

**CITY OF MACOMB, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED APRIL 30, 2016**

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WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

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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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Macomb City Township (Township), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Township, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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, 2016. 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, 2016, 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, 2016, 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.

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, in 2016. Our opinion is not modified with respect to this matter.

***Basis of Accounting***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer contributions, changes in the net pension liability and related ratios, investment returns for pensions, budgetary comparison information and notes to required supplementary information, on pages 5 through 11, 68 through 71, 72 through 73, 74, 75 through 77, and 78, 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, 2015, 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 2015 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 2015 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 2015 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 24, 2016, 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 24, 2016

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

# **CITY OF MACOMB, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2016 (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, 2016. 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 \$61,798,261 on April 30, 2016.
- During the year the City's combined change in net position was a decrease of \$9,612,270 which was due mainly to the recognition of beginning net pension liabilities for GASB 68 implementation and the current year increase in net pension liabilities.
- The total cost of the City's programs was \$23,807,928.
- The general corporate account reported a year-end cash balance of \$3,534,404, which amounts to just over five 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, 2016 (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, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total Government		
	2016	2015	2016	2015	2016	2015	Change %
<b>Assets</b>							
Current and							
Other Assets	\$16,357,739	\$16,744,952	\$ 3,780,331	\$ 3,047,100	\$20,138,070	\$19,792,052	2%
Capital Assets	47,601,085	46,318,820	22,685,891	22,541,988	70,286,976	68,860,808	2%
Total Assets	63,958,824	63,063,772	26,466,222	25,589,088	90,425,046	88,652,860	2%
<b>Deferred Outflows of Resources</b>	4,218,636	-	376,824	-	4,595,460	-	
<b>Liabilities</b>							
Current and							
Other Liabilities	1,327,716	1,347,144	461,321	364,222	1,789,037	1,711,366	5%
Long-Term							
Liabilities	23,728,108	8,823,918	5,457,410	4,525,053	29,185,518	13,348,971	119%
Total Liabilities	25,055,824	10,171,062	5,918,731	4,889,275	30,974,555	15,060,337	106%
<b>Deferred Inflows of Resources</b>	2,247,690	2,181,992	-	-	2,247,690	2,181,992	3%
<b>Net Position</b>							
Net Investment in							
Capital Assets	41,117,579	40,866,625	17,819,127	18,216,435	58,936,706	59,083,060	0%
Restricted	2,374,675	2,129,757	366,189	365,082	2,740,864	2,494,839	10%
Unrestricted	( 2,618,308)	7,714,336	2,738,999	2,118,296	120,691	9,832,632	-99%
Total Net Position	\$40,873,946	\$50,710,718	\$20,924,315	\$20,699,813	\$61,798,261	\$71,410,531	-13%

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 \$40.9 million in net position, of which \$41.1 million is the net investment in capital assets, \$2.4 million is restricted for community development, employee benefits, maintenance of roadways, public safety, cemetery care, capital projects, transportation and other purposes, and \$-2.6 million is unrestricted. The increase in long-term liabilities and deferred outflows of resources is due to the recognition of a net pension liability and related deferred amounts through the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

# CITY OF MACOMB, ILLINOIS

## Management's Discussion and Analysis April 30, 2016 (Unaudited)

The current year's business-type activities left the City with \$20.9 million in net position, of which \$17.8 million is the net investment in capital assets, \$366 thousand is restricted for debt service, and \$2.7 million is unrestricted.

### Condensed Statement of Activities for the Years Ended April 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total Government		
	2016	2015	2016	2015	2016	2015	Change %
<b>Revenues</b>							
Program Revenues							
Charges for Services	\$ 1,168,927	\$ 1,350,400	\$ 6,578,674	\$ 6,472,528	\$ 7,747,601	\$ 7,822,928	-1%
Operating Grants and Contributions	3,239,080	3,497,511	-	217,203	3,239,080	3,714,714	-13%
Capital Grants and Contributions	765,759	53,624	-	-	765,759	53,624	1328%
General Revenues							
Property Taxes	2,183,486	2,147,304	-	-	2,183,486	2,147,304	2%
Income Taxes	2,586,489	1,781,958	-	-	2,586,489	1,781,958	45%
Sales Taxes	4,615,679	4,942,178	-	-	4,615,679	4,942,178	-7%
Other Taxes	1,283,212	1,287,994	35,484	32,862	1,318,696	1,320,856	0%
Investment Income	21,725	37,181	1,792	1,157	23,517	38,338	-39%
Other General Revenues	403,301	516,879	3,127	16,503	406,428	533,382	-24%
<b>Total Revenues</b>	<b>16,267,658</b>	<b>15,615,029</b>	<b>6,619,077</b>	<b>6,740,253</b>	<b>22,886,735</b>	<b>22,355,282</b>	<b>2%</b>
<b>Expenses</b>							
General Government	3,038,569	2,873,807	-	-	3,038,569	2,873,807	6%
Public Safety	8,504,133	6,370,726	-	-	8,504,133	6,370,726	33%
Highways and Streets	3,251,498	3,358,694	-	-	3,251,498	3,358,694	-3%
Transportation	2,631,550	3,031,086	-	-	2,631,550	3,031,086	-13%
Community Development	1,153,066	1,175,530	-	-	1,153,066	1,175,530	-2%
Culture and Recreation	15,087	13,619	-	-	15,087	13,619	11%
Interest on Long-Term Debt	146,015	158,740	-	-	146,015	158,740	-8%
Water	-	-	2,619,410	2,662,812	2,619,410	2,662,812	-2%
Sewer	-	-	1,573,418	1,054,897	1,573,418	1,054,897	49%
Garbage	-	-	875,182	841,746	875,182	841,746	4%
<b>Total Expenses</b>	<b>18,739,918</b>	<b>16,982,202</b>	<b>5,068,010</b>	<b>4,559,455</b>	<b>23,807,928</b>	<b>21,541,657</b>	<b>11%</b>
Excess Before Transfers	( 2,472,260)	( 1,367,173)	1,551,067	2,180,798	( 921,193)	813,625	-213%
Transfers	1,394,202	1,473,708	( 1,394,202)	( 1,473,708)	-	-	n/a
Change in Net Position	( 1,078,058)	106,535	156,865	707,090	( 921,193)	813,625	-213%
Net Position, Beginning	50,710,718	50,604,183	20,699,813	19,992,723	71,410,531	70,596,906	
Beginning Net Position Adjustment	( 8,758,714)	-	67,637	-	-	-	
Net Position, Beginning, as Adjusted	41,952,004	50,604,183	20,767,450	19,992,723	62,719,454	70,596,906	-11%
Net Position, End of Year	<u>\$ 40,873,946</u>	<u>\$ 50,710,718</u>	<u>\$ 20,924,315</u>	<u>\$ 20,699,813</u>	<u>\$ 61,798,261</u>	<u>\$ 71,410,531</u>	-13%

## **CITY OF MACOMB, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2016 (Unaudited)**

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

Fiscal year 2016 showed governmental activities program revenues of \$5.1 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 \$282,029 under budget (47.8%), vehicle repairs and maintenance was \$4,208 over budget (3.5%), and utility costs were \$82,103 under budget (15.7%).

#### **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, 2016 (Unaudited)**

### **General Fund**

Revenues for the General Fund increased by \$311,285 or 2.7% from 2015 to 2016, due mostly to an increase in income taxes offset by a decline in sales tax revenue. Total expenditures increased \$170,396 or 1.4%, driven by increases in public safety (salaries and benefits increases) and capital outlays as a result of spending on budgeted projects in 2016. The City's management continues to strive for cost containment of expenses while ensuring adequate revenue policies.

### **Infrastructure Bonds Fund**

This fund began operations in fiscal year 2013, and it is used to account for the proceeds of the General Obligation Bonds (Alternate Revenue Source), Series 2012 to be used to finance an infrastructure capital improvements program within the City. Expenditures for projects were \$2,646,942 during 2015 and \$1,544,546 in fiscal year 2016.

### **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 2016 were \$521,851 and total expenditures were \$464,614.

### **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 \$2,837,261. 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 \$44,269 or 1.2% due to increases in usage and rates, while operating expenses decreased \$29,367 or 1.2% as a result of decreases in contractual services and supplies/materials. City management continues to balance investments in the waterworks system with close attention to appropriate revenue needs.

### **Sewer Fund**

Operating revenues in the Sewer Fund increased \$28,656, or 1.5% due mostly to increases in usage and rates, while operating expenses increased \$518,521 or 49.2%, mainly due to the increase in supplies/materials for non-capitalized projects. 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 \$33,221, or 3.7% due mostly to an increase in rates, while operating expenses increased \$33,436 or 4.0%, mainly due to the increase in refuse collection costs.

### **Budget to Actual Analysis**

Revenues in the General Fund were \$291,546 or 2.5% greater than budgeted, due mainly to an increase in income taxes. Expenditures in the General Fund were \$707,717 or 5.3% less than budgeted mainly due to fewer than anticipated highways and streets projects being completed.



## **CITY OF MACOMB, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2016 (Unaudited)**

#### **Capital Assets**

At the end of the fiscal year 2016, the City had combined total capital assets, net of accumulated depreciation, of \$70,286,976 invested in a broad range of asset types including land, buildings, vehicles and equipment, city facilities, and sewer and water lines. The City added \$4,578,634 of new capital assets during the year much of which consisted of construction of roads. Other additions included water and sewer system projects. The City recorded approximately \$3.2 million of depreciation expense during the year.

#### **Infrastructure Assets**

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

#### **Long Term Debt**

At year-end, the City's long-term debt consisted of an equipment purchase contract, loans payable, notes and bonds payable, compensated absences, and net pension liability, with the total of all long-term debt being over \$29.2 million. A large portion of debt is the result of the City's issuance of General Obligation Bonds (Alternate Revenue Source), Series 2012 on October 16, 2012 in the amount of \$7,500,000 to be used to finance an infrastructure capital improvements program within the City.

The City has a statutory debt limitation of \$16,195,008 against which total debt applicable to the limit is \$146,192 or 0.9% 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 overriding factor in the future financial position of the City is the economic stability represented by the presence of Western Illinois University. It is a very stable economic engine that allows the City to weather the ups and downs of the manufacturing and agricultural sectors of this mid-western economy, as well as the variability of the statewide and national economies.
- The City has launched an aggressive Capital Improvement Program contained in the Five Year Plan and funded by a local option sales tax increase. This effort will prepare the City to remain competitive in the recruitment of new businesses and residents to the community.
- In prior years the City raised utility rates for water and sewer, with an eye toward regular measured and appropriate increases to meet continuing funding requirements. While the City did not increase rates for fiscal year 2016-17, operating revenues for the Water and Sewer Funds increased over 1% due to rate increases effective for the 2015-16 fiscal year.
- The rising requirements of Pension Funds and Insurance and Tort Judgment functions have resulted in lesser amounts available for General Government activities.
- The City's contracts with all three unions expired April 30, 2016. The City will be negotiating with the unions to hold increases to a minimum for the contract period May 1, 2016 through April 30, 2019.

## **CITY OF MACOMB, ILLINOIS**

Management's Discussion and Analysis  
April 30, 2016  
(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, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit Macomb City Township</u>
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Current Assets				
Cash and Cash Equivalents	\$ 10,881,174	\$ 2,204,420	\$ 13,085,594	\$ 140,619
Investments	-	-	-	220,125
Receivables:				
Property Taxes	2,247,690	-	2,247,690	-
Sales Taxes	1,039,673	-	1,039,673	-
Other Taxes	974,401	-	974,401	-
Consumer Accounts	21,371	440,729	462,100	-
Unbilled Usage	-	379,463	379,463	-
Loans	171,147	-	171,147	-
Internal Balances	425,000	( 425,000)	-	-
Due from Other Governments	169,003	107,087	276,090	-
Prepaid Items	273,216	-	273,216	-
Inventory	155,064	707,443	862,507	-
	<u>16,357,739</u>	<u>3,414,142</u>	<u>19,771,881</u>	<u>360,744</u>
Total Current Assets				
Noncurrent Assets				
Restricted Assets				
Cash and Cash Equivalents	-	366,189	366,189	-
Capital Assets				
Capital Assets not Being Depreciated	1,966,250	-	1,966,250	-
Property and Equipment	79,958,258	41,659,338	121,617,596	-
Less Accumulated Depreciation	( 34,323,423)	( 18,973,447)	( 53,296,870)	-
	<u>47,601,085</u>	<u>22,685,891</u>	<u>70,286,976</u>	<u>-</u>
Total Capital Assets				
Total Noncurrent Assets	<u>47,601,085</u>	<u>23,052,080</u>	<u>70,653,165</u>	<u>-</u>
Total Assets	<u>63,958,824</u>	<u>26,466,222</u>	<u>90,425,046</u>	<u>360,744</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows of Resources				
Related to Pensions	4,218,636	376,824	4,595,460	-
	<u>4,218,636</u>	<u>376,824</u>	<u>4,595,460</u>	<u>-</u>
Total Assets and Deferred				
Outflows of Resources	<u>\$ 68,177,460</u>	<u>\$ 26,843,046</u>	<u>\$ 95,020,506</u>	<u>\$ 360,744</u>

See Accompanying Notes to Basic Financial Statements.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit Macomb City Township</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable	\$ 862,745	\$ 251,571	\$ 1,114,316	\$ -
Accrued Liabilities	321,318	148,494	469,812	2,895
Unearned Revenue	70,467	-	70,467	-
Intergovernmental Payable	14,154	-	14,154	-
Interest Payable	59,032	61,256	120,288	-
Long-Term Obligations, Due Within One Year:				
Compensated Absences	1,199,412	189,204	1,388,616	-
Loans Payable	20,000	-	20,000	-
Equipment Purchase Contract	61,671	-	61,671	-
Notes and Bonds Payable	460,000	292,954	752,954	-
Total Current Liabilities	<u>3,068,799</u>	<u>943,479</u>	<u>4,012,278</u>	<u>2,895</u>
Noncurrent Liabilities				
Long-Term Obligations, Due in More Than One Year:				
Loans Payable	40,000	-	40,000	-
Equipment Purchase Contract	84,521	-	84,521	-
Notes and Bonds Payable	5,817,314	4,573,810	10,391,124	-
Net Pension Liability	16,045,190	401,442	16,446,632	-
Total Noncurrent Liabilities	<u>21,987,025</u>	<u>4,975,252</u>	<u>26,962,277</u>	<u>-</u>
Total Liabilities	<u>25,055,824</u>	<u>5,918,731</u>	<u>30,974,555</u>	<u>2,895</u>
<b>Deferred Inflows of Resources</b>				
Deferred Property Taxes	<u>2,247,690</u>	<u>-</u>	<u>2,247,690</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	41,117,579	17,819,127	58,936,706	-
Restricted for:				
Community Development	563,026	-	563,026	-
Employee Benefits	361,075	-	361,075	7,842
Maintenance of Roadways	677,189	-	677,189	-
Public Safety	201,315	-	201,315	-
Cemetery Care	39,732	-	39,732	-
Transportation	447,759	-	447,759	-
Debt Service	-	366,189	366,189	-
Other Purposes	84,579	-	84,579	155,484
Unrestricted Net Position	<u>( 2,618,308)</u>	<u>2,738,999</u>	<u>120,691</u>	<u>194,523</u>
Total Net Position	<u>40,873,946</u>	<u>20,924,315</u>	<u>61,798,261</u>	<u>357,849</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 68,177,460</u>	<u>\$ 26,843,046</u>	<u>\$ 95,020,506</u>	<u>\$ 360,744</u>

# CITY OF MACOMB, ILLINOIS

Statement of Activities  
For the Year Ended April 30, 2016

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fines, Fees and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 3,038,569	\$ 376,623	\$ 330,174	\$ -
Public Safety	8,504,133	442,075	269,886	-
Highways and Streets	3,251,498	312,922	550,355	-
Transportation	2,631,550	-	2,071,502	765,759
Community Development	1,153,066	37,207	3,213	-
Culture and Recreation	15,087	100	13,950	-
Interest on Long-Term Debt	146,015	-	-	-
Total Governmental Activities	18,739,918	1,168,927	3,239,080	765,759
Business-Type Activities:				
Water	2,619,410	3,695,425	-	-
Sewer	1,573,418	1,959,986	-	-
Garbage	875,182	923,263	-	-
Total Business-Type Activities	5,068,010	6,578,674	-	-
Total Primary Government	\$ 23,807,928	\$ 7,747,601	\$ 3,239,080	\$ 765,759
<b>Component Unit:</b>				
Macomb City Township	\$ 216,434	\$ 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,  
as adjusted  
  
Net Position - Ending

See Accompanying Notes to Basic Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
			<b>Macomb City Township</b>
(\$ 2,331,772)	\$ -	(\$ 2,331,772)	\$ -
( 7,792,172)	-	( 7,792,172)	-
( 2,388,221)	-	( 2,388,221)	-
205,711	-	205,711	-
( 1,112,646)	-	( 1,112,646)	-
( 1,037)	-	( 1,037)	-
( 146,015)	-	( 146,015)	-
( 13,566,152)	-	( 13,566,152)	-
-	1,076,015	1,076,015	-
-	386,568	386,568	-
-	48,081	48,081	-
-	1,510,664	1,510,664	-
( 13,566,152)	1,510,664	( 12,055,488)	-
-	-	-	( 211,114)
2,183,486	-	2,183,486	240,636
2,586,489	-	2,586,489	-
4,615,679	-	4,615,679	-
1,283,212	35,484	1,318,696	11,286
21,725	1,792	23,517	1,009
403,301	3,127	406,428	3,857
1,394,202	( 1,394,202)	-	-
12,488,094	( 1,353,799)	11,134,295	256,788
( 1,078,058)	156,865	( 921,193)	45,674
41,952,004	20,767,450	62,719,454	312,175
<u>\$ 40,873,946</u>	<u>\$ 20,924,315</u>	<u>\$ 61,798,261</u>	<u>\$ 357,849</u>

# CITY OF MACOMB, ILLINOIS

Governmental Funds  
Balance Sheet  
April 30, 2016

	Major Funds			
	General Fund	Infrastructure Bonds Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund
<b>Assets</b>				
Cash and Cash Equivalents	\$ 6,915,011	\$ -	\$ 372,790	\$ 885,166
Receivables:				
Property Taxes	1,621,110	-	258,080	-
Sales Taxes	1,039,673	-	-	-
Other Taxes	974,401	-	-	-
Consumer Accounts	11,059	-	-	-
Loans	-	-	-	-
Due from Other Funds	435,312	-	-	-
Due from Other Governments	-	-	-	120,037
Inventory	118,576	-	-	-
<b>Total Assets</b>	<b>\$ 11,115,142</b>	<b>\$ -</b>	<b>\$ 630,870</b>	<b>\$ 1,005,203</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities				
Accounts Payable	\$ 299,044	\$ -	\$ 11,715	\$ 543,290
Accrued Liabilities	103,775	-	-	-
Unearned Revenue	70,467	-	-	-
Intergovernmental Payable	-	-	-	14,154
<b>Total Liabilities</b>	<b>473,286</b>	<b>-</b>	<b>11,715</b>	<b>557,444</b>
Deferred Inflows of Resources				
Deferred Property Taxes	1,621,110	-	258,080	-
<b>Total Deferred Inflows of Resources</b>	<b>1,621,110</b>	<b>-</b>	<b>258,080</b>	<b>-</b>
Fund Balances				
Nonspendable	118,576	-	-	-
Restricted	302,484	-	361,075	447,759
Committed	2,186,220	-	-	-
Assigned	973,624	-	-	-
Unassigned	5,439,842	-	-	-
<b>Total Fund Balances</b>	<b>9,020,746</b>	<b>-</b>	<b>361,075</b>	<b>447,759</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,115,142</b>	<b>\$ -</b>	<b>\$ 630,870</b>	<b>\$ 1,005,203</b>

See Accompanying Notes to Basic Financial Statements.



<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,152,675	\$ 10,325,642
268,019	2,147,209
-	1,039,673
-	974,401
-	11,059
171,147	171,147
-	435,312
48,966	169,003
36,488	155,064
<u>\$ 2,677,295</u>	<u>\$ 15,428,510</u>

\$ 1,777	\$ 855,826
216	103,991
-	70,467
-	14,154
<u>1,993</u>	<u>1,044,438</u>

<u>268,019</u>	<u>2,147,209</u>
<u>268,019</u>	<u>2,147,209</u>

207,635	326,211
1,263,357	2,374,675
-	2,186,220
936,291	1,909,915
-	5,439,842
<u>2,407,283</u>	<u>12,236,863</u>

<u>\$ 2,677,295</u>	<u>\$ 15,428,510</u>
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## CITY OF MACOMB, ILLINOIS

### Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position April 30, 2016

Total fund balances - governmental funds	\$ 12,236,863
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets (net of accumulated depreciation of \$34,323,423) used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.	47,601,085
--	------------

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	( 1,199,412)
Loans Payable	( 60,000)
Equipment Purchase Contract	( 146,192)
Bonds Payable	( 6,277,314)
Accrued Interest Payable	( 59,032)

The City reports a net pension 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.	( 11,826,554)
---	---------------

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>604,502</u>
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Net position of governmental activities	<u>\$ 40,873,946</u>
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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, 2016

	Major Funds			
	General Fund	Infrastructure Bonds Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund
<b>Revenues</b>				
Property Taxes	\$ 1,336,491	\$ -	\$ 506,285	\$ -
Sales Taxes	4,615,679	-	-	-
Income Taxes	2,586,489	-	-	-
Other Taxes	1,268,397	-	14,815	-
Investment Income	10,072	1,324	751	659
Fines and Forfeitures	322,577	-	-	-
Licenses and Permits	330,887	-	-	-
Intergovernmental Revenues	576,833	-	-	2,837,261
Charges for Services	511,285	-	-	-
Miscellaneous	288,062	1,729	-	52,713
Total Revenues	<u>11,846,772</u>	<u>3,053</u>	<u>521,851</u>	<u>2,890,633</u>
<b>Expenditures</b>				
Current:				
General Government	2,309,748	-	202,347	-
Public Safety	5,950,316	-	71,646	-
Highways and Streets	1,991,213	-	184,119	-
Transportation	-	-	-	1,905,836
Community Development	756,500	-	6,502	-
Culture and Recreation	13,389	-	-	-
Capital Outlay	884,541	1,544,546	-	804,541
Debt Service:				
Principal	509,814	-	-	-
Interest and Fees	157,740	-	-	50
Total Expenditures	<u>12,573,261</u>	<u>1,544,546</u>	<u>464,614</u>	<u>2,710,427</u>
Excess (Deficiency) of Revenues Over Expenditures	( 726,489)	( 1,541,493)	57,237	180,206
<b>Other Financing Sources</b>				
Transfers In	2,030,187	-	55,815	-
Transfers Out	( 1,300,000)	-	-	-
Total Other Financing Sources	<u>730,187</u>	<u>-</u>	<u>55,815</u>	<u>-</u>
Net Change in Fund Balances	3,698	( 1,541,493)	113,052	180,206
<b>Fund Balances - Beginning of Year</b>	<u>9,017,048</u>	<u>1,541,493</u>	<u>248,023</u>	<u>267,553</u>
<b>Fund Balances - End of Year</b>	<u>\$ 9,020,746</u>	<u>\$ -</u>	<u>\$ 361,075</u>	<u>\$ 447,759</u>

See Accompanying Notes to Basic Financial Statements.

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>		
\$ 252,004	\$ 2,094,780		
-	4,615,679		
-	2,586,489		
-	1,283,212		
7,866	20,672		
-	322,577		
-	330,887		
569,252	3,983,346		
100	511,385		
61,915	404,419		
<u>891,137</u>	<u>16,153,446</u>		
143,568	2,655,663		
46,780	6,068,742		
83,167	2,258,499		
-	1,905,836		
308,746	1,071,748		
1,698	15,087		
25,761	3,259,389		
20,000	529,814		
-	157,790		
<u>629,720</u>	<u>17,922,568</u>		
<u>261,417</u>	( <u>1,769,122</u> )		
1,280,000	3,366,002		
( <u>671,800</u> )	( <u>1,971,800</u> )		
<u>608,200</u>	<u>1,394,202</u>		
869,617	( 374,920)		
<u>1,537,666</u>	<u>12,611,783</u>		
<u>\$ 2,407,283</u>	<u>\$ 12,236,863</u>		

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# 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, 2016

Net change in total fund balances	(\$ 374,920)
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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	( 99,885)	
Decrease in net pension liability and related deferred amounts	( 2,364,878)	
Decrease in unamortized bond premium	8,109	
Decrease in interest payable	<u>3,666</u>	
Total expenses of noncurrent resources	( 2,452,988)	

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

Capital outlay and highway expenditures resulting in new assets	3,591,698	
Depreciation expense	( 2,309,433)	

Repayment of debt principal; Loan Payable - \$20,000, Equipment Purchase Contract - \$59,814 and General Obligation Bonds - \$450,000, is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.

529,814

The activity of the internal service funds are included in governmental activities in the statement of activities.

( 62,229 )

Change in net position of governmental activities	(\$ <u>1,078,058</u> )
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See Accompanying Notes to Basic Financial Statements.

# CITY OF MACOMB, ILLINOIS

## Statement of Net Position Proprietary Funds April 30, 2016

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
<b>Assets and Deferred Outflows of Resources</b>					
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,152,450	\$ 983,852	\$ 68,118	\$ 2,204,420	\$ 555,532
Receivables:					
Property Taxes	-	-	-	-	100,481
Consumer Accounts	240,125	127,120	73,484	440,729	-
Unbilled Usage	232,855	121,348	25,260	379,463	-
Due from Other Governments	107,087	-	-	107,087	-
Prepaid Items	-	-	-	-	273,216
Inventory	649,881	57,562	-	707,443	-
Total Current Assets	<u>2,382,398</u>	<u>1,289,882</u>	<u>166,862</u>	<u>3,839,142</u>	<u>929,229</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	<u>366,189</u>	<u>-</u>	<u>-</u>	<u>366,189</u>	<u>-</u>
Capital Assets:					
Property and Equipment	24,132,923	17,511,645	14,770	41,659,338	-
Less Accumulated Depreciation	( 9,573,268)	( 9,389,424)	( 10,755)	( 18,973,447)	-
Total Capital Assets	<u>14,559,655</u>	<u>8,122,221</u>	<u>4,015</u>	<u>22,685,891</u>	<u>-</u>
Total Noncurrent Assets	<u>14,925,844</u>	<u>8,122,221</u>	<u>4,015</u>	<u>23,052,080</u>	<u>-</u>
Total Assets	<u>17,308,242</u>	<u>9,412,103</u>	<u>170,877</u>	<u>26,891,222</u>	<u>929,229</u>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows of Resources Related to Pensions	<u>212,735</u>	<u>164,089</u>	<u>-</u>	<u>376,824</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 17,520,977</u>	<u>\$ 9,576,192</u>	<u>\$ 170,877</u>	<u>\$ 27,268,046</u>	<u>\$ 929,229</u>

See Accompanying Notes to Basic Financial Statements.



	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>					
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	\$ 190,549	\$ 59,585	\$ 1,437	\$ 251,571	\$ 6,919
Accrued Liabilities	142,819	5,355	320	148,494	217,327
Interest Payable	61,256	-	-	61,256	-
Due to Other Funds	425,000	-	-	425,000	-
Compensated Absences	165,225	23,979	-	189,204	-
Notes and Bonds Payable - Current	292,954	-	-	292,954	-
Total Current Liabilities	<u>1,277,803</u>	<u>88,919</u>	<u>1,757</u>	<u>1,368,479</u>	<u>224,246</u>
Noncurrent Liabilities:					
Notes and Bonds Payable	4,573,810	-	-	4,573,810	-
Net Pension Liability	226,633	174,809	-	401,442	-
Total Noncurrent Liabilities	<u>4,800,443</u>	<u>174,809</u>	<u>-</u>	<u>4,975,252</u>	<u>-</u>
Total Liabilities	<u>6,078,246</u>	<u>263,728</u>	<u>1,757</u>	<u>6,343,731</u>	<u>224,246</u>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes	-	-	-	-	100,481
<b>Net Position</b>					
Net Investment In Capital Assets	9,692,891	8,122,221	4,015	17,819,127	-
Restricted - Expendable for Debt Service	366,189	-	-	366,189	-
Unrestricted Net Position	<u>1,383,651</u>	<u>1,190,243</u>	<u>165,105</u>	<u>2,738,999</u>	<u>604,502</u>
Total Net Position	<u>11,442,731</u>	<u>9,312,464</u>	<u>169,120</u>	<u>20,924,315</u>	<u>604,502</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 17,520,977</u>	<u>\$ 9,576,192</u>	<u>\$ 170,877</u>	<u>\$ 27,268,046</u>	<u>\$ 929,229</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, 2016

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Licenses and Permits	\$ -	\$ -	\$ 2,497	\$ 2,497	\$ -
Charges for Services	3,695,425	1,959,986	920,766	6,576,177	2,409,551
Total Operating Revenues	3,695,425	1,959,986	923,263	6,578,674	2,409,551
Operating Expenses					
Waterworks, Sewerage and Garbage:					
Personnel	501,031	405,820	12,454	919,305	-
Utilities	177,610	198,027	319	375,956	-
Contractual Services	70,197	66,809	822,594	959,600	-
Supplies and Materials	1,179,801	598,663	38,338	1,816,802	-
Worker's Compensation	-	-	-	-	328,505
General Liability Insurance	-	-	-	-	273,346
Insurance Deductibles	-	-	-	-	25,638
Premiums and Administrative Fees	-	-	-	-	471,158
Health Claims	-	-	-	-	1,487,345
Depreciation	537,457	304,099	1,477	843,033	-
Total Operating Expenses	2,466,096	1,573,418	875,182	4,914,696	2,585,992
Operating Income (Loss)	1,229,329	386,568	48,081	1,663,978	( 176,441)
Nonoperating Revenues (Expenses)					
Property Taxes	-	-	-	-	88,706
Other Taxes	-	1,069	34,415	35,484	-
Investment Income	983	626	183	1,792	1,053
Interest Expense	( 153,314)	-	-	( 153,314)	-
Miscellaneous Revenue	-	-	3,127	3,127	24,453
Total Nonoperating Revenues (Expenses)	( 152,331)	1,695	37,725	( 112,911)	114,212
Income Before Transfers	1,076,998	388,263	85,806	1,551,067	( 62,229)
Transfers					
Transfers In	100,000	50,077	-	150,077	-
Transfers Out	( 992,964)	( 475,457)	( 75,858)	( 1,544,279)	-
Total Transfers	( 892,964)	( 425,380)	( 75,858)	( 1,394,202)	-
Change in Net Position	184,034	( 37,117)	9,948	156,865	( 62,229)
Net Position - Beginning of Year, as Adjusted	11,258,697	9,349,581	159,172	20,767,450	666,731
Net Position - End of Year	\$ 11,442,731	\$ 9,312,464	\$ 169,120	\$ 20,924,315	\$ 604,502

See Accompanying Notes to Basic Financial Statements.

# CITY OF MACOMB, ILLINOIS

## Statement of Cash Flows Proprietary Funds For the Year Ended April 30, 2016

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 3,701,598	\$ 1,989,699	\$ 906,505	\$ 6,597,802	\$ 418,207
Cash Received from Interfund Services Provided	-	-	-	-	2,015,797
Cash Payments for Goods and Services	( 1,378,690)	( 760,370)	( 862,708)	( 3,001,768)	-
Cash Payments to Employees	( 531,334)	( 409,518)	( 12,880)	( 953,732)	-
Cash Payments for Claims, Premiums, and Fees	-	-	-	-	( 2,552,943)
Net Cash Provided by (Used in) Operating Activities	<u>1,791,574</u>	<u>819,811</u>	<u>30,917</u>	<u>2,642,302</u>	<u>( 118,939)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Property and Other Taxes Received	-	1,069	34,415	35,484	88,706
Repayment of Notes Receivable	2,310	-	-	2,310	-
Transfers In	100,000	50,077	-	150,077	-
Transfers Out	( 992,964)	( 475,457)	( 75,858)	( 1,544,279)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>( 890,654)</u>	<u>( 424,311)</u>	<u>( 41,443)</u>	<u>( 1,356,408)</u>	<u>88,706</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchases of Capital Assets	( 783,344)	( 203,592)	-	( 986,936)	-
Proceeds from Debt	719,425	-	-	719,425	-
Principal Paid on Bonds and Notes	( 285,301)	-	-	( 285,301)	-
Interest Paid on Bonds and Notes	( 156,629)	-	-	( 156,629)	-
Net Cash (Used in) Capital and Related Financing Activities	<u>( 505,849)</u>	<u>( 203,592)</u>	<u>-</u>	<u>( 709,441)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>					
Income Received on Investments	<u>983</u>	<u>626</u>	<u>183</u>	<u>1,792</u>	<u>1,053</u>
Net Cash Provided by Investing Activities	<u>983</u>	<u>626</u>	<u>183</u>	<u>1,792</u>	<u>1,053</u>
Net Increase (Decrease) in Cash	396,054	192,534	( 10,343)	578,245	( 29,180)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,122,585</u>	<u>791,318</u>	<u>78,461</u>	<u>1,992,364</u>	<u>584,712</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,518,639</u>	<u>\$ 983,852</u>	<u>\$ 68,118</u>	<u>\$ 2,570,609</u>	<u>\$ 555,532</u>

See Accompanying Notes to Basic Financial Statements.

	Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating Income (Loss)	\$ 1,229,329	\$ 386,568	\$ 48,081	\$ 1,663,978	(\$ 176,441)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	537,457	304,099	1,477	843,033	-
Other Nonoperating Cash Receipts	-	-	3,127	3,127	24,453
Decrease (Increase) in Accounts and Unbilled Usage Receivable	9,073	29,713	(19,885)	18,901	-
(Increase) in Prepaid Items	-	-	-	-	(1,182)
Decrease (Increase) in Inventories	(77,997)	8,887	-	(69,110)	-
Increase (Decrease) in Accounts Payable	74,833	54,069	(1,457)	127,445	6,919
Increase (Decrease) in Accrued Liabilities	(15,615)	(10,990)	(426)	(27,031)	27,312
Increase in Net Pension Liability	52,082	40,173	-	92,255	-
Increase (Decrease) in Compensated Absences	(17,588)	7,292	-	(10,296)	-
Total Adjustments	<u>562,245</u>	<u>433,243</u>	<u>(17,164)</u>	<u>978,324</u>	<u>57,502</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,791,574</u>	<u>\$ 819,811</u>	<u>\$ 30,917</u>	<u>\$ 2,642,302</u>	<u>(\$ 118,939)</u>
<b>Reconciliation to Proprietary Funds - Statement of Net Position</b>					
Cash and Cash Equivalents, End of Year from Adjoining Page	<u>\$ 1,518,639</u>	<u>\$ 983,852</u>	<u>\$ 68,118</u>	<u>\$ 2,570,609</u>	<u>\$ 555,532</u>
Amounts from Statement of Net Position					
Cash and Cash Equivalents	1,152,450	983,852	68,118	2,204,420	555,532
Restricted Cash and Cash Equivalents	<u>366,189</u>	<u>-</u>	<u>-</u>	<u>366,189</u>	<u>-</u>
Total	<u>\$ 1,518,639</u>	<u>\$ 983,852</u>	<u>\$ 68,118</u>	<u>\$ 2,570,609</u>	<u>\$ 555,532</u>

# CITY OF MACOMB, ILLINOIS

## Statement of Fiduciary Net Position Fiduciary Funds April 30, 2016

	<b>Pension Trust Funds</b>	<b>Agency Fund</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 145,510	\$ 6,553
Investments:		
Money Market Mutual Funds	385,688	-
U.S. Government and Agency Securities:		
U.S. Treasury Notes	579,923	-
U.S. Treasury Bonds	763,248	-
Government National Mortgage Association (GNMA)	93,645	-
U.S. Government Sponsored Agency Securities:		
Federal Home Loan Mortgage Corporation (FHLMC)	807,247	-
Federal National Mortgage Association (FNMA)	1,345,614	-
Other Debt Securities:		
Corporate Bonds	4,282,814	-
Equity Securities:		
Mutual Fund Equities	5,776,665	-
Common Stock	8,744,505	-
Total Investments	22,779,349	-
Accounts Receivable	-	14,405
Interest Receivable	51,231	-
Total Assets	22,976,090	\$ 20,958
<b>Liabilities</b>		
Accounts Payable	17,442	10,646
Due to Other Funds	-	10,312
Total Liabilities	17,442	\$ 20,958
<b>Net Position</b>		
Net Position Restricted for Pensions	\$ 22,958,648	

See Accompanying Notes to Basic Financial Statements.

# CITY OF MACOMB, ILLINOIS

## Statement of Changes in Fiduciary Net Position Fiduciary Funds

	<u><b>Pension Trust Funds</b></u>
<b>Additions</b>	
Contributions	
Employer	\$ 1,007,756
Plan Member	278,684
Other Sources	<u>2,224</u>
Total Contributions	<u>1,288,664</u>
Investment Income	
Interest	250,460
Dividends	493,010
Net Depreciation in Fair Value of Investments	<u>( 978,397)</u>
Gross Investment Income	( 234,927)
Less Investment Expense	<u>( 97,318)</u>
Total Investment Income	<u>( 332,245)</u>
Total Additions	<u>956,419</u>
<b>Deductions</b>	
Pension Benefit Payments and Refunds	2,264,792
Administration	<u>37,108</u>
Total Deductions	<u>2,301,900</u>
Net Decrease in Net Position	( 1,345,481)
<b>Net Position Restricted for Pensions</b>	
Beginning of Year	<u>24,304,129</u>
End of Year	<u><u>\$ 22,958,648</u></u>

See Accompanying Notes to Basic Financial Statements.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 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, 2016, 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, 2016

## 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, 2016

## 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.

Infrastructure Bonds Fund - This fund is used to account for the proceeds of the General Obligation Bonds (Alternate Revenue Source), Series 2012 to be used to finance an infrastructure capital improvements program within the City.

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

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

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

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

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

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

Additionally, the City reports the following fund types:

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 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, 2016 was adopted on April 20, 2015. 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, 2016

## **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, 2016, information for which is provided in the annual report: General Fund (including the following Accounts of the General Fund: General Corporate, Sales Tax Infrastructure, City Hall Maintenance, Street and Bridge, Cemetery Maintenance, Fire Protection Tax, Police Protection Tax, Corporate Sick Leave and Vacation Accrual, Facade Program, Macomb Downtown Development, Hotel/Motel Tax, Information Technology, Community Development, and Gift), Illinois Municipal Retirement Fund, Section 5311 - Transportation Grant Fund, Infrastructure Bonds Fund, Downtown TIF District Fund, TIF West Side #3 Fund, MDDC Revolving Loan Fund, CDAP Revolving Loan Fund, Motor Fuel Tax Fund, Downtown Revitalization Fund, Water Fund, Sewer Fund, and Garbage Fund. Budgets were adopted for the following internal service and pension trust funds for the fiscal year ended April 30, 2016, 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, 2016 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, 2016

## 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, 2016.

### **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 2016 represent the taxes from the 2014 and prior year levies.

# **CITY OF MACOMB, ILLINOIS**

## **Notes to Basic Financial Statements April 30, 2016**

### **1. Summary of Significant Accounting Policies**

Since the 2015 taxes are not due and collectible until June and are intended to finance the operations of fiscal year 2017, 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 2017. The 2016 tax levy has not been recorded as a receivable at April 30, 2016, as the tax attached as a lien on property as of January 1, 2016, however, the tax will not be levied until December 2016 and, accordingly, is not measurable at April 30, 2016.

#### ***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, including SLEP) 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, 2016

## 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, 2016

## 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.

### ***New Governmental Accounting Standards***

The City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* during its year ended April 30, 2016. These statements required the City to recognize a long-term obligation for pension benefits as a liability for the first time for its defined benefit pensions. These statements also required revised and new note disclosures and required supplementary information (RSI). See note 9 and note 17.



# **CITY OF MACOMB, ILLINOIS**

Notes to Basic Financial Statements  
April 30, 2016

## **1. Summary of Significant Accounting Policies**

### ***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.

## **2. Deposits and Investments**

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

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

It is the policy of the City to invest all public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The primary objectives of the policy, in order of priority are; conformance with other legal requirements, safety of principal, liquidity, and attainment of market rates of return.

### ***Deposits with Financial Institutions***

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the City's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by an independent third party institution in the name of the City, evidenced by a written collateral agreement. At April 30, 2016, the City's bank balances were \$9,462,759, and the carrying value of those deposits was \$8,831,611, 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, 2016 was \$4,771,610. 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, 2016

## 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.

#### *Investments*

The following tables present the investments in debt securities of the Pension Trust Funds as of April 30, 2016 by type of investment, fair values, and maturities (using the segmented time distribution):

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 2. Deposits and Investments

#### Firefighters' Pension Fund

Investment Description	Total Fair Value 4/30/2016	Investment Maturities			
		Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 229,972	\$ -	\$ 229,972	\$ -	\$ -
U.S. Treasury Bonds	338,145	-	-	-	338,145
GNMA	44,263	-	-	8,760	35,503
FHLMC	360,107	-	-	-	360,107
FNMA	654,022	7	1,741	-	652,274
Corporate Bonds	1,976,914	211,778	989,972	528,373	246,791
Money Market Funds	138,309	138,309	-	-	-

#### Police Pension Fund

Investment Description	Total Fair Value 4/30/2016	Investment Maturities			
		Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 349,951	\$ -	\$ 349,951	\$ -	\$ -
U.S. Treasury Bonds	425,103	-	-	-	425,103
GNMA	49,382	-	-	8,526	40,856
FHLMC	447,140	-	-	-	447,140
FNMA	691,592	6	44	-	691,542
Corporate Bonds	2,305,900	-	1,383,949	557,715	364,236
Money Market Funds	247,379	247,379	-	-	-

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, 2016

### 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 4/30/2016	% of Total Invest- ments	Total Fair Value 4/30/2016	% of Total Invest- ments	
Money Market Mutual Funds					
Regions Bank Trust	\$ -	0.00%	\$ 247,379	1.91%	AAAm
U.S. Bank	138,309	1.40%	-	0.00%	AAAm
Subtotal	<u>138,309</u>	<u>1.40%</u>	<u>247,379</u>	<u>1.91%</u>	
U.S. Government and Agency Securities					
U.S. Treasury Notes	229,972	2.33%	349,951	2.71%	N/A
U.S. Treasury Bonds	338,145	3.42%	425,103	3.30%	N/A
Government National Mortgage Association	44,263	0.45%	49,382	0.38%	N/A
Subtotal	<u>612,380</u>	<u>6.20%</u>	<u>824,436</u>	<u>6.39%</u>	
U.S. Government Sponsored Agency Securities					
Federal Home Loan Mortgage Corporation	360,107	3.64%	447,140	3.47%	AA+
Federal National Mortgage Association	654,022	6.62%	691,592	5.36%	AA+
Subtotal	<u>1,014,129</u>	<u>10.26%</u>	<u>1,138,732</u>	<u>8.83%</u>	
Corporate Bonds	1,976,914	20.00%	2,305,900	17.88%	AA+/B
Mutual Funds	3,069,899	31.07%	2,706,766	20.99%	N/A
Common Stock	<u>3,069,682</u>	<u>31.07%</u>	<u>5,674,823</u>	<u>44.00%</u>	N/A
Total Investments	<u>\$ 9,881,313</u>	<u>100.00%</u>	<u>\$ 12,898,036</u>	<u>100.00%</u>	

N/A - Rating not required

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

At year end, the Pension Funds had investments which represented 5 percent or more of total Pension Fund investments and net position at April 30, 2016 (other than U.S. Government and Agency securities) as follows: Firefighters' - Federal National Mortgage Association of \$654,022; Police - Federal National Mortgage Association of \$691,592.

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 2. Deposits and Investments

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

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

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

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

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

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

#### ***Reconciliation of notes to financial statements***

##### *Cash and Investments (Note Above)*

Cash - Carrying Amount of City Deposits	\$ 8,831,611
Cash on Hand	625
Investments - City Investments in Illinois Funds	4,771,610
Investments - Firefighters' Pension Fund	9,881,313
Investments - Police Pension Fund	12,898,036
Total	<u>\$ 36,383,195</u>

##### *Cash and Investments (Basic Financial Statements)*

Primary Government Cash - Statement of Net Position	\$ 13,085,594
Primary Government Restricted Cash - Statement of Net Position	366,189
Pension Trust Funds Cash and Cash Equivalents - Statement of Fiduciary Net Position	145,510
Pension Trust Funds Investments - Statement of Fiduciary Net Position	22,779,349
Agency Fund Cash - Statement of Fiduciary Net Position	6,553
Total	<u>\$ 36,383,195</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, 2016

### 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 \$360,744 are insured or collateralized with securities held by the Township, its agent, or by the pledging financial institution's trust department or agent in the name of the Township.

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

The City provides low interest loans to various individuals and businesses under a revolving loan program for the purpose of community development. These loans, totaling \$171,147 as of April 30, 2016, are accounted for in the governmental funds, bear interest at 3% to 5%, and are due in monthly installments with maturity dates ranging from June 2016 to June 2025. The City expects to collect approximately \$75,630 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, 2016, the Police Department Warrants Account and Child Safety Seat Grant Account of the General Fund had deficit fund balances of \$535 and \$725, respectively. The deficits are due to the timing of funding. Future funding is anticipated to bring the accounts and fund out of the deficit.

#### ***Expenditures/Expenses Exceeding Budgets***

During fiscal year 2016, the following accounts/funds had expenditures/operating expenses exceed budgeted expenditures/operating expenses:

Fund/Account	Expenditures	
	Budgeted	Actual
General Fund:		
Hotel/Motel Tax Account	\$ 199,146	\$ 204,933
Gift Account	1,385	5,685
Infrastructure Bonds Fund	1,470,430	1,544,546
TIF West Side #3 Fund	83,087	89,402
CDAP Revolving Loan Fund	-	165
Downtown Revitalization Fund	20,000	158,254

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 4. Individual Fund Disclosures

### ***Restricted Net Position***

The Water Fund had restricted net position of \$366,189 for future debt service principal and interest payments. Governmental restricted net position include \$563,026 restricted for community development, \$361,075 restricted for employee benefits, \$677,189 restricted for maintenance of roadways, \$201,315 restricted for public safety, \$39,732 restricted for cemetery care, \$447,759 restricted for transportation, and \$84,579 restricted for other purposes.

### *Macomb City Township*

The Macomb City Township had net position of \$7,842 restricted for employee benefits and \$155,484 restricted for other purposes.

### ***Interfund Assets/Liabilities***

As of April 30, 2016, the following amounts represent interfund assets/liabilities:

	Due from Other Funds	Due to Other Funds
Major Governmental Fund:		
General Fund	\$ 435,312	\$ -
Major Proprietary Fund:		
Water Fund	-	425,000
Agency Fund:		
Flex Benefit Fund	-	10,312
Total Interfund Balances	<u>\$ 435,312</u>	<u>\$ 435,312</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:

	Transfer from Other Funds	Transfer to Other Funds
Major Governmental Funds:		
General Fund	\$ 2,030,187	\$ 1,300,000
Illinois Municipal Retirement Fund	55,815	-
Nonmajor Governmental Funds	1,280,000	671,800
Major Enterprise Funds:		
Water Fund	100,000	992,964
Sewer Fund	50,077	475,457
Garbage Fund	-	75,858
Total Transfers	<u>\$ 3,516,079</u>	<u>\$ 3,516,079</u>

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 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 \$347,007, \$307,007, and \$48,358, respectively, are routine transfers to cover the administrative costs of the General Fund and the Public Works Director's salary. A routine transfer of \$545,000 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, 2016 was as follows:

	Balance at May 1, 2015	Additions	Deletions	Balance at Apr. 30, 2016
Capital Assets not Being depreciated:				
Land	\$ 1,356,454	\$ -	\$ -	\$ 1,356,454
Construction In Progress	177,669	516,870	84,743	609,796
Total Capital Assets not Being Depreciated, Net	<u>1,534,123</u>	<u>516,870</u>	<u>84,743</u>	<u>1,966,250</u>
Capital Assets Being Depreciated:				
911 Center/Police Station	1,563,817	-	-	1,563,817
Building and Improvements	20,098,343	160,749	-	20,259,092
Infrastructure	44,071,980	1,982,846	-	46,054,826
Land Improvements	709,845	-	-	709,845
Licensed Vehicles	6,532,569	971,505	77,855	7,426,219
Machinery and Equipment	3,899,988	44,471	-	3,944,459
Subtotal	<u>76,876,542</u>	<u>3,159,571</u>	<u>77,855</u>	<u>79,958,258</u>
Accumulated Depreciation				
911 Center/Police Station	1,498,659	65,159	-	1,563,818
Building and Improvements	2,808,714	550,831	-	3,359,545
Infrastructure	19,032,073	532,182	-	19,564,255
Land Improvements	346,282	56,956	-	403,238
Licensed Vehicles	5,394,206	473,320	77,855	5,789,671
Machinery and Equipment	3,011,911	630,985	-	3,642,896
Subtotal	<u>32,091,845</u>	<u>2,309,433</u>	<u>77,855</u>	<u>34,323,423</u>
Total Capital Assets Being Depreciated, Net	<u>44,784,697</u>	<u>850,138</u>	<u>-</u>	<u>45,634,835</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 46,318,820</u>	<u>\$ 1,367,008</u>	<u>\$ 84,743</u>	<u>\$ 47,601,085</u>



## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 5. Capital Assets

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

General Government	\$ 150,182
Public Safety	294,939
Highways and Streets	1,100,918
Community Development	37,680
Transportation	<u>725,714</u>
 Total Depreciation Expense	 <u>\$ 2,309,433</u>

A summary of the changes in capital assets of the City's Business-type Activities by Proprietary Fund for the period May 1, 2015 through April 30, 2016 is as follows:

	Balance at May 1, 2015	Additions	Deletions	Balance at Apr. 30, 2016
<b>WATER FUND</b>				
Capital Assets Being Depreciated:				
Water System	\$ 21,697,528	\$ 757,173	\$ -	\$ 22,454,701
Land Improvements	6,380	-	-	6,380
Licensed Vehicles	349,088	-	-	349,088
Machinery and Equipment	1,296,583	26,171	-	1,322,754
Subtotal	<u>23,349,579</u>	<u>783,344</u>	<u>-</u>	<u>24,132,923</u>
Accumulated Depreciation				
Water System	8,043,194	440,748	-	8,483,942
Land Improvements	6,380	-	-	6,380
Licensed Vehicles	276,648	27,059	-	303,707
Machinery and Equipment	709,589	69,650	-	779,239
Subtotal	<u>9,035,811</u>	<u>537,457</u>	<u>-</u>	<u>9,573,268</u>
Total Water Fund				
Capital Assets, Net	<u>\$ 14,313,768</u>	<u>\$ 245,887</u>	<u>\$ -</u>	<u>\$ 14,559,655</u>

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 5. Capital Assets

	Balance at May 1, 2015	Additions	Deletions	Balance at Apr. 30, 2016
<b>SEWER FUND</b>				
Capital assets not being depreciated:				
Construction In Progress	\$ 597,639	\$ -	\$ 597,639	\$ -
Total Capital Assets not being Depreciated, Net	<u>597,639</u>	<u>-</u>	<u>597,639</u>	<u>-</u>
Capital Assets Being Depreciated:				
Sewer System	13,655,291	787,187	-	14,442,478
Land Improvements	86,632	-	-	86,632
Licensed Vehicles	705,950	-	-	705,950
Machinery and Equipment	2,262,541	14,044	-	2,276,585
Subtotal	<u>16,710,414</u>	<u>801,231</u>	<u>-</u>	<u>17,511,645</u>
Accumulated Depreciation				
Sewer System	6,309,271	246,661	-	6,555,932
Land Improvements	86,632	-	-	86,632
Licensed Vehicles	627,946	13,359	-	641,305
Machinery and Equipment	2,061,476	44,079	-	2,105,555
Subtotal	<u>9,085,325</u>	<u>304,099</u>	<u>-</u>	<u>9,389,424</u>
Total Capital Assets Being Depreciated, Net	<u>7,625,089</u>	<u>497,132</u>	<u>-</u>	<u>8,122,221</u>
Total Sewer Fund Capital Assets, Net	<u>\$ 8,222,728</u>	<u>\$ 497,132</u>	<u>\$ 597,639</u>	<u>\$ 8,122,221</u>
<b>GARBAGE FUND</b>				
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	9,278	1,477	-	10,755
Subtotal	<u>9,278</u>	<u>1,477</u>	<u>-</u>	<u>10,755</u>
Total Garbage Fund Capital Assets, Net	<u>\$ 5,492</u>	<u>(\$ 1,477)</u>	<u>\$ -</u>	<u>\$ 4,015</u>
Total Business-type Activities Capital Assets, Net	<u>\$ 22,541,988</u>	<u>\$ 741,542</u>	<u>\$ 597,639</u>	<u>\$ 22,685,891</u>

Depreciation expense of \$537,457, \$304,099, and \$1,477 for the City's business-type activities was charged to the Water, Sewer, and Garbage functions, respectively.

### 6. Section 5311 Transportation Grant Fund

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

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 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, 2015	Additions	Retirements	Balance April 30, 2016	Principal Due Within One Year
Equipment Purchase Contract	\$ 206,006	\$ -	\$ 59,814	\$ 146,192	\$ 61,671
Loan Payable	80,000	-	20,000	60,000	20,000
G.O. Bonds, Series 2012	6,630,000	-	450,000	6,180,000	460,000
Premium on 2012 Bonds	105,423	-	8,109	97,314	-
Compensated Absences	1,099,527	1,199,412	1,099,527	1,199,412	1,199,412
Totals	<u>\$ 8,120,956</u>	<u>\$ 1,199,412</u>	<u>\$ 1,637,450</u>	<u>\$ 7,682,918</u>	<u>\$ 1,741,083</u>

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

Business-Type Activities	Balance May 1, 2015	Additions	Retirements	Balance April 30, 2016	Principal Due Within One Year
Notes Payable:					
Illinois EPA - Water	\$ 1,050,388	\$ -	\$ 105,452	\$ 944,936	\$ 108,105
Illinois EPA - Water Ammoniation	540,165	-	34,849	505,316	34,849
Illinois EPA - Water Tower	-	826,512	-	826,512	-
Bonds Payable:					
G.O. Bonds, Series 2008A - Water	2,735,000	-	145,000	2,590,000	150,000
Compensated Absences	199,500	189,204	199,500	189,204	189,204
Totals	<u>\$ 4,525,053</u>	<u>\$ 1,015,716</u>	<u>\$ 484,801</u>	<u>\$ 5,055,968</u>	<u>\$ 482,158</u>

### Details of Long-Term Debt

#### Equipment Purchase Contract

The City acquired a fire truck under an equipment purchase contract in 2005 for \$582,000. The City refinanced the contract in fiscal year 2014. The contract had an outstanding balance of \$146,192 as of April 30, 2016. The contract is due in monthly installments of \$5,439, including interest at 3 percent, with a final installment due October 25, 2018. The annual debt service requirements on this contract are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 61,671	\$ 3,595	\$ 65,266
2018	63,574	1,692	65,266
2019	20,947	154	21,101
Total	<u>\$ 146,192</u>	<u>\$ 5,441</u>	<u>\$ 151,633</u>

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 7. Long-Term Debt

#### *Loan Payable*

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

Year Ending April 30,	Principal	Interest	Total
2017	\$ 20,000	\$ -	\$ 20,000
2018	20,000	-	20,000
2019	20,000	-	20,000
Total	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 60,000</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
2017	\$ 460,000	\$ 142,938	\$ 602,938
2018	465,000	133,738	598,738
2019	475,000	124,438	599,438
2020	485,000	114,938	599,938
2021	495,000	105,238	600,238
2022-2026	2,645,000	356,477	3,001,477
2027-2028	1,155,000	47,851	1,202,851
Total	<u>\$ 6,180,000</u>	<u>\$ 1,025,618</u>	<u>\$ 7,205,618</u>

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 7. Long-Term Debt

#### *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 \$1,199,412 and \$189,204, 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 \$944,936 as of April 30, 2016, which bears interest at 2.50 percent and is payable on April 20 and October 20 each year and has a final maturity date of April 20, 2024. The annual debt service requirements on this note are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 108,105	\$ 22,952	\$ 131,057
2018	110,824	20,232	131,056
2019	113,612	17,445	131,057
2020	116,470	14,587	131,057
2021	119,400	11,657	131,057
2022-2024	<u>376,525</u>	<u>16,644</u>	<u>393,169</u>
Total	<u>\$ 944,936</u>	<u>\$ 103,517</u>	<u>\$ 1,048,453</u>

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$505,316 as of April 30, 2016 for an ammoniation project. The loan is interest-free. The repayment schedule for the loan is as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 34,849	\$ -	\$ 34,849
2018	34,850	-	34,850
2019	34,849	-	34,849
2020	34,849	-	34,849
2021	34,849	-	34,849
2022-2026	174,247	-	174,247
2027-2031	<u>156,823</u>	<u>-</u>	<u>156,823</u>
Total	<u>\$ 505,316</u>	<u>\$ -</u>	<u>\$ 505,316</u>

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$826,512 as of April 30, 2016 for an ongoing water tower project which will bear interest at 2.21 percent. The loan is expected to amount to \$903,225; the repayment schedule for the loan has not been determined at the time this report was prepared.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 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 as of April 30, 2016 were \$2,590,000 in the Water Fund. The Waterworks bonds bear interest at 4.50% to 4.75% over the life of the bonds, payable on November 1 and May 1 each year and have a final principal maturity date of May 1, 2028.

During the current fiscal year, the pledge of the water revenue of \$270,155 for paying the series 2008A bonds principal and interest was 7.3% of total water operating revenues.

The annual debt service requirements are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 150,000	\$ 118,518	\$ 268,518
2018	155,000	111,655	266,655
2019	165,000	104,249	269,249
2020	170,000	96,293	266,293
2021	180,000	87,980	267,980
2022-2026	1,030,000	300,489	1,330,489
2027-2029	<u>740,000</u>	<u>53,346</u>	<u>793,346</u>
Total	<u>\$ 2,590,000</u>	<u>\$ 872,530</u>	<u>\$ 3,462,530</u>

Based on the ordinance requirements, a total of \$366,189 has been held in restricted reserve accounts in the Water Fund at April 30, 2016.

### ***Statutory Debt Margin***

As of April 30, 2016, the general obligation debt issued by the City did not exceed its statutory debt margin as shown by the following:

Equalized Assessed Valuation - 2015 Tax Year		<u>\$ 187,768,209</u>
Legal Debt Limit - 8.625% of Equalized Assessed Valuation		\$ 16,195,008
	Total Debt	Amount of Debt Applicable to Debt Limit
Equipment Purchase Contract	146,192	146,192
Loan Payable	60,000	-
General Obligation Bonds	<u>6,180,000</u>	<u>-</u>
	6,386,192	146,192
Legal Debt Margin		<u>\$ 16,048,816</u>

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 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, 2016.

### 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](http://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, 2016

### 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, 2015, the following employees were covered by the benefit terms:

	Regular	SLEP
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	97	1
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	39	-
Active Plan Members	58	-
Total	194	1

#### *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 2015 was 12.15%. For the fiscal year ended April 30, 2016, the City contributed \$344,058 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, 2015. 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, 2015:

- 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 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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.



## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 9. Employee Retirement Systems and Plans

- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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	38.00%	7.39%
International Equity	17.00%	7.59%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.00%
Alternative Investments	9.00%	5.25-8.15%
Cash Equivalents	1.00%	2.25%
Total	100.00%	

#### *Discount Rate*

A Single Discount Rate of 7.48% and 7.50% was used to measure the total pension liability for the Regular Plan and SLEP, respectively. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- 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 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rates are reported above.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 9. Employee Retirement Systems and Plans

### *Changes in the Net Pension Liability*

	Regular Plan	SLEP Plan
<b>Total Pension Liability</b>		
Service Cost	\$ 294,279	\$ -
Interest	1,688,531	324
Differences Between Expected and Actual Experience	245,278	( 1,298)
Changes of Assumptions	50,236	-
Benefit Payments, Including Refunds of Plan Member Contributions	( 1,622,448)	-
Net Change in Total Pension Liability	655,876	( 974)
Total Pension Liability - Beginning	23,177,830	4,319
Total Pension Liability - Ending	23,833,706	3,345
<b>Plan Fiduciary Net Position</b>		
Contributions from Employer	347,275	-
Contributions from Plan Members	118,533	-
Pension Plan Net Investment Income	109,168	21
Benefit Payments, Including Refunds of Plan Member Contributions	( 1,622,448)	-
Other Changes	799,631	( 902)
Net Change in Plan Fiduciary Net Position	( 247,841)	( 881)
Plan Fiduciary Net Position - Beginning	22,411,837	4,227
Plan Fiduciary Net Position - Ending	22,163,996	3,346
<b>Net Pension Liability - Ending</b>	<b>\$ 1,669,710</b>	<b>(\$ 1)</b>

### *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 7.48% and 7.50%, for the Regular Plan and SLEP, respectively, 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:

<b>Regular Plan</b>	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability (Asset)	\$ 4,376,206	\$ 1,669,710	(\$ 588,106)
<b>SLEP</b>	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ 419	(\$ 1)	(\$ 350)

### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended April 30, 2016, the City recognized pension expense/(income) of (\$218,144) and (\$303), for the Regular Plan and SLEP, respectively. At April 30, 2016, the City reported deferred outflows or resources related to pensions from the following sources:

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 9. Employee Retirement Systems and Plans

	Regular Plan	SLEP Plan
	Deferred	Deferred
	Outflows of	Outflows of
	Resources	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	\$ 171,745	\$ -
Changes of assumptions	35,175	-
Net difference between projected and actual earnings on pension plan investments	1,246,666	210
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	1,453,586	210
<i>Pension Contributions Made Subsequent to the Measurement Date</i>	113,727	-
Total Deferred Amounts Related to Pensions	\$ 1,567,313	\$ 210

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

	Regular Plan	SLEP Plan
	Net Deferred	Net Deferred
	Outflows of	Outflows of
	Resources	Resources
Year Ending December 31		
2016	\$ 400,260	\$ 52
2017	400,260	52
2018	341,398	52
2019	311,668	54
Total	\$ 1,453,586	\$ 210

#### **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, 2016

### 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, 2016, the City's contributions were 43.72% and 32.83%, of covered payroll for the Firefighters' and Police Pension Plans, respectively.

Rather than use annual actuarial information provided by the Illinois Division of Insurance, the City of Macomb has commissioned its own actuarial study by Tepfer Consulting Group, Ltd. of Northbrook, Illinois. Tepfer Consulting Group, Ltd. bases the information that is included in the required supplementary information on actuarial calculations.

At April 30, 2016 (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	30	31
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-	9
Active Plan Members	19	26
Total	<u>49</u>	<u>66</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, 2016

### 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, 2016 were as follows:

	Firefighters' Pension	Police Pension
Total Pension Liability	\$ 16,848,087	\$ 20,887,484
Plan Fiduciary Net Position	<u>9,987,381</u>	<u>12,971,268</u>
Net Pension Liability	<u>\$ 6,860,706</u>	<u>\$ 7,916,216</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.28%	62.10%

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, 2016 with a measurement date of April 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: April 30, 2016 - 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 2041.

Asset Valuation Method: 5-year smoothed market, no corridor.

Inflation: 2.50 percent.

Salary Increases: Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.50% inflation allowance.

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 9. Employee Retirement Systems and Plans

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

**Investment Rate of Return:** 7.25.

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

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

*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 7.25% was used to measure the total pension liability for both 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 7.25%. 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.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 9. Employee Retirement Systems and Plans

### *Changes in the Net Pension Liability*

	Firefighters' Pension Plan	Police Pension Plan
<b>Total Pension Liability</b>		
Service Cost	\$ 278,385	\$ 338,505
Interest	1,031,740	1,414,627
Differences Between Expected and Actual Experience	933,028	258,827
Changes of Assumptions	455,977	-
Benefit Payments, Including Refunds of Plan Member Contributions	( 1,089,586)	( 1,175,206)
Net Change in Total Pension Liability	1,609,544	836,753
Total Pension Liability - Beginning	15,238,543	20,050,731
Total Pension Liability - Ending	<u>16,848,087</u>	<u>20,887,484</u>
<b>Plan Fiduciary Net Position</b>		
Contributions from Employer	499,923	507,833
Contributions from Plan Members	116,866	161,818
Pension Plan Net Investment Income	( 216,264)	( 113,757)
Benefit Payments, Including Refunds of Plan Member Contributions	( 1,089,586)	( 1,175,206)
Other Changes	( 17,175)	( 19,933)
Net Change in Plan Fiduciary Net Position	( 706,236)	( 639,245)
Plan Fiduciary Net Position - Beginning	10,693,617	13,610,512
Plan Fiduciary Net Position - Ending	<u>9,987,381</u>	<u>12,971,267</u>
<b>Net Pension Liability - Ending</b>	<u>\$ 6,860,706</u>	<u>\$ 7,916,217</u>

### *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 7.25% and 7.25% for the Firefighters' and Police Pension Plans, respectively, 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Firefighters' Pension			
City's Net Pension Liability	\$ 8,910,588	\$ 6,860,706	\$ 5,153,316
Police Pension			
City's Net Pension Liability	\$ 10,541,546	\$ 7,916,217	\$ 3,577,541

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 9. Employee Retirement Systems and Plans

#### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended April 30, 2016, the City recognized pension expense of \$808,480 and \$1,044,950 for the Firefighters' and Police Pension Plans, respectively. At April 30, 2016, 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 Amounts Related to Pensions		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 793,697	\$ 229,166
Changes of assumptions	387,885	-
Net difference between projected and actual earnings on pension plan investments	<u>744,247</u>	<u>872,942</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	<u>\$ 1,925,829</u>	<u>\$ 1,102,108</u>

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

	Firefighters' Pension Plan	Police Pension Plan
	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
Year Ending December 31		
2017	\$ 393,483	\$ 247,897
2018	393,483	247,897
2019	393,483	247,897
2020	393,483	247,897
2021	207,421	29,662
Thereafter	144,476	80,858
Total	<u>\$ 1,925,829</u>	<u>\$ 1,102,108</u>

#### *Investment Rate of Return*

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.09% and -0.85% 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.



# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 9. Employee Retirement Systems and Plans

### *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, 2015 are levied for the 2015 tax levy and will be collected during the fiscal year ending April 30, 2017.

### *Reconciliation of Pension Note to Government-Wide Financial Statements*

#### *Amounts Reported in Note 9*

	IMRF Regular Plan	IMRF SLEP	Firefighters' Pension Plan	Police Pension Plan	Total
Net Pension Liability	\$ 1,669,710	(\$ 1)	\$ 6,860,706	\$ 7,916,217	\$ 16,446,632
Deferred Outflows of Resources Related to Pensions	1,567,313	210	1,925,829	1,102,108	4,595,460

#### *Amounts Reported in the Government-Wide Financial Statements*

	Governmental Activities	Business-Type Activities	Total
Net Pension Liability	\$ 16,045,190	\$ 401,442	\$ 16,446,632
Deferred Outflows of Resources Related to Pensions	4,218,636	376,824	4,595,460

For ease of presentation, the (\$1) SLEP liability is reported as a reduction in the net pension liability as opposed to a net pension asset.

## 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.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 10. Commitments and Contingencies

Each lease agreement contains a provision for four 5-year renewal options with one having monthly payments ranging from \$4,003 to \$4,163 and the other lease paying \$27,093 twice per year. Both leases have been renewed for the first renewal option. Minimum future sublease payments under these leases for fiscal year 2017 total \$105,527. Sublease income under these leases during the year ending April 30, 2016 was \$97,519.

**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. 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 \$338,205 at April 30, 2016 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: \$914 per employee per month for individual coverage and \$2,141 per employee per month for family coverage. At April 30, 2016, there were 115 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.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 11. Risk Management

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

	Insurance Claims Payable April 30, 2016	Insurance Claims Payable April 30, 2015
Beginning Balance	\$ 190,015	\$ 172,143
Provision for Expenditures	1,930,389	1,781,363
Payments made for Claims	( 1,903,077)	( 1,763,491)
Ending Balance	<u>\$ 217,327</u>	<u>\$ 190,015</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, 2016 and consumer accounts receivable as of April 30, 2016 from Western Illinois University were as follows:

Fund	Charges for Services	Receivable
Water	\$ 566,719	\$ 37,129
Sewer	<u>340,115</u>	<u>22,763</u>
Total	<u>\$ 906,834</u>	<u>\$ 59,892</u>

## 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.

## CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

### 13. Jointly Governed Organizations and Joint Ventures

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, 2015 follows:

<i><b>Statement of Net Position</b></i>		<i><b>Statement of Activities</b></i>	
Assets:			
Current Assets	\$ 275,084	Operating Revenues	\$ 845,870
Property and Equipment, Net	151,014	Operating Expenses	870,544
Total Assets	<u>426,098</u>	Net Income (Loss)	<u>( 24,674)</u>
Deferred Outflows of Resources	147,344	Nonoperating Revenues	248
Total Assets and Deferred Outflows	<u>\$ 573,442</u>	Contribution Revenue	56,809
Liabilities	\$ 249,240	Change in Net Position	32,383
Deferred Inflows of Resources	7,631	Net Position, Beginning	336,022
Net Position	<u>316,471</u>	Change in Accounting Principle	<u>( 51,934)</u>
Total Liabilities, Deferred Inflows		Net Position, Ending	<u>\$ 316,471</u>
and Net Position	<u>\$ 573,342</u>		

### 14. Other Postemployment Benefits

The City is legally required to provide 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, 2016, there were 10 retired employees covered under the City's plan. The City finances the plan on a pay-as-you-go basis and recognized \$94,824 of expenses with retiree contributions of \$128,019 in the Internal Service Fund.

# CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements  
April 30, 2016

## 14. Other Postemployment Benefits

Statement No. 45 of the Governmental Accounting Standards Board *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45) was applicable for the City's year ended April 30, 2009. That Statement requires the City to recognize the cost of other postemployment benefits (OPEB) in periods when the related services are received by the City. GASB 45 requires a systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and also requires providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The City did not implement the provisions of GASB 45 and therefore the amount by which this departure from USGAAP would affect the liabilities, expenses, and net position of the governmental activities, the business-type activities, the Water Fund, and the Sewer Fund of the City is not reasonably determinable.

## 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	Infra-structure Bonds Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>						
<i>Nonspendable for:</i>						
Not in Spendable Form	\$ 118,576	\$ -	\$ -	\$ -	\$ 207,635	\$ 326,211
<i>Restricted for:</i>						
Community Development	40,105	-	-	-	522,921	563,026
Employee Benefits	-	-	361,075	-	-	361,075
Maintenance of Roadways	-	-	-	-	677,189	677,189
Public Safety	155,420	-	-	-	45,895	201,315
Cemetery Care	39,732	-	-	-	-	39,732
Transportation	-	-	-	447,759	-	447,759
Other Purposes	67,227	-	-	-	17,352	84,579
Total Restricted	302,484	-	361,075	447,759	1,263,357	2,374,675
<i>Committed to:</i>						
Capital Projects	2,186,220	-	-	-	-	2,186,220
Total Committed	2,186,220	-	-	-	-	2,186,220
<i>Assigned to:</i>						
Community Development	259,314	-	-	-	-	259,314
Maintenance of Roadways	55,242	-	-	-	-	55,242
Capital Projects	500,000	-	-	-	936,291	1,436,291
Other Purposes	159,068	-	-	-	-	159,068
Total Assigned	973,624	-	-	-	936,291	1,909,915
<i>Unassigned</i>	5,439,842	-	-	-	-	5,439,842
Total Fund Balances	\$ 9,020,746	\$ -	\$ 361,075	\$ 447,759	\$ 2,407,283	\$ 12,236,863

## **CITY OF MACOMB, ILLINOIS**

Notes to Basic Financial Statements  
April 30, 2016

### **16. Inter-Entity Transactions**

The Macomb City Township leases office space from the City. During the fiscal year ended April 30, 2014, the Township paid \$54,000 to the City for office rental covering 2014-2018. The City has recorded unearned revenue for the rental payments pertaining to future years. The Township paid \$56,801 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 \$1,041 of Tax Increment Financing surplus money, \$8,870 of annexation taxes, and \$11,286 of personal property replacement taxes.

### **17. Net Position Adjustment**

Beginning of the year net position for governmental activities was reduced by \$8,758,714 and beginning of the year net position for business-type activities, the Water Fund and the Sewer Fund were increased by \$67,637, \$38,184 and \$29,453, respectively, to account for the adjustment to record the net pension liability and deferred outflows of resources related to pensions as of May 1, 2015.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF MACONB, ILLINOIS

### Required Supplementary Information

Schedules of Employer Contributions

Firefighters' and Police Pension Plans

Last Two Fiscal Years

#### Firefighters' Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 728,859	\$ 499,923	\$ 228,936	\$ 1,143,425	43.72%
2015	410,715	474,854	( 64,139)	1,160,210	40.93%

#### Police Pension Plan

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 858,179	\$ 507,833	\$ 350,346	\$ 1,546,808	32.83%
2015	793,744	506,272	287,472	1,488,494	34.01%



**Notes to Schedule:**

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

*Valuation Date:* April 30, 2016.

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 2041.
Asset Valuation Method:	5-year smoothed market, no corridor.
Inflation:	2.50%.
Salary Increases:	Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.50% inflation allowance.
Postretirement Benefit Increases:	3.00% compounded, for Tier 1 employees, and the lesser of 3.00% or one-half of the annual increase in the CPI, simple, for Tier 2 employees.
Investment Rate of Return:	7.25% 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 (male) with blue collar adjustment projected by Scale BB to 2015. Disabled Lives includes a 150% load for participants under age 50.

*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 MACONB, ILLINOIS

### Required Supplementary Information Schedules of Employer Contributions Illinois Municipal Retirement Fund Last Two Calendar Years

#### ***Regular Plan***

<u>Calendar Year Ended December 31,</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>
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)***

<u>Calendar Year Ended December 31,</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>
2015	\$ -	\$ -	\$ -	\$ -	N/A
2014	-	-	-	-	N/A

**Notes to Schedule:***Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 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 2015 Contribution Rates:*

*Actuarial Cost Method:* Aggregate Entry Age Normal.

*Amortization Method:* Level Percentage of Payroll, Closed

*Remaining Amortization Period:* 28-year closed period.

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

*Wage Growth:* 4.00%.

*Price Inflation:* 3.00% - approximate; No explicit price inflation assumption is used in this valuation.

*Salary Increases:* 4.40% to 16.00% including inflation

*Investment Rate of Return:* 7.50%.

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.

*Mortality:* RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

*Other Information:*

*Notes:* There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2013 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 Two Fiscal Years

	<b>Firefighters' Pension</b>		<b>Police Pension</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Total Pension Liability</b>				
Service Cost	\$ 278,385	\$ 164,078	\$ 338,505	\$ 326,876
Interest	1,031,740	1,076,943	1,414,627	1,251,335
Differences Between Expected and Actual Experience	933,028	( 608,896)	258,827	365,586
Changes of Assumptions	455,977	316,045	-	1,496,669
Benefit Payments, Including Refunds of Plan Member Contributions	( 1,089,586)	( 1,041,244)	( 1,175,206)	( 1,199,116)
Net Change in Total Pension Liability	1,609,544	( 93,074)	836,753	2,241,350
Total Pension Liability - Beginning	15,238,543	15,331,617	20,050,731	17,809,381
Total Pension Liability - Ending (A)	<u>\$ 16,848,087</u>	<u>\$ 15,238,543</u>	<u>\$ 20,887,484</u>	<u>\$ 20,050,731</u>
<b>Plan Fiduciary Net Position</b>				
Contributions from Employer	\$ 499,923	\$ 474,854	\$ 507,833	\$ 506,272
Contributions from Plan Members	116,866	109,959	161,818	193,115
Pension Plan Net Investment Income	( 216,264)	721,092	( 113,757)	1,115,351
Other Contributions	-	-	-	181
Benefit Payments, Including Refunds of Plan Member Contributions	( 1,089,586)	( 1,041,244)	( 1,175,206)	( 1,199,115)
Pension Plan Administrative Expense	( 17,175)	( 7,945)	( 19,933)	( 18,373)
Net Change in Plan Fiduciary Net Position	( 706,236)	256,716	( 639,245)	597,431
Plan Fiduciary Net Position - Beginning	10,693,617	10,436,901	13,610,512	13,013,081
Plan Fiduciary Net Position - Ending (B)	<u>\$ 9,987,381</u>	<u>\$ 10,693,617</u>	<u>\$ 12,971,267</u>	<u>\$ 13,610,512</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 6,860,706</u>	<u>\$ 4,544,926</u>	<u>\$ 7,916,217</u>	<u>\$ 6,440,219</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.28%	70.17%	62.10%	67.88%
Covered-Employee Payroll	1,143,425	1,160,210	1,546,808	1,488,494
Net Pension Liability as a Percentage of Covered-Employee Payroll	600.01%	391.73%	511.78%	432.67%

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

Calendar Year Ended December 31,	Regular Plan		Sheriff's Law Enforcement Personnel (SLEP)	
	2015	2014	2015	2014
<b>Total Pension Liability</b>				
Service Cost	\$ 294,279	\$ 307,521	\$ -	\$ -
Interest on the Total Pension Liability	1,688,531	1,588,758	324	316
Differences Between Expected and Actual Experience of the Total Pension Liability	245,278	132,387	( 1,298)	( 271)
Changes of Assumptions	50,236	864,114	-	61
Benefit Payments, Including Refunds of Employee Contributions	( 1,622,448)	( 1,489,261)	-	-
Net Change in Total Pension Liability	655,876	1,403,519	( 974)	106
Total Pension Liability - Beginning	23,177,830	21,774,311	4,319	4,213
Total Pension Liability - Ending (A)	<u>\$ 23,833,706</u>	<u>\$ 23,177,830</u>	<u>\$ 3,345</u>	<u>\$ 4,319</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 347,275	\$ 466,708	\$ -	\$ -
Contributions - Employees	118,533	117,052	-	-
Net Investment Income	109,168	1,324,383	21	257
Benefit Payments, Including Refunds of Employee Contributions	( 1,622,448)	( 1,489,261)	-	-
Other (Net Transfer)	799,631	( 170,987)	( 902)	( 243)
Net Change in Plan Fiduciary Net Position	( 247,841)	247,895	( 881)	14
Plan Fiduciary Net Position - Beginning	22,411,837	22,163,942	4,227	4,213
Plan Fiduciary Net Position - Ending (B)	<u>\$ 22,163,996</u>	<u>\$ 22,411,837</u>	<u>\$ 3,346</u>	<u>\$ 4,227</u>
<b>Net Pension Liability (Asset) - Ending (A) - (B)</b>	<u>\$ 1,669,710</u>	<u>\$ 765,993</u>	<u>(\$ 1)</u>	<u>\$ 92</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.99%	96.70%	100.03%	97.87%
Covered Valuation Payroll	2,634,077	2,502,748	-	-
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	63.39%	30.61%	N/A	N/A

### 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 Schedules of Investment Returns Firefighters' and Police Pension Plans Last two Fiscal Years

Annual Money-Weighted Rate of Return, Net of Investment Expense:	<u>2016</u>	<u>2015</u>
Firefighters' Pension Fund	-2.09%	6.98%
Police Pension Fund	-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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 1,344,400	\$ 1,336,491	(\$ 7,909)
Sales Taxes	4,830,000	4,615,679	( 214,321)
Income Taxes	1,930,000	2,586,489	656,489
Other Taxes	1,165,436	1,268,397	102,961
Investment Income	1,794	10,072	8,278
Fines and Forfeitures	417,000	322,577	( 94,423)
Licenses and Permits	332,230	330,887	( 1,343)
Intergovernmental Revenues	734,990	576,833	( 158,157)
Charges for Services	689,926	511,285	( 178,641)
Miscellaneous	109,450	288,062	178,612
Total Revenues	<u>11,555,226</u>	<u>11,846,772</u>	<u>291,546</u>
<b>Expenditures</b>			
Current:			
General Government	2,366,832	2,309,748	57,084
Public Safety	5,990,785	5,950,316	40,469
Highways and Streets	2,735,965	1,991,213	744,752
Community Development	780,611	756,500	24,111
Culture and Recreation	14,000	13,389	611
Capital Outlay	784,085	884,541	( 100,456)
Debt Service:			
Principal	602,940	509,814	93,126
Interest and Fees	5,760	157,740	( 151,980)
Total Expenditures	<u>13,280,978</u>	<u>12,573,261</u>	<u>707,717</u>
Excess (Deficiency) of Revenues Over Expenditures	( 1,725,752)	( 726,489)	<u>999,263</u>
<b>Other Financing Sources (Uses)</b>			
Inter-account Transfers In (Out)	109,134	-	( 109,134)
Transfers In	2,013,779	2,030,187	16,408
Transfers Out	( 1,300,000)	( 1,300,000)	-
Total Other Financing Sources (Uses)	<u>822,913</u>	<u>730,187</u>	<u>( 92,726)</u>
Net Change in Fund Balance	(\$ 902,839)	3,698	<u>\$ 906,537</u>
<b>Fund Balance - Beginning of Year</b>		<u>9,017,048</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 9,020,746</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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 508,000	\$ 506,285	(\$ 1,715)
Other Taxes	14,815	14,815	-
Investment Income	100	751	651
	<u>522,915</u>	<u>521,851</u>	<u>( 1,064)</u>
<b>Total Revenues</b>			
	<u>522,915</u>	<u>521,851</u>	<u>( 1,064)</u>
<b>Expenditures</b>			
Current:			
General Government			
City Share FICA - General	84,290	74,409	9,881
City Share FICA - General Other	3,080	2,244	836
City Share IMRF - General	262,250	125,694	136,556
Public Safety			
City Share FICA - Fire	20,705	18,440	2,265
City Share FICA - Police	36,715	34,585	2,130
City Share IMRF - Fire	3,470	3,555	( 85)
City Share IMRF - Police	14,575	15,066	( 491)
Highways and Streets			
City Share FICA - Public Works	65,880	72,797	( 6,917)
City Share IMRF - Public Works	136,660	111,322	25,338
Community Development			
City Share FICA - TIF	1,075	802	273
City Share IMRF - TIF	1,710	1,338	372
City Share IMRF - Downtown Development	4,890	4,362	528
	<u>635,300</u>	<u>464,614</u>	<u>170,686</u>
<b>Total Expenditures</b>			
	<u>635,300</u>	<u>464,614</u>	<u>170,686</u>
Excess (Deficiency) of Revenues Over Expenditures	( 112,385)	57,237	169,622
<b>Other Financing Sources</b>			
Transfers In	55,815	55,815	-
	<u>55,815</u>	<u>55,815</u>	<u>-</u>
<b>Total Other Financing Sources</b>			
	<u>55,815</u>	<u>55,815</u>	<u>-</u>
Net Change in Fund Balance	(\$ 56,570)	113,052	\$ 169,622
<b>Fund Balance - Beginning of Year</b>		248,023	
<b>Fund Balance - End of Year</b>		<u>\$ 361,075</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, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>			
Investment Income	\$ 1,000	\$ 659	(\$ 341)
Intergovernmental Revenues	5,997,000	2,837,261	( 3,159,739)
Miscellaneous	40,000	52,713	12,713
	<u>6,038,000</u>	<u>2,890,633</u>	<u>( 3,147,367)</u>
<b>Total Revenues</b>			
<b>Expenditures</b>			
Current:			
Transportation			
Architect/Engineer Vehicle Maintenance Building	5,000	5,678	( 678)
Transportation Faculty Engineering	-	5,191	( 5,191)
Route Match Software Lease	18,000	-	18,000
Demand Response Service Providers	521,000	442,463	78,537
Fixed Route Service Providers	940,000	898,719	41,281
Central Dispatching Costs	160,000	32,745	127,255
Management Costs	148,955	157,216	( 8,261)
Audit	3,000	2,900	100
General Operating Expenditures	800,000	360,924	439,076
Buildings and Grounds Maintenance	10,000	-	10,000
Capital Outlay			
Equipment	3,255,000	702,590	2,552,410
Vehicle Maintenance Construction	-	101,951	( 101,951)
Transportation Facility Construction	172,000	-	172,000
Interest			
Interest on Short-Term Loan	1,000	50	950
	<u>6,033,955</u>	<u>2,710,427</u>	<u>3,323,528</u>
<b>Total Expenditures</b>			
	<u>\$ 4,045</u>	180,206	<u>\$ 176,161</u>
<b>Net Change in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>		<u>267,553</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 447,759</u>	

## **CITY OF MACOMB, ILLINOIS**

### **Notes to Required Supplementary Information April 30, 2016**

#### **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 following two accounts of the General Fund exceed budgeted expenditures during the fiscal year ended April 30, 2016 by the amounts indicated: Hotel/Motel Tax (\$5,787), and Gift (\$4,300).

#### **3. Account Deficits**

The General Fund's total fund balance was a surplus of \$9,020,746 at April 30, 2016; however, two accounts of the General Fund had a deficit fund balance. The Police Department Warrants Account and Child Safety Seat Grant Account had deficit fund balances of \$535 and \$725, respectively. The deficits are due to the timing of funding. Future funding is anticipated to bring the accounts out of the deficit.

## **OTHER SUPPLEMENTARY INFORMATION**

# CITY OF MACOMB, ILLINOIS

## General Fund Balance Sheet by Account April 30, 2016

	General Corporate Account	Sales Tax Infrastructure Account	City Hall Maintenance Account	Street and Bridge Account	Drug Asset Forfeiture Account
<b>Assets</b>					
Cash and Cash Equivalents	\$ 3,534,404	\$ 2,010,269	\$ 24,858	\$ 49	\$ 41,248
Receivables:					
Property Taxes	1,501,132	-	-	-	-
Sales Taxes	632,205	407,468	-	-	-
Other Taxes	874,389	-	-	75,523	-
Consumer Accounts	-	-	-	11,059	-
Inter-account Receivables (Payables)	1,317	-	-	-	-
Due from Other Funds	435,312	-	-	-	-
Inventory	-	-	-	118,576	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,576</u>	<u>-</u>
<b>Total Assets</b>	<b>\$ 6,978,759</b>	<b>\$ 2,417,737</b>	<b>\$ 24,858</b>	<b>\$ 205,207</b>	<b>\$ 41,248</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 28,557	\$ 231,517	\$ -	\$ 15,763	\$ 464
Accrued Liabilities	85,279	-	-	15,626	-
Unearned Revenue	70,467	-	-	-	-
<b>Total Liabilities</b>	<b>184,303</b>	<b>231,517</b>	<b>-</b>	<b>31,389</b>	<b>464</b>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes	1,501,132	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,501,132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	118,576	-
Restricted	-	-	-	-	40,784
Committed	-	2,186,220	-	-	-
Assigned	156,685	-	-	55,242	-
Unassigned	5,136,639	-	24,858	-	-
<b>Total Fund Balances (Deficits)</b>	<b>5,293,324</b>	<b>2,186,220</b>	<b>24,858</b>	<b>173,818</b>	<b>40,784</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,978,759</b>	<b>\$ 2,417,737</b>	<b>\$ 24,858</b>	<b>\$ 205,207</b>	<b>\$ 41,248</b>

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
\$ 39,732	\$ 5,483	\$ -	\$ 29,960	\$ 4,774	\$ 78,237	\$ 200,000
-	-	-	59,989	-	59,989	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	( 535)	( 57)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 39,732</u>	<u>\$ 5,483</u>	<u>(\$ 535)</u>	<u>\$ 89,892</u>	<u>\$ 4,774</u>	<u>\$ 138,226</u>	<u>\$ 200,000</u>
\$ -	\$ -	\$ -	\$ 3,926	\$ -	\$ 582	\$ 2,383
-	-	-	-	-	-	2,218
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,926</u>	<u>-</u>	<u>582</u>	<u>4,601</u>
-	-	-	59,989	-	59,989	-
-	-	-	59,989	-	59,989	-
-	-	-	-	-	-	-
39,732	5,483	-	25,977	4,774	77,655	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	( 535)	-	-	-	195,399
<u>39,732</u>	<u>5,483</u>	<u>( 535)</u>	<u>25,977</u>	<u>4,774</u>	<u>77,655</u>	<u>195,399</u>
<u>\$ 39,732</u>	<u>\$ 5,483</u>	<u>(\$ 535)</u>	<u>\$ 89,892</u>	<u>\$ 4,774</u>	<u>\$ 138,226</u>	<u>\$ 200,000</u>

(Continued)

# CITY OF MACOMB, ILLINOIS

General Fund  
Balance Sheet by Account  
April 30, 2016

	<b>Facade Program Account</b>	<b>Macomb Downtown Development Account</b>	<b>Child Safety Seat Grant Account</b>	<b>Hotel/Motel Tax Account</b>	<b>Police Forfeiture Account</b>	<b>Police Electronic Tickets Account</b>
<b>Assets</b>						
Cash and Cash Equivalents	\$ 47,825	\$ 7,784	\$ -	\$ 29,877	\$ 1,054	\$ 6,230
Receivables:						
Property Taxes	-	-	-	-	-	-
Sales Taxes	-	-	-	-	-	-
Other Taxes	-	-	-	24,489	-	-
Consumer Accounts	-	-	-	-	-	-
Inter-account Receivables (Payables)	-	-	( 725)	-	-	-
Due from Other Funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 47,825</b>	<b>\$ 7,784</b>	<b>(\$ 725)</b>	<b>\$ 54,366</b>	<b>\$ 1,054</b>	<b>\$ 6,230</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ -	\$ 30	\$ -	\$ 14,261	\$ -	\$ -
Accrued Liabilities	-	652	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>682</b>	<b>-</b>	<b>14,261</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>						
Deferred Property Taxes	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	40,105	-	6,230
Committed	-	-	-	-	-	-
Assigned	47,825	7,102	-	-	-	-
Unassigned	-	-	( 725)	-	1,054	-
<b>Total Fund Balances (Deficits)</b>	<b>47,825</b>	<b>7,102</b>	<b>( 725)</b>	<b>40,105</b>	<b>1,054</b>	<b>6,230</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 47,825</b>	<b>\$ 7,784</b>	<b>(\$ 725)</b>	<b>\$ 54,366</b>	<b>\$ 1,054</b>	<b>\$ 6,230</b>

Information Technology Account	Community Development Account	Equipment Replacement Account	Gift Account	Payroll Clearing Account	Cable TV Account	Total	
						2016	2015
\$ 83,132	\$ 205,948	\$ 500,000	\$ 61,744	\$ 20	\$ 2,383	\$ 6,915,011	\$ 6,970,792
-	-	-	-	-	-	1,621,110	1,328,067
-	-	-	-	-	-	1,039,673	1,186,025
-	-	-	-	-	-	974,401	714,295
-	-	-	-	-	-	11,059	20,774
-	-	-	-	-	-	-	-
-	-	-	-	-	-	435,312	447,199
-	-	-	-	-	-	118,576	111,382
<u>\$ 83,132</u>	<u>\$ 205,948</u>	<u>\$ 500,000</u>	<u>\$ 61,744</u>	<u>\$ 20</u>	<u>\$ 2,383</u>	<u>\$ 11,115,142</u>	<u>\$ 10,778,534</u>
\$ -	\$ 1,561	\$ -	\$ -	\$ -	\$ -	\$ 299,044	\$ 71,227
-	-	-	-	-	-	103,775	280,925
-	-	-	-	-	-	70,467	81,267
<u>-</u>	<u>1,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,286</u>	<u>433,419</u>
-	-	-	-	-	-	1,621,110	1,328,067
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,621,110</u>	<u>1,328,067</u>
-	-	-	-	-	-	118,576	111,382
-	-	-	61,744	-	-	302,484	296,358
-	-	-	-	-	-	2,186,220	2,975,759
-	204,387	500,000	-	-	2,383	973,624	308,522
<u>83,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>5,439,842</u>	<u>5,325,027</u>
<u>83,132</u>	<u>204,387</u>	<u>500,000</u>	<u>61,744</u>	<u>20</u>	<u>2,383</u>	<u>9,020,746</u>	<u>9,017,048</u>
<u>\$ 83,132</u>	<u>\$ 205,948</u>	<u>\$ 500,000</u>	<u>\$ 61,744</u>	<u>\$ 20</u>	<u>\$ 2,383</u>	<u>\$ 11,115,142</u>	<u>\$ 10,778,534</u>

# CITY OF MACOMB, ILLINOIS

## General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account For the Year Ended April 30, 2016

	<b>General Corporate Account</b>	<b>Sales Tax Infrastructure Account</b>	<b>City Hall Maintenance Account</b>	<b>Street and Bridge Account</b>	<b>Drug Asset Forfeiture Account</b>
<b>Revenues</b>					
Property Taxes	\$ 1,218,541	\$ -	\$ -	\$ -	\$ -
Sales Taxes	2,819,806	1,795,873	-	-	-
Income Taxes	2,586,489	-	-	-	-
Other Taxes	638,053	-	-	366,268	-
Investment Income	6,980	2,659	-	-	-
Fines and Forfeitures	321,209	-	-	-	-
Licenses and Permits	312,925	-	-	-	-
Intergovernmental Revenues	576,833	-	-	-	-
Charges for Services	192,863	-	-	312,922	-
Miscellaneous	71,643	110,858	-	20,817	70,136
<b>Total Revenues</b>	<b>8,745,342</b>	<b>1,909,390</b>	<b>-</b>	<b>700,007</b>	<b>70,136</b>
<b>Expenditures</b>					
Current:					
General Government	2,136,028	-	-	-	-
Public Safety	5,785,501	-	-	-	77,451
Highways and Streets	-	168,384	-	1,822,829	-
Community Development	465,633	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	59,440	628,257	-	193,526	-
Debt Service:					
Principal	-	450,000	-	-	-
Interest and Fees	-	152,288	-	-	-
<b>Total Expenditures</b>	<b>8,446,602</b>	<b>1,398,929</b>	<b>-</b>	<b>2,016,355</b>	<b>77,451</b>
Excess (Deficiency) of Revenues Over Expenditures	298,740	510,461	-	( 1,316,348)	( 7,315)
<b>Other Financing Sources (Uses)</b>					
Inter-account Transfers In (Out)	( 799,317)	-	20,000	103,467	-
Transfers In	712,372	-	-	1,206,015	-
Transfers Out	-	( 1,300,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>( 86,945)</b>	<b>( 1,300,000)</b>	<b>20,000</b>	<b>1,309,482</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>211,795</b>	<b>( 789,539)</b>	<b>20,000</b>	<b>( 6,866)</b>	<b>( 7,315)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>5,081,529</b>	<b>2,975,759</b>	<b>4,858</b>	<b>180,684</b>	<b>48,099</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 5,293,324</b>	<b>\$ 2,186,220</b>	<b>\$ 24,858</b>	<b>\$ 173,818</b>	<b>\$ 40,784</b>



Cemetery Maintenance Account	Sex Offender Registration Account	Police Department Warrants Account	Fire Protection Tax Account	Police Vehicle Account	Police Protection Tax Account	Corporate Sick and Vacation Accrual Account
\$ -	\$ -	\$ -	\$ 58,975	\$ -	\$ 58,975	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,975	-	12,975	-
-	-	-	57	-	187	-
-	-	-	-	-	-	-
-	-	-	16,443	-	-	-
-	-	-	-	-	-	-
5,500	-	-	-	-	-	-
-	810	3,268	-	3,867	-	-
<u>5,500</u>	<u>810</u>	<u>3,268</u>	<u>88,450</u>	<u>3,867</u>	<u>72,137</u>	<u>-</u>
-	-	-	-	-	-	87,066
-	-	8,336	15,177	-	63,851	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	59,814	-	-	-
-	-	-	5,452	-	-	-
<u>-</u>	<u>-</u>	<u>8,336</u>	<u>80,443</u>	<u>-</u>	<u>63,851</u>	<u>87,066</u>
<u>5,500</u>	<u>810</u>	<u>( 5,068)</u>	<u>8,007</u>	<u>3,867</u>	<u>8,286</u>	<u>( 87,066)</u>
-	-	-	-	-	-	87,621
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,621</u>
5,500	810	( 5,068)	8,007	3,867	8,286	555
<u>34,232</u>	<u>4,673</u>	<u>4,533</u>	<u>17,970</u>	<u>907</u>	<u>69,369</u>	<u>194,844</u>
<u>\$ 39,732</u>	<u>\$ 5,483</u>	<u>(\$ 535)</u>	<u>\$ 25,977</u>	<u>\$ 4,774</u>	<u>\$ 77,655</u>	<u>\$ 195,399</u>

(Continued)

# CITY OF MACOMB, ILLINOIS

## General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account For the Year Ended April 30, 2016

	Facade Program Account	Macomb Downtown Development Account	Child Safety Seat Grant Account	Hotel/Motel Tax Account	Police Forfeiture Account	Police Electronic Tickets Account
<b>Revenues</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-
Other Taxes	-	-	-	238,126	-	-
Investment Income	-	-	-	108	-	-
Fines and Forfeitures	-	-	-	-	-	1,368
Licenses and Permits	-	1,519	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	219	-	-	989	-
<b>Total Revenues</b>	<u>-</u>	<u>1,738</u>	<u>-</u>	<u>238,234</u>	<u>989</u>	<u>1,368</u>
<b>Expenditures</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-
Community Development	25,115	64,803	-	191,544	-	-
Culture and Recreation	-	-	-	13,389	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>25,115</u>	<u>64,803</u>	<u>-</u>	<u>204,933</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	( 25,115)	( 63,065)	-	33,301	989	1,368
<b>Other Financing Sources (Uses)</b>						
Inter-account Transfers In (Out)	-	33,665	-	( 45,415)	-	-
Transfers In	50,000	36,800	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>70,465</u>	<u>-</u>	<u>( 45,415)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>24,885</u>	<u>7,400</u>	<u>-</u>	<u>( 12,114)</u>	<u>989</u>	<u>1,368</u>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<u>22,940</u>	<u>( 298)</u>	<u>( 725)</u>	<u>52,219</u>	<u>65</u>	<u>4,862</u>
<b>Fund Balances (Deficit) - End of Year</b>	<u>\$ 47,825</u>	<u>\$ 7,102</u>	<u>(\$ 725)</u>	<u>\$ 40,105</u>	<u>\$ 1,054</u>	<u>\$ 6,230</u>

Information Technology Account	Community Development Account	Equipment Replacement Account	Gift Account	Payroll Clearing Account	Cable TV Account	Total	
						2016	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,336,491	\$ 1,373,785
-	-	-	-	-	-	4,615,679	4,942,178
-	-	-	-	-	-	2,586,489	1,781,958
-	-	-	-	-	-	1,268,397	1,273,179
-	-	-	61	20	-	10,072	1,593
-	-	-	-	-	-	322,577	431,536
-	-	-	-	-	-	330,887	377,490
-	-	-	-	-	-	576,833	580,854
-	-	-	-	-	-	511,285	533,189
-	3,213	-	3,341	(1,099)	-	288,062	239,725
-	3,213	-	3,402	(1,079)	-	11,846,772	11,535,487
80,969	-	-	5,685	-	-	2,309,748	2,356,111
-	-	-	-	-	-	5,950,316	5,857,324
-	-	-	-	-	-	1,991,213	1,981,936
-	9,405	-	-	-	-	756,500	745,633
-	-	-	-	-	-	13,389	13,619
-	3,318	-	-	-	-	884,541	638,189
-	-	-	-	-	-	509,814	639,550
-	-	-	-	-	-	157,740	170,503
80,969	12,723	-	5,685	-	-	12,573,261	12,402,865
(80,969)	(9,510)	-	(2,283)	(1,079)	-	(726,489)	(867,378)
100,000	-	500,000	-	(21)	-	-	-
25,000	-	-	-	-	-	2,030,187	1,987,939
-	-	-	-	-	-	(1,300,000)	(7,566)
125,000	-	500,000	-	(21)	-	730,187	1,980,373
44,031	(9,510)	500,000	(2,283)	(1,100)	-	3,698	1,112,995
39,101	213,897	-	64,027	1,120	2,383	9,017,048	7,904,053
\$ 83,132	\$ 204,387	\$ 500,000	\$ 61,744	\$ 20	\$ 2,383	\$ 9,020,746	\$ 9,017,048

# 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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Property Taxes	\$ 1,225,000	\$ 1,218,541	\$ 1,253,976
Sales Taxes	2,900,000	2,819,806	2,960,345
Income Taxes	1,930,000	2,586,489	1,781,958
Other Taxes			
Replacement Taxes	110,000	98,267	126,655
TIF Property Tax Surplus	9,021	8,861	8,844
Auto Use Tax	2,400	4,038	1,678
Use Tax	405,000	490,856	504,349
Video Gaming Tax	-	36,031	-
Investment Income	1,499	6,980	1,115
Fines and Forfeitures			
Parking Violations	17,000	15,288	15,547
Court Fines	400,000	305,921	404,248
Licenses and Permits			
Liquor Licenses	97,000	105,785	115,043
Other Licenses	3,000	2,282	2,378
Building Permits and Fees	38,000	35,688	38,433
Tow and Impound Fees	95,000	84,695	122,256
Certified Copies	12,000	14,130	14,655
Rental Registration	70,000	70,345	68,186
Intergovernmental Revenues			
WIU Fire Protection	250,000	250,000	250,000
Cable TV Franchise	206,000	211,703	211,929
AmerenCIPS Franchise Fee	115,130	115,130	115,156
Charges for Services			
Rents Collected	113,600	126,932	123,840
Cemetery Lot and Openings	47,000	47,325	61,505
City Share Spring Lake	-	4,324	-
D.A.R.E.	-	14,282	-
Miscellaneous Revenues	93,250	71,643	131,384
<b>Total Revenues</b>	<b>8,139,900</b>	<b>8,745,342</b>	<b>8,313,480</b>
<b>Expenditures</b>			
Current:			
General Government			
General Corporate			
Salaries	25,719	25,995	2,760
Employee Insurance	405	497	-
Employer Pension Contribution - Early Retirement	25,373	25,373	25,373
Association Dues and Memberships	14,170	15,597	13,668

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Animal Control	\$ 69,500	\$ 67,381	\$ 76,975
Liability Insurance	386,175	386,175	552,477
Police/Fire Commission	15,000	18,348	20,842
Office Supplies	500	406	161
Office Equipment	300	-	-
Advertising	300	340	369
Telephone	6,000	5,151	5,779
Televising Services	12,000	14,000	10,000
Emergency Notify Phone System	4,225	4,174	4,222
Utilities	70,000	29,551	35,857
Civil Defense	8,680	16,723	6,604
Computer Support/Maintenance	-	-	96
Professional Fees	4,000	6,726	4,629
Community Sponsorships	5,225	6,450	5,325
Pierce St. Storage Building	1,200	1,547	1,237
Equipment Lease Payments	9,625	11,128	8,194
Railroad Crossing Expenditures	3,650	2,108	-
Swimming Pool Repair/Maintenance	10,000	-	-
Spring Lake Campground Improvement	38,000	59,154	43,374
Spring Lake Management Contract	80,000	80,000	26,667
Spring Lake Utilities	17,000	22,964	-
Museum Maintenance	1,000	2,751	2,043
Building Lease/Rent Payments	775	824	1,272
General Operating Expenditures	15,000	12,024	22,218
Building, Grounds and Equipment Maintenance	29,360	21,069	41,776
Township Tax Reimbursements	11,000	17,750	10,880
Total General Corporate	<u>864,182</u>	<u>854,206</u>	<u>922,798</u>
Administrator's Office			
Salaries	122,470	124,449	121,513
Salaries - Overtime	300	23	91
Salaries - Part-Time Pay	-	2,720	-
Employee Insurance	580	468	483
Deferred Compensation	1,400	1,132	1,170
Travel/Training/Continuing Education	1,000	760	50
Association Dues and Memberships	500	1,364	315
Office Supplies	600	861	394
Office Equipment	500	868	133
Advertising	1,000	77	-
Publications/Printing	200	146	32
Postage	400	99	192
Telephone	1,500	1,854	1,401

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Computer Support/Maintenance	\$ 200	\$ -	\$ -
Administrator Search	-	8,041	-
General Operating Expenditures	9,250	956	111
Health Insurance	29,040	28,107	21,812
Total Administrator's Office	<u>168,940</u>	<u>171,925</u>	<u>147,697</u>
City Council			
Salaries	21,700	22,131	21,451
Employee Insurance	805	527	633
Travel/Training/Continuing Education	10,000	4,331	7,215
Telephone	1,680	1,560	1,900
General Operating Expenditures	400	421	438
Health Insurance	-	-	344
Total City Council	<u>34,585</u>	<u>28,970</u>	<u>31,981</u>
Business Office			
Salaries	260,835	261,925	250,125
Salaries - Overtime	1,000	311	378
Part Time Salaries	10,000	9,461	7,847
Employee Insurance	2,100	2,127	2,189
Deferred Compensation	2,000	1,831	1,775
Travel/Training/Continuing Education	2,500	731	-
Association Dues and Memberships	300	250	250
Office Supplies	7,000	7,723	6,546
Office Equipment	1,900	1,560	3,013
Advertising	400	426	633
Publications/Printing	5,000	2,676	6,699
Postage	28,000	24,317	27,017
Telephone	2,800	2,640	2,477
Computer Support/Maintenance	27,500	29,649	24,124
Professional Fees	43,000	44,027	43,030
General Operating Expenditures	200	103	93
Health Insurance	89,040	84,108	60,052
Total Business Office	<u>483,575</u>	<u>473,865</u>	<u>436,248</u>
Cemetery			
Salaries	60,115	60,330	57,173
Salaries - Overtime	4,500	6,676	6,916
Salaries - Part-Time Pay	72,510	65,921	56,353
Employee Insurance	1,800	1,179	1,429
Deferred Compensation	535	543	520
Safety Equipment and Uniforms	1,750	1,230	1,495

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Drug and Alcohol Tests	\$ 70	\$ 67	\$ 66
Association Dues and Memberships	50	40	40
Office Supplies	200	592	518
Office Equipment	300	19	124
Advertising	200	216	108
Publications/Printing	400	400	324
Telephone	2,300	2,519	1,887
Utilities	4,000	3,042	3,134
Computer Support/Maintenance	350	-	-
Professional Fees	100	9,578	90
Stone Refurbishment	2,000	2,000	2,000
Maintenance of Licensed Vehicles	3,250	3,290	2,559
Maintenance of Radios/Vehicle Equipment	500	-	-
Gasoline and Fuel	9,500	5,621	8,400
Maintenance Moveable Equipment	4,500	5,039	4,689
Small Hand Tools	3,500	3,457	3,403
General Operating Expenditures	2,500	2,680	6,985
Building, Grounds and Equipment Maintenance	13,000	11,218	7,933
Health Insurance	19,895	20,309	17,505
Total Cemetery	<u>207,825</u>	<u>205,966</u>	<u>183,651</u>
Clerk's Office			
Salaries	71,800	72,082	95,349
Salaries - Overtime	650	832	601
Employee Insurance	435	409	600
Deferred Compensation	720	393	662
Travel/Training/Continuing Education	2,950	1,256	1,122
Association Dues and Memberships	550	405	405
Office Supplies	1,600	960	1,382
Office Equipment	1,600	126	416
Advertising	1,000	33	272
Publications/Printing	8,000	3,894	7,506
Postage	800	553	599
Telephone	3,500	2,350	2,590
Computer Support/Maintenance	1,000	-	183
Professional Fees	8,000	10,755	10,661
General Operating Expenditures	200	47	-
Health Insurance	39,785	40,618	33,522
Total Clerk's Office	<u>142,590</u>	<u>134,713</u>	<u>155,870</u>
City Attorney			
Salaries	124,190	127,161	121,608

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Salaries - Overtime	\$ 300	\$ 174	\$ -
Salaries Part Time	8,600	6,441	7,677
Employee Insurance	765	664	798
Travel	1,000	291	2,248
Association Dues/Memberships	950	1,214	888
Office Supplies	1,500	765	1,241
Office Equipment	-	291	35
Advertising	250	-	-
Publications/Printing	500	669	388
Postage	600	425	410
Telephone	2,000	1,391	1,443
Computer Support/Maintenance	1,000	585	550
Professional Fees	500	370	151
Health Insurance	29,680	30,302	26,118
Total City Attorney	<u>171,835</u>	<u>170,743</u>	<u>163,555</u>
Mayor's Office			
Salaries	65,315	64,832	65,463
Salaries - Overtime	300	23	91
Part Time Salaries	-	1,070	-
Employee Insurance	375	239	282
Deferred Compensation	245	72	240
Travel/Training/Continuing Education	12,000	9,614	9,045
Association Dues and Memberships	600	100	692
Office Supplies	500	624	379
Office Equipment	300	40	133
Advertising	400	154	253
Publications/Printing	800	959	768
Postage	350	299	226
Telephone	1,100	1,041	1,045
Computer Support/Maintenance	200	-	-
Professional Fees	100	20	44
General Operating Expenditures	2,100	1,315	2,609
Health Insurance	9,695	5,940	4,307
Total Mayor's Office	<u>94,380</u>	<u>86,342</u>	<u>85,577</u>
Treasurer's Office			
Salaries	7,500	7,529	7,529
Employee Insurance	70	71	73
Deferred Compensation	75	78	75
Travel/Training/Continuing Education	1,600	1,376	1,487
Office Supplies	400	-	413

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Office Equipment	\$ 50	\$ -	\$ -
Telephone	240	240	240
General Operating Expenditures	-	4	-
Total Treasurer's Office	<u>9,935</u>	<u>9,298</u>	<u>9,817</u>
 Total General Government	 <u>2,177,847</u>	 <u>2,136,028</u>	 <u>2,137,194</u>
 Public Safety			
Fire Department			
Salaries	1,225,725	1,235,520	1,176,912
Salaries - Overtime	75,000	63,855	89,620
Employee Insurance	6,650	5,787	7,142
Deferred Compensation	10,385	10,820	9,974
Travel/Training/Continuing Education	16,000	9,307	18,209
Fire Prevention Education	2,500	2,407	1,847
Association Dues and Memberships	1,500	1,244	1,523
Office Supplies	800	23	491
Office Equipment	1,500	547	96
Publications/Printing	1,200	323	756
Postage	200	110	80
Telephone	6,000	5,746	4,568
Utilities	17,000	14,165	17,418
Computer Support/Maintenance	500	90	203
Professional Fees	2,000	806	1,425
Equipment Lease Payments	1,500	1,662	1,120
Maintenance of Licensed Vehicles	30,000	24,483	20,152
Maintenance of Radios/Vehicle Equipment	2,500	2,198	610
Gasoline and Fuel	11,820	6,359	9,448
Maintenance Moveable Equipment	10,000	6,122	7,936
Hand Tools - Small Equipment	600	295	343
General Operating Expenditures	5,000	2,466	2,816
Region 9 Tech Rescue Team	1,000	1,000	1,000
Hazardous Material Response	6,000	2,906	10,882
Building, Grounds and Equipment Maintenance	8,000	7,477	7,438
Building and Grounds - Training Site	1,000	963	694
Health Insurance	347,000	363,761	308,057
Fire Pension Contribution	499,450	483,008	457,939
Total Fire Department	<u>2,290,830</u>	<u>2,253,450</u>	<u>2,158,699</u>
 Police Department			
Salaries	1,751,125	1,700,981	1,661,385
Salaries - Overtime	268,000	294,790	298,608

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Police Part-Time Wages	\$ -	\$ 4,522	\$ -
Employee Insurance	9,490	8,687	10,701
Deferred Compensation	9,050	10,193	9,216
Safety Equipment and Uniforms	55,000	53,446	53,620
Travel/Training/Continuing Education	55,000	42,867	49,751
Association Dues and Memberships	1,200	1,065	931
Office Supplies	3,000	2,643	2,667
Office Equipment	2,500	852	436
Advertising	200	-	-
Publications/Printing	9,000	7,123	8,425
Postage	1,500	662	1,327
Telephone	14,000	15,056	15,040
Utilities	15,000	11,765	12,520
Computer Support/Maintenance	6,500	4,759	4,015
Mobile Data Computer Expenditures	11,000	7,490	10,560
Professional Fees	1,500	1,879	2,264
Equipment Lease Payments	5,500	6,606	5,155
911 Communications Center	300,000	302,872	300,000
Maintenance of Licensed Vehicles	30,000	42,832	29,786
Maintenance of Radios/Vehicle Equipment	17,000	14,273	24,426
Gasoline and Fuel	50,000	31,554	43,488
D.A.R.E Expenditures	-	1,109	-
General Operating Expenditures	3,600	3,051	3,568
K-9 Unit	3,000	498	2,522
Firing Range	9,000	6,666	7,405
Building, Grounds and Equipment Maintenance	10,600	10,522	18,069
Building and Grounds - Impound Lot	31,000	27,077	33,802
Health Insurance	435,090	416,836	388,719
Police Pension Contribution	500,000	499,375	497,814
Total Police Department	<u>3,607,855</u>	<u>3,532,051</u>	<u>3,496,220</u>
Total Public Safety	<u>5,898,685</u>	<u>5,785,501</u>	<u>5,654,919</u>
Community Development			
General Corporate			
MAEDCO Payments	32,500	37,500	32,917
MAEDCO Payments - Pella	54,250	57,669	50,416
Depot Expenditures	18,000	14,952	24,160
Total General Corporate	<u>104,750</u>	<u>110,121</u>	<u>107,493</u>
Building and Zoning Office			
Salaries	226,550	176,856	233,819

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Salaries - Overtime	\$ 300	\$ 8,612	\$ -
Salaries - Part-Time Pay	-	23,061	-
Employee Insurance	1,600	1,727	1,892
Deferred Compensation	580	259	566
Safety Equipment and Uniforms	500	491	16
Travel/Training/Continuing Education	5,500	3,321	3,468
Association Dues and Memberships	700	661	554
Employment Contracts	2,500	2,500	6,730
Engineering	3,500	-	-
Office Supplies	2,425	2,717	2,705
Office Equipment	250	199	214
Advertising	2,500	2,185	685
Publications/Printing	1,500	3,272	1,149
Postage	2,200	1,507	1,636
Telephone	4,500	4,552	3,989
Computer Support/Maintenance	2,300	400	2,519
GIS Center Payment	29,500	30,200	28,700
Professional Fees	850	3,592	767
Mowing Contracts	10,000	12,700	11,462
Plumbing Inspections Contracted	10,000	17,250	-
Maintenance of Licensed Vehicles	750	611	715
Maintenance of Radios/Vehicle Equipment	-	-	405
Gasoline and Fuel	1,800	1,428	1,689
General Operating Expenditures	900	186	272
Health Insurance	59,045	57,225	60,279
Total Building and Zoning Office	<u>370,250</u>	<u>355,512</u>	<u>364,231</u>
Total Community Development	<u>475,000</u>	<u>465,633</u>	<u>471,724</u>
Culture and Recreation			
General Corporate			
Fireworks	<u>-</u>	<u>-</u>	<u>13,619</u>
Capital Outlay			
Cemetery - Equipment	26,000	26,395	31,875
Fire Department	-	-	12,000
Fire Department Capital Improvement Project	-	33,045	1,186
Police Department	-	-	396
Civil Defense - Capital Improvements	-	-	24,595
Total Capital Outlay	<u>26,000</u>	<u>59,440</u>	<u>70,052</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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Debt Service			
Principal	\$ -	\$ -	\$ 135,000
Interest and Fees	-	-	3,611
	<u>8,577,532</u>	<u>8,446,602</u>	<u>8,486,119</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	( 437,632)	298,740	( 172,639)
<b>Other Financing Sources (Uses)</b>			
Inter-account Transfers (Out)	( 316,140)	( 799,317)	( 516,652)
Transfers In	<u>760,264</u>	<u>712,372</u>	<u>643,413</u>
Total Other Financing Sources (Uses)	<u>444,124</u>	<u>( 86,945)</u>	<u>126,761</u>
Net Change in Fund Balance	<u>\$ 6,492</u>	211,795	( 45,878)
<b>Fund Balance - Beginning of Year</b>		<u>5,081,529</u>	<u>5,127,407</u>
<b>Fund Balance - End of Year</b>		<u>\$ 5,293,324</u>	<u>\$ 5,081,529</u>

## CITY OF MACOMB, ILLINOIS

Sales Tax Infrastructure Account  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended April 30, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		<b>2015</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Sales Taxes	\$ 1,930,000	\$ 1,795,873	\$ 1,981,833
Investment Income	150	2,659	336
Intergovernmental Revenues	160,000	-	-
Miscellaneous	-	110,858	-
	<hr/>	<hr/>	<hr/>
Total Revenues	2,090,150	1,909,390	1,982,169
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Current:			
Highways and Streets			
Engineering	-	-	180
Professional Fees	-	-	2,018
Glenwood Water Main Project	-	3,276	-
Unspecified Projects	50,000	6,548	-
Collins Avenue	-	8,126	-
Compton	-	3,980	-
Street Striping	12,000	5,598	6,649
Sidewalks	10,000	6,950	-
Safe Route to School	210,000	-	-
Parking Lot Development	150,000	-	-
Concrete	37,290	21,816	26,022
Asphalt	10,000	13,418	8,683
Emulsion Oil	41,000	53,664	19,268
Sand / Rock	26,000	25,023	7,050
Pipe/Culvert/Grates/Inlet	21,000	19,985	19,316
General Operating Expenditures	-	-	28
Total Highways and Streets	567,290	168,384	89,214
Capital Outlay			
Woodland Estates	-	216,480	-
1st Bankers Trust Connect Road	36,000	23,351	-
White and McDonough St.	297,580	381,042	-
Candy Lane	150,000	-	-
Pearl Street Culvert	-	7,384	-
Total Capital Outlay	483,580	628,257	-
Debt Service			
Principal	602,940	450,000	440,000
Interest and Fees	-	152,288	160,738
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,653,810	1,398,929	689,952
	<hr/>	<hr/>	<hr/>

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Excess of Revenues Over Expenditures	\$ 436,340	\$ 510,461	\$ 1,292,217
<b>Other Financing (Uses)</b>			
Inter-account Transfers (Out)	-	-	( 50,000)
Transfers Out	( 1,300,000)	( 1,300,000)	-
Total Other Financing (Uses)	( 1,300,000)	( 1,300,000)	( 50,000)
Net Change in Fund Balance	(\$ 863,660)	( 789,539)	1,242,217
<b>Fund Balance - Beginning of Year</b>		<u>2,975,759</u>	<u>1,733,542</u>
<b>Fund Balance - End of Year</b>		<u>\$ 2,186,220</u>	<u>\$ 2,975,759</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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>			
Current:			
General Government			
Building and Grounds	<u>4,000</u>	<u>-</u>	<u>11,210</u>
Total Expenditures	<u>4,000</u>	<u>-</u>	<u>11,210</u>
(Deficiency) of Revenues Over Expenditures	<u>( 4,000)</u>	<u>-</u>	<u>( 11,210)</u>
<b>Other Financing Sources</b>			
Inter-account Transfers In	<u>3,000</u>	<u>20,000</u>	<u>15,000</u>
Total Other Financing Sources	<u>3,000</u>	<u>20,000</u>	<u>15,000</u>
Net Change in Fund Balance	<u>(\$ 1,000)</u>	<u>20,000</u>	<u>3,790</u>
<b>Fund Balance - Beginning of Year</b>		<u>4,858</u>	<u>1,068</u>
<b>Fund Balance - End of Year</b>		<u>\$ 24,858</u>	<u>\$ 4,858</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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Other Taxes	\$ 380,000	\$ 366,268	\$ 381,651
Intergovernmental Revenues	3,860	-	3,769
Charges for Services	524,326	312,922	342,619
Miscellaneous	15,000	20,817	24,363
<b>Total Revenues</b>	<b>923,186</b>	<b>700,007</b>	<b>752,402</b>
<b>Expenditures</b>			
Current:			
Highways and Streets			
Salaries	803,410	782,623	751,408
Salaries - Overtime	34,000	18,563	19,107
Overtime - Street Sweeping	-	-	211
Salaries - Part-Time Pay	25,500	3,675	11,539
Employee Insurance	5,975	5,090	5,434
Deferred Compensation	4,595	4,193	4,451
Safety Equipment and Uniforms	12,000	8,361	9,215
Travel/Training/Continuing Education	7,000	4,746	5,735
Drug and Alcohol Tests	1,200	1,296	1,214
Association Dues and Memberships	1,000	598	724
Engineering	1,000	877	74
Office Supplies	600	1,220	1,037
Office Equipment	300	1,225	38
Advertising	400	1,035	585
Publications/Printing	400	352	604
Postage	400	242	480
Telephone	5,500	5,813	4,483
Utilities	12,000	9,903	13,525
Computer Support/Maintenance	800	-	265
Professional Fees	1,500	1,284	2,274
Street Lighting	90,000	139,864	108,515
Weed/Mosquito Spraying	4,000	2,285	1,627
Equipment Lease Payments	1,500	2,235	1,843
Street Lighting Upgrades	10,000	2,500	14,000
Salt - McDonough County	-	-	15,303
Salt - Western Illinois University	-	-	30,546
Maintenance of Licensed Vehicles	30,000	37,103	25,334
Maintenance of Radios/Vehicle Equipment	1,200	1,201	1,740

(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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
Gasoline and Fuel - Bulk	\$ 590,000	\$ 307,971	\$ 287,538
Gasoline and Fuel - Other	73,520	55,355	74,019
Maintenance Moveable Equipment	28,000	22,844	22,215
Hand Tools-Small Equip	8,000	6,829	6,652
General Operating Expenditures	30,000	12,678	25,095
General Operating Expenditures Underground	80,000	69,401	193,214
Traffic Control Signage	12,000	5,234	8,813
Tree Planting/Care/Maintenance	15,000	14,791	14,084
Snow Removal Contract	-	16,000	-
Building, Grounds and Equipment Maintenance	10,440	6,455	8,406
Health Insurance	267,435	268,987	221,375
Total Highways and Streets	<u>2,168,675</u>	<u>1,822,829</u>	<u>1,892,722</u>
Capital Outlay	<u>195,000</u>	<u>193,526</u>	<u>426,200</u>
Total Expenditures	<u>2,363,675</u>	<u>2,016,355</u>	<u>2,318,922</u>
(Deficiency) of Revenues Over Expenditures	( <u>1,440,489</u> )	( <u>1,316,348</u> )	( <u>1,566,520</u> )
<b>Other Financing Sources</b>			
Inter-account Transfers In	261,974	103,467	272,960
Transfers In	<u>1,178,515</u>	<u>1,206,015</u>	<u>1,300,810</u>
Total Other Financing Sources	<u>1,440,489</u>	<u>1,309,482</u>	<u>1,573,770</u>
Net Change in Fund Balance	<u>\$ -</u>	( 6,866 )	7,250
<b>Fund Balance - Beginning of Year</b>		<u>180,684</u>	<u>173,434</u>
<b>Fund Balance - End of Year</b>		<u>\$ 173,818</u>	<u>\$ 180,684</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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		<b>2015</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Charges for Services	\$ 5,000	\$ 5,500	\$ 5,225
Total Revenues	<u>5,000</u>	<u>5,500</u>	<u>5,225</u>
<b>Expenditures</b>			
Current:			
General Government			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>5,000</u>	<u>5,500</u>	<u>5,225</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	5,500	5,225
<b>Fund Balance - Beginning of Year</b>		<u>34,232</u>	<u>29,007</u>
<b>Fund Balance - End of Year</b>		<u>\$ 39,732</u>	<u>\$ 34,232</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, 2016 (With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Property Taxes	\$ 59,900	\$ 58,975	\$ 59,904
Other Taxes	12,000	12,975	12,016
Investment Income	20	57	7
Licenses and Permits	17,230	16,443	16,539
<b>Total Revenues</b>	<b>89,150</b>	<b>88,450</b>	<b>88,466</b>
<b>Expenditures</b>			
Current:			
Public Safety			
Safety Equipment	15,500	15,177	15,683
General Operating Expenditures	-	-	98
Capital Outlay			
Capital Outlay	59,505	-	-
Self-Contained Breathing Aparatus	-	-	119,850
Debt Service:			
Principal	-	59,814	64,550
Interest and Fees	5,760	5,452	6,154
<b>Total Expenditures</b>	<b>80,765</b>	<b>80,443</b>	<b>206,335</b>
Excess (Deficiency) of Revenues Over Expenditures	8,385	8,007	( 117,869)
<b>Other Financing Sources</b>			
Inter-account Transfers In	-	-	80,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>80,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ 8,385</b>	<b>8,007</b>	<b>( 37,869)</b>
<b>Fund Balance - Beginning of Year</b>		<b>17,970</b>	<b>55,839</b>
<b>Fund Balance - End of Year</b>		<b>\$ 25,977</b>	<b>\$ 17,970</b>

# 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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Property Taxes	\$ 59,500	\$ 58,975	\$ 59,905
Other Taxes	12,015	12,975	12,016
Investment Income	45	187	34
Miscellaneous	-	-	15,857
<b>Total Revenues</b>	<b>71,560</b>	<b>72,137</b>	<b>87,812</b>
<b>Expenditures</b>			
Current:			
Public Safety			
Vehicle Maintenance	-	750	654
Maintenance of Radios/Vehicle Equipment	10,600	1,667	4,543
Capital Outlay	66,000	61,434	115,546
<b>Total Expenditures</b>	<b>76,600</b>	<b>63,851</b>	<b>120,743</b>
Excess (Deficiency) of Revenues Over Expenditures	( 5,040)	8,286	( 32,931)
<b>Other Financing (Uses)</b>			
Inter-account Transfers (Out)	-	-	( 20,000)
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>-</b>	<b>( 20,000)</b>
<b>Net Change in Fund Balance</b>	<b>(\$ 5,040)</b>	<b>8,286</b>	<b>( 52,931)</b>
<b>Fund Balance - Beginning of Year</b>		<b>69,369</b>	<b>122,300</b>
<b>Fund Balance - End of Year</b>		<b>\$ 77,655</b>	<b>\$ 69,369</b>

# 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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		<b>2015</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
General Government			
Salaries	102,000	87,066	146,164
Total Expenditures	102,000	87,066	146,164
(Deficiency) of Revenues Over Expenditures	( 102,000)	( 87,066)	( 146,164)
<b>Other Financing Sources</b>			
Inter-account Transfers In	102,000	87,621	141,008
Total Other Financing Sources	102,000	87,621	141,008
Net Change in Fund Balance	\$ -	555	( 5,156)
<b>Fund Balance - Beginning of Year</b>		194,844	200,000
<b>Fund Balance - End of Year</b>		<u>\$ 195,399</u>	<u>\$ 194,844</u>

# CITY OF MACOMB, ILLINOIS

Facade Program Account  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended April 30, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	2016		2015
	Original and Final Budget	Actual	Actual
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
Community Development Facade Program	50,000	25,115	53,199
Total Expenditures	50,000	25,115	53,199
(Deficiency) of Revenues Over Expenditures	( 50,000)	( 25,115)	( 53,199)
<b>Other Financing Sources</b>			
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	\$ -	24,885	( 3,199)
<b>Fund Balance - Beginning of Year</b>		22,940	26,139
<b>Fund Balance - End of Year</b>		\$ 47,825	\$ 22,940

# 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, 2016 (With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Licenses and Permits	\$ -	\$ 1,519	\$ -
Miscellaneous	-	219	-
Total Revenues	-	1,738	-
<b>Expenditures</b>			
Current:			
Community Development			
Salaries	38,130	33,840	3,442
Life/Unemployment Insurance	320	440	10
Deferred Compensation	325	-	-
Travel/Training/Continuing Education	1,500	1,331	28
Association Dues and Memberships	500	-	-
Office Supplies	500	1,066	101
Advertising/Marketing	5,000	7,251	229
Printing/Publications	500	77	116
Postage	300	204	80
Telephone	600	881	14
Farmers Market Expenditures	-	96	-
General Operating Expenditures	200	945	791
Health Insurance	22,590	18,672	1,637
Total Expenditures	70,465	64,803	6,448
(Deficiency) of Revenues Over Expenditures	( 70,465)	( 63,065)	( 6,448)
<b>Other Financing Sources (Uses)</b>			
Inter-account Transfers In (Out)	70,465	33,665	-
Transfers In	-	36,800	6,150
Total Other Financing Sources (Uses)	70,465	70,465	6,150
Net Change in Fund Balance	\$ -	7,400	( 298)
<b>Fund Balance (Deficit) - Beginning of Year</b>		( 298)	-
<b>Fund Balance (Deficit) - End of Year</b>		\$ 7,102	(\$ 298)

# 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, 2016 (With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Other Taxes	\$ 235,000	\$ 238,126	\$ 225,970
Investment Income	20	108	16
Total Revenues	<u>235,020</u>	<u>238,234</u>	<u>225,986</u>
<b>Expenditures</b>			
Current:			
Community Development			
Community Sponsorships	1,000	8,850	5,342
Hotel/Motel Tax Distribution	184,146	182,694	180,889
Hotel/Motel Tax Distribution to MACVB	-	-	22,946
Culture and Recreation			
Fireworks	<u>14,000</u>	<u>13,389</u>	<u>-</u>
Total Expenditures	<u>199,146</u>	<u>204,933</u>	<u>209,177</u>
Excess of Revenues Over Expenditures	<u>35,874</u>	<u>33,301</u>	<u>16,809</u>
<b>Other Financing (Uses)</b>			
Inter-account Transfers (Out)	( 57,165)	( 45,415)	( 22,300)
Total Other Financing (Uses)	( 57,165)	( 45,415)	( 22,300)
Net Change in Fund Balance	<u>(\$ 21,291)</u>	( 12,114)	( 5,491)
<b>Fund Balance - Beginning of Year</b>		<u>52,219</u>	<u>57,710</u>
<b>Fund Balance - End of Year</b>		<u>\$ 40,105</u>	<u>\$ 52,219</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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
General Government			
Salaries	33,600	33,600	33,600
Telephone-Shoretell Support	6,000	5,859	5,859
Computer Support/Maintenance	1,250	3,583	2,015
GIS-Low Flight Photos	17,000	18,707	-
Computer Hardware	23,750	19,220	17,087
General Operating Expenditures	-	-	44
Capital Outlay	-	-	20,006
Total Expenditures	81,600	80,969	78,611
(Deficiency) of Revenues Over Expenditures	( 81,600)	( 80,969)	( 78,611)
<b>Other Financing Sources</b>			
Inter-account Transfers In	45,000	100,000	50,000
Transfers In	25,000	25,000	30,000
Total Other Financing Sources	70,000	125,000	80,000
Net Change in Fund Balance	(\$ 11,600)	44,031	1,389
<b>Fund Balance - Beginning of Year</b>		39,101	37,712
<b>Fund Balance - End of Year</b>		\$ 83,132	\$ 39,101

# 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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Miscellaneous	\$ 600	\$ 3,213	\$ 700
Total Revenues	600	3,213	700
<b>Expenditures</b>			
Current:			
Community Development			
Engineering	-	-	793
Professional Fees	-	595	3,499
Collaborative Community Project	-	7,950	-
General Operating Expenditures	-	860	793
Capital Outlay			
Land Acquisition/Demolition	-	-	1,941
Fix/Flatten Properties	20,000	3,318	140
Total Expenditures	20,000	12,723	7,166
Net Change in Fund Balance	(\$ 19,400)	( 9,510)	( 6,466)
<b>Fund Balance - Beginning of Year</b>		213,897	220,363
<b>Fund Balance - End of Year</b>		<u>\$ 204,387</u>	<u>\$ 213,897</u>

# CITY OF MACOMB, ILLINOIS

Gift Account  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended April 30, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Investment Income	\$ 60	\$ 61	\$ 64
Miscellaneous	600	3,341	5,837
Total Revenues	660	3,402	5,901
<b>Expenditures</b>			
Current:			
General Government			
General Operating Expenditures	185	829	245
Tree Plantings - Donations	1,200	4,856	2,693
Total Expenditures	1,385	5,685	2,938
Net Change in Fund Balance	(\$ 725)	( 2,283)	2,963
<b>Fund Balance - Beginning of Year</b>		64,027	61,064
<b>Fund Balance - End of Year</b>		<u>\$ 61,744</u>	<u>\$ 64,027</u>

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# CITY OF MACOMB, ILLINOIS

## Infrastructure Bonds Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2016 (With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Investment Income	\$ 1,000	\$ 1,324	\$ 26,015
Miscellaneous	-	1,729	-
Total Revenues	<u>1,000</u>	<u>3,053</u>	<u>26,015</u>
<b>Expenditures</b>			
Current:			
General Government			
Bank Charges	-	-	45
Highways and Streets			
Street Surfacing	-	-	32,327
Full Depth Recycle	-	-	523,921
Capital Outlay			
Wigwam Hollow Rd/Bridge	-	80,133	406,747
East St.- Wheeler to University	-	940	1,325,427
University Drive Improvement	-	-	53,037
Parking Lot-Train Depot	-	-	161,847
McDonough and White	520,430	257,928	60,121
Adams Street	<u>950,000</u>	<u>1,205,545</u>	<u>83,470</u>
Total Expenditures	<u>1,470,430</u>	<u>1,544,546</u>	<u>2,646,942</u>
Net Change in Fund Balance	<u>(\$ 1,469,430)</u>	<u>( 1,541,493)</u>	<u>( 2,620,927)</u>
<b>Fund Balance - Beginning of Year</b>		<u>1,541,493</u>	<u>4,162,420</u>
<b>Fund Balance - End of Year</b>		<u>\$ -</u>	<u>\$ 1,541,493</u>

# CITY OF MACOMB, ILLINOIS

## Nonmajor Governmental Funds Combining Balance Sheet April 30, 2016

	Special Revenue Funds					
	DUI Equipment Fund	Downtown TIF District Fund	2% Fire Tax Fund	TIF West Side #3 Fund	MDDC Revolving Loan Fund	CDAP Revolving Loan Fund
<b>Assets</b>						
Cash and Cash Equivalents	\$ 36,741	\$ 92,407	\$ 9,154	\$ 54,627	\$ 96,329	\$ 280,007
Receivables:						
Property Taxes	-	209,876	-	58,143	-	-
Loans	-	36,708	-	-	18,234	116,205
Due from Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 36,741</b>	<b>\$ 338,991</b>	<b>\$ 9,154</b>	<b>\$ 112,770</b>	<b>\$ 114,563</b>	<b>\$ 396,212</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ -	\$ 64	\$ -	\$ 169	\$ -	\$ -
Accrued Liabilities	-	216	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>280</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>						
Deferred Property Taxes	-	209,876	-	58,143	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>209,876</b>	<b>-</b>	<b>58,143</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	-	36,708	-	-	18,234	116,205
Restricted	36,741	92,127	9,154	54,458	96,329	280,007
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>36,741</b>	<b>128,835</b>	<b>9,154</b>	<b>54,458</b>	<b>114,563</b>	<b>396,212</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 36,741</b>	<b>\$ 338,991</b>	<b>\$ 9,154</b>	<b>\$ 112,770</b>	<b>\$ 114,563</b>	<b>\$ 396,212</b>

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	2016	2015
\$ 628,347	\$ 17,352	\$ 1,214,964	\$ 79,912	\$ 857,799	\$ 937,711	\$ 2,152,675	\$ 1,218,676
-	-	268,019	-	-	-	268,019	258,355
-	-	171,147	-	-	-	171,147	222,387
48,966	-	48,966	-	-	-	48,966	50,042
36,488	-	36,488	-	-	-	36,488	61,602
<u>\$ 713,801</u>	<u>\$ 17,352</u>	<u>\$ 1,739,584</u>	<u>\$ 79,912</u>	<u>\$ 857,799</u>	<u>\$ 937,711</u>	<u>\$ 2,677,295</u>	<u>\$ 1,811,062</u>
\$ 124	\$ -	\$ 357	\$ 53	\$ 1,367	\$ 1,420	\$ 1,777	\$ 2,681
-	-	216	-	-	-	216	473
-	-	-	-	-	-	-	11,887
<u>124</u>	<u>-</u>	<u>573</u>	<u>53</u>	<u>1,367</u>	<u>1,420</u>	<u>1,993</u>	<u>15,041</u>
-	-	268,019	-	-	-	268,019	258,355
-	-	268,019	-	-	-	268,019	258,355
36,488	-	207,635	-	-	-	207,635	283,989
677,189	17,352	1,263,357	-	-	-	1,263,357	1,265,564
-	-	-	79,859	856,432	936,291	936,291	-
-	-	-	-	-	-	-	( 11,887)
<u>713,677</u>	<u>17,352</u>	<u>1,470,992</u>	<u>79,859</u>	<u>856,432</u>	<u>936,291</u>	<u>2,407,283</u>	<u>1,537,666</u>
<u>\$ 713,801</u>	<u>\$ 17,352</u>	<u>\$ 1,739,584</u>	<u>\$ 79,912</u>	<u>\$ 857,799</u>	<u>\$ 937,711</u>	<u>\$ 2,677,295</u>	<u>\$ 1,811,062</u>

# CITY OF MACOMB, ILLINOIS

## Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2016

	<b>Special Revenue Funds</b>					
	<b>DUI Equipment Fund</b>	<b>Downtown TIF District Fund</b>	<b>2% Fire Tax Fund</b>	<b>TIF West Side #3 Fund</b>	<b>MDDC Revolving Loan Fund</b>	<b>CDAP Revolving Loan Fund</b>
<b>Revenues</b>						
Property Taxes	\$ -	\$ 200,977	\$ -	\$ 51,027	\$ -	\$ -
Investment Income	-	315	-	101	1,693	5,325
Intergovernmental Revenues	-	-	18,897	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	<u>27,767</u>	<u>1,500</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>27,767</u>	<u>202,792</u>	<u>18,968</u>	<u>51,128</u>	<u>1,693</u>	<u>5,325</u>
<b>Expenditures</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	6,767	-	40,013	-	-	-
Highways and Streets	-	-	-	-	-	-
Community Development	-	106,686	-	43,641	-	165
Culture and Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	25,761	-	-
Debt Service:						
Principal	-	-	-	20,000	-	-
Total Expenditures	<u>6,767</u>	<u>106,686</u>	<u>40,013</u>	<u>89,402</u>	<u>-</u>	<u>165</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,000</u>	<u>96,106</u>	<u>( 21,045)</u>	<u>( 38,274)</u>	<u>1,693</u>	<u>5,160</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	25,000	-	-
Transfers Out	-	( 126,800)	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>( 126,800)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	21,000	( 30,694)	( 21,045)	( 13,274)	1,693	5,160
<b>Fund Balances (Deficit) - Beginning of Year</b>	<u>15,741</u>	<u>159,529</u>	<u>30,199</u>	<u>67,732</u>	<u>112,870</u>	<u>391,052</u>
<b>Fund Balances - End of Year</b>	<u>\$ 36,741</u>	<u>\$ 128,835</u>	<u>\$ 9,154</u>	<u>\$ 54,458</u>	<u>\$ 114,563</u>	<u>\$ 396,212</u>



Motor Fuel Tax Fund	Sculpting Downtown Macomb Fund	Total Special Revenue Funds	Capital Projects Funds			Total	
			Downtown Revitalization Fund	Special Projects Fund	Total Capital Projects Funds	2016	2015
\$ -	\$ -	\$ 252,004	\$ -	\$ -	\$ -	\$ 252,004	\$ 220,214
432	-	7,866	-	-	-	7,866	7,611
550,355	-	569,252	-	-	-	569,252	593,632
-	100	100	-	-	-	100	-
18,627	13,950	61,915	-	-	-	61,915	219,906
<u>569,414</u>	<u>14,050</u>	<u>891,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>891,137</u>	<u>1,041,363</u>
-	-	-	-	143,568	143,568	143,568	-
-	-	46,780	-	-	-	46,780	60,317
83,167	-	83,167	-	-	-	83,167	126,546
-	-	150,492	158,254	-	158,254	308,746	370,958
-	1,698	1,698	-	-	-	1,698	-
-	-	25,761	-	-	-	25,761	167,258
-	-	20,000	-	-	-	20,000	-
<u>83,167</u>	<u>1,698</u>	<u>327,898</u>	<u>158,254</u>	<u>143,568</u>	<u>301,822</u>	<u>629,720</u>	<u>725,079</u>
<u>486,247</u>	<u>12,352</u>	<u>563,239</u>	<u>( 158,254)</u>	<u>( 143,568)</u>	<u>( 301,822)</u>	<u>261,417</u>	<u>316,284</u>
-	5,000	30,000	250,000	1,000,000	1,250,000	1,280,000	2,622
( 545,000)	-	( 671,800)	-	-	-	( 671,800)	( 568,772)
-	-	-	-	-	-	-	80,000
<u>( 545,000)</u>	<u>5,000</u>	<u>( 641,800)</u>	<u>250,000</u>	<u>1,000,000</u>	<u>1,250,000</u>	<u>608,200</u>	<u>( 486,150)</u>
<u>( 58,753)</u>	<u>17,352</u>	<u>( 78,561)</u>	<u>91,746</u>	<u>856,432</u>	<u>948,178</u>	<u>869,617</u>	<u>( 169,866)</u>
<u>772,430</u>	<u>-</u>	<u>1,549,553</u>	<u>( 11,887)</u>	<u>-</u>	<u>( 11,887)</u>	<u>1,537,666</u>	<u>1,707,532</u>
<u>\$ 713,677</u>	<u>\$ 17,352</u>	<u>\$ 1,470,992</u>	<u>\$ 79,859</u>	<u>\$ 856,432</u>	<u>\$ 936,291</u>	<u>\$ 2,407,283</u>	<u>\$ 1,537,666</u>

# 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, 2016 (With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Property Taxes	\$ 170,000	\$ 200,977	\$ 170,152
Investment Income	70	315	60
Miscellaneous	1,000	1,500	1,000
Total Revenues	<u>171,070</u>	<u>202,792</u>	<u>171,212</u>
<b>Expenditures</b>			
Current:			
Community Development			
Salaries - other	-	78	-
Salaries	11,715	10,630	10,283
Employee Insurance	200	145	204
Travel/Training/Continuing Education	1,500	990	1,766
Professional Dues	750	650	-
Professional Services Contract	-	-	30,000
Engineering	1,000	-	-
Advertising/Marketing	500	666	485
Bus Recruit/Retention	-	-	363
Downtown Beautification	6,000	5,104	4,312
Professional Fees	-	-	911
General Operating Expenditures	1,000	100	12,435
Building, Grounds and Equipment Maintenance	1,000	2,663	205
Surplus Tax Payment	86,325	85,660	84,632
Total Expenditures	<u>109,990</u>	<u>106,686</u>	<u>145,596</u>
Excess of Revenues Over Expenditures	<u>61,080</u>	<u>96,106</u>	<u>25,616</u>
<b>Other Financing (Uses)</b>			
Transfers Out	( 96,800)	( 126,800)	( 66,150)
Total Other Financing (Uses)	( 96,800)	( 126,800)	( 66,150)
Net Change in Fund Balance	<u>(\$ 35,720)</u>	<u>( 30,694)</u>	<u>( 40,534)</u>
<b>Fund Balance - Beginning of Year</b>		<u>159,529</u>	<u>200,063</u>
<b>Fund Balance - End of Year</b>		<u>\$ 128,835</u>	<u>\$ 159,529</u>

# CITY OF MACOMB, ILLINOIS

TIF West Side #3 Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended April 30, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Property Taxes	\$ 50,000	\$ 51,027	\$ 50,062
Investment Income	50	101	27
Miscellaneous	-	-	3,720
Total Revenues	<u>50,050</u>	<u>51,128</u>	<u>53,809</u>
<b>Expenditures</b>			
Current:			
Community Development			
Part-Time Salaries	-	-	5,200
Employee Insurance	-	-	101
Utilities	2,200	2,073	1,794
Professional Fees	2,000	28,590	1,651
Chandler Park Playground	2,500	3,654	1,830
Chandler Park Electrical	-	3,552	1,700
General Operating	-	43	62
Building, Grounds and Equipment Maintenance	4,000	3,226	3,327
Surplus Tax Payments	2,387	2,503	2,339
Capital Outlay			
Lamoine Hotel Project	50,000	-	-
Mummert Property	20,000	25,761	32,258
Land Acquisition/Demolition	-	-	100,000
Debt Service			
Principal on Loans	-	20,000	-
Total Expenditures	<u>83,087</u>	<u>89,402</u>	<u>150,262</u>
(Deficiency) of Revenues Over Expenditures	( <u>33,037</u> )	( <u>38,274</u> )	( <u>96,453</u> )
<b>Other Financing Sources</b>			
Transfers In	-	25,000	-
Loan Proceeds	-	-	80,000
Total Other Financing Sources	<u>-</u>	<u>25,000</u>	<u>80,000</u>
Net Change in Fund Balance	( <u>\$ 33,037</u> )	( 13,274 )	( 16,453 )
<b>Fund Balance - Beginning of Year</b>		<u>67,732</u>	<u>84,185</u>
<b>Fund Balance - End of Year</b>		<u>\$ 54,458</u>	<u>\$ 67,732</u>

# 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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Investment Income	\$ 1,528	\$ 1,693	\$ 1,678
Total Revenues	<u>1,528</u>	<u>1,693</u>	<u>1,678</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 1,528</u>	1,693	1,678
<b>Fund Balance - Beginning of Year</b>		<u>112,870</u>	<u>111,192</u>
<b>Fund Balance - End of Year</b>		<u>\$ 114,563</u>	<u>\$ 112,870</u>

# CITY OF MACOMB, ILLINOIS

CDAP Revolving Loan Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended April 30, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Investment Income	\$ 5,488	\$ 5,325	\$ 6,051
Total Revenues	5,488	5,325	6,051
<b>Expenditures</b>			
Current:			
Community Development			
Professional Fees	-	165	-
Total Expenditures	-	165	-
Excess of Revenues Over Expenditures	5,488	5,160	6,051
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	-	( 2,622)
Total Other Financing Sources (Uses)	-	-	( 2,622)
Net Change in Fund Balance	\$ 5,488	5,160	3,429
<b>Fund Balance - Beginning of Year</b>		391,052	387,623
<b>Fund Balance - End of Year</b>		\$ 396,212	\$ 391,052

# 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, 2016  
(With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2015 Actual</b>
<b>Revenues</b>			
Investment Income	\$ 90	\$ 432	\$ 97
Intergovernmental Revenues	500,000	550,355	521,528
Miscellaneous	20,000	18,627	194,154
<b>Total Revenues</b>	<b>520,090</b>	<b>569,414</b>	<b>715,779</b>
<b>Expenditures</b>			
Current:			
Highways and Streets			
Utilities	2,500	4,121	2,377
Bank Charges	-	247	-
Road Salt	130,000	65,831	110,299
Signs	15,000	6,762	11,135
Building, Grounds and Equipment Maintenance	7,500	6,206	2,735
<b>Total Expenditures</b>	<b>155,000</b>	<b>83,167</b>	<b>126,546</b>
Excess of Revenues Over Expenditures	<b>365,090</b>	<b>486,247</b>	<b>589,233</b>
<b>Other Financing (Uses)</b>			
Transfers Out	( 545,000)	( 545,000)	( 500,000)
<b>Total Other Financing (Uses)</b>	<b>( 545,000)</b>	<b>( 545,000)</b>	<b>( 500,000)</b>
<b>Net Change in Fund Balance</b>	<b>(\$ 179,910)</b>	<b>( 58,753)</b>	<b>89,233</b>
<b>Fund Balance - Beginning of Year</b>		<b>772,430</b>	<b>683,197</b>
<b>Fund Balance - End of Year</b>		<b>\$ 713,677</b>	<b>\$ 772,430</b>

# CITY OF MACOMB, ILLINOIS

## Downtown Revitalization Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended April 30, 2016 (With Comparative Actual Amounts for the Year Ended April 30, 2015)

	<b>2016</b>		<b>2015</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Current:			
Community Development Downtown Project	20,000	158,253	207,358
Total Expenditures	20,000	158,253	207,358
(Deficiency) of Revenues Over Expenditures	( 20,000)	( 158,253)	( 207,358)
<b>Other Financing Sources</b>			
Transfers In	1,250,000	250,000	-
Total Other Financing Sources	1,250,000	250,000	-
Net Change in Fund Balance	\$ 1,230,000	91,747	( 207,358)
<b>Fund Balance (Deficit) - Beginning of Year</b>		( 11,887)	195,471
<b>Fund Balance (Deficit) - End of Year</b>		\$ 79,860	(\$ 11,887)

# 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, 2016

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
<b>Operating Revenues</b>			
Charges for Services	\$ 3,700,870	\$ 3,695,425	(\$ 5,445)
Total Operating Revenues	<u>3,700,870</u>	<u>3,695,425</u>	<u>( 5,445)</u>
<b>Operating Expenses</b>			
Waterworks:			
Personnel	475,350	501,031	( 25,681)
Utilities	205,800	177,610	28,190
Contractual Services	65,859	70,197	( 4,338)
Supplies and Materials	2,718,680	1,179,801	1,538,879
Depreciation	<u>-</u>	<u>537,457</u>	<u>( 537,457)</u>
Total Operating Expenses	<u>3,465,689</u>	<u>2,466,096</u>	<u>999,593</u>
Operating Income	<u>235,181</u>	<u>1,229,329</u>	<u>994,148</u>
<b>Nonoperating Revenues (Expenses)</b>			
Grants	1,000,000	-	( 1,000,000)
Investment Income	455	983	528
Interest Expense	<u>( 1,000)</u>	<u>( 153,314)</u>	<u>( 152,314)</u>
Total Nonoperating Revenues (Expenses)	<u>999,455</u>	<u>( 152,331)</u>	<u>( 1,151,786)</u>
Income Before Transfers	<u>1,234,636</u>	<u>1,076,998</u>	<u>( 157,638)</u>
<b>Transfers</b>			
Intrafund Transfers In (Out)	( 3,001,116)	-	3,001,116
Transfers In	112,615	100,000	( 12,615)
Transfers Out	<u>( 1,099,137)</u>	<u>( 992,964)</u>	<u>106,173</u>
Total Transfers	<u>( 3,987,638)</u>	<u>( 892,964)</u>	<u>3,094,674</u>
Change in Net Position	<u>(\$ 2,753,002)</u>	184,034	<u>\$ 2,937,036</u>
<b>Net Position - Beginning of Year, as Adjusted</b>		<u>11,258,697</u>	
<b>Net Position - End of Year</b>		<u>\$ 11,442,731</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, 2016

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
<b>Operating Revenues</b>			
Charges for Services	\$ 1,988,700	\$ 1,959,986	(\$ 28,714)
Total Operating Revenues	<u>1,988,700</u>	<u>1,959,986</u>	<u>( 28,714)</u>
<b>Operating Expenses</b>			
Sewerage:			
Personnel	376,490	405,820	( 29,330)
Utilities	203,500	198,027	5,473
Contractual Services	53,267	66,809	( 13,542)
Supplies and Materials	3,117,155	598,663	2,518,492
Depreciation	<u>-</u>	<u>304,099</u>	<u>( 304,099)</u>
Total Operating Expenses	<u>3,750,412</u>	<u>1,573,418</u>	<u>2,176,994</u>
Operating Income	<u>( 1,761,712)</u>	<u>386,568</u>	<u>2,148,280</u>
<b>Nonoperating Revenues</b>			
Other Taxes	900	1,069	169
Grants	2,560,000	-	( 2,560,000)
Investment Income	<u>300</u>	<u>626</u>	<u>326</u>
Total Nonoperating Revenues	<u>2,561,200</u>	<u>1,695</u>	<u>( 2,559,505)</u>
Income Before Transfers	<u>799,488</u>	<u>388,263</u>	<u>( 411,225)</u>
<b>Transfers</b>			
Transfers In	50,070	50,077	7
Transfers Out	<u>( 487,957)</u>	<u>( 475,457)</u>	<u>12,500</u>
Total Transfers	<u>( 437,887)</u>	<u>( 425,380)</u>	<u>12,507</u>
Change in Net Position	<u>\$ 361,601</u>	<u>( 37,117)</u>	<u>(\$ 398,718)</u>
<b>Net Position - Beginning of Year, as Adjusted</b>		<u>9,349,581</u>	
<b>Net Position - End of Year</b>		<u>\$ 9,312,464</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, 2016

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
<b>Operating Revenues</b>			
Licenses and Permits	\$ 1,800	\$ 2,497	\$ 697
Charges for Services	<u>905,050</u>	<u>920,766</u>	<u>15,716</u>
Total Operating Revenues	<u>906,850</u>	<u>923,263</u>	<u>16,413</u>
<b>Operating Expenses</b>			
Garbage:			
Personnel	12,929	12,454	475
Utilities	275	319	( 44)
Contractual Services	826,892	822,594	4,298
Supplies and Materials	36,100	38,338	( 2,238)
Depreciation	<u>-</u>	<u>1,477</u>	<u>( 1,477)</u>
Total Operating Expenses	<u>876,196</u>	<u>875,182</u>	<u>1,014</u>
Operating Income	<u>30,654</u>	<u>48,081</u>	<u>17,427</u>
<b>Nonoperating Revenues</b>			
Other Taxes	30,000	34,415	4,415
Investment Income	30	183	153
Miscellaneous Revenue	<u>3,000</u>	<u>3,127</u>	<u>127</u>
Total Nonoperating Revenues	<u>33,030</u>	<u>37,725</u>	<u>4,695</u>
Income Before Transfers	<u>63,684</u>	<u>85,806</u>	<u>22,122</u>
<b>Transfers</b>			
Transfers Out	( 85,858)	( 75,858)	10,000
Total Transfers	( 85,858)	( 75,858)	10,000
Change in Net Position	<u>(\$ 22,174)</u>	9,948	<u>\$ 32,122</u>
<b>Net Position - Beginning of Year</b>		<u>159,172</u>	
<b>Net Position - End of Year</b>		<u>\$ 169,120</u>	

# CITY OF MACOMB, ILLINOIS

Combining Statement of Net Position  
Internal Service Funds  
April 30, 2016

	<b>Insurance and Tort Judgment Fund</b>	<b>Health Insurance Fund</b>	<b>Total</b>	
			<b>2016</b>	<b>2015</b>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 555,532	\$ 555,532	\$ 584,712
Property Taxes Receivable	100,481	-	100,481	88,793
Prepaid Items	<u>273,216</u>	<u>-</u>	<u>273,216</u>	<u>272,034</u>
Total Assets	<u>\$ 373,697</u>	<u>\$ 555,532</u>	<u>\$ 929,229</u>	<u>\$ 945,539</u>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 6,919	\$ -	\$ 6,919	\$ -
Accrued Liabilities	<u>-</u>	<u>217,327</u>	<u>217,327</u>	<u>190,015</u>
Total Liabilities	<u>6,919</u>	<u>217,327</u>	<u>224,246</u>	<u>190,015</u>
Deferred Inflows of Resources				
Deferred Property Taxes	<u>100,481</u>	<u>-</u>	<u>100,481</u>	<u>88,793</u>
Net Position				
Unrestricted	<u>266,297</u>	<u>338,205</u>	<u>604,502</u>	<u>666,731</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 373,697</u>	<u>\$ 555,532</u>	<u>\$ 929,229</u>	<u>\$ 945,539</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, 2016

	<b>Insurance and Tort Judgment Fund</b>	<b>Health Insurance Fund</b>	<b>Total</b>	
			<b>2016</b>	<b>2015</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 464,286	\$ 1,945,265	\$ 2,409,551	\$ 2,332,082
Total Operating Revenues	<u>464,286</u>	<u>1,945,265</u>	<u>2,409,551</u>	<u>2,332,082</u>
<b>Operating Expenses</b>				
Worker's Compensation	328,505	-	328,505	436,499
General Liability Insurance	273,346	-	273,346	274,654
Insurance Deductibles	25,638	-	25,638	29,236
Premiums and Administrative Fees	-	471,158	471,158	461,094
Health Claims	-	1,487,345	1,487,345	1,419,473
Total Operating Expenses	<u>627,489</u>	<u>1,958,503</u>	<u>2,585,992</u>	<u>2,620,956</u>
Operating Income (Loss)	( 163,203)	( 13,238)	( 176,441)	( 288,874)
<b>Nonoperating Revenues</b>				
Property Taxes	88,706	-	88,706	64,717
Investment Income	7	1,046	1,053	1,302
Miscellaneous Revenue	<u>24,453</u>	-	<u>24,453</u>	<u>27,747</u>
Total Nonoperating Revenues	<u>113,166</u>	<u>1,046</u>	<u>114,212</u>	<u>93,766</u>
Change in Net Position	( 50,037)	( 12,192)	( 62,229)	( 195,108)
<b>Net Position - Beginning of Year</b>	<u>316,334</u>	<u>350,397</u>	<u>666,731</u>	<u>861,839</u>
<b>Net Position - End of Year</b>	<u>\$ 266,297</u>	<u>\$ 338,205</u>	<u>\$ 604,502</u>	<u>\$ 666,731</u>

## CITY OF MACOMB, ILLINOIS

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended April 30, 2016

	<b>Insurance and Tort Judgment Fund</b>	<b>Health Insurance Fund</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 24,453	\$ 393,754	\$ 418,207
Cash Received from Interfund Services Provided	464,286	1,551,511	2,015,797
Cash Payments for Claims, Premiums and Fees	( 621,752)	( 1,931,191)	( 2,552,943)
Net Cash Provided by (Used in) Operating Activities	( 133,013)	14,074	( 118,939)
<b>Cash Flows from Noncapital Financing Activities</b>			
Property and Other Taxes Received	88,706	-	88,706
Net Cash Provided by Noncapital Financing Activities	88,706	-	88,706
<b>Cash Flows from Investing Activities</b>			
Income Received on Investments	7	1,046	1,053
Net Cash Provided by Investing Activities	7	1,046	1,053
Net Increase (Decrease) in Cash	( 44,300)	15,120	( 29,180)
<b>Cash and Cash Equivalents, Beginning of Year</b>	44,300	540,412	584,712
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ -</u>	<u>\$ 555,532</u>	<u>\$ 555,532</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating (Loss)	(\$ 163,203)	(\$ 13,238)	(\$ 176,441)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used in) Operating Activities:			
Other Nonoperating Cash Receipts	24,453	-	24,453
(Increase) in Prepaid Items	( 1,182)	-	( 1,182)
Increase in Accounts Payable	6,919	-	6,919
Increase in Accrued Liabilities	-	27,312	27,312
Total Adjustments	30,190	27,312	57,502
Net Cash Provided by (Used in) Operating Activities	<u>(\$ 133,013)</u>	<u>\$ 14,074</u>	<u>(\$ 118,939)</u>

# CITY OF MACOMB, ILLINOIS

## Combining Statement of Fiduciary Net Position Pension Trust Funds April 30, 2016

	<b>Firefighters' Pension Fund</b>	<b>Police Pension Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 93,191	\$ 52,319	\$ 145,510
Investments:			
Money Market Mutual Funds	138,309	247,379	385,688
U.S. Government and Agency Securities:			
U.S. Treasury Notes	229,972	349,951	579,923
U.S. Treasury Bonds	338,145	425,103	763,248
Government National Mortgage Association (GNMA)	44,263	49,382	93,645
U.S. Government Sponsored Agency Securities:			
Federal Home Loan Mortgage Corporation (FHLMC)	360,107	447,140	807,247
Federal National Mortgage Association (FNMA)	654,022	691,592	1,345,614
Other Debt Securities:			
Corporate Bonds	1,976,914	2,305,900	4,282,814
Equity Securities:			
Mutual Fund Equities	3,069,899	2,706,766	5,776,665
Common Stock	<u>3,069,682</u>	<u>5,674,823</u>	<u>8,744,505</u>
Total Investments	9,881,313	12,898,036	22,779,349
Interest Receivable	<u>22,785</u>	<u>28,446</u>	<u>51,231</u>
Total Assets	<u>9,997,289</u>	<u>12,978,801</u>	<u>22,976,090</u>
<b>Liabilities</b>			
Accounts Payable	<u>9,908</u>	<u>7,534</u>	<u>17,442</u>
Total Liabilities	<u>9,908</u>	<u>7,534</u>	<u>17,442</u>
<b>Net Position</b>			
Net Position Restricted for Pensions	<u>\$ 9,987,381</u>	<u>\$ 12,971,267</u>	<u>\$ 22,958,648</u>

# CITY OF MACOMB, ILLINOIS

## Combining Statement of Changes in Fiduciary Net Position Pension Trust Funds For the Year Ended April 30, 2016

	<b>Firefighters' Pension Fund</b>	<b>Police Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 499,923	\$ 507,833	\$ 1,007,756
Plan Member	116,866	161,818	278,684
Other Sources	1,628	596	2,224
	<u>618,417</u>	<u>670,247</u>	<u>1,288,664</u>
Total Contributions			
Investment Income			
Interest	117,672	132,788	250,460
Dividends	158,575	334,435	493,010
Net Depreciation in Fair Value of Investments	( 450,551)	( 527,846)	( 978,397)
	<u>( 174,304)</u>	<u>( 60,623)</u>	<u>( 234,927)</u>
Gross Investment Income			
Less Investment Expense	( 43,588)	( 53,730)	( 97,318)
	<u>( 217,892)</u>	<u>( 114,353)</u>	<u>( 332,245)</u>
Total Investment Income			
Total Additions	<u>400,525</u>	<u>555,894</u>	<u>956,419</u>
<b>Deductions</b>			
Pension Benefit Payments and Refunds	1,089,586	1,175,206	2,264,792
Administration	17,175	19,933	37,108
	<u>1,106,761</u>	<u>1,195,139</u>	<u>2,301,900</u>
Total Deductions			
Net Decrease in Net Position	( 706,236)	( 639,245)	( 1,345,481)
<b>Net Position Restricted for Pensions</b>			
Beginning of Year	<u>10,693,617</u>	<u>13,610,512</u>	<u>24,304,129</u>
End of Year	<u>\$ 9,987,381</u>	<u>\$ 12,971,267</u>	<u>\$ 22,958,648</u>

## CITY OF MACOMB, ILLINOIS

### Schedule of Changes in Assets and Liabilities Flex Benefits Fund - Agency Fund For the Year Ended April 30, 2016

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,672	\$ 88,493	\$ 85,612	\$ 6,553
Accounts Receivable	<u>17,280</u>	<u>-</u>	<u>2,875</u>	<u>14,405</u>
Total Assets	<u>\$ 20,952</u>	<u>\$ 88,493</u>	<u>\$ 88,487</u>	<u>\$ 20,958</u>
<b>Liabilities</b>				
Accounts Payable	\$ 10,640	\$ 88,493	\$ 88,487	\$ 10,646
Due to Other Funds	<u>10,312</u>	<u>-</u>	<u>-</u>	<u>10,312</u>
Total Liabilities	<u>\$ 20,952</u>	<u>\$ 88,493</u>	<u>\$ 88,487</u>	<u>\$ 20,958</u>



**OTHER SUPPLEMENTAL SCHEDULES**

# CITY OF MACOMB, ILLINOIS

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

Tax Collection Year	Year Ended April 30, 2016		
	2014 Levy	Rate	Amount Extended
General Fund:			
Corporate	\$ 226,721	0.12375	\$ 226,661
Bond and Interest	-	-	-
Fire Protection	60,000	0.03517	59,033
Police Protection	60,000	0.03517	59,033
Firefighters' Pension	491,279	0.28804	483,479
Police Pension	508,169	0.29780	499,861
Special Revenue Fund:			
Illinois Municipal Retirement Fund	515,226	0.30192	506,777
Internal Service Fund:			
Liability Insurance	90,256	0.05290	88,793
Total	<u>\$ 1,951,651</u>	<u>1.13475</u>	<u>\$ 1,923,637</u>
Rate Setting Assessed Valuation - Corporate Levy			<u>\$ 183,160,272</u>
Rate Setting Assessed Valuation - All Other Levies			<u>\$ 167,851,312</u>

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

Source of Information: McDonough County Clerk

Year Ended April 30, 2015			Year Ended April 30, 2014		
2013 Levy	Rate	Amount Extended	2012 Levy	Rate	Amount Extended
\$ 210,000	0.12019	\$ 210,013	\$ 208,000	0.11843	\$ 206,862
69,305	0.04173	74,099	67,783	0.04079	72,401
60,000	0.03610	64,102	60,000	0.03575	63,455
60,000	0.03610	64,102	60,000	0.03575	63,455
458,725	0.27597	490,036	419,022	0.24966	443,140
498,694	0.30000	532,706	476,736	0.28395	504,004
489,500	0.29444	522,833	487,000	0.29004	514,813
64,816	0.03900	69,252	103,161	0.06145	109,072
<u>\$ 1,911,040</u>	<u>1.14353</u>	<u>\$ 2,027,143</u>	<u>\$ 1,881,702</u>	<u>1.11582</u>	<u>\$ 1,977,202</u>
		<u>\$ 174,733,781</u>			<u>\$ 174,670,178</u>
		<u>\$ 166,085,295</u>			<u>\$ 166,204,922</u>

## CITY OF MACOMB, ILLINOIS

### Schedule of Insurance Coverage (Unaudited) April 30, 2016

Type of Coverage and Name of Company	Policy Number	Policy Period From	To
General and Law Enforcement Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Property/Inland Marine/ Auto Coverage Physical Damage Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Automobile Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Crime Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Public Officials Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Workers' Compensation Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Excess Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Boiler and Machinery Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2015	12/01/2016
Stop-Loss Insurance HM Life Insurance Company	405492-A	02/01/2016	02/01/2017

<b>Details of Coverage</b>	<b>Liability Limits</b>	<b>Annual Premium</b>
Bodily Injury/Property Damage/ Law Enforcement Injury	General and Personal Injury \$1,000,000 per occurrence	\$ 123,540
Property	\$3,000,000 aggregate \$70,478,306 annual coverage	82,913
Automobile Liability and Physical Damage	\$1,000,000 per occurrence	30,279
Employee Dishonesty, Money Orders/Counterfeit Currency, Depositors Forgery	\$500,000 per occurrence	976
Physical/Sexual Abuse	\$100,000 per occurrence	516
Workers' Compensation Employer's Liability	\$2,500,000 per occurrence	319,979
Excess Liability	\$7,000,000 excess for general and law enforcement, auto liability, or public officials	34,749
Boiler and Machinery	Included in total building and contents limit up to \$70,478,306	3,337
Excess Insurance	\$1,000,000 maximum aggregate benefit	443,551

## CITY OF MACOMB, ILLINOIS

### Schedule of Supplemental Information Required by Bond Ordinance Waterworks and Sewerage System (Unaudited) April 30, 2016

#### As of April 30, 2016

Number of metered water customers	5,766
Number of unmetered sewer customers	9
Number of sewer customers	5,489

#### Year Ended April 30, 2016

Quantity of water pumped:	
Raw	735,506,569 gallons
Finished	681,809,231 gallons
Quantity of sewerage treated	1,449,100,000 gallons
Quantity of water billed	62,370,836 cubic feet

## OTHER REPORT



WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

755 ESSINGTON ROAD, JOLIET, ILLINOIS 60435 • 815/730-6250 • FAX 815/730-6257 • WWW.WRDR.COM

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, 2016. 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, 2016.

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 24, 2016