925,623 |
| <u>9,629</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>322</u> | <u>-</u> | <u>5,359,639</u> | <u>4,912,107</u> |
| <u>9,629</u> | <u>412,150</u> | <u>435,654</u> | <u>61,787</u> | <u>322</u> | <u>17,932</u> | <u>7,872,203</u> | <u>7,021,243</u> |
| | | | | | | | |
| <u>\$ 9,629</u> | <u>\$ 412,430</u> | <u>\$ 435,654</u> | <u>\$ 61,787</u> | <u>\$ 322</u> | <u>\$ 17,932</u> | <u>\$ 9,972,090</u> | <u>\$ 9,486,422</u> |

CITY OF MACOMB, ILLINOIS

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account For the Year Ended April 30, 2019

| | General Corporate Account | Sales Tax Infrastructure Account | City Hall Maintenance Account | Street and Bridge Account | Drug Asset Forfeiture Account |
|--|---------------------------------|--|-------------------------------------|---------------------------------|-------------------------------------|
| Revenues | | | | | |
| Property Taxes | \$ 2,117,677 | \$ - | \$ - | \$ - | \$ - |
| Sales Taxes | 2,694,591 | 1,635,202 | - | - | - |
| Income Taxes | 2,360,878 | - | - | - | - |
| Other Taxes | 839,897 | - | - | 262,165 | - |
| Investment Income | 13,144 | 1,353 | - | - | - |
| Fines and Forfeitures | 246,436 | - | - | - | - |
| Licenses and Permits | 322,133 | - | - | - | - |
| Intergovernmental Revenues | 675,075 | - | - | 2,091 | - |
| Charges for Services | 350,161 | - | - | 330,165 | - |
| Miscellaneous | 104,139 | - | - | 3,533 | 42,451 |
| Total Revenues | 9,724,131 | 1,636,555 | - | 597,954 | 42,451 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 2,351,706 | - | 5,000 | - | - |
| Public Safety | 6,651,142 | - | - | - | 55,994 |
| Highways and Streets | - | 610,654 | - | 1,892,877 | - |
| Community Development | 493,394 | - | - | - | - |
| Culture and Recreation | - | - | - | - | - |
| Capital Outlay | 25,000 | - | - | - | - |
| Debt Service: | | | | | |
| Principal | - | 475,000 | - | - | - |
| Interest and Fees | - | 124,437 | - | - | - |
| Total Expenditures | 9,521,242 | 1,210,091 | 5,000 | 1,892,877 | 55,994 |
| Excess (Deficiency) of Revenues Over Expenditures | 202,889 | 426,464 | (5,000) | (1,294,923) | (13,543) |
| Other Financing Sources (Uses) | | | | | |
| Inter-account Transfers In (Out) | (219,439) | - | - | 104,661 | - |
| Transfers In | 789,526 | - | - | 1,198,086 | - |
| Transfers Out | (374,999) | (375,000) | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Proceeds from the Sale of Capital Assets | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 195,088 | (375,000) | - | 1,302,747 | - |
| Net Change in Fund Balances | 397,977 | 51,464 | (5,000) | 7,824 | (13,543) |
| Fund Balances (Deficit) - Beginning of Year | 4,836,577 | 694,600 | 34,038 | 159,990 | 61,511 |
| Fund Balances (Deficit) - End of Year | \$ 5,234,554 | \$ 746,064 | \$ 29,038 | \$ 167,814 | \$ 47,968 |

| 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 |
|------------------------------------|--|---|--------------------------------------|------------------------------|--|--|
| \$ - | \$ - | \$ - | \$ 61,131 | \$ - | \$ 61,131 | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | 10,674 | - | 10,674 | - |
| - | - | - | 281 | - | 495 | - |
| - | - | - | - | - | - | - |
| - | - | - | 16,507 | - | - | - |
| - | - | - | - | - | - | - |
| 4,890 | - | - | - | - | - | - |
| - | 800 | 5,886 | 95,000 | 2,754 | - | - |
| 4,890 | 800 | 5,886 | 183,593 | 2,754 | 72,300 | - |
| - | - | - | - | - | - | 109,301 |
| - | - | 1,419 | 15,221 | - | 51,023 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 550,062 | - | - | - |
| - | - | - | 20,946 | - | - | - |
| - | - | - | 155 | - | - | - |
| - | - | 1,419 | 586,384 | - | 51,023 | 109,301 |
| 4,890 | 800 | 4,467 | (402,791) | 2,754 | 21,277 | (109,301) |
| - | - | - | - | - | - | 94,814 |
| - | - | - | - | - | - | - |
| - | - | - | 550,000 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 550,000 | - | - | 94,814 |
| 4,890 | 800 | 4,467 | 147,209 | 2,754 | 21,277 | (14,487) |
| 49,482 | 6,422 | 7,585 | 29,206 | 12,428 | 144,159 | 200,000 |
| \$ 54,372 | \$ 7,222 | \$ 12,052 | \$ 176,415 | \$ 15,182 | \$ 165,436 | \$ 185,513 |

(Continued)

CITY OF MACOMB, ILLINOIS

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account For the Year Ended April 30, 2019

| | 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 | - | - | - | 240,476 | - | - |
| Investment Income | - | - | - | 67 | - | - |
| Fines and Forfeitures | - | - | - | - | - | 977 |
| Licenses and Permits | - | 3,060 | - | - | - | - |
| Intergovernmental Revenues | - | - | - | - | - | - |
| Charges for Services | - | - | - | - | - | - |
| Miscellaneous | - | 1,020 | - | - | - | - |
| Total Revenues | <u>-</u> | <u>4,080</u> | <u>-</u> | <u>240,543</u> | <u>-</u> | <u>977</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - |
| Community Development | 33,155 | 81,194 | - | 198,566 | - | - |
| Culture and Recreation | - | - | - | 16,350 | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and Fees | - | - | - | - | - | - |
| Total Expenditures | <u>33,155</u> | <u>81,194</u> | <u>-</u> | <u>214,916</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (33,155) | (77,114) | - | 25,627 | - | 977 |
| Other Financing Sources (Uses) | | | | | | |
| Inter-account Transfers In (Out) | - | - | - | - | - | - |
| Transfers In | 50,000 | 75,000 | - | - | - | - |
| Transfers Out | - | - | - | (23,000) | - | - |
| Loan Proceeds | - | - | - | - | - | - |
| Proceeds from the Sale of Capital Assets | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>50,000</u> | <u>75,000</u> | <u>-</u> | <u>(23,000)</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 16,845 | (2,114) | - | 2,627 | - | 977 |
| Fund Balances (Deficit) - Beginning of Year | <u>33,947</u> | <u>12,665</u> | <u>(725)</u> | <u>19,239</u> | <u>1,054</u> | <u>8,584</u> |
| Fund Balances (Deficit) - End of Year | <u>\$ 50,792</u> | <u>\$ 10,551</u> | <u>(\$ 725)</u> | <u>\$ 21,866</u> | <u>\$ 1,054</u> | <u>\$ 9,561</u> |

| Information Technology Account | Community Development Account | Equipment Replacement Account | Gift Account | Payroll Clearing Account | Cable TV Account | Total | |
|--------------------------------------|-------------------------------------|-------------------------------------|-----------------|--------------------------------|---------------------|--------------|--------------|
| | | | | | | 2019 | 2018 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,239,939 | \$ 1,909,971 |
| - | - | - | - | - | - | 4,329,793 | 4,345,835 |
| - | - | - | - | - | - | 2,360,878 | 2,082,215 |
| - | - | - | - | - | - | 1,363,886 | 1,212,374 |
| - | - | - | 67 | 47 | - | 15,454 | 16,450 |
| - | - | - | - | - | - | 247,413 | 235,580 |
| - | - | - | - | - | - | 341,700 | 298,481 |
| - | 380,328 | - | - | - | 15,374 | 1,072,868 | 733,215 |
| - | - | - | - | - | - | 685,216 | 589,973 |
| - | 491 | - | 3,800 | - | - | 259,874 | 276,520 |
| - | 380,819 | - | 3,867 | 47 | 15,374 | 12,917,021 | 11,700,614 |
| 65,803 | - | - | 632 | 158 | - | 2,532,600 | 2,485,412 |
| - | - | - | - | - | - | 6,774,799 | 6,546,482 |
| - | - | - | - | - | - | 2,503,531 | 3,842,321 |
| - | 3,012 | - | - | - | - | 809,321 | 1,146,161 |
| - | - | - | - | - | - | 16,350 | 15,590 |
| 9,400 | 82,727 | 64,346 | - | - | - | 731,535 | 36,188 |
| - | - | - | - | - | - | 495,946 | 528,574 |
| - | - | - | - | - | - | 124,592 | 135,430 |
| 75,203 | 85,739 | 64,346 | 632 | 158 | - | 13,988,674 | 14,736,158 |
| (75,203) | 295,080 | (64,346) | 3,235 | (111) | 15,374 | (1,071,653) | (3,035,544) |
| 20,000 | - | - | - | (36) | - | - | - |
| 20,000 | - | - | - | - | - | 2,132,612 | 2,791,972 |
| - | - | - | - | - | - | (772,999) | (1,760,000) |
| - | - | - | - | - | - | 550,000 | - |
| - | 13,000 | - | - | - | - | 13,000 | 12,000 |
| 40,000 | 13,000 | - | - | (36) | - | 1,922,613 | 1,043,972 |
| (35,203) | 308,080 | (64,346) | 3,235 | (147) | 15,374 | 850,960 | (1,991,572) |
| 44,832 | 104,070 | 500,000 | 58,552 | 469 | 2,558 | 7,021,243 | 9,012,815 |
| \$ 9,629 | \$ 412,150 | \$ 435,654 | \$ 61,787 | \$ 322 | \$ 17,932 | \$ 7,872,203 | \$ 7,021,243 |

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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|-----------------------------------|--|------------------|------------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Property Taxes | \$ 2,033,000 | \$ 2,117,677 | \$ 1,793,194 |
| Sales Taxes | 2,689,000 | 2,694,591 | 2,691,873 |
| Income Taxes | 2,000,000 | 2,360,878 | 2,082,215 |
| Other Taxes | | | |
| Replacement Taxes | 110,000 | 120,182 | 90,971 |
| Auto Use Tax | 4,000 | 5,605 | 4,361 |
| Use Tax | 530,000 | 654,153 | 540,019 |
| Video Gaming Tax | 45,000 | 59,957 | 52,397 |
| Investment Income | 7,000 | 13,144 | 13,257 |
| Fines and Forfeitures | | | |
| Parking Violations | 10,000 | 16,556 | 11,955 |
| Moving Ordinance Violations | 24,000 | 59,537 | 19,500 |
| Court Fines | 175,000 | 170,343 | 203,032 |
| Licenses and Permits | | | |
| Liquor Licenses | 103,630 | 117,866 | 97,757 |
| Other Licenses | 2,750 | 2,661 | 2,719 |
| Building Permits and Fees | 35,000 | 55,954 | 41,107 |
| Planning and Zoning Fees | - | 1,350 | 400 |
| Historical Plaque Application | - | 75 | 150 |
| Tow and Impound Fees | 40,000 | 46,641 | 54,840 |
| Certified Copies | 12,000 | 12,317 | 11,853 |
| Rental Registration | 82,345 | 85,269 | 69,688 |
| Intergovernmental Revenues | | | |
| WIU Fire Protection | 250,000 | 250,000 | 250,000 |
| Cable TV Franchise | 195,500 | 176,867 | 192,681 |
| AmerenCIPS Franchise Fee | 115,130 | 115,130 | 115,130 |
| Grants | 302,293 | 133,078 | 169,061 |
| Charges for Services | | | |
| Rents Collected | 215,165 | 200,867 | 174,534 |
| Cemetery Lot and Openings | 50,000 | 66,050 | 56,475 |
| City Share Spring Lake | - | - | 29,140 |
| Swimming Pool Revenue | 31,500 | 20,025 | - |
| D.A.R.E. | - | 360 | 300 |
| Lifeguard Ambulance Reimbursement | 99,025 | 62,859 | 6,684 |
| Miscellaneous Revenues | 56,100 | 104,139 | 119,197 |
| Total Revenues | 9,217,438 | 9,724,131 | 8,894,490 |

(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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|--|---------------------------------|-----------|-----------|
| | Original and Final Budget | Actual | Actual |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| General Corporate | | | |
| Salaries | \$ 32,200 | \$ 32,400 | \$ 32,149 |
| Salaries - Overtime | - | - | 1,360 |
| Salaries - Part-Time Pay | - | - | 17,881 |
| Employee Insurance | 450 | 480 | 623 |
| Employer Pension Contribution - Early Retirement | 25,373 | 25,373 | 25,373 |
| Association Dues and Memberships | 15,300 | 14,787 | 15,597 |
| Animal Control | 68,500 | 66,150 | 67,298 |
| Liability Insurance | 444,210 | 444,210 | 459,414 |
| Police/Fire Commission | 15,000 | 23,178 | 23,864 |
| Union Negotiations | 5,000 | - | 25 |
| Office Supplies | 500 | 688 | 352 |
| Office Equipment | 300 | - | 86 |
| Advertising | 350 | 28 | 222 |
| Telephone | 5,500 | 4,852 | 5,206 |
| Televising Services | 12,000 | 12,620 | 12,000 |
| Utilities | 40,000 | 25,053 | 31,212 |
| Civil Defense | 11,100 | 8,516 | 10,190 |
| Computer Support/Maintenance | - | - | 130 |
| Professional Fees | 8,000 | 8,649 | 7,815 |
| Community Sponsorships | 10,100 | 8,148 | 6,581 |
| Pierce St. Storage Building | 4,000 | 7,007 | 61,516 |
| Equipment Lease Payments | 10,000 | 9,343 | 9,146 |
| Railroad Crossing Expenditures | 36,160 | 44,464 | 2,900 |
| Swimming Pool Repair/Maintenance | 8,000 | 24,081 | 46,279 |
| Spring Lake Campground Improvement | - | 7,413 | 39,157 |
| Spring Lake Management Contract | 70,000 | 70,000 | 76,667 |
| Spring Lake Utilities | 40,500 | 38,226 | 33,062 |
| Utilities Camp Chigami | 1,300 | 1,558 | 218 |
| Museum Maintenance | 1,000 | 993 | 3,635 |
| Building Lease/Rent Payments | 775 | 774 | 824 |
| General Operating Expenditures | 11,500 | 17,713 | 11,271 |
| Building, Grounds and Equipment Maintenance | 25,000 | 43,628 | 19,784 |
| Township Tax Reimbursements | 14,500 | 12,868 | 12,641 |
| Total General Corporate | 916,618 | 953,200 | 1,034,478 |
| Administrator's Office | | | |
| Salaries | 137,030 | 137,389 | 133,278 |
| Salaries - Overtime | 100 | - | - |
| Employee Insurance | 5,505 | 5,499 | 507 |

(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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | |
|--------------------------------------|---------------------------------|----------|----------------|
| | Original and Final Budget | Actual | 2018 Actual |
| Deferred Compensation | \$ 1,110 | \$ 1,112 | \$ 397 |
| Travel/Training/Continuing Education | 1,600 | 1,160 | 1,637 |
| Association Dues and Memberships | 500 | 95 | 105 |
| Office Supplies | 600 | 598 | 432 |
| Office Equipment | - | 33 | 92 |
| Advertising | 40 | 178 | 96 |
| Publications/Printing | 100 | 158 | 90 |
| Postage | 100 | 19 | 2 |
| Telephone | 1,500 | 1,218 | 1,244 |
| Computer Support/Maintenance | 200 | - | - |
| General Operating Expenditures | 500 | 565 | 333 |
| Health Insurance | 35,230 | 30,866 | 34,535 |
| Total Administrator's Office | 184,115 | 178,890 | 172,748 |
| City Council | | | |
| Salaries | 23,800 | 16,512 | 19,355 |
| Employee Insurance | 570 | 544 | 512 |
| Travel/Training/Continuing Education | 10,000 | 5,496 | 1,680 |
| Telephone | 1,680 | 1,680 | 1,680 |
| General Operating Expenditures | 300 | 266 | 250 |
| Total City Council | 36,350 | 24,498 | 23,477 |
| Business Office | | | |
| Salaries | 301,900 | 302,365 | 284,339 |
| Salaries - Overtime | 100 | - | - |
| Part Time Salaries | 7,000 | 414 | 6,296 |
| Employee Insurance | 2,180 | 2,071 | 2,122 |
| Deferred Compensation | 2,035 | 2,033 | 1,944 |
| Travel/Training/Continuing Education | 10,000 | 89 | 20 |
| Association Dues and Memberships | 275 | 250 | 240 |
| Office Supplies | 7,500 | 6,084 | 5,087 |
| Office Equipment | 300 | 977 | 623 |
| Advertising | 500 | 468 | 567 |
| Publications/Printing | 6,000 | 2,608 | 6,024 |
| Postage | 28,000 | 28,391 | 24,807 |
| Telephone | 3,000 | 2,216 | 2,264 |
| Computer Support/Maintenance | 32,750 | 39,538 | 26,981 |
| Professional Fees | 46,000 | 45,468 | 43,447 |
| General Operating Expenditures | 200 | 100 | 106 |
| Health Insurance | 105,130 | 103,828 | 103,056 |
| Total Business Office | 552,870 | 536,900 | 507,923 |

(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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|-----------|-----------|
| | Original and Final Budget | Actual | Actual |
| Cemetery | | | |
| Salaries | \$ 65,200 | \$ 65,431 | \$ 63,561 |
| Salaries - Overtime | 4,500 | 10,238 | 6,740 |
| Salaries - Part-Time Pay | 74,025 | 70,028 | 66,448 |
| Employee Insurance | 1,590 | 1,449 | 1,193 |
| Deferred Compensation | 575 | 575 | 558 |
| Safety Equipment and Uniforms | 1,250 | 1,137 | 1,550 |
| Travel/Training/Continuing Education | 500 | - | 20 |
| Drug and Alcohol Tests | 75 | 68 | 67 |
| Association Dues and Memberships | 300 | 40 | 40 |
| Office Supplies | 50 | 316 | 50 |
| Office Equipment | 200 | 13 | - |
| Advertising | 200 | 223 | 152 |
| Publications/Printing | 400 | - | 503 |
| Telephone | 2,475 | 2,053 | 2,037 |
| Utilities | 3,500 | 3,074 | 3,206 |
| Computer Support/Maintenance | 200 | - | 50 |
| Professional Fees | 150 | 333 | - |
| Stone Refurbishment | 2,000 | - | 115 |
| Maintenance of Licensed Vehicles | 4,000 | 6,293 | 1,815 |
| Gasoline and Fuel | 8,440 | 8,125 | 6,981 |
| Maintenance Moveable Equipment | 4,500 | 3,727 | 7,344 |
| Small Hand Tools | 4,000 | 3,451 | 997 |
| General Operating Expenditures | 2,500 | 1,805 | 782 |
| Building, Grounds and Equipment Maintenance | 6,000 | 6,139 | 4,832 |
| Health Insurance | 23,490 | 23,196 | 23,023 |
| Total Cemetery | 210,120 | 207,714 | 192,064 |
| Clerk's Office | | | |
| Salaries | 82,900 | 83,234 | 79,715 |
| Salaries - Overtime | 1,100 | 837 | 910 |
| Employee Insurance | 455 | 465 | 450 |
| Deferred Compensation | 405 | 406 | 397 |
| Travel/Training/Continuing Education | 2,500 | 1,507 | 1,794 |
| Association Dues and Memberships | 500 | 455 | 420 |
| Office Supplies | 1,600 | 1,337 | 1,923 |
| Office Equipment | 1,600 | 845 | 153 |
| Advertising | 250 | 561 | - |
| Publications/Printing | 8,000 | 8,198 | 3,200 |
| Postage | 600 | 621 | 383 |
| Telephone | 3,100 | 2,107 | 2,270 |
| Computer Support/Maintenance | 1,000 | - | - |
| Professional Fees | 10,500 | 9,879 | 9,227 |

(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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|--------------------------------------|---------------------------------|-----------|-----------|
| | Original and Final Budget | Actual | Actual |
| Health Insurance | \$ 46,975 | \$ 46,391 | \$ 46,046 |
| Total Clerk's Office | 161,485 | 156,843 | 146,888 |
| City Attorney | | | |
| Salaries | 139,600 | 140,118 | 133,723 |
| Salaries - Overtime | 100 | - | - |
| Salaries Part Time | 8,815 | 6,000 | 8,297 |
| Employee Insurance | 830 | 799 | 790 |
| Travel | 2,400 | 2,348 | 2,311 |
| Association Dues/Memberships | 1,275 | 1,257 | 1,382 |
| Office Supplies | 700 | 714 | 560 |
| Office Equipment | - | 24 | 27 |
| Publications/Printing | 700 | 155 | 591 |
| Postage | 600 | 716 | 370 |
| Telephone | 1,350 | 1,126 | 1,197 |
| Computer Support/Maintenance | 1,000 | 875 | 847 |
| Professional Fees | 100 | 110 | 67 |
| Outside Legal Assistance | - | 360 | - |
| General Operating Expenditures | - | 64 | 21 |
| Health Insurance | 35,050 | 34,609 | 34,352 |
| Total City Attorney | 192,520 | 189,275 | 184,535 |
| Mayor's Office | | | |
| Salaries | 67,775 | 68,023 | 65,973 |
| Salaries - Overtime | 100 | - | - |
| Employee Insurance | 285 | 285 | 286 |
| Travel/Training/Continuing Education | 8,500 | 6,990 | 9,237 |
| Association Dues and Memberships | 300 | 1,025 | 205 |
| Office Supplies | 500 | 598 | 402 |
| Office Equipment | 300 | 33 | 32 |
| Advertising | 300 | 345 | 154 |
| Publications/Printing | 900 | 935 | 803 |
| Postage | 350 | 578 | 366 |
| Telephone | 1,100 | 868 | 912 |
| Computer Support/Maintenance | 200 | - | - |
| Professional Fees | 100 | 87 | 6 |
| General Operating Expenditures | 3,000 | 2,939 | 2,325 |
| Health Insurance | 11,750 | 11,598 | 11,512 |
| Total Mayor's Office | 95,460 | 94,304 | 92,213 |

(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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|-----------|-----------|
| | Original and Final Budget | Actual | Actual |
| Treasurer's Office | | | |
| Salaries | \$ 7,500 | \$ 7,529 | \$ 7,529 |
| Employee Insurance | 60 | 58 | 58 |
| Deferred Compensation | 75 | 75 | 75 |
| Travel/Training/Continuing Education | 1,800 | 1,633 | 1,605 |
| Office Supplies | 300 | 198 | 224 |
| Office Equipment | 50 | - | - |
| Telephone | 240 | 240 | 240 |
| Total Treasurer's Office | 10,025 | 9,733 | 9,731 |
| Total General Government | 2,359,563 | 2,351,357 | 2,364,057 |
| Public Safety | | | |
| Fire Department | | | |
| Salaries | 1,299,450 | 1,282,837 | 1,283,860 |
| Salaries - Overtime | 138,000 | 100,868 | 94,374 |
| Salaries - Part-Time Pay | 24,025 | 24,185 | 7,092 |
| Employee Insurance | 7,340 | 7,039 | 6,520 |
| Deferred Compensation | 12,610 | 10,979 | 11,041 |
| Travel/Training/Continuing Education | 16,000 | 11,173 | 17,793 |
| Fire Prevention Education | 2,500 | 1,894 | 2,035 |
| Association Dues and Memberships | 1,300 | 1,019 | 1,197 |
| Office Supplies | 600 | 146 | 360 |
| Office Equipment | 1,000 | 123 | 218 |
| Publications/Printing | 800 | 184 | 449 |
| Postage | 150 | 184 | 38 |
| Telephone | 6,000 | 5,065 | 5,066 |
| Utilities | 17,000 | 17,391 | 15,265 |
| Computer Support/Maintenance | 250 | 106 | 106 |
| Professional Fees | 2,000 | 2,293 | - |
| Equipment Lease Payments | 2,000 | 2,052 | 1,931 |
| Maintenance of Licensed Vehicles | 25,000 | 11,457 | 12,999 |
| Maintenance of Radios/Vehicle Equipment | 2,500 | 260 | 1,239 |
| Gasoline and Fuel | 9,000 | 6,511 | 9,055 |
| Maintenance Moveable Equipment | 8,000 | 7,530 | 4,456 |
| Hand Tools - Small Equipment | 600 | 202 | 277 |
| General Operating Expenditures | 3,000 | 768 | 949 |
| Region 9 Tech Rescue Team | 1,000 | 1,000 | 1,000 |
| Hazardous Material Response | 4,000 | 3,385 | 1,130 |
| Turnout Gear | 12,000 | 5,565 | 18,327 |
| Building, Grounds and Equipment Maintenance | 8,000 | 7,507 | 3,043 |
| Building and Grounds - Training Site | 1,000 | 15 | 0 |

(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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|------------------|------------------|
| | Original and Final Budget | Actual | Actual |
| Building and Grounds Station #2 | \$ 3,000 | \$ 2,876 | \$ 986 |
| Health Insurance | 410,070 | 402,979 | 390,149 |
| Fire Pension Contribution | 763,525 | 988,463 | 722,623 |
| Total Fire Department | <u>2,781,720</u> | <u>2,906,056</u> | <u>2,613,578</u> |
| Police Department | | | |
| Salaries | 1,703,500 | 1,611,428 | 1,720,365 |
| Salaries - Overtime | 250,000 | 270,204 | 238,448 |
| Police Part-Time Wages | 10,000 | 3,598 | 4,575 |
| Employee Insurance | 9,150 | 9,079 | 10,121 |
| Deferred Compensation | 12,250 | 10,988 | 11,696 |
| Safety Equipment and Uniforms | 53,000 | 42,318 | 51,091 |
| Travel/Training/Continuing Education | 45,000 | 32,982 | 46,991 |
| Association Dues and Memberships | 1,200 | 1,145 | 490 |
| Office Supplies | 3,000 | 2,130 | 2,657 |
| Office Equipment | 1,500 | 1,299 | 2,043 |
| Advertising | 200 | - | 83 |
| Publications/Printing | 8,000 | 4,832 | 5,032 |
| Postage | 1,200 | 1,138 | 1,014 |
| Telephone | 15,000 | 13,957 | 15,022 |
| Utilities | 14,100 | 11,813 | 10,461 |
| Computer Support/Maintenance | 6,500 | 1,023 | 5,934 |
| Mobile Data Computer Expenditures | 7,500 | 6,906 | 7,027 |
| Professional Fees | 3,000 | 3,234 | 4,631 |
| Equipment Lease Payments | 5,500 | 4,690 | 5,642 |
| 911 Communications Center | 298,860 | 295,213 | 295,833 |
| Maintenance of Licensed Vehicles | 35,000 | 26,025 | 27,891 |
| Maintenance of Radios/Vehicle Equipment | 11,000 | 11,443 | 7,534 |
| Gasoline and Fuel | 31,650 | 31,834 | 30,562 |
| D.A.R.E Expenditures | 1,300 | 901 | 687 |
| General Operating Expenditures | 3,600 | 2,166 | 1,844 |
| K-9 Unit | 1,000 | 28 | 3,178 |
| Firing Range | 9,500 | 6,464 | 8,900 |
| Building, Grounds and Equipment Maintenance | 8,500 | 11,928 | 11,273 |
| Building and Grounds - Impound Lot | 25,000 | 14,955 | 22,097 |
| Health Insurance | 431,325 | 424,487 | 444,772 |
| Police Pension Contribution | 661,856 | 886,878 | 834,881 |
| Total Police Department | <u>3,668,191</u> | <u>3,745,086</u> | <u>3,832,775</u> |
| Total Public Safety | <u>6,449,911</u> | <u>6,651,142</u> | <u>6,446,353</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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|--------------------------------------|---------------------------------|----------------|----------------|
| | Original and Final Budget | Actual | Actual |
| Community Development | | | |
| General Corporate | | | |
| MAEDCO Payments | \$ 47,500 | \$ 45,938 | \$ 47,500 |
| MAEDCO Payments - Pella | 48,740 | 48,737 | 48,737 |
| Depot Expenditures | 15,000 | 14,996 | 16,471 |
| IDOT Depot Upgrade Expenditures | - | 5,481 | 302,429 |
| Total General Corporate | <u>111,240</u> | <u>115,152</u> | <u>415,137</u> |
| Building and Zoning Office | | | |
| Salaries | 169,000 | 153,688 | 188,314 |
| Salaries - Overtime | 1,000 | 183 | - |
| Salaries - Part-Time Pay | 89,230 | 89,054 | 58,358 |
| Employee Insurance | 2,135 | 2,093 | 1,812 |
| Deferred Compensation | 755 | 616 | 975 |
| Safety Equipment and Uniforms | 250 | 186 | 170 |
| Travel/Training/Continuing Education | 4,500 | 3,162 | 1,845 |
| Association Dues and Memberships | 700 | 210 | 210 |
| Employment Contracts | 5,000 | 6,886 | 8,772 |
| Engineering | 2,000 | - | - |
| Office Supplies | 2,200 | 2,482 | 2,313 |
| Office Equipment | 500 | 879 | 109 |
| Advertising | 2,200 | 1,480 | 1,766 |
| Publications/Printing | 1,500 | 2,748 | 1,091 |
| Postage | 1,800 | 2,410 | 1,569 |
| Telephone | 5,400 | 4,323 | 4,926 |
| Computer Support/Maintenance | 1,000 | 400 | 299 |
| GIS Center Payment | 33,000 | 16,450 | 32,625 |
| Professional Fees | 3,695 | 2,813 | 3,282 |
| Mowing Contracts | 12,000 | 6,240 | 8,850 |
| Plumbing Inspections Contracted | 20,000 | 12,900 | 17,400 |
| Maintenance of Licensed Vehicles | 3,000 | 2,630 | 1,545 |
| Gasoline and Fuel | 2,560 | 2,583 | 2,369 |
| General Operating Expenditures | 200 | 38 | 328 |
| Emergency Relief Fund | 500 | - | 193 |
| Health Insurance | 67,635 | 63,788 | 77,545 |
| Total Building and Zoning Office | <u>431,760</u> | <u>378,242</u> | <u>416,666</u> |
| Total Community Development | <u>543,000</u> | <u>493,394</u> | <u>831,803</u> |
| Capital Outlay | | | |
| Cemetery - Equipment | <u>25,000</u> | <u>25,000</u> | <u>20,500</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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | <u>2018</u> |
|--|--|---------------|---------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Actual</u> |
| Total Expenditures | \$ 9,377,474 | \$ 9,520,893 | \$ 9,662,713 |
| Excess (Deficiency) of Revenues Over Expenditures | (160,036) | 203,238 | (768,223) |
| Other Financing Sources (Uses) | | | |
| Inter-account Transfers (Out) | (936,883) | (219,439) | (106,240) |
| Transfers In | 885,297 | 789,526 | 789,566 |
| Transfers Out | - | (374,999) | (250,000) |
| Total Other Financing Sources (Uses) | (51,586) | 195,088 | 433,326 |
| Net Change in Fund Balance | (\$ 211,622) | 398,326 | (334,897) |
| Fund Balance - Beginning of Year | | 4,836,577 | 5,171,481 |
| Fund Balance - End of Year | | \$ 5,234,903 | \$ 4,836,584 |

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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|--------------------------------|---------------------------------|--------------|--------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Sales Taxes | \$ 1,620,000 | \$ 1,635,202 | \$ 1,653,962 |
| Investment Income | 250 | 1,353 | 2,459 |
| Miscellaneous | - | - | 41,719 |
| Total Revenues | 1,620,250 | 1,636,555 | 1,698,140 |
| Expenditures | | | |
| Current: | | | |
| Highways and Streets | | | |
| Professional Fees | 5,150 | 9,255 | 5,150 |
| Street Micro-Surfacing | 50,000 | 10,411 | 6,000 |
| Infrastructure Street Projects | 420,000 | 426,999 | 1,832,890 |
| Street Striping | 15,000 | 14,101 | 7,991 |
| Sidewalks | 15,000 | - | 525 |
| Crack Sealing | 10,000 | 9,621 | 9,750 |
| Adams St. Project | - | - | 1,311 |
| Concrete | 35,000 | 51,649 | 28,332 |
| Asphalt | 15,000 | 9,084 | 5,183 |
| Emulsion Oil | 48,000 | 9,467 | 23,663 |
| Sand / Rock | 38,000 | 11,854 | 14,102 |
| Pipe/Culvert/Grates/Inlet | 24,000 | 21,525 | 30,668 |
| Pedestrian Safety Improvement | 50,000 | 36,688 | - |
| Total Highways and Streets | 725,150 | 610,654 | 1,965,565 |
| Debt Service | | | |
| Principal | 475,000 | 475,000 | 465,000 |
| Interest and Fees | 124,438 | 124,437 | 133,738 |
| Total Expenditures | 1,324,588 | 1,210,091 | 2,564,303 |

(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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | <u>2018</u> |
|--|--|-------------------|-------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Actual</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 295,662 | \$ 426,464 | (\$ 866,163) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | - | 600,000 |
| Transfers Out | (125,000) | (375,000) | (1,510,000) |
| Total Other Financing Sources (Uses) | (125,000) | (375,000) | (910,000) |
| Net Change in Fund Balance | <u>\$ 170,662</u> | 51,464 | (1,776,163) |
| Fund Balance - Beginning of Year | | <u>694,600</u> | <u>2,470,763</u> |
| Fund Balance - End of Year | | <u>\$ 746,064</u> | <u>\$ 694,600</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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|---|--|------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Building and Grounds | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>(\$ 5,000)</u> | <u>(5,000)</u> | <u>-</u> |
| Fund Balance - Beginning of Year | | <u>34,038</u> | <u>34,038</u> |
| Fund Balance - End of Year | | <u>\$ 29,038</u> | <u>\$ 34,038</u> |

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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|------------|------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Other Taxes | \$ 262,000 | \$ 262,165 | \$ 276,565 |
| Intergovernmental Revenues | 4,240 | 2,091 | 6,106 |
| Charges for Services | 335,815 | 330,165 | 317,840 |
| Miscellaneous | 2,000 | 3,533 | 5,068 |
| Total Revenues | 604,055 | 597,954 | 605,579 |
| Expenditures | | | |
| Current: | | | |
| Highways and Streets | | | |
| Salaries | 851,200 | 843,076 | 824,834 |
| Salaries - Overtime | 34,000 | 45,744 | 34,854 |
| Salaries - Part-Time Pay | 20,000 | 19,052 | 15,182 |
| Employee Insurance | 5,800 | 5,835 | 5,955 |
| Deferred Compensation | 5,100 | 4,770 | 4,487 |
| Safety Equipment and Uniforms | 12,000 | 10,729 | 10,009 |
| Travel/Training/Continuing Education | 7,000 | 7,510 | 9,117 |
| Drug and Alcohol Tests | 1,140 | 1,035 | 942 |
| Association Dues and Memberships | 1,000 | 699 | 1,126 |
| Engineering | 1,000 | 748 | - |
| Office Supplies | 1,000 | 625 | 1,226 |
| Office Equipment | 500 | 501 | 1,038 |
| Advertising | 250 | 537 | 155 |
| Publications/Printing | 800 | 305 | 395 |
| Postage | 300 | 139 | 96 |
| Telephone | 6,200 | 6,237 | 5,819 |
| Utilities | 12,720 | 11,124 | 10,884 |
| Computer Support/Maintenance | 700 | 191 | 544 |
| Professional Fees | 800 | 2,386 | 3,611 |
| Street Lighting | - | - | 85,366 |
| Weed/Mosquito Spraying | 2,000 | 1,781 | 4,353 |
| Equipment Lease Payments | 2,400 | 2,622 | 2,416 |
| Street Lighting Upgrades | 2,000 | 10,670 | - |
| Salt - Western Illinois University | - | 3,290 | - |
| Maintenance of Licensed Vehicles | 40,000 | 42,197 | 35,485 |
| Maintenance of Radios/Vehicle Equipment | 1,500 | 325 | 402 |

(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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|---|--|----------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Gasoline and Fuel - Bulk | \$ 347,360 | \$ 345,327 | \$ 304,201 |
| Gasoline and Fuel - Other | 44,310 | 30,599 | 50,747 |
| Maintenance Moveable Equipment | 30,000 | 18,275 | 21,580 |
| Hand Tools-Small Equip | 7,000 | 7,482 | 8,196 |
| General Operating Expenditures | 15,000 | 12,699 | 10,287 |
| General Operating Expenditures Underground | 80,000 | 102,000 | 103,735 |
| Traffic Control Signage | 5,000 | 2,762 | 4,774 |
| Tree Planting/Care/Maintenance | 6,000 | 11,999 | 10,084 |
| Trees Forever Grant | - | 15,002 | - |
| Snow Removal Contract | 10,000 | 32,500 | 8,750 |
| Building, Grounds and Equipment Maintenance | 8,000 | 11,271 | 8,080 |
| Health Insurance | 280,340 | 280,833 | 289,337 |
| Total Expenditures | <u>1,842,420</u> | <u>1,892,877</u> | <u>1,878,067</u> |
| (Deficiency) of Revenues Over Expenditures | (<u>1,238,365</u>) | (<u>1,294,923</u>) | (<u>1,272,488</u>) |
| Other Financing Sources | | | |
| Inter-account Transfers In | 67,779 | 104,661 | 31,932 |
| Transfers In | <u>1,170,586</u> | <u>1,198,086</u> | <u>1,252,406</u> |
| Total Other Financing Sources | <u>1,238,365</u> | <u>1,302,747</u> | <u>1,284,338</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>7,824</u> | <u>11,850</u> |
| Fund Balance - Beginning of Year | | <u>159,990</u> | <u>148,140</u> |
| Fund Balance - End of Year | | <u>\$ 167,814</u> | <u>\$ 159,990</u> |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|----------------------------------|--|------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Charges for Services | \$ 5,500 | \$ 4,890 | \$ 5,000 |
| Total Revenues | <u>5,500</u> | <u>4,890</u> | <u>5,000</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| General Operating Expenditures | <u>15,000</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>15,000</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | <u>(\$ 9,500)</u> | 4,890 | 5,000 |
| Fund Balance - Beginning of Year | | <u>49,482</u> | <u>44,482</u> |
| Fund Balance - End of Year | | <u>\$ 54,372</u> | <u>\$ 49,482</u> |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | |
|--|--|-------------------|------------------------|
| | Original and Final Budget | Actual | 2018 Actual |
| Revenues | | | |
| Property Taxes | \$ 59,000 | \$ 61,131 | \$ 58,386 |
| Other Taxes | 11,000 | 10,674 | 11,985 |
| Investment Income | 20 | 281 | 151 |
| Licenses and Permits | 17,000 | 16,507 | 16,992 |
| Miscellaneous | - | 95,000 | - |
| Total Revenues | <u>87,020</u> | <u>183,593</u> | <u>87,514</u> |
| Expenditures | | | |
| Current: | | | |
| Public Safety | | | |
| Safety Equipment | 15,600 | 15,191 | 16,503 |
| General Operating Expenditures | - | 30 | - |
| Capital Outlay | | | |
| Capital Outlay | 21,505 | 550,062 | - |
| Debt Service: | | | |
| Principal | - | 20,946 | 63,574 |
| Interest and Fees | 250 | 155 | 1,692 |
| Total Expenditures | <u>37,355</u> | <u>586,384</u> | <u>81,769</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>49,665</u> | <u>(402,791)</u> | <u>5,745</u> |
| Other Financing Sources | | | |
| Loan Proceeds | - | 550,000 | - |
| Total Other Financing Sources | <u>-</u> | <u>550,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 49,665</u> | <u>147,209</u> | <u>5,745</u> |
| Fund Balance - Beginning of Year | | <u>29,206</u> | <u>23,461</u> |
| Fund Balance - End of Year | | <u>\$ 176,415</u> | <u>\$ 29,206</u> |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | |
|--|--|-------------------|------------------------|
| | Original and Final Budget | Actual | 2018 Actual |
| Revenues | | | |
| Property Taxes | \$ 59,000 | \$ 61,131 | \$ 58,391 |
| Other Taxes | 11,500 | 10,674 | 11,985 |
| Investment Income | 5 | 495 | 398 |
| Total Revenues | <u>70,505</u> | <u>72,300</u> | <u>70,774</u> |
| Expenditures | | | |
| Current: | | | |
| Public Safety | | | |
| Maintenance of Radios/Vehicle Equipment | 15,500 | - | - |
| Mobile Laptop Computers | 4,400 | - | - |
| Capital Outlay | <u>57,000</u> | <u>51,023</u> | <u>1,879</u> |
| Total Expenditures | <u>76,900</u> | <u>51,023</u> | <u>1,879</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (<u>6,395</u>) | <u>21,277</u> | <u>68,895</u> |
| Other Financing Sources | | | |
| Proceeds from the Sale of Capital Assets | <u>7,000</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources | <u>7,000</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 605</u> | <u>21,277</u> | <u>68,895</u> |
| Fund Balance - Beginning of Year | | <u>144,159</u> | <u>75,264</u> |
| Fund Balance - End of Year | | <u>\$ 165,436</u> | <u>\$ 144,159</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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|------------|------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Salaries | 29,225 | 109,301 | 53,475 |
| Total Expenditures | 29,225 | 109,301 | 53,475 |
| (Deficiency) of Revenues Over Expenditures | (29,225) | (109,301) | (53,475) |
| Other Financing Sources | | | |
| Inter-account Transfers In | 29,225 | 94,814 | 54,328 |
| Total Other Financing Sources | 29,225 | 94,814 | 54,328 |
| Net Change in Fund Balance | \$ - | (14,487) | 853 |
| Fund Balance - Beginning of Year | | 200,000 | 199,147 |
| Fund Balance - End of Year | | \$ 185,513 | \$ 200,000 |

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, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|-----------|-----------|
| | Original and Final Budget | Actual | Actual |
| Revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Facade Program | 60,000 | 33,155 | 50,878 |
| Total Expenditures | 60,000 | 33,155 | 50,878 |
| (Deficiency) of Revenues Over Expenditures | (60,000) | (33,155) | (50,878) |
| Other Financing Sources | | | |
| Inter-account Transfers In | 50,000 | - | - |
| Transfers In | - | 50,000 | 50,000 |
| Total Other Financing Sources | 50,000 | 50,000 | 50,000 |
| Net Change in Fund Balance | (\$ 10,000) | 16,845 | (878) |
| Fund Balance - Beginning of Year | | 33,947 | 34,825 |
| Fund Balance - End of Year | | \$ 50,792 | \$ 33,947 |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|---------------------------------|-----------|-----------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Licenses and Permits | \$ 6,500 | \$ 3,060 | \$ 2,975 |
| Miscellaneous | - | 1,020 | 85 |
| Total Revenues | 6,500 | 4,080 | 3,060 |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Salaries | 41,065 | 41,214 | 38,888 |
| Life/Unemployment Insurance | 340 | 340 | 318 |
| Travel/Training/Continuing Education | 1,500 | 1,599 | 522 |
| Association Dues and Memberships | 750 | 450 | 35 |
| Office Supplies | 1,000 | 734 | 689 |
| Advertising/Marketing | 1,000 | 1,127 | 498 |
| Printing/Publications | 300 | - | 282 |
| Postage | 200 | 37 | 412 |
| Telephone | 600 | 613 | 590 |
| Farmers Market Expenditures | 1,000 | 90 | 934 |
| Bus Competition Expense | 6,000 | 104 | - |
| Brown Bag | 2,500 | 1,835 | 2,868 |
| Dickens/Polar Express | 5,500 | 4,386 | 5,177 |
| Moon Over Macomb | 1,500 | 1,856 | 1,384 |
| Park & Cruise | 2,600 | 2,879 | 3,171 |
| Fashion Week | 300 | 101 | - |
| General Operating Expenditures | 800 | 633 | 220 |
| Health Insurance | 23,490 | 23,196 | 23,023 |
| Total Expenditures | 90,445 | 81,194 | 79,011 |
| (Deficiency) of Revenues Over Expenditures | (83,945) | (77,114) | (75,951) |
| Other Financing Sources | | | |
| Inter-account Transfers In | 75,000 | - | 32,000 |
| Transfers In | - | 75,000 | 50,000 |
| Total Other Financing Sources | 75,000 | 75,000 | 82,000 |
| Net Change in Fund Balance | (\$ 8,945) | (2,114) | 6,049 |
| Fund Balance - Beginning of Year | | 12,665 | 6,616 |
| Fund Balance - End of Year | | \$ 10,551 | \$ 12,665 |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|--|------------------|------------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Other Taxes | \$ 205,000 | \$ 240,476 | \$ 224,091 |
| Investment Income | 20 | 67 | 89 |
| Total Revenues | <u>205,020</u> | <u>240,543</u> | <u>224,180</u> |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Community Sponsorships | 3,000 | 2,450 | 5,500 |
| Hotel/Motel Tax Distribution | 168,300 | 196,116 | 175,960 |
| Culture and Recreation | | | |
| 4th of July Celebration | 2,000 | 1,350 | 1,590 |
| Fireworks | <u>15,000</u> | <u>15,000</u> | <u>14,000</u> |
| Total Expenditures | <u>188,300</u> | <u>214,916</u> | <u>197,050</u> |
| Excess of Revenues Over Expenditures | <u>16,720</u> | <u>25,627</u> | <u>27,130</u> |
| Other Financing (Uses) | | | |
| Inter-account Transfers (Out) | (23,000) | - | (32,000) |
| Transfers Out | <u>-</u> | <u>(23,000)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(23,000)</u> | <u>(23,000)</u> | <u>(32,000)</u> |
| Net Change in Fund Balance | <u>(\$ 6,280)</u> | <u>2,627</u> | <u>(4,870)</u> |
| Fund Balance - Beginning of Year | | <u>19,239</u> | <u>24,109</u> |
| Fund Balance - End of Year | | <u>\$ 21,866</u> | <u>\$ 19,239</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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|---|--|-------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Salaries | 36,000 | 33,675 | 36,020 |
| Telephone-Shoretell Support | 6,200 | 5,859 | 5,860 |
| Computer Support/Maintenance | 5,000 | 7,974 | 4,094 |
| Computer Hardware | 20,420 | 18,295 | 13,214 |
| General Operating Expenditures | 100 | - | - |
| Capital Outlay | - | 9,400 | - |
| Total Expenditures | <u>67,720</u> | <u>75,203</u> | <u>59,188</u> |
| (Deficiency) of Revenues Over Expenditures | (<u>67,720</u>) | (<u>75,203</u>) | (<u>59,188</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>\$ 27,720</u>) | (35,203) | (19,188) |
| Fund Balance - Beginning of Year | | <u>44,832</u> | <u>64,020</u> |
| Fund Balance - End of Year | | <u>\$ 9,629</u> | <u>\$ 44,832</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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|--|---------------------------------|------------|------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Intergovernmental Revenues | \$ - | \$ 380,328 | \$ - |
| Miscellaneous | 2,000 | 491 | 1,325 |
| Total Revenues | 2,000 | 380,819 | 1,325 |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Engineering | - | - | 1,416 |
| Advertising | - | 1,392 | 327 |
| Professional Fees | 750 | 765 | 625 |
| Collaborative Community Project | - | - | 167 |
| General Operating Expenditures | 2,500 | 325 | 474 |
| Capital Outlay | | | |
| Blight Reduction Expenditures | 50,000 | 63,344 | 1,317 |
| Mowing | - | 280 | - |
| Abandoned Property Grant Expenditure | - | 250 | - |
| Land Acquisition/Demolition | - | 4,820 | 13,028 |
| Fix/Flatten Properties | - | 14,563 | 32 |
| Total Expenditures | 53,250 | 85,739 | 17,386 |
| Excess (Deficiency) of Revenues Over Expenditures | (51,250) | 295,080 | (16,061) |
| Other Financing Sources | | | |
| Transfers In | - | - | 30,000 |
| Proceeds from the Sale of Capital Assets | 298,000 | 13,000 | 12,000 |
| Total Other Financing Sources | 298,000 | 13,000 | 42,000 |
| Net Change in Fund Balance | \$ 246,750 | 308,080 | 25,939 |
| Fund Balance - Beginning of Year | | 104,070 | 78,131 |
| Fund Balance - End of Year | | \$ 412,150 | \$ 104,070 |

CITY OF MACOMB, ILLINOIS

Equipment Replacement Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|----------------------------------|---------------------------------|------------|------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Capital Outlay: | | | |
| Capital Equipment | 80,000 | 64,346 | - |
| Total Expenditures | 80,000 | 64,346 | - |
| Net Change in Fund Balance | (\$ 80,000) | (64,346) | - |
| Fund Balance - Beginning of Year | | 500,000 | 500,000 |
| Fund Balance - End of Year | | \$ 435,654 | \$ 500,000 |

CITY OF MACOMB, ILLINOIS

Gift Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|---|--|------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Investment Income | \$ 50 | \$ 67 | \$ 59 |
| Miscellaneous | 200 | 3,800 | 7,998 |
| | <u>250</u> | <u>3,867</u> | <u>8,057</u> |
| Total Revenues | | | |
| | <u>250</u> | <u>3,867</u> | <u>8,057</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| General Operating Expenditures | 210 | 210 | 206 |
| Tree Plantings - Donations | - | 422 | 4,238 |
| Spring Lake Tree Expenditures | - | - | 3,875 |
| | <u>210</u> | <u>632</u> | <u>8,319</u> |
| Total Expenditures | | | |
| | <u>210</u> | <u>632</u> | <u>8,319</u> |
| Net Change in Fund Balance | <u>\$ 40</u> | 3,235 (| 262) |
| Fund Balance - Beginning of Year | | <u>58,552</u> | <u>58,814</u> |
| Fund Balance - End of Year | | <u>\$ 61,787</u> | <u>\$ 58,552</u> |

CITY OF MACOMB, ILLINOIS

Cable TV Account
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2019
(With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|----------------------------------|--|------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Intergovernmental Revenues | \$ 15,588 | \$ 15,374 | \$ 237 |
| Total Revenues | <u>15,588</u> | <u>15,374</u> | <u>237</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Computer Software/Maintenance | - | - | 62 |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>62</u> |
| Net Change in Fund Balance | <u>\$ 15,588</u> | 15,374 | 175 |
| Fund Balance - Beginning of Year | | <u>2,558</u> | <u>2,383</u> |
| Fund Balance - End of Year | | <u>\$ 17,932</u> | <u>\$ 2,558</u> |

CITY OF MACOMB, ILLINOIS

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2019

| | 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 | \$ 37,448 | \$ 7,535 | \$ 101,525 | \$ 26,862 | \$ 117,744 | \$ 90,806 | \$ 37,951 |
| Receivables: | | | | | | | |
| Property Taxes | - | - | 212,767 | - | 85,188 | - | - |
| Loans | - | - | 23,474 | - | - | 26,099 | 85,684 |
| Due from Other Governments | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 37,448</u> | <u>\$ 7,535</u> | <u>\$ 337,766</u> | <u>\$ 26,862</u> | <u>\$ 202,932</u> | <u>\$ 116,905</u> | <u>\$ 123,635</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 429 | \$ - | \$ - |
| Accrued Liabilities | - | - | 154 | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>154</u> | <u>-</u> | <u>429</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | | | |
| Deferred Property Taxes | - | - | 212,767 | - | 85,188 | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>212,767</u> | <u>-</u> | <u>85,188</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | | |
| Nonspendable | - | - | 23,474 | - | - | 26,099 | 85,684 |
| Restricted | 37,448 | 7,535 | 101,371 | 26,862 | 117,315 | 90,806 | 37,951 |
| Assigned | - | - | - | - | - | - | - |
| Total Fund Balances | <u>37,448</u> | <u>7,535</u> | <u>124,845</u> | <u>26,862</u> | <u>117,315</u> | <u>116,905</u> | <u>123,635</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 37,448</u> | <u>\$ 7,535</u> | <u>\$ 337,766</u> | <u>\$ 26,862</u> | <u>\$ 202,932</u> | <u>\$ 116,905</u> | <u>\$ 123,635</u> |

| Rental Rehab Revolving Loans Fund | Motor Fuel Tax Fund | Sculpting Downtown Macomb Fund | Total Special Revenue Funds | Capital Projects Funds | | Total Capital Projects Funds | Total | |
|--|---------------------------|---|--------------------------------------|------------------------------------|-----------------------------|---------------------------------------|---------------------|---------------------|
| | | | | Downtown Revitalization Fund | Special Projects Fund | | 2019 | 2018 |
| | | | | | | | | |
| \$ - | \$ 486,628 | \$ 1,255 | \$ 907,754 | \$ 234,789 | \$ 27,362 | \$ 262,151 | \$ 1,169,905 | \$ 968,008 |
| - | - | - | 297,955 | - | - | - | 297,955 | 314,382 |
| - | - | - | 135,257 | - | - | - | 135,257 | 150,222 |
| - | 47,625 | - | 47,625 | - | - | - | 47,625 | 49,256 |
| - | 17,178 | - | 17,178 | - | - | - | 17,178 | 20,164 |
| <u>\$ -</u> | <u>\$ 551,431</u> | <u>\$ 1,255</u> | <u>\$ 1,405,769</u> | <u>\$ 234,789</u> | <u>\$ 27,362</u> | <u>\$ 262,151</u> | <u>\$ 1,667,920</u> | <u>\$ 1,502,032</u> |
| | | | | | | | | |
| \$ - | \$ 10,333 | \$ - | \$ 10,762 | \$ - | \$ - | \$ - | \$ 10,762 | \$ 2,779 |
| - | - | - | 154 | - | - | - | 154 | 266 |
| - | 10,333 | - | 10,916 | - | - | - | 10,916 | 3,045 |
| - | - | - | 297,955 | - | - | - | 297,955 | 314,382 |
| - | - | - | 297,955 | - | - | - | 297,955 | 314,382 |
| - | 17,178 | - | 152,435 | - | - | - | 152,435 | 170,386 |
| - | 523,920 | 1,255 | 944,463 | - | - | - | 944,463 | 980,836 |
| - | - | - | - | 234,789 | 27,362 | 262,151 | 262,151 | 33,383 |
| - | 541,098 | 1,255 | 1,096,898 | 234,789 | 27,362 | 262,151 | 1,359,049 | 1,184,605 |
| <u>\$ -</u> | <u>\$ 551,431</u> | <u>\$ 1,255</u> | <u>\$ 1,405,769</u> | <u>\$ 234,789</u> | <u>\$ 27,362</u> | <u>\$ 262,151</u> | <u>\$ 1,667,920</u> | <u>\$ 1,502,032</u> |

CITY OF MACOMB, ILLINOIS

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2019

| | 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 | \$ - | \$ - | \$ 189,284 | \$ - | \$ 94,701 | \$ - | \$ - |
| Other Taxes | - | - | 9,550 | - | 637 | - | - |
| Investment Income | - | - | 459 | 19 | 477 | 847 | 2,731 |
| Intergovernmental Revenues | - | - | - | 26,220 | - | - | - |
| Miscellaneous | 17,482 | 2,779 | 2,055 | - | - | - | - |
| Total Revenues | 17,482 | 2,779 | 201,348 | 26,239 | 95,815 | 847 | 2,731 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | - | - | - | - | - | - | - |
| Public Safety | 29,370 | - | - | 9,807 | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - |
| Community Development | - | - | 112,290 | - | 35,959 | 55 | 252 |
| Culture and Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | |
| Principal | - | - | - | - | 20,000 | - | - |
| Total Expenditures | 29,370 | - | 112,290 | 9,807 | 55,959 | 55 | 252 |
| Excess (Deficiency) of Revenues Over Expenditures | (11,888) | 2,779 | 89,058 | 16,432 | 39,856 | 792 | 2,479 |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers In | - | - | - | - | - | - | - |
| Transfers Out | - | - | (62,000) | - | (50,000) | - | - |
| Total Other Financing Sources (Uses) | - | - | (62,000) | - | (50,000) | - | - |
| Net Change in Fund Balances | (11,888) | 2,779 | 27,058 | 16,432 | (10,144) | 792 | 2,479 |
| Fund Balances - Beginning of Year | 49,336 | 4,756 | 97,787 | 10,430 | 127,459 | 116,113 | 121,156 |
| Fund Balances - End of Year | \$ 37,448 | \$ 7,535 | \$ 124,845 | \$ 26,862 | \$ 117,315 | \$ 116,905 | \$ 123,635 |

| Rental Rehab Revolving Loans Fund | 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 | 2019 | 2018 |
| | | | | | | | | |
| \$ - | \$ - | \$ - | \$ 283,985 | \$ - | \$ - | \$ - | \$ 283,985 | \$ 262,133 |
| - | - | - | 10,187 | - | - | - | 10,187 | 9,757 |
| - | 511 | - | 5,044 | - | - | - | 5,044 | 7,298 |
| 189,000 | 546,175 | - | 761,395 | - | - | - | 761,395 | 568,490 |
| - | 32,545 | 3,000 | 57,861 | - | - | - | 57,861 | 52,031 |
| 189,000 | 579,231 | 3,000 | 1,118,472 | - | - | - | 1,118,472 | 899,709 |
| 189,000 | - | - | 189,000 | - | 3,220 | 3,220 | 192,220 | 9,710 |
| - | - | - | 39,177 | - | - | - | 39,177 | 47,657 |
| - | 243,848 | - | 243,848 | - | - | - | 243,848 | 113,684 |
| - | - | - | 148,556 | 18,012 | - | 18,012 | 166,568 | 1,591,756 |
| - | - | 15,215 | 15,215 | - | - | - | 15,215 | 9,350 |
| - | - | - | - | - | - | - | - | 50,000 |
| - | - | - | 20,000 | - | - | - | 20,000 | 20,000 |
| 189,000 | 243,848 | 15,215 | 655,796 | 18,012 | 3,220 | 21,232 | 677,028 | 1,842,157 |
| - | 335,383 | (12,215) | 462,676 | (18,012) | (3,220) | (21,232) | 441,444 | (942,448) |
| - | - | - | - | 250,000 | - | 250,000 | 250,000 | 1,495,000 |
| - | (405,000) | - | (517,000) | - | - | - | (517,000) | (1,289,001) |
| - | (405,000) | - | (517,000) | 250,000 | - | 250,000 | (267,000) | 205,999 |
| - | (69,617) | (12,215) | (54,324) | 231,988 | (3,220) | 228,768 | 174,444 | (736,449) |
| - | 610,715 | 13,470 | 1,151,222 | 2,801 | 30,582 | 33,383 | 1,184,605 | 1,921,054 |
| \$ - | \$ 541,098 | \$ 1,255 | \$ 1,096,898 | \$ 234,789 | \$ 27,362 | \$ 262,151 | \$ 1,359,049 | \$ 1,184,605 |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | |
|---|--|-------------------|------------------------|
| | Original and Final Budget | Actual | 2018 Actual |
| Revenues | | | |
| Property Taxes | \$ 195,000 | \$ 189,284 | \$ 195,289 |
| Other Taxes | 9,200 | 9,550 | 9,220 |
| Investment Income | 25 | 459 | 592 |
| Miscellaneous | 1,500 | 2,055 | 1,727 |
| Total Revenues | 205,725 | 201,348 | 206,828 |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Salaries - other | - | - | 36 |
| Salaries | 12,410 | 12,471 | 11,496 |
| Employee Insurance | 215 | 219 | 154 |
| Travel/Training/Continuing Education | 1,900 | 515 | 168 |
| Professional Dues | 650 | 650 | 650 |
| Engineering | 1,000 | - | - |
| Advertising/Marketing | 500 | - | - |
| Downtown Beautification | 5,000 | 6,736 | 2,121 |
| Facade Program | 80,000 | 4,418 | - |
| Maintenance of Licensed Vehicle | - | - | 155 |
| General Operating Expenditures | 100 | 861 | 42 |
| Building, Grounds and Equipment Maintenance | 2,500 | 6,303 | 1,757 |
| Surplus Tax Payment | 89,000 | 80,117 | 79,281 |
| Total Expenditures | 193,275 | 112,290 | 95,860 |
| Excess of Revenues Over Expenditures | 12,450 | 89,058 | 110,968 |
| Other Financing (Uses) | | | |
| Transfers Out | (62,000) | (62,000) | (145,000) |
| Total Other Financing (Uses) | (62,000) | (62,000) | (145,000) |
| Net Change in Fund Balance | (\$ 49,550) | 27,058 | (34,032) |
| Fund Balance - Beginning of Year | | 97,787 | 131,819 |
| Fund Balance - End of Year | | \$ 124,845 | \$ 97,787 |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|--|---------------------------------|------------|------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Property Taxes | \$ 66,850 | \$ 94,701 | \$ 66,844 |
| Other Taxes | 500 | 637 | 537 |
| Investment Income | 15 | 477 | 316 |
| Total Revenues | 67,365 | 95,815 | 67,697 |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Utilities | 7,500 | 6,493 | 6,631 |
| Professional Fees | - | 55 | - |
| Chandler Park Playground | 1,500 | 6,003 | 290 |
| Chandler Park Electrical | 2,000 | 823 | 5,542 |
| General Operating | 500 | 12,586 | 350 |
| Building, Grounds and Equipment Maintenance | 5,000 | 4,651 | 1,856 |
| Surplus Tax Payments | 5,500 | 5,348 | 3,902 |
| Capital Outlay | | | |
| Lamoine Hotel Project | - | - | 50,000 |
| Mummert Property | 20,000 | - | - |
| Debt Service | | | |
| Principal on Loans | - | 20,000 | 20,000 |
| Total Expenditures | 42,000 | 55,959 | 88,571 |
| Excess (Deficiency) of Revenues Over Expenditures | 25,365 | 39,856 | (20,874) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | - | 35,000 |
| Transfers Out | (50,000) | (50,000) | - |
| Total Other Financing Sources (Uses) | (50,000) | (50,000) | 35,000 |
| Net Change in Fund Balance | (\$ 24,635) | (10,144) | 14,126 |
| Fund Balance - Beginning of Year | | 127,459 | 113,333 |
| Fund Balance - End of Year | | \$ 117,315 | \$ 127,459 |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | 2019 | | 2018 |
|---|--|---------------|---------------|
| | Original and Final Budget | Actual | Actual |
| Revenues | | | |
| Investment Income | \$ 335 | \$ 847 | \$ 596 |
| Total Revenues | 335 | 847 | 596 |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Professional Fees | - | 55 | - |
| Total Expenditures | - | 55 | - |
| Net Change in Fund Balance | \$ 335 | 792 | 596 |
| Fund Balance - Beginning of Year | | 116,113 | 115,517 |
| Fund Balance - End of Year | | \$ 116,905 | \$ 116,113 |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|--|--|-------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Investment Income | \$ 4,910 | \$ 2,731 | \$ 5,140 |
| Total Revenues | <u>4,910</u> | <u>2,731</u> | <u>5,140</u> |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Professional Fees | - | 55 | 171 |
| Loan Elimination | - | - | 28,850 |
| Loan Disbursements | <u>-</u> | <u>197</u> | <u>-</u> |
| Total Expenditures | <u>-</u> | <u>252</u> | <u>29,021</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>4,910</u> | <u>2,479</u> | <u>(23,881)</u> |
| Other Financing (Uses) | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>(30,000)</u> |
| Total Other Financing (Uses) | <u>-</u> | <u>-</u> | <u>(30,000)</u> |
| Net Change in Fund Balance | <u>\$ 4,910</u> | <u>2,479</u> | <u>(53,881)</u> |
| Fund Balance - Beginning of Year | | <u>121,156</u> | <u>175,037</u> |
| Fund Balance - End of Year | | <u>\$ 123,635</u> | <u>\$ 121,156</u> |

CITY OF MACOMB, ILLINOIS

Rental Rehab Revolving Loans Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|----------------------------------|--|----------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Intergovernmental Revenues | \$ 31,500 | \$ 189,000 | \$ - |
| Total Revenues | <u>31,500</u> | <u>189,000</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| CDBG Housing Grant Disbursements | - | 189,000 | - |
| Distribution | <u>31,500</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>31,500</u> | <u>189,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | - | - |
| Fund Balance - Beginning of Year | | - | - |
| Fund Balance - End of Year | | <u>\$ -</u> | <u>\$ -</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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|---|--|-------------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Investment Income | \$ 575 | \$ 511 | \$ 645 |
| Intergovernmental Revenues | 540,000 | 546,175 | 549,368 |
| Miscellaneous | 3,000 | 32,545 | 20,286 |
| Total Revenues | <u>543,575</u> | <u>579,231</u> | <u>570,299</u> |
| Expenditures | | | |
| Current: | | | |
| Highways and Streets | | | |
| Utilities | 5,000 | 4,359 | 3,861 |
| Street Lighting | 140,000 | 117,454 | 16,489 |
| Road Salt | 110,000 | 89,354 | 88,112 |
| Signs | 8,000 | 1,975 | 2,199 |
| Building, Grounds and Equipment Maintenance | 5,000 | 30,706 | 3,023 |
| Total Expenditures | <u>268,000</u> | <u>243,848</u> | <u>113,684</u> |
| Excess of Revenues Over Expenditures | <u>275,575</u> | <u>335,383</u> | <u>456,615</u> |
| Other Financing (Uses) | | | |
| Transfers Out | (405,000) | (405,000) | (514,001) |
| Total Other Financing (Uses) | <u>(405,000)</u> | <u>(405,000)</u> | <u>(514,001)</u> |
| Net Change in Fund Balance | <u>(\$ 129,425)</u> | <u>(69,617)</u> | <u>(57,386)</u> |
| Fund Balance - Beginning of Year | | <u>610,715</u> | <u>668,101</u> |
| Fund Balance - End of Year | | <u>\$ 541,098</u> | <u>\$ 610,715</u> |

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, 2019 (With Comparative Actual Amounts for the Year Ended April 30, 2018)

| | <u>2019</u> | | |
|---|--|-----------------|------------------------|
| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>2018 Actual</u> |
| Revenues | | | |
| Miscellaneous | \$ 10,000 | \$ 3,000 | \$ 6,400 |
| Total Revenues | <u>10,000</u> | <u>3,000</u> | <u>6,400</u> |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Sculpting Macomb Expenditures | <u>12,000</u> | <u>15,215</u> | <u>9,350</u> |
| Total Expenditures | <u>12,000</u> | <u>15,215</u> | <u>9,350</u> |
| Net Change in Fund Balance | (\$ <u>2,000</u>) | (12,215) | (2,950) |
| Fund Balance - Beginning of Year | | <u>13,470</u> | <u>16,420</u> |
| Fund Balance - End of Year | | <u>\$ 1,255</u> | <u>\$ 13,470</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, 2019

| | Original and Final Budget | Actual | Variance from Budget Positive (Negative) |
|---|---------------------------------|----------------------|---|
| Operating Revenues | | | |
| Charges for Services | \$ 3,752,770 | \$ 3,743,057 | (\$ 9,713) |
| Total Operating Revenues | <u>3,752,770</u> | <u>3,743,057</u> | <u>(9,713)</u> |
| Operating Expenses | | | |
| Waterworks: | | | |
| Personnel | 497,650 | 520,917 | (23,267) |
| Utilities | 186,200 | 193,724 | (7,524) |
| Contractual Services | 91,823 | 93,410 | (1,587) |
| Supplies and Materials | 2,244,200 | 880,045 | 1,364,155 |
| Depreciation | <u>-</u> | <u>507,743</u> | <u>(507,743)</u> |
| Total Operating Expenses | <u>3,019,873</u> | <u>2,195,839</u> | <u>824,034</u> |
| Operating Income | <u>732,897</u> | <u>1,547,218</u> | <u>814,321</u> |
| Nonoperating Revenues (Expenses) | | | |
| Grants | 442,640 | 436,163 | (6,477) |
| Investment Income | 695 | 1,219 | 524 |
| Interest Expense | <u>(900)</u> | <u>(103,215)</u> | <u>(102,315)</u> |
| Total Nonoperating Revenues (Expenses) | <u>442,435</u> | <u>334,167</u> | <u>(108,268)</u> |
| Income Before Transfers | <u>1,175,332</u> | <u>1,881,385</u> | <u>706,053</u> |
| Transfers | | | |
| Transfers In | 175,116 | 100,000 | (75,116) |
| Transfers Out | <u>(1,211,982)</u> | <u>(1,030,808)</u> | <u>181,174</u> |
| Total Transfers | <u>(1,036,866)</u> | <u>(930,808)</u> | <u>106,058</u> |
| Change in Net Position | <u>\$ 138,466</u> | <u>950,577</u> | <u>\$ 812,111</u> |
| Net Position - Beginning of Year | | <u>11,917,992</u> | |
| Net Position - End of Year | | <u>\$ 12,868,569</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, 2019

| | Original and Final Budget | Actual | Variance from Budget Positive (Negative) |
|---|---------------------------------|---------------------|---|
| Operating Revenues | | | |
| Charges for Services | \$ 2,017,500 | \$ 2,020,766 | \$ 3,266 |
| Total Operating Revenues | <u>2,017,500</u> | <u>2,020,766</u> | <u>3,266</u> |
| Operating Expenses | | | |
| Sewerage: | | | |
| Personnel | 375,415 | 389,304 | (13,889) |
| Utilities | 204,230 | 187,080 | 17,150 |
| Contractual Services | 66,718 | 63,115 | 3,603 |
| Supplies and Materials | 606,405 | 367,867 | 238,538 |
| Depreciation | <u>-</u> | <u>418,709</u> | <u>(418,709)</u> |
| Total Operating Expenses | <u>1,252,768</u> | <u>1,426,075</u> | <u>(173,307)</u> |
| Operating Income | <u>764,732</u> | <u>594,691</u> | <u>(170,041)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Other Taxes | 1,000 | 879 | (121) |
| Investment Income | 600 | 655 | 55 |
| Interest Expense | <u>-</u> | <u>(62,914)</u> | <u>(62,914)</u> |
| Total Nonoperating Revenues (Expenses) | <u>1,600</u> | <u>(61,380)</u> | <u>(62,980)</u> |
| Income Before Transfers | <u>766,332</u> | <u>533,311</u> | <u>(233,021)</u> |
| Transfers | | | |
| Intrafund Transfers In (Out) | - | - | - |
| Transfers In | 50,075 | 50,076 | 1 |
| Transfers Out | <u>(570,421)</u> | <u>(570,421)</u> | <u>-</u> |
| Total Transfers | <u>(520,346)</u> | <u>(520,345)</u> | <u>1</u> |
| Change in Net Position | <u>\$ 245,986</u> | 12,966 | (<u>\$ 233,020</u>) |
| Net Position - Beginning of Year | | <u>9,592,577</u> | |
| Net Position - End of Year | | <u>\$ 9,605,543</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, 2019

| | Original and Final Budget | Actual | Variance from Budget Positive (Negative) |
|---|---------------------------------|------------|---|
| Operating Revenues | | | |
| Licenses and Permits | \$ 2,400 | \$ 3,164 | \$ 764 |
| Charges for Services | 936,036 | 939,696 | 3,660 |
| Total Operating Revenues | 938,436 | 942,860 | 4,424 |
| Operating Expenses | | | |
| Garbage: | | | |
| Personnel | 13,275 | 12,480 | 795 |
| Utilities | 450 | 356 | 94 |
| Contractual Services | 829,742 | 831,494 | (1,752) |
| Supplies and Materials | 39,400 | 40,089 | (689) |
| Depreciation | - | 1,061 | (1,061) |
| Total Operating Expenses | 882,867 | 885,480 | (2,613) |
| Operating Income | 55,569 | 57,380 | 1,811 |
| Nonoperating Revenues | | | |
| Other Taxes | 31,000 | 28,311 | (2,689) |
| Investment Income | 15 | 200 | 185 |
| Miscellaneous Revenue | 600 | 410 | (190) |
| Total Nonoperating Revenues | 31,615 | 28,921 | (2,694) |
| Income Before Transfers | 87,184 | 86,301 | (883) |
| Transfers | | | |
| Transfers Out | (82,787) | (83,287) | (500) |
| Change in Net Position | \$ 4,397 | 3,014 | (\$ 1,383) |
| Net Position - Beginning of Year | | 120,646 | |
| Net Position - End of Year | | \$ 123,660 | |

CITY OF MACOMB, ILLINOIS

Combining Statement of Net Position Internal Service Funds April 30, 2019

| | Insurance and Tort Judgment Fund | Health Insurance Fund | Total | |
|---|---|-----------------------------|---------------------|---------------------|
| | | | 2019 | 2018 |
| Assets | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ - | \$ 1,386,253 | \$ 1,386,253 | \$ 1,178,333 |
| Property Taxes Receivable | 249,115 | - | 249,115 | 1,011 |
| Prepaid Items | 256,574 | - | 256,574 | 260,407 |
| | <u>505,689</u> | <u>1,386,253</u> | <u>1,891,942</u> | <u>1,439,751</u> |
| Total Assets | <u>\$ 505,689</u> | <u>\$ 1,386,253</u> | <u>\$ 1,891,942</u> | <u>\$ 1,439,751</u> |
| Liabilities, Deferred Inflows of Resources, and Net Position | | | | |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accrued Liabilities | \$ - | \$ 199,029 | \$ 199,029 | \$ 211,173 |
| | <u>-</u> | <u>199,029</u> | <u>199,029</u> | <u>211,173</u> |
| Total Liabilities | <u>-</u> | <u>199,029</u> | <u>199,029</u> | <u>211,173</u> |
| Deferred Inflows of Resources | | | | |
| Deferred Property Taxes | 249,115 | - | 249,115 | 1,011 |
| | <u>249,115</u> | <u>-</u> | <u>249,115</u> | <u>1,011</u> |
| Net Position | | | | |
| Unrestricted | 256,574 | 1,187,224 | 1,443,798 | 1,227,567 |
| | <u>256,574</u> | <u>1,187,224</u> | <u>1,443,798</u> | <u>1,227,567</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 505,689</u> | <u>\$ 1,386,253</u> | <u>\$ 1,891,942</u> | <u>\$ 1,439,751</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, 2019

| | Insurance and Tort Judgment Fund | Health Insurance Fund | Total | |
|---|---|-----------------------------|---------------------|---------------------|
| | | | 2019 | 2018 |
| Operating Revenues | | | | |
| Charges for Services | \$ 554,851 | \$ 2,079,923 | \$ 2,634,774 | \$ 2,744,309 |
| Total Operating Revenues | <u>554,851</u> | <u>2,079,923</u> | <u>2,634,774</u> | <u>2,744,309</u> |
| Operating Expenses | | | | |
| Worker's Compensation | 329,690 | - | 329,690 | 322,513 |
| General Liability Insurance | 242,867 | - | 242,867 | 257,143 |
| Insurance Deductibles | 14,828 | - | 14,828 | 14,551 |
| Premiums and Administrative Fees | - | 470,404 | 470,404 | 477,998 |
| Health Claims | <u>-</u> | <u>1,406,478</u> | <u>1,406,478</u> | <u>1,386,981</u> |
| Total Operating Expenses | <u>587,385</u> | <u>1,876,882</u> | <u>2,464,267</u> | <u>2,459,186</u> |
| Operating Income (Loss) | (32,534) | <u>203,041</u> | <u>170,507</u> | <u>285,123</u> |
| Nonoperating Revenues | | | | |
| Property Taxes | 1,030 | - | 1,030 | 9,731 |
| Investment Income | - | 17,023 | 17,023 | 9,009 |
| Miscellaneous Revenue | <u>27,671</u> | <u>-</u> | <u>27,671</u> | <u>14,518</u> |
| Total Nonoperating Revenues | <u>28,701</u> | <u>17,023</u> | <u>45,724</u> | <u>33,258</u> |
| Change in Net Position | (3,833) | 220,064 | 216,231 | 318,381 |
| Net Position - Beginning of Year | <u>260,407</u> | <u>967,160</u> | <u>1,227,567</u> | <u>909,186</u> |
| Net Position - End of Year | <u>\$ 256,574</u> | <u>\$ 1,187,224</u> | <u>\$ 1,443,798</u> | <u>\$ 1,227,567</u> |

CITY OF MACOMB, ILLINOIS

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended April 30, 2019

| | Insurance and Tort Judgment Fund | Health Insurance Fund | Total Internal Service Funds |
|--|---|-----------------------------|---------------------------------------|
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 27,671 | \$ 563,558 | \$ 591,229 |
| Cash Received from Interfund Services Provided | 554,851 | 1,710,098 | 2,264,949 |
| Cash Payments for Claims, Premiums and Fees | (583,552) | (2,082,759) | (2,666,311) |
| Net Cash Provided by (Used in) Operating Activities | (1,030) | 190,897 | 189,867 |
| Cash Flows from Noncapital Financing Activities | | | |
| Property and Other Taxes Received | 1,030 | - | 1,030 |
| Net Cash Provided by Noncapital Financing Activities | 1,030 | - | 1,030 |
| Cash Flows from Investing Activities | | | |
| Income Received on Investments | - | 17,023 | 17,023 |
| Net Cash Provided by Investing Activities | - | 17,023 | 17,023 |
| Net Increase in Cash | - | 207,920 | 207,920 |
| Cash and Cash Equivalents, Beginning of Year | - | 1,178,333 | 1,178,333 |
| Cash and Cash Equivalents, End of Year | \$ - | \$ 1,386,253 | \$ 1,386,253 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | |
| Operating Income (Loss) | (\$ 32,534) | \$ 203,041 | \$ 170,507 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | |
| Other Nonoperating Cash Receipts | 27,671 | - | 27,671 |
| Decrease in Prepaid Items | 3,833 | - | 3,833 |
| (Increase) in Accounts Receivable | (248,104) | - | (248,104) |
| Increase (Decrease) in Accrued Liabilities | 248,104 | (12,144) | 235,960 |
| Total Adjustments | 31,504 | (12,144) | 19,360 |
| Net Cash Provided by (Used in) Operating Activities | (\$ 1,030) | \$ 190,897 | \$ 189,867 |

CITY OF MACOMB, ILLINOIS

Combining Statement of Fiduciary Net Position Pension Trust Funds April 30, 2019

| | Firefighters' Pension Fund | Police Pension Fund | Total |
|---|----------------------------------|---------------------------|---------------|
| Assets | | | |
| Cash and cash equivalents | \$ 5,353 | \$ 41,646 | \$ 46,999 |
| Investments: | | | |
| Money Market Mutual Funds | 343,849 | 447,682 | 791,531 |
| U.S. Government and Agency Securities: | | | |
| U.S. Treasury Notes | 1,024,595 | 1,731,820 | 2,756,415 |
| Government National Mortgage Association (GNMA) | 23,432 | 25,560 | 48,992 |
| U.S. Government Sponsored Agency Securities: | | | |
| Federal Home Loan Mortgage Corporation (FHLMC) | 171,291 | 217,382 | 388,673 |
| Federal Farm Credit Banks (FFCB) | 69,902 | 89,874 | 159,776 |
| Federal National Mortgage Association (FNMA) | 803,287 | 824,798 | 1,628,085 |
| Other Debt Securities: | | | |
| Corporate Bonds | 1,084,840 | 1,177,241 | 2,262,081 |
| Equity Securities: | | | |
| Mutual Fund Equities | 7,370,692 | 5,938,167 | 13,308,859 |
| Common Stock | - | 5,186,344 | 5,186,344 |
| Total Investments | 10,891,888 | 15,638,868 | 26,530,756 |
| Interest Receivable | 19,536 | 30,825 | 50,361 |
| Total Assets | 10,916,777 | 15,711,339 | 26,628,116 |
| Liabilities | | | |
| Accounts Payable | 25 | 23 | 48 |
| Total Liabilities | 25 | 23 | 48 |
| Net Position | | | |
| Net Position Restricted for Pensions | \$ 10,916,752 | \$ 15,711,316 | \$ 26,628,068 |

CITY OF MACOMB, ILLINOIS

Combining Statement of Changes in Fiduciary Net Position Pension Trust Funds For the Year Ended April 30, 2019

| | Firefighters' Pension Fund | Police Pension Fund | Total |
|---|---|------------------------------------|----------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ 1,005,378 | \$ 895,336 | \$ 1,900,714 |
| Plan Member | 120,647 | 150,610 | 271,257 |
| Other Sources | - | 1,165 | 1,165 |
| | <u>1,126,025</u> | <u>1,047,111</u> | <u>2,173,136</u> |
| Total Contributions | | | |
| | <u>1,126,025</u> | <u>1,047,111</u> | <u>2,173,136</u> |
| Investment Income | | | |
| Interest | 102,697 | 131,432 | 234,129 |
| Dividends | 236,905 | 176,260 | 413,165 |
| Net Appreciation in Fair Value of Investments | 164,201 | 820,052 | 984,253 |
| | <u>503,803</u> | <u>1,127,744</u> | <u>1,631,547</u> |
| Gross Investment Income | 503,803 | 1,127,744 | 1,631,547 |
| Less Investment Expense | (47,636) | (59,407) | (107,043) |
| | <u>456,167</u> | <u>1,068,337</u> | <u>1,524,504</u> |
| Total Investment Income | | | |
| | <u>456,167</u> | <u>1,068,337</u> | <u>1,524,504</u> |
| Total Additions | <u>1,582,192</u> | <u>2,115,448</u> | <u>3,697,640</u> |
| Deductions | | | |
| Pension Benefit Payments and Refunds | 1,230,621 | 1,445,538 | 2,676,159 |
| Administration | 10,641 | 14,334 | 24,975 |
| | <u>1,241,262</u> | <u>1,459,872</u> | <u>2,701,134</u> |
| Total Deductions | | | |
| | <u>1,241,262</u> | <u>1,459,872</u> | <u>2,701,134</u> |
| Net Increase in Net Position | 340,930 | 655,576 | 996,506 |
| Net Position Restricted for Pensions | | | |
| Beginning of Year | <u>10,575,822</u> | <u>15,055,740</u> | <u>25,631,562</u> |
| End of Year | <u>\$ 10,916,752</u> | <u>\$ 15,711,316</u> | <u>\$ 26,628,068</u> |

CITY OF MACOMB, ILLINOIS

Schedule of Changes in Assets and Liabilities Flex Benefits Fund - Agency Fund For the Year Ended April 30, 2019

| | Balance at Beginning of Year | Additions | Reductions | Balance at End of Year |
|---------------------------|------------------------------------|-------------------|-------------------|------------------------------|
| Assets | | | | |
| Cash and Cash Equivalents | \$ 5,722 | \$ 110,994 | \$ 115,589 | \$ 1,127 |
| Accounts Receivable | <u>15,248</u> | <u>24,848</u> | <u>15,248</u> | <u>24,848</u> |
| Total Assets | <u>\$ 20,970</u> | <u>\$ 135,842</u> | <u>\$ 130,837</u> | <u>\$ 25,975</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 10,658 | \$ 135,842 | \$ 130,837 | \$ 15,663 |
| Due to Other Funds | <u>10,312</u> | <u>-</u> | <u>-</u> | <u>10,312</u> |
| Total Liabilities | <u>\$ 20,970</u> | <u>\$ 135,842</u> | <u>\$ 130,837</u> | <u>\$ 25,975</u> |

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OTHER SUPPLEMENTAL SCHEDULES

CITY OF MACOMB, ILLINOIS

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

| Tax Collection Year | Year Ended April 30, 2019 | | |
|--|---------------------------|----------------|----------------------------|
| | <u>2017 Levy</u> | <u>Rate</u> | <u>Amount Extended</u> |
| General Fund: | | | |
| Corporate | \$ 243,000 | 0.12825 | \$ 234,004 |
| Fire Protection | 60,000 | 0.03323 | 60,003 |
| Police Protection | 60,000 | 0.03323 | 60,003 |
| Firefighters' Pension | 970,207 | 0.53731 | 970,219 |
| Police Pension | 870,500 | 0.48209 | 870,509 |
| Special Revenue Fund: | | | |
| Illinois Municipal Retirement Fund/Social Security | 2,000 | 0.00112 | 2,022 |
| Internal Service Fund: | | | |
| Liability Insurance | 1,000 | 0.00056 | 1,011 |
| Total | <u>\$ 2,206,707</u> | <u>1.21579</u> | <u>\$ 2,197,771</u> |
| Rate Setting Assessed Valuation - Corporate Levy | | | <u>\$ 189,476,928</u> |
| Rate Setting Assessed Valuation - All Other Levies | | | <u>\$ 180,569,795</u> |

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

Source of Information: McDonough County Clerk

| Year Ended April 30, 2018 | | | Year Ended April 30, 2017 | | |
|---------------------------|----------------|-----------------------|---------------------------|----------------|-----------------------|
| 2016 Levy | Rate | Amount Extended | 2015 Levy | Rate | Amount Extended |
| \$ 234,703 | 0.12451 | \$ 234,590 | \$ 230,000 | 0.12450 | \$ 230,006 |
| 60,000 | 0.03430 | 60,015 | 60,000 | 0.03489 | 59,989 |
| 60,000 | 0.03430 | 60,015 | 60,000 | 0.03489 | 59,989 |
| 742,778 | 0.42464 | 742,785 | 477,901 | 0.27784 | 477,715 |
| 858,179 | 0.49061 | 858,181 | 793,744 | 0.46165 | 793,411 |
| 62,595 | 0.03579 | 62,604 | 258,214 | 0.15010 | 258,080 |
| 10,000 | 0.00572 | 10,005 | 100,500 | 0.05844 | 100,481 |
| <u>\$ 2,028,255</u> | <u>1.14987</u> | <u>\$ 2,028,195</u> | <u>\$ 1,980,359</u> | <u>1.14231</u> | <u>\$ 1,979,671</u> |
| | | <u>\$ 188,501,345</u> | | | <u>\$ 184,744,561</u> |
| | | <u>\$ 174,921,161</u> | | | <u>\$ 171,938,625</u> |

CITY OF MACOMB, ILLINOIS

Schedule of Insurance Coverage (Unaudited)
April 30, 2019

| Type of Coverage and Name of Company | Policy Number | Policy Period | |
|---|--------------------------|----------------------|------------|
| | | From | To |
| General and Law Enforcement Liability Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Property/Inland Marine/ Auto Coverage Physical Damage Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Automobile Liability Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Crime Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Public Officials Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Workers' Compensation Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Excess Liability Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Boiler and Machinery Illinois Counties Risk Management Trust | ICRMT2016209 | 12/01/2018 | 12/01/2019 |
| Stop-Loss Insurance HM Life Insurance Company | 405492-A | 02/01/2018 | 02/01/2019 |

| Details of Coverage | Liability Limits | Annual Premium |
|---|---|----------------|
| Bodily Injury/Property Damage/ Law Enforcement Injury | General and Personal Injury \$1,000,000 per occurrence | \$ 70,214 |
| Property | \$3,000,000 aggregate \$70,478,306 annual coverage | 84,533 |
| Inland Marine - Mobile Equipment | \$2,233,324 | 6,420 |
| Automobile Liability and Physical Damage | \$1,000,000 per occurrence | 29,003 |
| Employee Dishonesty, Money Orders/Counterfeit Currency, Depositors Forgery | \$500,000 per occurrence | 824 |
| Physical/Sexual Abuse | \$1,000,000 per occurrence | 872 |
| Workers' Compensation Employer's Liability | \$2,500,000 per occurrence | 325,155 |
| Excess Liability | \$7,000,000 excess for general and law enforcement, auto liability, or public officials | 37,204 |
| Boiler and Machinery | Included in total building and contents limit up to \$78,148,709 | 2,204 |
| Excess Insurance | \$1,000,000 maximum aggregate benefit | covered |
| Cyber Liability | \$100,000 per claim | 1,648 |
| Privacy & Network Security Coverage | \$100,000 annual aggregate | |

CITY OF MACOMB, ILLINOIS

Schedule of Supplemental Information Required by Bond Ordinance Waterworks and Sewerage System (Unaudited) April 30, 2019

As of April 30, 2019

| | |
|-------------------------------------|-------|
| Number of metered water customers | 5,688 |
| Number of unmetered sewer customers | 9 |
| Number of sewer customers | 5,409 |

Year Ended April 30, 2019

| | |
|------------------------------|-----------------------|
| Quantity of water pumped: | |
| Raw | 848,864,671 gallons |
| Finished | 692,593,686 gallons |
| Quantity of sewerage treated | 1,436,610,000 gallons |
| Quantity of water billed | 63,001,013 cubic feet |

OTHER REPORT

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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, 2019. 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, 2019.

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 25, 2019

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