

CITY OF MACOMB, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2017

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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, 2017, 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, 2017. 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, 2017, 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, 2017, 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. 72, *Fair Value Measurement and Application*, in 2017. 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, 67 through 70, 71 through 74, 75, 76 through 78, and 79, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information listed in the table of contents as "combining and individual fund financial statements and schedules" and "other supplemental schedules", is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2016, 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 2016 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 2016 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 2016 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 26, 2017, 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 & Ruyon, LLC

October 26, 2017

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

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2017 (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, 2017. 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 \$60,592,330 on April 30, 2017.
- During the year the City's combined change in net position was a decrease of \$1,205,931 which was due mainly to the recognition of the current year increase in net pension liabilities.
- The total cost of the City's programs was \$22,929,654.
- The general corporate account reported a year-end cash balance of \$3,769,254, 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, 2017 (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, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total Government		Change %
	2017	2016	2017	2016	2017	2016	
Assets							
Current and							
Other Assets	\$16,087,372	\$16,357,739	\$ 4,527,520	\$ 3,780,331	\$20,614,892	\$20,138,070	2%
Capital Assets	46,746,199	47,601,085	25,458,150	22,685,891	72,204,349	70,286,976	3%
Total Assets	<u>62,833,571</u>	<u>63,958,824</u>	<u>29,985,670</u>	<u>26,466,222</u>	<u>92,819,241</u>	<u>90,425,046</u>	3%
Deferred Outflows of Resources	<u>5,445,743</u>	<u>4,218,636</u>	<u>306,091</u>	<u>376,824</u>	<u>5,751,834</u>	<u>4,595,460</u>	
Liabilities							
Current and							
Other Liabilities	1,273,585	1,327,716	344,553	461,321	1,618,138	1,789,037	-10%
Long-Term							
Liabilities	24,908,521	23,728,108	8,380,361	5,457,410	33,288,882	29,185,518	14%
Total Liabilities	<u>26,182,106</u>	<u>25,055,824</u>	<u>8,724,914</u>	<u>5,918,731</u>	<u>34,907,020</u>	<u>30,974,555</u>	13%
Deferred Inflows of Resources	<u>3,062,579</u>	<u>2,247,690</u>	<u>9,146</u>	<u>-</u>	<u>3,071,725</u>	<u>2,247,690</u>	37%
Net Position							
Net Investment in							
Capital Assets	40,812,474	41,117,579	17,635,929	17,819,127	58,448,403	58,936,706	-1%
Restricted	2,127,316	2,374,675	377,246	366,189	2,504,562	2,740,864	-9%
Unrestricted	(3,905,161)	(2,618,308)	3,544,526	2,738,999	(360,635)	120,691	-399%
Total Net Position	<u>\$39,034,629</u>	<u>\$40,873,946</u>	<u>\$21,557,701</u>	<u>\$20,924,315</u>	<u>\$60,592,330</u>	<u>\$61,798,261</u>	-2%

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 \$39.0 million in net position, of which \$40.8 million is the net investment in capital assets, \$2.1 million is restricted for community development, employee benefits, maintenance of roadways, public safety, cemetery care, capital projects, transportation and other purposes, and \$-3.9 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, 2017 (Unaudited)

The current year's business-type activities left the City with \$21.6 million in net position, of which \$17.6 million is the net investment in capital assets, \$377 thousand is restricted for debt service, and \$3.5 million is unrestricted.

Condensed Statement of Activities for the Years Ended April 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total Government		Change %
	2017	2016	2017	2016	2017	2016	
Revenues							
Program Revenues							
Charges for Services	\$ 1,109,169	\$ 1,168,927	\$ 6,542,842	\$ 6,578,674	\$ 7,652,011	\$ 7,747,601	-1%
Operating Grants and Contributions	3,080,749	3,239,080	-	-	3,080,749	3,239,080	-5%
Capital Grants and Contributions	395,383	765,759	-	-	395,383	765,759	-48%
General Revenues							
Property Taxes	2,252,151	2,183,486	-	-	2,252,151	2,183,486	3%
Income Taxes	1,904,309	2,586,489	-	-	1,904,309	2,586,489	-26%
Sales Taxes	4,523,107	4,615,679	-	-	4,523,107	4,615,679	-2%
Other Taxes	1,283,476	1,283,212	30,682	35,484	1,314,158	1,318,696	0%
Investment Income	33,499	21,725	2,144	1,792	35,643	23,517	52%
Other General Revenues	564,892	403,301	1,320	3,127	566,212	406,428	39%
Total Revenues	15,146,735	16,267,658	6,576,988	6,619,077	21,723,723	22,886,735	-5%
Expenses							
General Government	2,964,852	3,038,569	-	-	2,964,852	3,038,569	-2%
Public Safety	7,512,483	8,504,133	-	-	7,512,483	8,504,133	-12%
Highways and Streets	3,432,630	3,251,498	-	-	3,432,630	3,251,498	6%
Transportation	2,847,542	2,631,550	-	-	2,847,542	2,631,550	8%
Community Development	1,395,014	1,153,066	-	-	1,395,014	1,153,066	21%
Culture and Recreation	25,966	15,087	-	-	25,966	15,087	72%
Interest on Long-Term Debt	134,538	146,015	-	-	134,538	146,015	-8%
Water	-	-	2,323,242	2,619,410	2,323,242	2,619,410	-11%
Sewer	-	-	1,407,747	1,573,418	1,407,747	1,573,418	-11%
Garbage	-	-	885,640	875,182	885,640	875,182	1%
Total Expenses	18,313,025	18,739,918	4,616,629	5,068,010	22,929,654	23,807,928	-4%
Excess Before Transfers	(3,166,290)	(2,472,260)	1,960,359	1,551,067	(1,205,931)	(921,193)	31%
Transfers	1,326,973	1,394,202	(1,326,973)	(1,394,202)	-	-	n/a
Change in Net Position	(1,839,317)	(1,078,058)	633,386	156,865	(1,205,931)	(921,193)	31%
Net Position, Beginning	40,873,946	50,710,718	20,924,315	20,699,813	61,798,261	71,410,531	
Beginning Net Position Adjustment	-	(8,758,714)	-	67,637	-	-	
Net Position, Beginning, as Adjusted	40,873,946	41,952,004	20,924,315	20,767,450	61,798,261	62,719,454	-1%
Net Position, End of Year	\$ 39,034,629	\$ 40,873,946	\$ 21,557,701	\$ 20,924,315	\$ 60,592,330	\$ 61,798,261	-2%

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis April 30, 2017 (Unaudited)

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

Fiscal year 2017 showed governmental activities program revenues of \$4.6 million and general revenues of \$10.5 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 \$76,226 under budget (20.8%), vehicle repairs and maintenance was \$6,047 over budget (4.5%), and utility costs were \$17,424 over budget (3.9%).

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, 2017
(Unaudited)

General Fund

Revenues for the General Fund decreased by \$461,202 or 3.9% from 2016 to 2017, due mostly to a decrease in income taxes. Total expenditures increased \$926,708 or 7.4%, driven by an increase in highways and streets and public safety. The City's management continues to strive for cost containment of expenses while ensuring adequate revenue policies.

Illinois Municipal Retirement Fund

The City's IMRF Fund is used to account for resources, mainly property taxes, to be paid to the Illinois Municipal Retirement Fund for employee retirement benefits. Total revenues for 2017 were \$273,876 and total expenditures were \$470,887.

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 \$2,436,125. 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 decreased \$15,580 or 0.4% due to decreases in usage, while operating expenses decreased \$275,545 or 11.2% as a result of a significant decrease in supplies/materials. City management continues to balance investments in the waterworks system with close attention to appropriate revenue needs.

Sewer Fund

Operating revenues in the Sewer Fund increased \$13,034, or 0.7% due mostly to increases in usage and rates, while operating expenses decreased \$165,671 or 10.5%, mainly due to the decrease in salaries and repairs. City management's approach to the sewer enterprise is one of continuous improvements to the system while maintaining adequate revenue streams.

Garbage Fund

Operating revenues in the Garbage Fund decreased \$33,286, or 3.6%, while operating expenses increased \$10,458 or 1.2%, mainly due to the increase in yard waste pick-up costs.

Budget to Actual Analysis

Revenues in the General Fund were \$923,843 or 7.5% less than budgeted, due mainly to a decrease in intergovernmental revenues in income taxes. Expenditures in the General Fund were \$1,124,135 or 7.7% 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, 2017 (Unaudited)

Capital Assets

At the end of the fiscal year 2017, the City had combined total capital assets, net of accumulated depreciation, of \$72,204,349 invested in a broad range of asset types including land, buildings, vehicles and equipment, city facilities, and sewer and water lines. The City added \$5,129,678 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 \$33.2 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 \$16,437,779 against which total debt applicable to the limit is \$84,520 or 0.5% 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.

CITY OF MACOMB, ILLINOIS

Management's Discussion and Analysis
April 30, 2017
(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, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit Macomb City Township</u>
Assets and Deferred Outflows of Resources				
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 10,443,466	\$ 2,456,554	\$ 12,900,020	\$ 172,291
Investments	-	-	-	220,407
Receivables:				
Property Taxes	2,291,840	-	2,291,840	-
Sales Taxes	1,038,143	-	1,038,143	-
Other Taxes	820,465	-	820,465	-
Consumer Accounts	30,452	371,605	402,057	-
Unbilled Usage	-	383,280	383,280	-
Loans	174,534	-	174,534	-
Internal Balances	212,500	(212,500)	-	-
Due from Other Governments	678,710	384,308	1,063,018	-
Prepaid Items	267,625	-	267,625	-
Inventory	129,637	767,027	896,664	-
	<u>16,087,372</u>	<u>4,150,274</u>	<u>20,237,646</u>	<u>392,698</u>
Noncurrent Assets				
Restricted Assets				
Cash and Cash Equivalents	-	377,246	377,246	-
Capital Assets				
Capital Assets not Being Depreciated	1,824,343	-	1,824,343	-
Property and Equipment	81,222,321	45,294,083	126,516,404	-
Less Accumulated Depreciation	(36,300,465)	(19,835,933)	(56,136,398)	-
	<u>46,746,199</u>	<u>25,458,150</u>	<u>72,204,349</u>	<u>-</u>
	<u>46,746,199</u>	<u>25,835,396</u>	<u>72,581,595</u>	<u>-</u>
	<u>62,833,571</u>	<u>29,985,670</u>	<u>92,819,241</u>	<u>392,698</u>
Deferred Outflows of Resources				
Deferred Outflows of Resources Related to Pensions	<u>5,445,743</u>	<u>306,091</u>	<u>5,751,834</u>	<u>-</u>
	<u>\$ 68,279,314</u>	<u>\$ 30,291,761</u>	<u>\$ 98,571,075</u>	<u>\$ 392,698</u>

See Accompanying Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total	Component Unit Macomb City Township
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 833,385	\$ 161,757	\$ 995,142	\$ -
Accrued Liabilities	325,386	138,944	464,330	1,843
Unearned Revenue	59,667	-	59,667	-
Interest Payable	55,147	43,852	98,999	-
Long-Term Obligations, Due Within One Year:				
Compensated Absences	1,232,299	174,392	1,406,691	-
Loans Payable	20,000	-	20,000	-
Equipment Purchase Contract	63,574	-	63,574	-
Notes and Bonds Payable	465,000	389,073	854,073	-
Total Current Liabilities	<u>3,054,458</u>	<u>908,018</u>	<u>3,962,476</u>	<u>1,843</u>
Noncurrent Liabilities				
Long-Term Obligations, Due in More Than One Year:				
Loans Payable	20,000	-	20,000	-
Equipment Purchase Contract	20,946	-	20,946	-
Notes and Bonds Payable	5,344,205	7,433,148	12,777,353	-
Net Pension Liability	17,742,497	383,748	18,126,245	-
Total Noncurrent Liabilities	<u>23,127,648</u>	<u>7,816,896</u>	<u>30,944,544</u>	<u>-</u>
Total Liabilities	<u>26,182,106</u>	<u>8,724,914</u>	<u>34,907,020</u>	<u>1,843</u>
Deferred Inflows of Resources				
Deferred Property Taxes	<u>2,291,840</u>	<u>-</u>	<u>2,291,840</u>	<u>-</u>
Deferred Inflows of Resources Related to Pensions	<u>770,739</u>	<u>9,146</u>	<u>779,885</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,062,579</u>	<u>9,146</u>	<u>3,071,725</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	40,812,474	17,635,929	58,448,403	-
Restricted for:				
Community Development	385,281	-	385,281	-
Employee Benefits	221,564	-	221,564	9,150
Maintenance of Roadways	647,521	-	647,521	-
Public Safety	234,776	-	234,776	-
Cemetery Care	44,482	-	44,482	-
Transportation	512,475	-	512,475	-
Debt Service	-	377,246	377,246	-
Other Purposes	81,217	-	81,217	186,728
Unrestricted Net Position	<u>(3,905,161)</u>	<u>3,544,526</u>	<u>(360,635)</u>	<u>194,977</u>
Total Net Position	<u>39,034,629</u>	<u>21,557,701</u>	<u>60,592,330</u>	<u>390,855</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 68,279,314</u>	<u>\$ 30,291,761</u>	<u>\$ 98,571,075</u>	<u>\$ 392,698</u>

CITY OF MACOMB, ILLINOIS

Statement of Activities
For the Year Ended April 30, 2017

<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>
Primary Government:				
Governmental Activities:				
General Government	\$ 2,965,587	\$ 418,060	\$ 325,466	\$ -
Public Safety	7,512,483	370,284	269,932	-
Highways and Streets	3,432,630	285,240	551,300	-
Transportation	2,847,542	-	1,920,660	395,383
Community Development	1,395,014	35,560	2,841	-
Culture and Recreation	25,966	25	10,550	-
Interest on Long-Term Debt	134,538	-	-	-
Total Governmental Activities	18,313,760	1,109,169	3,080,749	395,383
Business-Type Activities:				
Water	2,323,242	3,679,845	-	-
Sewer	1,407,747	1,973,020	-	-
Garbage	885,640	889,977	-	-
Total Business-Type Activities	4,616,629	6,542,842	-	-
Total Primary Government	\$ 22,930,389	\$ 7,652,011	\$ 3,080,749	\$ 395,383
Component Unit:				
Macomb City Township	\$ 240,414	\$ 6,400	\$ -	\$ -

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

Change in Net Position

Net Position - Beginning

Net Position - Ending

See Accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit Macomb City Township</u>
(\$ 2,222,061)	\$ -	(\$ 2,222,061)	\$ -
(6,872,267)	-	(6,872,267)	-
(2,596,090)	-	(2,596,090)	-
(531,499)	-	(531,499)	-
(1,356,613)	-	(1,356,613)	-
(15,391)	-	(15,391)	-
(134,538)	-	(134,538)	-
<u>(13,728,459)</u>	<u>-</u>	<u>(13,728,459)</u>	<u>-</u>
-	1,356,603	1,356,603	-
-	565,273	565,273	-
-	4,337	4,337	-
<u>-</u>	<u>1,926,213</u>	<u>1,926,213</u>	<u>-</u>
<u>(13,728,459)</u>	<u>1,926,213</u>	<u>(11,802,246)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(234,014)</u>
2,252,151	-	2,252,151	245,391
1,904,309	-	1,904,309	-
4,523,107	-	4,523,107	-
1,283,476	30,682	1,314,158	9,759
33,499	2,144	35,643	1,039
565,627	1,320	566,947	10,831
1,326,973	(1,326,973)	-	-
<u>11,889,142</u>	<u>(1,292,827)</u>	<u>10,596,315</u>	<u>267,020</u>
(1,839,317)	633,386	(1,205,931)	33,006
<u>40,873,946</u>	<u>20,924,315</u>	<u>61,798,261</u>	<u>357,849</u>
<u>\$ 39,034,629</u>	<u>\$ 21,557,701</u>	<u>\$ 60,592,330</u>	<u>\$ 390,855</u>

CITY OF MACOMB, ILLINOIS

Governmental Funds
Balance Sheet
April 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund	Nonmajor Governmental Funds	
Assets					
Cash and Cash Equivalents	\$ 7,151,418	\$ 225,989	\$ 523,789	\$ 1,688,641	\$ 9,589,837
Receivables:					
Property Taxes	1,955,586	62,604	-	263,645	2,281,835
Sales Taxes	1,038,143	-	-	-	1,038,143
Other Taxes	820,465	-	-	-	820,465
Consumer Accounts	19,842	-	-	-	19,842
Loans	-	-	-	174,534	174,534
Due from Other Funds	226,243	-	-	-	226,243
Due from Other Governments	-	-	631,601	47,109	678,710
Inventory	109,057	-	-	20,580	129,637
Total Assets	\$ 11,320,754	\$ 288,593	\$ 1,155,390	\$ 2,194,509	\$ 14,959,246
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	\$ 183,298	\$ -	\$ 642,915	\$ 7,172	\$ 833,385
Accrued Liabilities	108,663	4,425	-	230	113,318
Unearned Revenue	59,667	-	-	-	59,667
Due to Other Funds	725	-	-	2,408	3,133
Total Liabilities	352,353	4,425	642,915	9,810	1,009,503
Deferred Inflows of Resources					
Deferred Property Taxes	1,955,586	62,604	-	263,645	2,281,835
Total Deferred Inflows of Resources	1,955,586	62,604	-	263,645	2,281,835
Fund Balances					
Nonspendable	109,057	-	-	195,114	304,171
Restricted	298,634	221,564	512,475	1,094,643	2,127,316
Committed	2,470,763	-	-	-	2,470,763
Assigned	1,204,483	-	-	640,292	1,844,775
Unassigned	4,929,878	-	-	(8,995)	4,920,883
Total Fund Balances	9,012,815	221,564	512,475	1,921,054	11,667,908
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,320,754	\$ 288,593	\$ 1,155,390	\$ 2,194,509	\$ 14,959,246

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position April 30, 2017

Total fund balances - governmental funds	\$ 11,667,908
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation of \$36,300,465) used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.	46,746,199
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	(1,232,299)
Loans Payable	(40,000)
Equipment Purchase Contract	(84,520)
Bonds Payable	(5,809,205)
Accrued Interest Payable	(55,147)
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.	(13,067,493)
Net position of governmental activities	<u>\$ 39,034,629</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended April 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Illinois Municipal Retirement Fund	Section 5311 Transportation Grant Fund	Nonmajor Governmental Funds	
Revenues					
Property Taxes	\$ 1,632,691	\$ 257,722	\$ -	\$ 261,396	\$ 2,151,809
Sales Taxes	4,523,107	-	-	-	4,523,107
Income Taxes	1,904,309	-	-	-	1,904,309
Other Taxes	1,258,900	14,815	-	9,761	1,283,476
Investment Income	22,241	1,339	617	6,656	30,853
Fines and Forfeitures	274,132	-	-	-	274,132
Licenses and Permits	316,599	-	-	-	316,599
Intergovernmental Revenues	575,325	-	2,316,043	565,287	3,456,655
Charges for Services	513,606	-	-	25	513,631
Miscellaneous	364,660	-	119,465	59,598	543,723
Total Revenues	11,385,570	273,876	2,436,125	902,723	14,998,294
Expenditures					
Current:					
General Government	2,353,915	184,420	-	216,140	2,754,475
Public Safety	6,321,855	69,238	-	16,285	6,407,378
Highways and Streets	2,607,340	210,925	-	71,810	2,890,075
Transportation	-	-	1,976,026	-	1,976,026
Community Development	821,313	6,304	-	223,210	1,050,827
Culture and Recreation	14,459	-	-	11,507	25,966
Capital Outlay	712,888	-	395,383	-	1,108,271
Debt Service:					
Principal	521,341	-	-	20,000	541,341
Interest and Fees	146,863	-	-	-	146,863
Total Expenditures	13,499,974	470,887	2,371,409	558,952	16,901,222
Excess (Deficiency) of Revenues Over Expenditures	(2,114,404)	(197,011)	64,716	343,771	(1,902,928)
Other Financing Sources					
Transfers In	2,344,473	57,500	-	55,000	2,456,973
Transfers Out	(245,000)	-	-	(885,000)	(1,130,000)
Proceeds from the Sale of Capital Assets	7,000	-	-	-	7,000
Total Other Financing Sources	2,106,473	57,500	-	(830,000)	1,333,973
Net Change in Fund Balances	(7,931)	(139,511)	64,716	(486,229)	(568,955)
Fund Balances - Beginning of Year	9,020,746	361,075	447,759	2,407,283	12,236,863
Fund Balances - End of Year	\$ 9,012,815	\$ 221,564	\$ 512,475	\$ 1,921,054	\$ 11,667,908

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities For the Year Ended April 30, 2017

Net change in total fund balances		(\$	568,955)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>			
<p>The depreciated value of assets disposed of had a net value greater than the salvage value. The difference has been recorded in the statement of activities.</p>			
	(10,388)
<p>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:</p>			
Increase in compensated absences	(32,887)	
Decrease in net pension liability and related deferred amounts	(1,240,939)	
Decrease in unamortized bond premium		8,109	
Decrease in interest payable		4,216	
Total expenses of noncurrent resources		(1,261,501)
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.</p>			
Capital outlay and highway expenditures resulting in new assets			1,494,933
Depreciation expense	(2,339,431)
<p>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.</p>			
			541,341
<p>The activity of the internal service funds are included in governmental activities in the statement of activities.</p>			
			304,684
Change in net position of governmental activities		(\$	1,839,317)

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Net Position
Proprietary Funds
April 30, 2017

	Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund		Internal Service Funds
Assets and Deferred Outflows of Resources					
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 1,480,071	\$ 937,294	\$ 39,189	\$ 2,456,554	\$ 853,629
Receivables:					
Property Taxes	-	-	-	-	10,005
Consumer Accounts	201,822	108,228	61,555	371,605	-
Unbilled Usage	233,735	124,692	24,853	383,280	-
Due from Other Governments	-	384,308	-	384,308	-
Prepaid Items	-	-	-	-	267,625
Inventory	715,054	51,973	-	767,027	-
Total Current Assets	<u>2,630,682</u>	<u>1,606,495</u>	<u>125,597</u>	<u>4,362,774</u>	<u>1,131,259</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	<u>377,246</u>	<u>-</u>	<u>-</u>	<u>377,246</u>	<u>-</u>
Capital Assets:					
Property and Equipment	24,468,967	20,810,346	14,770	45,294,083	-
Less Accumulated Depreciation	(10,094,971)	(9,728,730)	(12,232)	(19,835,933)	-
Total Capital Assets	<u>14,373,996</u>	<u>11,081,616</u>	<u>2,538</u>	<u>25,458,150</u>	<u>-</u>
Total Noncurrent Assets	<u>14,751,242</u>	<u>11,081,616</u>	<u>2,538</u>	<u>25,835,396</u>	<u>-</u>
Total Assets	<u>17,381,924</u>	<u>12,688,111</u>	<u>128,135</u>	<u>30,198,170</u>	<u>1,131,259</u>
Deferred Outflows of Resources					
Deferred Outflows of Resources Related to Pensions	<u>174,053</u>	<u>132,038</u>	<u>-</u>	<u>306,091</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 17,555,977</u>	<u>\$ 12,820,149</u>	<u>\$ 128,135</u>	<u>\$ 30,504,261</u>	<u>\$ 1,131,259</u>

See Accompanying Notes to Basic Financial Statements.

	Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund		Internal Service Funds
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 137,273	\$ 23,485	\$ 999	\$ 161,757	\$ -
Accrued Liabilities	133,125	5,482	337	138,944	212,068
Interest Payable	43,852	-	-	43,852	-
Due to Other Funds	212,500	-	-	212,500	-
Compensated Absences	147,373	27,019	-	174,392	-
Notes and Bonds Payable - Current	389,073	-	-	389,073	-
Total Current Liabilities	<u>1,063,196</u>	<u>55,986</u>	<u>1,336</u>	<u>1,120,518</u>	<u>212,068</u>
Noncurrent Liabilities:					
Notes and Bonds Payable	4,437,852	2,995,296	-	7,433,148	-
Net Pension Liability	216,957	166,791	-	383,748	-
Total Noncurrent Liabilities	<u>4,654,809</u>	<u>3,162,087</u>	<u>-</u>	<u>7,816,896</u>	<u>-</u>
Total Liabilities	<u>5,718,005</u>	<u>3,218,073</u>	<u>1,336</u>	<u>8,937,414</u>	<u>212,068</u>
Deferred Inflows of Resources					
Deferred Property Taxes	-	-	-	-	10,005
Deferred Inflows of Resources Related to Pensions	<u>5,002</u>	<u>4,144</u>	<u>-</u>	<u>9,146</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>5,002</u>	<u>4,144</u>	<u>-</u>	<u>9,146</u>	<u>10,005</u>
Net Position					
Net Investment In Capital Assets	9,547,071	8,086,320	2,538	17,635,929	-
Restricted - Expendable for Debt Service	377,246	-	-	377,246	-
Unrestricted Net Position	<u>1,908,653</u>	<u>1,511,612</u>	<u>124,261</u>	<u>3,544,526</u>	<u>909,186</u>
Total Net Position	<u>11,832,970</u>	<u>9,597,932</u>	<u>126,799</u>	<u>21,557,701</u>	<u>909,186</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 17,555,977</u>	<u>\$ 12,820,149</u>	<u>\$ 128,135</u>	<u>\$ 30,504,261</u>	<u>\$ 1,131,259</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, 2017

	Enterprise Funds			Governmental Activities	
	Water Fund	Sewer Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Licenses and Permits	\$ -	\$ -	\$ 3,330	\$ 3,330	\$ -
Charges for Services	3,679,845	1,973,020	886,647	6,539,512	2,643,402
Total Operating Revenues	3,679,845	1,973,020	889,977	6,542,842	2,643,402
Operating Expenses					
Waterworks, Sewerage and Garbage:					
Personnel	445,238	360,851	12,539	818,628	-
Utilities	186,593	201,518	464	388,575	-
Contractual Services	98,990	234,597	839,972	1,173,559	-
Supplies and Materials	783,305	271,475	31,188	1,085,968	-
Worker's Compensation	-	-	-	-	329,693
General Liability Insurance	-	-	-	-	274,875
Insurance Deductibles	-	-	-	-	24,793
Premiums and Administrative Fees	-	-	-	-	505,610
Health Claims	-	-	-	-	1,345,923
Miscellaneous Expense	154,722	-	-	154,722	-
Depreciation	521,703	339,306	1,477	862,486	-
Total Operating Expenses	2,190,551	1,407,747	885,640	4,483,938	2,480,894
Operating Income	1,489,294	565,273	4,337	2,058,904	162,508
Nonoperating Revenues (Expenses)					
Property Taxes	-	-	-	-	100,342
Other Taxes	-	924	29,758	30,682	-
Grants	-	-	-	-	-
Investment Income	1,184	633	327	2,144	2,646
Interest Expense	(132,691)	-	-	(132,691)	-
Miscellaneous Revenue	-	-	1,320	1,320	39,188
Total Nonoperating Revenues (Expenses)	(131,507)	1,557	31,405	(98,545)	142,176
Income Before Transfers	1,357,787	566,830	35,742	1,960,359	304,684
Transfers					
Transfers In	100,121	225,078	-	325,199	-
Transfers Out	(1,067,669)	(506,440)	(78,063)	(1,652,172)	-
Total Transfers	(967,548)	(281,362)	(78,063)	(1,326,973)	-
Change in Net Position	390,239	285,468	(42,321)	633,386	304,684
Net Position - Beginning of Year, as Adjusted	11,442,731	9,312,464	169,120	20,924,315	604,502
Net Position - End of Year	\$ 11,832,970	\$ 9,597,932	\$ 126,799	\$ 21,557,701	\$ 909,186

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2017

	Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund		Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 3,708,368	\$ 1,988,568	\$ 903,633	\$ 6,600,569	\$ 435,987
Cash Received from Interfund Services Provided	-	-	-	-	2,246,603
Cash Payments for Goods and Services	(1,308,051)	(709,924)	(872,062)	(2,890,037)	-
Cash Payments to Employees	(463,884)	(357,684)	(12,522)	(834,090)	-
Cash Payments for Claims, Premiums, and Fees	-	-	-	-	(2,487,481)
Net Cash Provided by Operating Activities	<u>1,936,433</u>	<u>920,960</u>	<u>19,049</u>	<u>2,876,442</u>	<u>195,109</u>
Cash Flows from Noncapital Financing Activities					
Interfund Borrowing	(212,500)	-	-	(212,500)	-
Property and Other Taxes Received	-	924	29,758	30,682	100,342
Transfers In	100,121	225,078	-	325,199	-
Transfers Out	(1,067,669)	(506,440)	(78,063)	(1,652,172)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,180,048)</u>	<u>(280,438)</u>	<u>(48,305)</u>	<u>(1,508,791)</u>	<u>100,342</u>
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(336,044)	(3,298,701)	-	(3,634,745)	-
Proceeds from Debt	2,480,203	2,610,988	-	5,091,191	-
Principal Paid on Bonds and Notes	(2,412,955)	-	-	(2,412,955)	-
Interest Paid on Bonds and Notes	(150,095)	-	-	(150,095)	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(418,891)</u>	<u>(687,713)</u>	<u>-</u>	<u>(1,106,604)</u>	<u>-</u>
Cash Flows from Investing Activities					
Income Received on Investments	<u>1,184</u>	<u>633</u>	<u>327</u>	<u>2,144</u>	<u>2,646</u>
Net Cash Provided by Investing Activities	<u>1,184</u>	<u>633</u>	<u>327</u>	<u>2,144</u>	<u>2,646</u>
Net Increase (Decrease) in Cash	338,678	(46,558)	(28,929)	263,191	298,097
Cash and Cash Equivalents, Beginning of Year	<u>1,518,639</u>	<u>983,852</u>	<u>68,118</u>	<u>2,570,609</u>	<u>555,532</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,857,317</u>	<u>\$ 937,294</u>	<u>\$ 39,189</u>	<u>\$ 2,833,800</u>	<u>\$ 853,629</u>

See Accompanying Notes to Basic Financial Statements.

	Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water Fund	Sewer Fund	Garbage Fund		Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	\$ 1,489,294	\$ 565,273	\$ 4,337	\$ 2,058,904	\$ 162,508
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	521,703	339,306	1,477	862,486	-
Other Nonoperating Cash Receipts	-	-	1,320	1,320	39,188
Decrease in Accounts and Unbilled Usage Receivable	37,423	15,548	12,336	65,307	-
Decrease in Prepaid Items	-	-	-	-	5,591
Decrease (Increase) in Inventories	(65,173)	5,589	-	(59,584)	-
(Decrease) in Accounts Payable	(53,276)	(36,100)	(438)	(89,814)	(6,919)
Increase (Decrease) in Accrued Liabilities	(9,694)	127	17	(9,550)	(5,259)
Increase in Net Pension Liability	34,008	28,177	-	62,185	-
Increase (Decrease) in Compensated Absences	(17,852)	3,040	-	(14,812)	-
Total Adjustments	<u>447,139</u>	<u>355,687</u>	<u>14,712</u>	<u>817,538</u>	<u>32,601</u>
Net Cash Provided by Operating Activities	<u>\$ 1,936,433</u>	<u>\$ 920,960</u>	<u>\$ 19,049</u>	<u>\$ 2,876,442</u>	<u>\$ 195,109</u>
Reconciliation to Proprietary Funds - Statement of Net Position					
Cash and Cash Equivalents, End of Year from Adjoining Page	<u>\$ 1,857,317</u>	<u>\$ 937,294</u>	<u>\$ 39,189</u>	<u>\$ 2,833,800</u>	<u>\$ 853,629</u>
Amounts from Statement of Net Position					
Cash and Cash Equivalents	1,480,071	937,294	39,189	2,456,554	853,629
Restricted Cash and Cash Equivalents	<u>377,246</u>	<u>-</u>	<u>-</u>	<u>377,246</u>	<u>-</u>
Total	<u>\$ 1,857,317</u>	<u>\$ 937,294</u>	<u>\$ 39,189</u>	<u>\$ 2,833,800</u>	<u>\$ 853,629</u>

CITY OF MACOMB, ILLINOIS

Statement of Fiduciary Net Position Fiduciary Funds April 30, 2017

	Pension Trust Funds	Agency Fund
Assets		
Cash and Cash Equivalents	\$ 129,594	\$ -
Investments:		
Money Market Mutual Funds	539,103	-
U.S. Government and Agency Securities:		
U.S. Treasury Notes	1,532,989	-
U.S. Treasury Bonds	329,697	-
Government National Mortgage Association (GNMA)	36,083	-
U.S. Government Sponsored Agency Securities:		
Federal Home Loan Mortgage Corporation (FHLMC)	665,160	-
Federal National Mortgage Association (FNMA)	1,090,725	-
Other Debt Securities:		
Corporate Bonds	3,557,793	-
Equity Securities:		
Mutual Fund Equities	6,681,407	-
Common Stock	9,672,979	-
Total Investments	24,105,936	-
Accounts Receivable	-	21,263
Interest Receivable	58,281	-
Total Assets	24,293,811	\$ 21,263
Liabilities		
Accounts Payable	17,794	10,653
Due to Other Funds	-	10,610
Total Liabilities	17,794	\$ 21,263
Net Position		
Net Position Restricted for Pensions	\$ 24,276,017	

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended April 30, 2017

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 1,294,730
Plan Member	271,927
Other Sources	<u>2,618</u>
Total Contributions	<u>1,569,275</u>
Investment Income	
Interest	217,608
Dividends	387,054
Net Depreciation in Fair Value of Investments	<u>1,626,903</u>
Gross Investment Income	2,231,565
Less Investment Expense	<u>(129,005)</u>
Total Investment Income	<u>2,102,560</u>
Total Additions	<u>3,671,835</u>
Deductions	
Pension Benefit Payments and Refunds	2,328,084
Administration	<u>26,382</u>
Total Deductions	<u>2,354,466</u>
Net Increase in Net Position	1,317,369
Net Position Restricted for Pensions	
Beginning of Year	<u>22,958,648</u>
End of Year	<u>\$ 24,276,017</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

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, 2017, 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, 2017

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, 2017

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, 2017

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, 2017 was adopted on April 18, 2016. 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, 2017

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, 2017, 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, 2017, 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, 2017 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, 2017

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, 2017.

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 2017 represent the taxes from the 2015 and prior year levies.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

1. Summary of Significant Accounting Policies

Since the 2016 taxes are not due and collectible until June and are intended to finance the operations of fiscal year 2018, 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 2018. The 2017 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, 2017, however, the tax will not be levied until December 2017 and, accordingly, is not measurable at April 30, 2017.

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, 2017

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, 2017

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. 72, *Fair Value Measurement and Application* during its year ended April 30, 2017. This statement required the City to categorize its investments within the fair value hierarchy established by generally accepted accounting principles.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

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, 2017, the City's bank balances were \$8,362,455, and the carrying value of those deposits was \$8,127,437, 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, 2017 was \$5,278,798. 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, 2017

2. Deposits and Investments

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

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

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

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

Firefighters' and Police Pension Funds

Deposits with Financial Institutions

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

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

Fair Value Measurement - Investments are measured at fair value on a recurring basis. The City and Pension Fund categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City and Pension Fund have the following recurring fair value measurements as of April 30, 2017:

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

2. Deposits and Investments

<i>Firefighters' Pension Fund</i>	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ 698,682	\$ 698,682	\$ -	\$ -
U.S. Agency Securities	36,083	-	36,083	-
U.S. Agency Sponsored Securities	807,267	-	807,267	-
Corporate Bonds	1,584,202	-	1,584,202	-
Total Debt Securities	<u>3,126,234</u>	<u>698,682</u>	<u>2,427,552</u>	<u>-</u>
Equity Securities:				
Mutual Funds	3,560,139	3,560,139	-	-
Common Stock	3,304,481	3,304,481	-	-
Total Equity Securities	<u>6,864,620</u>	<u>6,864,620</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 9,990,854</u>	<u>\$ 7,563,302</u>	<u>\$ 2,427,552</u>	<u>\$ -</u>

<i>Police Pension Fund</i>	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ 1,164,004	\$ 1,164,004	\$ -	\$ -
U.S. Agency Sponsored Securities	948,618	-	948,618	-
Corporate Bonds	1,973,591	-	1,973,591	-
Total Debt Securities	<u>4,086,213</u>	<u>1,164,004</u>	<u>2,922,209</u>	<u>-</u>
Equity Securities:				
Mutual Funds	3,121,268	3,121,268	-	-
Common Stock	6,368,498	6,368,498	-	-
Total Equity Securities	<u>9,489,766</u>	<u>9,489,766</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 13,575,979</u>	<u>\$ 10,653,770</u>	<u>\$ 2,922,209</u>	<u>\$ -</u>

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

Investments

The following tables present the investments in debt securities of the Pension Trust Funds as of April 30, 2017 by type of investment, fair values, and maturities (using the segmented time distribution):

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

2. Deposits and Investments

Firefighters' Pension Fund

Investment Description	Total Fair Value 4/30/2017	Investment Maturities			
		Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 698,682	\$ -	\$ 85,770	\$ 612,912	\$ -
GNMA	36,083	-	-	6,877	29,206
FHLMC	297,303	-	-	-	297,303
FNMA	509,964	-	1,112	-	508,852
Corporate Bonds	1,584,202	-	849,303	678,631	56,268
Money Market Funds	157,011	157,011	-	-	-

Police Pension Fund

Investment Description	Total Fair Value 4/30/2017	Investment Maturities			
		Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 834,307	\$ 224,120	\$ -	\$ 610,187	\$ -
U.S. Treasury Bonds	329,697	-	-	-	329,697
FHLMC	367,857	-	-	-	367,857
FNMA	580,761	-	-	6,353	574,408
Corporate Bonds	1,973,591	-	843,297	695,402	434,892
Money Market Funds	382,092	382,092	-	-	-

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, 2017

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 4/30/2017	% of Total Investments	Total Fair Value 4/30/2017	% of Total Investments	
Money Market Mutual Funds					
Regions Bank Trust	\$ -	0.00%	\$ 382,092	2.73%	AAAm
U.S. Bank	157,011	1.55%	-	0.00%	AAAm
Subtotal	<u>157,011</u>	<u>1.55%</u>	<u>382,092</u>	<u>2.73%</u>	
U.S. Government and Agency Securities					
U.S. Treasury Notes	698,682	6.89%	834,307	5.98%	N/A
U.S. Treasury Bonds	-	0.00%	329,697	2.36%	N/A
Government National Mortgage Association	36,083	0.36%	-	0.00%	N/A
Subtotal	<u>734,765</u>	<u>7.25%</u>	<u>1,164,004</u>	<u>8.34%</u>	
U.S. Government Sponsored Agency Securities					
Federal Home Loan Mortgage Corporation	297,303	2.93%	367,857	2.64%	AAA/AA+
Federal National Mortgage Association	509,964	5.03%	580,761	4.16%	AA+
Subtotal	<u>807,267</u>	<u>7.96%</u>	<u>948,618</u>	<u>6.80%</u>	
Corporate Bonds	1,584,202	15.60%	1,973,591	14.14%	AAA/BBB-
Mutual Funds	3,560,139	35.08%	3,121,268	22.36%	N/A
Common Stock	<u>3,304,481</u>	<u>32.56%</u>	<u>6,368,498</u>	<u>45.63%</u>	N/A
Total Investments	<u>\$ 10,147,865</u>	<u>100.00%</u>	<u>\$ 13,958,071</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, 2017 (other than U.S. Government and Agency securities) as follows: Firefighters' - Federal National Mortgage Association of \$509,964; Police - Federal National Mortgage Association of \$580,761.

Total investments in equities (combined mutual funds and common stocks) exceeded the maximum allowable percentage of 65% of total investments at April 30, 2017 for both the Pension Funds.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

2. Deposits and Investments

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

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:

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	\$ 8,127,437
Cash on Hand	625
Investments - City Investments in Illinois Funds	5,278,798
Investments - Firefighters' Pension Fund	10,147,865
Investments - Police Pension Fund	13,958,071
Total	\$ 37,512,796

Cash and Investments (Basic Financial Statements)

Primary Government Cash - Statement of Net Position	\$ 12,900,020
Primary Government Restricted Cash - Statement of Net Position	377,246
Pension Trust Funds Cash and Cash Equivalents - Statement of Fiduciary Net Position	129,594
Pension Trust Funds Investments - Statement of Fiduciary Net Position	24,105,936
Total	\$ 37,512,796

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, 2017

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 \$392,698 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 \$174,534 as of April 30, 2017, are accounted for in the governmental funds, bear interest at 3% to 5%, and are due in monthly installments with maturity dates ranging from June 2017 to April 2027. The City expects to collect approximately \$24,276 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, 2017, the Child Safety Seat Grant Account of the General Fund and the Downtown Revitalization Fund had deficit fund balances of \$725 and \$8,995, respectively. The deficits are due to the timing of funding. Future funding is anticipated to bring the account and fund out of the deficit.

Expenditures/Expenses Exceeding Budgets

During fiscal year 2017, the following accounts/funds had expenditures/operating expenses exceed budgeted expenditures/operating expenses:

Fund/Account	Budgeted	Actual
General Fund:		
City Hall Maintenance Account	\$ -	\$ 820
Fire Protection Tax Account	78,365	90,813
Police Protection Tax Account	78,400	80,984
Corporate Sick Leave and Vacation Accrual Account	55,580	118,904
Facade Program Account	20,000	38,000
Gift Account	2,200	9,078
DUI Equipment Fund	-	6,457
MDDC Revolving Loan Fund	-	183
CDAP Revolving Loan Fund	-	110
Downtown Revitalization Fund	36,000	108,854
Special Projects Fund	170,000	216,140
Garbage Fund	872,943	885,640

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

4. Individual Fund Disclosures

Restricted Net Position

The Water Fund had restricted net position of \$377,246 for future debt service principal and interest payments. Governmental restricted net position include: \$385,281 restricted for community development, \$221,564 restricted for employee benefits, \$647,521 restricted for maintenance of roadways, \$234,776 restricted for public safety, \$44,482 restricted for cemetery care, \$512,475 restricted for transportation, and \$81,217 restricted for other purposes.

Macomb City Township

The Macomb City Township had net position of \$9,150 restricted for employee benefits and \$186,728 restricted for other purposes.

Interfund Assets/Liabilities

As of April 30, 2017, the following amounts represent interfund assets/liabilities:

	Due from Other Funds	Due to Other Funds
Major Governmental Fund:		
General Fund	\$ 226,243	\$ 725
Nonmajor Governmental Funds	-	2,408
Major Proprietary Fund:		
Water Fund	-	212,500
Agency Fund:		
Flex Benefit Fund	-	10,610
Total Interfund Balances	\$ 226,243	\$ 226,243

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	\$ 2,344,473	\$ 245,000
Illinois Municipal Retirement Fund	57,500	-
Nonmajor Governmental Funds	55,000	885,000
Major Enterprise Funds:		
Water Fund	100,121	1,067,669
Sewer Fund	225,078	506,440
Garbage Fund	-	78,063
Total Transfers	\$ 2,782,172	\$ 2,782,172

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

4. Individual Fund Disclosures

Generally, transfers occur to meet the operating purposes of another fund. Notable transfers include: the transfers to the General Fund from the Water, Sewer, and Garbage Funds of \$1,067,470, \$506,440, and \$78,063, 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, 2017 was as follows:

	Balance at May 1, 2016	Additions	Deletions	Balance at Apr. 30, 2017
Capital Assets not Being depreciated:				
Land	\$ 1,356,454	\$ -	\$ -	\$ 1,356,454
Construction In Progress	609,796	74,573	216,480	467,889
Total Capital Assets not Being Depreciated, Net	<u>1,966,250</u>	<u>74,573</u>	<u>216,480</u>	<u>1,824,343</u>
Capital Assets Being Depreciated:				
911 Center/Police Station	1,563,817	-	-	1,563,817
Building and Improvements	20,259,092	32,699	-	20,291,791
Infrastructure	46,054,826	970,215	-	47,025,041
Land Improvements	709,845	-	-	709,845
Licensed Vehicles	7,426,219	480,822	372,777	7,534,264
Machinery and Equipment	3,944,459	153,104	-	4,097,563
Subtotal	<u>79,958,258</u>	<u>1,636,840</u>	<u>372,777</u>	<u>81,222,321</u>
Accumulated Depreciation				
911 Center/Police Station	1,563,818	-	-	1,563,818
Building and Improvements	3,359,545	550,355	-	3,909,900
Infrastructure	19,564,255	559,330	-	20,123,585
Land Improvements	403,238	56,956	-	460,194
Licensed Vehicles	5,789,671	569,978	362,389	5,997,260
Machinery and Equipment	3,642,896	602,812	-	4,245,708
Subtotal	<u>34,323,423</u>	<u>2,339,431</u>	<u>362,389</u>	<u>36,300,465</u>
Total Capital Assets Being Depreciated, Net	<u>45,634,835</u>	<u>(702,591)</u>	<u>10,388</u>	<u>44,921,856</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 47,601,085</u>	<u>(\$ 628,018)</u>	<u>\$ 226,868</u>	<u>\$ 46,746,199</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

5. Capital Assets

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

General Government	\$ 144,992
Public Safety	179,570
Highways and Streets	1,182,608
Community Development	18,896
Transportation	<u>813,365</u>
Total Depreciation Expense	<u><u>\$ 2,339,431</u></u>

A summary of the changes in capital assets of the City's Business-type Activities by Proprietary Fund for the period May 1, 2016 through April 30, 2017 is as follows:

	Balance at May 1, 2016	Additions	Deletions	Balance at Apr. 30, 2017
WATER FUND				
Capital Assets Being Depreciated:				
Water System	\$ 22,454,701	\$ 323,696	\$ -	\$ 22,778,397
Land Improvements	6,380	-	-	6,380
Licensed Vehicles	349,088	-	-	349,088
Machinery and Equipment	1,322,754	12,348	-	1,335,102
Subtotal	<u>24,132,923</u>	<u>336,044</u>	<u>-</u>	<u>24,468,967</u>
Accumulated Depreciation				
Water System	8,483,942	429,102	-	8,913,044
Land Improvements	6,380	-	-	6,380
Licensed Vehicles	303,707	20,680	-	324,387
Machinery and Equipment	779,239	71,921	-	851,160
Subtotal	<u>9,573,268</u>	<u>521,703</u>	<u>-</u>	<u>10,094,971</u>
Total Water Fund				
Capital Assets, Net	<u>\$ 14,559,655</u>	<u>(\$ 185,659)</u>	<u>\$ -</u>	<u>\$ 14,373,996</u>
SEWER FUND				
Capital Assets Being Depreciated:				
Sewer System	\$ 14,442,478	\$ 3,228,113	\$ -	\$ 17,670,591
Land Improvements	86,632	-	-	86,632
Licensed Vehicles	705,950	-	-	705,950
Machinery and Equipment	2,276,585	70,588	-	2,347,173
Subtotal	<u>17,511,645</u>	<u>3,298,701</u>	<u>-</u>	<u>20,810,346</u>
Accumulated Depreciation				
Sewer System	6,555,932	279,801	-	6,835,733
Land Improvements	86,632	-	-	86,632
Licensed Vehicles	641,305	12,048	-	653,353
Machinery and Equipment	2,105,555	47,457	-	2,153,012
Subtotal	<u>9,389,424</u>	<u>339,306</u>	<u>-</u>	<u>9,728,730</u>
Total Sewer Fund				
Capital Assets, Net	<u>\$ 8,122,221</u>	<u>\$ 2,959,395</u>	<u>\$ -</u>	<u>\$ 11,081,616</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

5. Capital Assets

	Balance at May 1, 2016	Additions	Deletions	Balance at Apr. 30, 2017
GARBAGE FUND				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 14,770	\$ -	\$ -	\$ 14,770
Subtotal	14,770	-	-	14,770
Accumulated Depreciation				
Machinery and Equipment	10,755	1,477	-	12,232
Subtotal	10,755	1,477	-	12,232
Total Garbage Fund				
Capital Assets, Net	\$ 4,015	(\$ 1,477)	\$ -	\$ 2,538
 Total Business-type Activities				
Capital Assets, Net	\$ 22,685,891	\$ 2,772,259	\$ -	\$ 25,458,150

Depreciation expense of \$521,703, \$339,306, and \$1,477 for the City's business-type activities was charged to the Water, Sewer, and Garbage functions, respectively.

6. Section 5311 Transportation Grant Fund

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

7. Long-Term Debt

Changes in Long-Term Debt

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

	Balance May 1, 2016	Additions	Retirements	Balance April 30, 2017	Principal Due Within One Year
Governmental Activities					
Equipment Purchase Contract	\$ 146,192	\$ -	\$ 61,672	\$ 84,520	\$ 63,574
Loan Payable	60,000	-	20,000	40,000	20,000
G.O. Bonds, Series 2012	6,180,000	-	460,000	5,720,000	465,000
Premium on 2012 Bonds	97,314	-	8,109	89,205	-
Compensated Absences	1,199,412	1,232,299	1,199,412	1,232,299	1,232,299
Totals	\$ 7,682,918	\$ 1,232,299	\$ 1,749,193	\$ 7,166,024	\$ 1,780,873

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

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

7. Long-Term Debt

Business-Type Activities	Balance May 1, 2016	Additions	Retirements	Balance April 30, 2017	Principal Due Within One Year
Notes Payable:					
Illinois EPA - Water	\$ 944,936	\$ -	\$ 108,104	\$ 836,832	\$ 110,824
Illinois EPA - Water Ammoniation	505,316	-	34,851	470,465	34,849
Illinois EPA - Water Tower	826,512	98,116	-	924,628	38,400
Illinois EPA - Water Pollution Control	-	2,995,296	-	2,995,296	-
Bonds Payable:					
G.O. Bonds, Series 2008A - Water	2,590,000	-	2,270,000	320,000	155,000
G.O. Bonds, Series 2016	-	2,275,000	-	2,275,000	50,000
Compensated Absences	189,204	174,392	189,204	174,392	174,392
Totals	<u>\$ 5,055,968</u>	<u>\$ 5,542,804</u>	<u>\$ 2,602,159</u>	<u>\$ 7,996,613</u>	<u>\$ 563,465</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 \$84,520 as of April 30, 2017. 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
2018	\$ 63,573	\$ 1,692	\$ 65,265
2019	20,947	154	21,101
Total	<u>\$ 84,520</u>	<u>\$ 1,846</u>	<u>\$ 86,366</u>

Loan Payable

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

Year Ending April 30,	Principal	Interest	Total
2018	\$ 20,000	\$ -	\$ 20,000
2019	20,000	-	20,000
Total	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

7. Long-Term Debt

General Obligation Bonds

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

Year Ending April 30,	Principal	Interest	Total
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	505,000	95,338	600,338
2023-2027	2,710,000	292,900	3,002,900
2028	585,000	16,088	601,088
Total	<u>\$ 5,720,000</u>	<u>\$ 882,678</u>	<u>\$ 6,602,678</u>

Compensated Absences

The City has also included in the statement of net position the vested portion of the vacation and sick-leave benefits for governmental and business-type activities, totaling \$1,232,299 and \$174,392, 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 \$836,832 as of April 30, 2017, 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
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	122,404	8,653	131,057
2023-2024	254,122	7,991	262,113
Total	<u>\$ 836,832</u>	<u>\$ 80,565</u>	<u>\$ 917,397</u>

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

7. Long-Term Debt

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$470,465 as of April 30, 2017 for an ammonization project. The loan is interest-free. The repayment schedule for the loan is as follows:

Year Ending April 30,	Principal	Interest	Total
2018	\$ 34,849	\$ -	\$ 34,849
2019	34,849	-	34,849
2020	34,849	-	34,849
2021	34,849	-	34,849
2022	34,850	-	34,850
2023-2027	174,246	-	174,246
2028-2031	121,973	-	121,973
Total	<u>\$ 470,465</u>	<u>\$ -</u>	<u>\$ 470,465</u>

The Water Fund has a note payable with the Illinois Environmental Protection Agency, with an outstanding balance of \$924,628 as of April 30, 2017 for an ongoing water tower project which will bear interest at 2.21 percent. The loan was expected to amount to \$903,225 but an additional \$98,116 was added to the loan in the current year. The repayment schedule for the loan is as follows:

Year Ending April 30,	Principal	Interest	Total
2018	\$ 38,400	\$ 20,223	\$ 58,623
2019	39,253	19,370	58,623
2020	40,125	18,498	58,623
2021	41,017	17,606	58,623
2022	41,929	16,694	58,623
2023-2027	224,040	69,075	293,115
2028-2032	250,065	43,051	293,116
2033-2037	249,799	14,004	263,803
Total	<u>\$ 924,628</u>	<u>\$ 218,521</u>	<u>\$ 1,143,149</u>

Waterworks General Obligation Bonds

The City issued General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2008A in fiscal year 2009 for water treatment plant improvements. These bonds are payable from a pledge of the City's water enterprise revenues and are being repaid by the enterprise fund. The bonds payable as of April 30, 2017 were \$320,000 in the Water Fund. \$2,120,000 of the bond issue was refunded by the General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016 in fiscal year 2017. The Waterworks bonds bear interest at 4.50% to 4.75% over the life of the bonds, payable on November 1 and May 1 each year and have a final principal maturity date of May 1, 2018.

During the current fiscal year, the pledge of the water revenue of \$218,353 for paying the series 2008A bonds principal and interest was 5.9% of total water operating revenues.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

7. Long-Term Debt

The annual debt service requirements are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	\$ 155,000	\$ 11,325	\$ 166,325
2019	165,000	3,919	168,919
Total	\$ 320,000	\$ 15,244	\$ 335,244

Waterworks General Obligation Refunding Bonds

The City issued General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016 in fiscal year 2017 to refund a portion of the General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2008A. These bonds are payable from a pledge of the City's water enterprise revenues and are being repaid by the enterprise fund. The bonds payable as of April 30, 2017 were \$2,275,000 in the Water Fund. The Waterworks bonds bear interest at 2.00% to 3.00% over the life of the bonds, payable on November 1 and May 1 each year and have a final principal maturity date of May 1, 2028. The annual debt service requirements are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	\$ 50,000	\$ 56,600	\$ 106,600
2019	25,000	55,850	80,850
2020	200,000	53,600	253,600
2021	205,000	49,550	254,550
2022	210,000	45,400	255,400
2023-2027	1,100,000	152,475	1,252,475
2028-2029	485,000	14,775	499,775
Total	\$ 2,275,000	\$ 428,250	\$ 2,703,250

Based on the ordinance requirements, a total of \$377,246 has been held in restricted reserve accounts in the Water Fund at April 30, 2017.

Current Year Advance Refunding and Defeasance of Debt

The City used bond proceeds of \$2,275,000 from the issuance of the General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016 to advance refund \$2,120,000 of outstanding General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2008A. The proceeds including bond premium, net of the issuance costs, were used to purchase U.S. Government securities (\$2,296,810). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased portion of the above-mentioned bonds. As a result, those portions of the 2008A Series Bonds are considered to be defeased and the liability for these bonds has been removed from the City's Statement of Net Position. The refunding of the bonds resulted in a decrease of total debt service for the District over the next 12 years of \$202,825 and an economic gain (the difference between the present value of the new and old debt) of \$182,015. \$2,275,000 of the 2008A bonds remained outstanding at April 30, 2017. The final call date on the bonds is May 1, 2026.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

7. Long-Term Debt

Statutory Debt Margin

As of April 30, 2017, the general obligation debt issued by the City did not exceed its statutory debt margin as shown by the following:

Equalized Assessed Valuation - 2016 Tax Year		\$ 190,582,943
Legal Debt Limit - 8.625% of Equalized Assessed Valuation		\$ 16,437,779
	Total Debt	Amount of Debt Applicable to Debt Limit
Equipment Purchase Contract	84,520	84,520
Loan Payable	40,000	-
General Obligation Bonds	5,720,000	-
	5,844,520	84,520
Legal Debt Margin		\$ 16,353,259

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, 2017.

9. Employee Retirement Systems and Plans

Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

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:

- 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, 2016, the following employees were covered by the benefit terms:

	Regular	SLEP
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	97	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35	-
Active Plan Members	59	-
Total	191	-

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 2016 was 10.65%. For the fiscal year ended April 30, 2017, the City contributed \$343,544 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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was 5-Year smoothed market; 20% corridor.
- 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.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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%	6.85%
International Equity	17.00%	6.75%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	5.75%
Alternative Investments	9.00%	2.65-7.35%
Cash Equivalents	1.00%	2.25%
Total	100.00%	

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rates are reported above.

Changes in the Net Pension Liability

	Regular Plan	SLEP Plan
Total Pension Liability		
Service Cost	\$ 287,278	\$ -
Interest	1,729,591	251
Differences Between Expected and Actual Experience	(9,248)	(3,596)
Changes of Assumptions	(50,577)	-
Benefit Payments, Including Refunds of Plan Member Contributions	(1,708,937)	-
Net Change in Total Pension Liability	248,107	(3,345)
Total Pension Liability - Beginning	23,833,706	3,346
Total Pension Liability - Ending	24,081,813	-
 Plan Fiduciary Net Position		
Contributions from Employer	343,544	-
Contributions from Plan Members	123,839	-
Pension Plan Net Investment Income	1,517,536	251
Benefit Payments, Including Refunds of Plan Member Contributions	(1,708,937)	-
Other Changes	51,554	(3,597)
Net Change in Plan Fiduciary Net Position	327,536	(3,346)
Plan Fiduciary Net Position - Beginning	22,163,996	3,346
Plan Fiduciary Net Position - Ending	22,491,532	-
 Net Pension Liability - Ending	\$ 1,590,281	\$ -

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

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

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

Regular Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ 4,304,301	\$ 1,590,281	(\$ 673,210)
SLEP	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ -	\$ -	\$ -

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended April 30, 2017, the City recognized pension expense/(income) of \$630,801 and \$161, for the Regular Plan and SLEP, respectively. At April 30, 2017, the City reported deferred outflows or resources related to pensions from the following sources:

	Regular Plan		SLEP Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions				
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>				
Differences between expected and actual experience	\$ 98,212	\$ 6,347	\$ -	\$ -
Changes of assumptions	20,114	34,710	-	-
Net difference between projected and actual earnings on pension plan investments	1,015,111	-	158	108
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	1,133,437	41,057	158	108
<i>Pension Contributions Made Subsequent to the Measurement Date</i>	116,346	-	-	-
Total Deferred Amounts Related to Pensions	\$ 1,249,783	\$ 41,057	\$ 158	\$ 108

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

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

Year Ending December 31	Regular Plan Net Deferred Outflows of Resources	SLEP Plan Net Deferred Outflows of Resources
2017	\$ 401,520	\$ 25
2018	342,658	25
2019	328,175	27
2020	20,027	(27)
Total	\$ 1,092,380	\$ 50

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.

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, 2017, the City's contributions were 40.61% and 47.57%, of covered payroll for the Firefighters' and Police Pension Plans, respectively.

In prior years, The City commissioned its own actuarial study by Tepfer Consulting Group, Ltd. of Northbrook, Illinois. In the current year, the City started using an annual actuarial report provided by Foster & Foster Actuaries for the Firefighter and Police Pension funds.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

At April 30, 2017 (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	31	30
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-	9
Active Plan Members	20	28
Total	51	67

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.

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, 2017 were as follows:

	Firefighters' Pension	Police Pension
Total Pension Liability	\$ 19,561,812	\$ 21,250,169
Plan Fiduciary Net Position	10,265,651	14,010,366
Net Pension Liability	\$ 9,296,161	\$ 7,239,803
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.48%	65.93%

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.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

Actuarial Assumptions

The total pension liability for each pension plan was determined by actuarial valuations as of April 30, 2017 with a measurement date of April 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: April 30, 2017 - Actuarially determined contribution rates are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates 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.

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.

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 7.00% and 7.25% were used to measure the total pension liability for the Firefighters' Pension Plan and the Police Pension Plan, respectively. 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.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

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

Changes in the Net Pension Liability

	Firefighters' Pension Plan	Police Pension Plan
Total Pension Liability		
Service Cost	\$ 287,375	\$ 338,505
Interest	1,159,583	1,495,816
Differences Between Expected and Actual Experience	1,790,995	(886,463)
Changes of Assumptions	615,757	602,926
Benefit Payments, Including Refunds of Plan Member Contributions	(1,139,985)	(1,188,099)
Net Change in Total Pension Liability	2,713,725	362,685
Total Pension Liability - Beginning	16,848,087	20,887,484
Total Pension Liability - Ending	19,561,812	21,250,169
 Plan Fiduciary Net Position		
Contributions from Employer	493,965	800,765
Contributions from Plan Members	113,069	158,858
Pension Plan Net Investment Income	821,779	1,280,782
Benefit Payments, Including Refunds of Plan Member Contributions	(1,139,985)	(1,188,099)
Pension Plan Administrative Expense	(10,654)	(15,729)
Other Changes	96	2,522
Net Change in Plan Fiduciary Net Position	278,270	1,039,099
Plan Fiduciary Net Position - Beginning	9,987,381	12,971,267
Plan Fiduciary Net Position - Ending	10,265,651	14,010,366
 Net Pension Liability - Ending	\$ 9,296,161	\$ 7,239,803

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Firefighters' Pension			
City's Net Pension Liability	\$ 11,757,177	\$ 9,296,161	\$ 7,262,713
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Police Pension			
City's Net Pension Liability	\$ 10,007,217	\$ 7,239,803	\$ 4,962,175

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

9. Employee Retirement Systems and Plans

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended April 30, 2017, the City recognized pension expense of \$1,430,632 and \$887,904 for the Firefighters' and Police Pension Plans, respectively. At April 30, 2017, the City reported deferred outflows or resources related to pensions from the following sources:

	Firefighters' Pension Plan	Police Pension Plan	
	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions			
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ 2,146,861	\$ 199,504	\$ 738,720
Changes of assumptions	832,923	502,440	-
Net difference between projected and actual earnings on pension plan investments	<u>444,834</u>	<u>375,331</u>	<u>-</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	<u>\$ 3,424,618</u>	<u>\$ 1,077,275</u>	<u>\$ 738,720</u>

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

Year Ending December 31	Firefighters' Pension Plan	Police Pension Plan
	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2018	\$ 766,272	\$ 130,797
2019	766,272	130,797
2020	766,272	130,799
2021	580,210 (87,438)
2022	545,592 (17,594)
Thereafter	-	51,194
Total	<u>\$ 3,424,618</u>	<u>\$ 338,555</u>

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.02% and 10.44% 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, 2017

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

	IMRF Regular Plan	IMRF SLEP	Firefighters' Pension Plan	Police Pension Plan	Total
Net Pension Liability	\$ 1,590,281	\$ -	\$ 9,296,161	\$ 7,239,803	\$ 18,126,245
Deferred Outflows of Resources					
Related to Pensions	1,249,783	158	3,424,618	1,077,275	5,751,834
Deferred Inflows of Resources					
Related to Pensions	41,057	108	-	738,720	779,885

Amounts Reported in the Government-Wide Financial Statements

	Governmental Activities	Business-Type Activities	Total
Net Pension Liability	\$ 17,742,497	\$ 383,748	\$ 18,126,245
Deferred Outflows of Resources			
Related to Pensions	5,445,743	306,091	5,751,834
Deferred Inflows of Resources			
Related to Pensions	770,739	9,146	779,885

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, 2017

10. Commitments and Contingencies

Each lease agreement contains a provision for four 5-year renewal options with one having monthly payments ranging from \$4,163 to \$4,329 and the other lease having two annual payments of \$22,510 and \$27,093. Both leases have been renewed for the first renewal option. Minimum future sublease payments under these leases for fiscal year 2018 total \$115,313. Sublease income under these leases during the year ending April 30, 2017 was \$100,939.

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 \$641,561 at April 30, 2017 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: \$942 per employee per month for individual coverage and \$2,205 per employee per month for family coverage. At April 30, 2017, there were 108 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, 2017

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, 2017	Insurance Claims Payable April 30, 2016
Beginning Balance	\$ 217,327	\$ 190,015
Provision for Expenditures	1,417,814	1,930,389
Payments made for Claims	(1,423,073)	(1,903,077)
Ending Balance	\$ 212,068	\$ 217,327

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, 2017 and consumer accounts receivable as of April 30, 2017 from Western Illinois University were as follows:

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

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, 2017

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, 2016 follows:

<i>Statement of Net Position</i>	<i>Statement of Activities</i>
Assets: Current Assets \$ 346,001 Property and Equipment, Net 213,270 Total Assets <u>559,271</u> Deferred Outflows of Resources 280,458 Total Assets and Deferred Outflows \$ <u>839,729</u> Liabilities Deferred Inflows of Resources 4,542 Net Position <u>373,286</u> Total Liabilities, Deferred Inflows and Net Position <u>\$ 839,729</u>	Operating Revenues \$ 877,759 Operating Expenses 938,884 Net Income (Loss) <u>(61,125)</u> Nonoperating Revenues 284 Contributon Revenue <u>117,656</u> Change in Net Position 56,815 Net Position, Beginning <u>316,471</u> Net Position, Ending <u>\$ 373,286</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, 2017, 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 \$29,330 of expenses with retiree contributions of \$94,664 in the Internal Service Fund.

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

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				Total Governmental Funds
	General Fund	Illinois Municipal Retirement Fund	Section 5311 Transport- ation Grant Fund	Nonmajor Governmental Funds	
Fund Balances:					
<i>Nonspendable for:</i>					
Not in Spendable Form	\$ 109,057	\$ -	\$ -	\$ 195,114	\$ 304,171
<i>Restricted for:</i>					
Community Development	24,109	-	-	361,172	385,281
Employee Benefits	-	221,564	-	-	221,564
Maintenance of Roadways	-	-	-	647,521	647,521
Public Safety	165,246	-	-	69,530	234,776
Cemetery Care	44,482	-	-	-	44,482
Transportation	-	-	512,475	-	512,475
Other Purposes	64,797	-	-	16,420	81,217
Total Restricted	298,634	221,564	512,475	1,094,643	2,127,316
<i>Committed to:</i>					
Capital Projects	2,470,763	-	-	-	2,470,763
Total Committed	2,470,763	-	-	-	2,470,763
<i>Assigned to:</i>					
Community Development	119,572	-	-	-	119,572
Maintenance of Roadways	39,083	-	-	-	39,083
Capital Projects	500,000	-	-	640,292	1,140,292
Other Purposes	545,828	-	-	-	545,828
Total Assigned	1,204,483	-	-	640,292	1,844,775
<i>Unassigned</i>	4,929,878	-	-	(8,995)	4,920,883
Total Fund Balances	\$ 9,012,815	\$ 221,564	\$ 512,475	\$ 1,921,054	\$ 11,667,908

CITY OF MACOMB, ILLINOIS

Notes to Basic Financial Statements
April 30, 2017

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 \$9,759 of personal property replacement taxes.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MACOMB, ILLINOIS

Required Supplementary Information
 Schedules of Employer Contributions
 Firefighters' and Police Pension Plans
 Last Three 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
2017	\$ 728,859	\$ 493,965	\$ 234,894	\$ 1,216,252	40.61%
2016	469,697	499,923	(30,226)	1,143,425	43.72%
2015	410,715	474,854	(64,139)	1,160,210	40.93%

Police Pension Plan

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

Notes to Schedule:

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

Valuation Date: April 30, 2017.

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

Methods And Assumptions Used To Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal.

Amortization Method: Level Dollar

Amortization Period: Ends in fiscal year 2041.

Asset Valuation Method: 5-year smoothed market.

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

Investment Rate of Return: Fire - 7.00% per year, Police - 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 MACOMB, ILLINOIS

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

Regular Plan

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

Sheriff's Law Enforcement Personnel (SLEP)

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

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 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 2016 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal.

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: 27-year closed period.

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

Wage Growth: 3.50%.

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

Salary Increases: 3.75% to 14.50% including inflation.

Investment Rate of Return: 7.50%.

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

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

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014 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 Three Fiscal Years

	Firefighters' Pension		
	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 287,375	\$ 278,385	\$ 164,078
Interest	1,159,583	1,031,740	1,076,943
Differences Between Expected and Actual Experience	1,790,995	933,028	(608,896)
Changes of Assumptions	615,757	455,977	316,045
Benefit Payments, Including Refunds of Plan Member Contributions	(1,139,985)	(1,089,586)	(1,041,244)
Net Change in Total Pension Liability	2,713,725	1,609,544	(93,074)
Total Pension Liability - Beginning	16,848,087	15,238,543	15,331,617
Total Pension Liability - Ending (A)	<u>\$ 19,561,812</u>	<u>\$ 16,848,087</u>	<u>\$ 15,238,543</u>
Plan Fiduciary Net Position			
Contributions from Employer	\$ 493,965	\$ 499,923	\$ 474,854
Contributions from Plan Members	113,069	116,866	109,959
Pension Plan Net Investment Income	821,779	(216,264)	721,092
Other Contributions	-	-	-
Benefit Payments, Including Refunds of Plan Member Contributions	(1,139,985)	(1,089,586)	(1,041,244)
Pension Plan Administrative Expense	(10,558)	(17,175)	(7,945)
Net Change in Plan Fiduciary Net Position	278,270	(706,236)	256,716
Plan Fiduciary Net Position - Beginning	9,987,381	10,693,617	10,436,901
Plan Fiduciary Net Position - Ending (B)	<u>\$ 10,265,651</u>	<u>\$ 9,987,381</u>	<u>\$ 10,693,617</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 9,296,161</u>	<u>\$ 6,860,706</u>	<u>\$ 4,544,926</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.48%	59.28%	70.17%
Covered-Employee Payroll	1,216,252	1,143,425	1,160,210
Net Pension Liability as a Percentage of Covered-Employee Payroll	764.33%	600.01%	391.73%

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.

Police Pension

2017	2016	2015
\$ 338,505	\$ 338,505	\$ 326,876
1,495,816	1,414,627	1,251,335
(886,463)	258,827	365,586
602,926	-	1,496,669
(1,188,099)	(1,175,206)	(1,199,116)
362,685	836,753	2,241,350
20,887,484	20,050,731	17,809,381
<u>\$ 21,250,169</u>	<u>\$ 20,887,484</u>	<u>\$ 20,050,731</u>

\$ 800,765	\$ 507,833	\$ 506,272
158,858	161,818	193,115
1,280,782	(113,757)	1,115,351
-	-	181
(1,188,099)	(1,175,206)	(1,199,115)
(13,207)	(19,933)	(18,373)
1,039,099	(639,245)	597,431
12,971,267	13,610,512	13,013,081
<u>\$ 14,010,366</u>	<u>\$ 12,971,267</u>	<u>\$ 13,610,512</u>

<u>\$ 7,239,803</u>	<u>\$ 7,916,217</u>	<u>\$ 6,440,219</u>
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65.93% 62.10% 67.88%

1,683,359 1,546,808 1,488,494

430.08% 511.78% 432.67%

CITY OF MACOMB, ILLINOIS

Required Supplementary Information

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

Calendar Year Ended December 31,	Regular Plan		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Cost	\$ 287,278	\$ 294,279	\$ 307,521
Interest on the Total Pension Liability	1,729,591	1,688,531	1,588,758
Differences Between Expected and Actual Experience of the Total Pension Liability	(9,248)	245,278	132,387
Changes of Assumptions	(50,577)	50,236	864,114
Benefit Payments, Including Refunds of Employee Contributions	(1,708,937)	(1,622,448)	(1,489,261)
Net Change in Total Pension Liability	248,107	655,876	1,403,519
Total Pension Liability - Beginning	23,833,706	23,177,830	21,774,311
Total Pension Liability - Ending (A)	<u>\$ 24,081,813</u>	<u>\$ 23,833,706</u>	<u>\$ 23,177,830</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 343,544	\$ 347,275	\$ 466,708
Contributions - Employees	123,839	118,533	117,052
Net Investment Income	1,517,536	109,168	1,324,383
Benefit Payments, Including Refunds of Employee Contributions	(1,708,937)	(1,622,448)	(1,489,261)
Other (Net Transfer)	51,554	799,631	(170,987)
Net Change in Plan Fiduciary Net Position	327,536	(247,841)	247,895
Plan Fiduciary Net Position - Beginning	22,163,996	22,411,837	22,163,942
Plan Fiduciary Net Position - Ending (B)	<u>\$ 22,491,532</u>	<u>\$ 22,163,996</u>	<u>\$ 22,411,837</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 1,590,281</u>	<u>\$ 1,669,710</u>	<u>\$ 765,993</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.40%	92.99%	96.70%
Covered Valuation Payroll	2,751,982	2,634,077	2,502,748
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	57.79%	63.39%	30.61%

Notes to Schedule:

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

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

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -
251	324	316
(3,596)	(1,298)	(271)
-	-	61
-	-	-
(3,345)	(974)	106
3,345	4,319	4,213
<u>\$ -</u>	<u>\$ 3,345</u>	<u>\$ 4,319</u>

\$ -	\$ -	\$ -
-	-	-
251	21	257
-	-	-
(3,597)	(902)	(243)
(3,346)	(881)	14
3,346	4,227	4,213
<u>\$ -</u>	<u>\$ 3,346</u>	<u>\$ 4,227</u>

<u>\$ -</u>	<u>(\$ 1)</u>	<u>\$ 92</u>
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N/A	100.03%	97.87%
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-	-	-
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N/A	N/A	N/A
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CITY OF MACOMB, ILLINOIS

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

Annual Money-Weighted Rate of Return, Net of Investment Expense:	<u>2017</u>	<u>2016</u>	<u>2015</u>
Firefighters' Pension Fund	9.02%	-2.09%	6.98%
Police Pension Fund	10.44%	-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, 2017

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 1,619,595	\$ 1,632,691	\$ 13,096
Sales Taxes	4,800,000	4,523,107	(276,893)
Income Taxes	2,195,000	1,904,309	(290,691)
Other Taxes	1,288,300	1,258,900	(29,400)
Investment Income	3,010	22,241	19,231
Fines and Forfeitures	297,000	274,132	(22,868)
Licenses and Permits	315,600	316,599	999
Intergovernmental Revenues	1,128,085	575,325	(552,760)
Charges for Services	565,573	513,606	(51,967)
Miscellaneous	97,250	364,660	267,410
	<u>12,309,413</u>	<u>11,385,570</u>	<u>(923,843)</u>
Total Revenues			
Expenditures			
Current:			
General Government	2,380,725	2,353,915	26,810
Public Safety	6,503,730	6,321,855	181,875
Highways and Streets	2,989,635	2,607,340	382,295
Community Development	826,739	821,313	5,426
Culture and Recreation	14,000	14,459	(459)
Capital Outlay	1,302,415	712,888	589,527
Debt Service:			
Principal	460,000	521,341	(61,341)
Interest and Fees	146,865	146,863	2
	<u>14,624,109</u>	<u>13,499,974</u>	<u>1,124,135</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	(2,314,696)	(2,114,404)	200,292
Other Financing Sources (Uses)			
Inter-account Transfers In (Out)	122,561	-	(122,561)
Transfers In	2,173,910	2,344,473	170,563
Transfers Out	(225,000)	(245,000)	(20,000)
Proceeds from the Sale of Capital Assets	-	7,000	7,000
	<u>2,071,471</u>	<u>2,106,473</u>	<u>35,002</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balance	(\$ 243,225)	(7,931)	\$ 235,294
Fund Balance - Beginning of Year		<u>9,020,746</u>	
Fund Balance - End of Year		<u>\$ 9,012,815</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, 2017

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 258,215	\$ 257,722	(\$ 493)
Other Taxes	14,815	14,815	-
Investment Income	100	1,339	1,239
	273,130	273,876	746
Expenditures			
Current:			
General Government			
City Share FICA - General	88,250	71,775	16,475
City Share FICA - General Other	2,800	1,979	821
City Share IMRF - General	109,900	110,666	(766)
Public Safety			
City Share FICA - Fire	20,100	17,952	2,148
City Share FICA - Police	37,400	33,098	4,302
City Share IMRF - Fire	3,850	3,574	276
City Share IMRF - Police	15,000	14,614	386
Highways and Streets			
City Share FICA - Public Works	68,250	76,232	(7,982)
City Share IMRF - Public Works	134,800	134,693	107
Community Development			
City Share FICA - TIF	1,200	850	350
City Share IMRF - TIF	1,950	1,353	597
City Share IMRF - Downtown Development	4,500	4,101	399
	488,000	470,887	17,113
Excess (Deficiency) of Revenues Over Expenditures	(214,870)	(197,011)	17,859
Other Financing Sources			
Transfers In	57,500	57,500	-
	57,500	57,500	-
Net Change in Fund Balance	(\$ 157,370)	(139,511)	\$ 17,859
Fund Balance - Beginning of Year		361,075	
Fund Balance - End of Year		\$ 221,564	

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, 2017

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Investment Income	\$ 1,000	\$ 617	(\$ 383)
Intergovernmental Revenues	5,197,000	2,316,043	(2,880,957)
Miscellaneous	50,000	119,465	69,465
Total Revenues	5,248,000	2,436,125	(2,811,875)
Expenditures			
Current:			
Transportation			
Transportation Faculty Engineering	15,000	-	15,000
Demand Response Service Providers	675,000	481,637	193,363
Fixed Route Service Providers	1,000,000	931,219	68,781
Central Dispatching Costs	-	17,215	(17,215)
Management Costs	175,000	165,748	9,252
Audit	3,000	3,000	-
General Operating Expenditures	662,000	377,207	284,793
Capital Outlay			
Equipment	2,682,000	395,383	2,286,617
Interest			
Interest on Short-Term Loan	1,000	-	1,000
Total Expenditures	5,213,000	2,371,409	2,841,591
Net Change in Fund Balance	\$ 35,000	64,716	\$ 29,716
Fund Balance - Beginning of Year		447,759	
Fund Balance - End of Year		\$ 512,475	

CITY OF MACOMB, ILLINOIS

Notes to Required Supplementary Information April 30, 2017

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 City Hall Maintenance Account, Fire Protection Tax Account, Police Protection Tax Account, Corporate Sick Leave and Vacation Accrual Account, Facade Program Account, and Gift Account of the General Fund exceed budgeted expenditures during the fiscal year ended April 30, 2017 by \$820, \$12,448, \$2,584, \$63,324, \$18,000, and \$6,878, respectively.

3. Account Deficit

The General Fund's total fund balance was a surplus of \$9,012,815 at April 30, 2017; however, one account of the General Fund had a deficit fund balance. The Child Safety Seat Grant Account had a deficit fund balance of \$725. The deficit is due to the timing of funding. Future funding is anticipated to bring the account out of the deficit.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MACOMB, ILLINOIS

General Fund
Balance Sheet by Account
April 30, 2017

	General Corporate Account	Sales Tax Infrastructure Account	City Hall Maintenance Account	Street and Bridge Account	Drug Asset Forfeiture Account	Cemetery Maintenance Account
Assets						
Cash and Cash Equivalents	\$ 3,769,254	\$ 2,144,072	\$ 34,038	\$ 50	\$ 50,074	\$ 44,482
Receivables:						
Property Taxes	1,835,556	-	-	-	-	-
Sales Taxes	643,512	394,631	-	-	-	-
Other Taxes	733,168	-	-	69,994	-	-
Consumer Accounts	-	-	-	19,842	-	-
Inter-account Receivables (Payables)	57	-	-	-	-	-
Due from Other Funds	226,243	-	-	-	-	-
Inventory	-	-	-	109,057	-	-
Total Assets	\$ 7,207,790	\$ 2,538,703	\$ 34,038	\$ 198,943	\$ 50,074	\$ 44,482
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ 49,773	\$ 67,940	\$ -	\$ 35,021	\$ -	\$ -
Accrued Liabilities	91,313	-	-	15,782	-	-
Unearned Revenue	59,667	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	200,753	67,940	-	50,803	-	-
Deferred Inflows of Resources						
Deferred Property Taxes	1,835,556	-	-	-	-	-
Total Deferred Inflows of Resources	1,835,556	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	109,057	-	-
Restricted	-	-	-	-	50,074	44,482
Committed	-	2,470,763	-	-	-	-
Assigned	543,445	-	-	39,083	-	-
Unassigned	4,628,036	-	34,038	-	-	-
Total Fund Balances (Deficits)	5,171,481	2,470,763	34,038	148,140	50,074	44,482
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,207,790	\$ 2,538,703	\$ 34,038	\$ 198,943	\$ 50,074	\$ 44,482

Sex Offender Registration Account	Police Department Warrants Account	Fire Protection Tax Account	Police Vehicle Account	Police Protection Tax Account	Corporate Sick and Vacation Accrual Account
\$ 5,983	\$ 3,552	\$ 36,485	\$ 8,956	\$ 75,264	\$ 200,000
-	-	60,015	-	60,015	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(57)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,983</u>	<u>\$ 3,552</u>	<u>\$ 96,443</u>	<u>\$ 8,956</u>	<u>\$ 135,279</u>	<u>\$ 200,000</u>

\$ -	\$ -	\$ 12,967	\$ -	\$ -	\$ -
-	-	-	-	-	853
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>12,967</u>	<u>-</u>	<u>-</u>	<u>853</u>
-	-	60,015	-	60,015	-
-	-	60,015	-	60,015	-
-	-	-	-	-	-
5,983	-	23,461	8,956	75,264	-
-	-	-	-	-	-
-	3,552	-	-	-	199,147
<u>5,983</u>	<u>3,552</u>	<u>23,461</u>	<u>8,956</u>	<u>75,264</u>	<u>199,147</u>
<u>\$ 5,983</u>	<u>\$ 3,552</u>	<u>\$ 96,443</u>	<u>\$ 8,956</u>	<u>\$ 135,279</u>	<u>\$ 200,000</u>

(Continued)

CITY OF MACOMB, ILLINOIS

General Fund
Balance Sheet by Account
April 30, 2017

	Facade Program Account	Macomb Downtown Development Account	Child Safety Seat Grant Account	Hotel/Motel Tax Account	Police Forfeiture Account	Police Electronic Tickets Account
Assets						
Cash and Cash Equivalents	\$ 34,825	\$ 7,331	\$ -	\$ 20,063	\$ 1,054	\$ 7,491
Receivables:						
Property Taxes	-	-	-	-	-	-
Sales Taxes	-	-	-	-	-	-
Other Taxes	-	-	-	17,303	-	-
Consumer Accounts	-	-	-	-	-	-
Inter-account Receivables (Payables)	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 34,825	\$ 7,331	\$ -	\$ 37,366	\$ 1,054	\$ 7,491
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 13,257	\$ -	\$ -
Accrued Liabilities	-	715	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	-	-	725	-	-	-
Total Liabilities	-	715	725	13,257	-	-
Deferred Inflows of Resources						
Deferred Property Taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	24,109	-	7,491
Committed	-	-	-	-	-	-
Assigned	34,825	6,616	-	-	-	-
Unassigned	-	-	(725)	-	1,054	-
Total Fund Balances (Deficits)	34,825	6,616	(725)	24,109	1,054	7,491
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,825	\$ 7,331	\$ -	\$ 37,366	\$ 1,054	\$ 7,491

Information Technology Account	Community Development Account	Equipment Replacement Account	Gift Account	Payroll Clearing Account	Cable TV Account	Total	
						2017	2016
\$ 66,280	\$ 80,211	\$ 500,000	\$ 58,814	\$ 756	\$ 2,383	\$ 7,151,418	\$ 6,915,011
-	-	-	-	-	-	1,955,586	1,621,110
-	-	-	-	-	-	1,038,143	1,039,673
-	-	-	-	-	-	820,465	974,401
-	-	-	-	-	-	19,842	11,059
-	-	-	-	-	-	-	-
-	-	-	-	-	-	226,243	435,312
-	-	-	-	-	-	109,057	118,576
<u>\$ 66,280</u>	<u>\$ 80,211</u>	<u>\$ 500,000</u>	<u>\$ 58,814</u>	<u>\$ 756</u>	<u>\$ 2,383</u>	<u>\$ 11,320,754</u>	<u>\$ 11,115,142</u>
\$ 2,260	\$ 2,080	\$ -	\$ -	\$ -	\$ -	\$ 183,298	\$ 299,044
-	-	-	-	-	-	108,663	103,775
-	-	-	-	-	-	59,667	70,467
-	-	-	-	-	-	725	-
<u>2,260</u>	<u>2,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,353</u>	<u>473,286</u>
-	-	-	-	-	-	1,955,586	1,621,110
-	-	-	-	-	-	1,955,586	1,621,110
-	-	-	-	-	-	109,057	118,576
-	-	-	58,814	-	-	298,634	302,484
-	-	-	-	-	-	2,470,763	2,186,220
-	78,131	500,000	-	-	2,383	1,204,483	973,624
<u>64,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756</u>	<u>-</u>	<u>4,929,878</u>	<u>5,439,842</u>
<u>64,020</u>	<u>78,131</u>	<u>500,000</u>	<u>58,814</u>	<u>756</u>	<u>2,383</u>	<u>9,012,815</u>	<u>9,020,746</u>
<u>\$ 66,280</u>	<u>\$ 80,211</u>	<u>\$ 500,000</u>	<u>\$ 58,814</u>	<u>\$ 756</u>	<u>\$ 2,383</u>	<u>\$ 11,320,754</u>	<u>\$ 11,115,142</u>

CITY OF MACOMB, ILLINOIS

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account
For the Year Ended April 30, 2017

	General Corporate Account	Sales Tax Infrastructure Account	City Hall Maintenance Account	Street and Bridge Account	Drug Asset Forfeiture Account
Revenues					
Property Taxes	\$ 1,512,879	\$ -	\$ -	\$ -	\$ -
Sales Taxes	2,773,254	1,749,853	-	-	-
Income Taxes	1,904,309	-	-	-	-
Other Taxes	713,834	-	-	304,763	-
Investment Income	15,901	5,448	-	-	-
Fines and Forfeitures	272,871	-	-	-	-
Licenses and Permits	298,319	-	-	-	-
Intergovernmental Revenues	569,380	-	-	5,945	-
Charges for Services	223,616	-	-	285,240	-
Miscellaneous	107,594	184,231	-	19,260	37,075
Total Revenues	8,391,957	1,939,532	-	615,208	37,075
Expenditures					
Current:					
General Government	2,166,001	-	820	-	-
Public Safety	6,187,319	-	-	-	27,785
Highways and Streets	-	639,140	-	1,968,200	-
Community Development	494,296	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	68,800	167,911	-	146,911	-
Debt Service:					
Principal	-	460,000	-	-	-
Interest and Fees	-	142,938	-	-	-
Total Expenditures	8,916,416	1,409,989	820	2,115,111	27,785
Excess (Deficiency) of Revenues Over Expenditures	(524,459)	529,543	(820)	(1,499,903)	9,290
Other Financing Sources (Uses)					
Inter-account Transfers In (Out)	(343,427)	-	10,000	190,795	-
Transfers In	746,043	-	-	1,283,430	-
Transfers Out	-	(245,000)	-	-	-
Proceeds from the Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	402,616	(245,000)	10,000	1,474,225	-
Net Change in Fund Balances	(121,843)	284,543	9,180	(25,678)	9,290
Fund Balances (Deficit) - Beginning of Year	5,293,324	2,186,220	24,858	173,818	40,784
Fund Balances (Deficit) - End of Year	\$ 5,171,481	\$ 2,470,763	\$ 34,038	\$ 148,140	\$ 50,074

Cemetery Maintenance Account	Offender Registration Account	Department Warrants Account	Protection Tax Account	Police Vehicle Account	Police Protection Tax Account	Corporate Sick and Vacation Accrual Account
\$ -	\$ -	\$ -	\$ 59,906	\$ -	\$ 59,906	\$ -
-	-	-	-	-	-	-
-	-	-	11,219	-	11,219	-
-	-	-	182	-	468	-
-	-	-	-	-	-	-
-	-	-	16,990	-	-	-
-	-	-	-	-	-	-
4,750	-	-	-	-	-	-
-	500	4,307	-	4,182	-	-
<u>4,750</u>	<u>500</u>	<u>4,307</u>	<u>88,297</u>	<u>4,182</u>	<u>71,593</u>	<u>-</u>
-	-	-	-	-	-	118,904
-	-	220	25,547	-	80,984	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	61,341	-	-	-
-	-	-	3,925	-	-	-
-	-	220	90,813	-	80,984	118,904
<u>4,750</u>	<u>500</u>	<u>4,087</u>	<u>(2,516)</u>	<u>4,182</u>	<u>(9,391)</u>	<u>(118,904)</u>
-	-	-	-	-	-	122,652
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	7,000	-
-	-	-	-	-	7,000	122,652
4,750	500	4,087	(2,516)	4,182	(2,391)	3,748
<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>\$ 44,482</u>	<u>\$ 5,983</u>	<u>\$ 3,552</u>	<u>\$ 23,461</u>	<u>\$ 8,956</u>	<u>\$ 75,264</u>	<u>\$ 199,147</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, 2017

	Facade Program Account	Macomb Downtown Development Account	Child Safety Seat Grant Account	Hotel/Motel Tax Account	Police Forfeiture Account	Police Electronic Tickets Account
Revenues						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-
Other Taxes	-	-	-	217,865	-	-
Investment Income	-	20	-	139	-	-
Fines and Forfeitures	-	-	-	-	-	1,261
Licenses and Permits	-	1,290	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	110	-	-	-	-
Total Revenues	-	1,420	-	218,004	-	1,261
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-
Community Development	38,000	78,906	-	187,541	-	-
Culture and Recreation	-	-	-	14,459	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-
Total Expenditures	38,000	78,906	-	202,000	-	-
Excess (Deficiency) of Revenues Over Expenditures	(38,000)	(77,486)	-	16,004	-	1,261
Other Financing Sources (Uses)						
Inter-account Transfers In (Out)	-	32,000	-	(32,000)	-	-
Transfers In	25,000	45,000	-	-	-	-
Transfers Out	-	-	-	-	-	-
Proceeds from the Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	25,000	77,000	-	(32,000)	-	-
Net Change in Fund Balances	(13,000)	(486)	-	(15,996)	-	1,261
Fund Balances (Deficit) - Beginning of Year	47,825	7,102	(725)	40,105	1,054	6,230
Fund Balances (Deficit) - End of Year	\$ 34,825	\$ 6,616	(\$ 725)	\$ 24,109	\$ 1,054	\$ 7,491

Information Technology Account	Community Development Account	Equipment Replacement Account	Gift Account	Payroll Clearing Account	Cable TV Account	Total	
						2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,632,691	\$ 1,336,491
-	-	-	-	-	-	4,523,107	4,615,679
-	-	-	-	-	-	1,904,309	2,586,489
-	-	-	-	-	-	1,258,900	1,268,397
-	-	-	62	21	-	22,241	10,072
-	-	-	-	-	-	274,132	322,577
-	-	-	-	-	-	316,599	330,887
-	-	-	-	-	-	575,325	576,833
-	-	-	-	-	-	513,606	511,285
-	580	-	6,086	735	-	364,660	288,062
-	580	-	6,148	756	-	11,385,570	11,846,772
59,112	-	-	9,078	-	-	2,353,915	2,309,748
-	-	-	-	-	-	6,321,855	5,950,316
-	-	-	-	-	-	2,607,340	1,991,213
-	22,570	-	-	-	-	821,313	756,500
-	-	-	-	-	-	14,459	13,389
-	329,266	-	-	-	-	712,888	884,541
-	-	-	-	-	-	521,341	509,814
-	-	-	-	-	-	146,863	157,740
59,112	351,836	-	9,078	-	-	13,499,974	12,573,266
(59,112)	(351,256)	-	(2,930)	756	-	(2,114,404)	(726,489)
20,000	-	-	-	(20)	-	-	-
20,000	225,000	-	-	-	-	2,344,473	2,030,187
-	-	-	-	-	-	(245,000)	(1,300,000)
-	-	-	-	-	-	7,000	-
40,000	225,000	-	-	(20)	-	2,106,473	730,187
(19,112)	(126,256)	-	(2,930)	736	-	(7,931)	3,698
83,132	204,387	500,000	61,744	20	2,383	9,020,746	9,017,048
\$ 64,020	\$ 78,131	\$ 500,000	\$ 58,814	\$ 756	\$ 2,383	\$ 9,012,815	\$ 9,020,746

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017			2016
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 1,501,645	\$ 1,512,879	\$	1,218,541
Sales Taxes	2,900,000	2,773,254		2,819,806
Income Taxes	2,195,000	1,904,309		2,586,489
Other Taxes				
Replacement Taxes	117,500	139,452		98,267
TIF Property Tax Surplus	-	-		8,861
Auto Use Tax	3,000	4,019		4,038
Use Tax	505,000	525,929		490,856
Video Gaming Tax	36,000	44,434		36,031
Investment Income	2,500	15,901		6,980
Fines and Forfeitures				
Parking Violations	17,000	15,922		15,288
Court Fines	280,000	256,949		305,921
Licenses and Permits				
Liquor Licenses	107,000	108,913		105,785
Other Licenses	2,000	3,129		2,282
Building Permits and Fees	30,000	34,270		35,688
Tow and Impound Fees	80,000	73,855		84,695
Certified Copies	12,000	12,470		14,130
Rental Registration	68,000	65,682		70,345
Intergovernmental Revenues				
WIU Fire Protection	250,000	250,000		250,000
Cable TV Franchise	214,000	204,250		211,703
AmerenCIPS Franchise Fee	115,130	115,130		115,130
Charges for Services				
Rents Collected	128,213	152,130		126,932
Cemetery Lot and Openings	45,000	40,425		47,325
City Share Spring Lake	10,000	30,561		4,324
D.A.R.E.	-	500		14,282
Miscellaneous Revenues	84,050	107,594		71,643
Total Revenues	8,703,038	8,391,957		8,745,342
Expenditures				
Current:				
General Government				
General Corporate				
Salaries	29,550	29,165		25,995
Employee Insurance	325	468		497
Employer Pension Contribution - Early Retirement	25,373	25,373		25,373
Association Dues and Memberships	15,600	15,712		15,597

(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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Animal Control	\$ 67,160	\$ 66,032	\$ 67,381
Liability Insurance	382,399	382,399	386,175
Police/Fire Commission	15,000	19,228	18,348
Union Negotiations	10,000	-	-
Office Supplies	500	175	406
Office Equipment	300	421	-
Advertising	350	-	340
Postage	-	1	-
Telephone	6,000	4,264	5,151
Televising Services	12,000	12,000	14,000
Emergency Notify Phone System	4,215	4,058	4,174
Utilities	45,000	30,493	29,551
Civil Defense	18,000	8,288	16,723
Professional Fees	8,000	11,000	6,726
Outside Legal Assistance	-	4,725	-
Community Sponsorships	6,550	8,558	6,450
Pierce St. Storage Building	1,600	1,936	1,547
Equipment Lease Payments	11,000	9,120	11,128
Railroad Crossing Expenditures	2,000	2,651	2,108
Swimming Pool Repair/Maintenance	35,000	19,202	-
Spring Lake Campground Improvement	25,360	24,814	59,154
Spring Lake Management Contract	80,000	80,000	80,000
Spring Lake Utilities	23,000	33,098	22,964
City Springlake Park Expenditures	-	1,853	-
Museum Maintenance	13,170	14,440	2,751
Building Lease/Rent Payments	825	762	824
General Operating Expenditures	16,000	11,564	12,024
Building, Grounds and Equipment Maintenance	25,000	19,898	21,069
Township Tax Reimbursements	17,750	15,655	17,750
Total General Corporate	897,027	857,353	854,206
Administrator's Office			
Salaries	124,815	117,913	124,449
Salaries - Overtime	300	84	23
Salaries - Part-Time Pay	-	-	2,720
Employee Insurance	420	572	468
Deferred Compensation	1,000	288	1,132
Travel/Training/Continuing Education	6,000	5,018	760
Association Dues and Memberships	1,300	235	1,364
Office Supplies	600	711	861
Office Equipment	500	80	868
Advertising	50	-	77
Publications/Printing	200	123	146
Postage	400	72	99
Telephone	1,500	1,642	1,854

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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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Administrator Search	\$ -	\$ -	\$ 8,041
General Operating Expenditures	500	2,755	956
Health Insurance	41,295	41,128	28,107
Total Administrator's Office	178,880	170,621	171,925
City Council			
Salaries	21,700	20,542	22,131
Employee Insurance	570	571	527
Travel/Training/Continuing Education	10,000	2,910	4,331
Telephone	1,680	1,680	1,560
General Operating Expenditures	250	267	421
Total City Council	34,200	25,970	28,970
Business Office			
Salaries	271,555	266,105	261,925
Salaries - Overtime	1,000	190	311
Part Time Salaries	10,000	9,994	9,461
Employee Insurance	1,905	1,828	2,127
Deferred Compensation	2,000	1,935	1,831
Travel/Training/Continuing Education	10,000	545	731
Association Dues and Memberships	275	250	250
Office Supplies	7,000	6,160	7,723
Office Equipment	1,300	297	1,560
Advertising	500	533	426
Publications/Printing	6,000	6,136	2,676
Postage	28,000	27,814	24,317
Telephone	2,800	2,707	2,640
Computer Support/Maintenance	27,500	25,888	29,649
Professional Fees	46,000	45,143	44,027
General Operating Expenditures	200	248	103
Health Insurance	89,590	93,003	84,108
Total Business Office	505,625	488,776	473,865
Cemetery			
Salaries	61,205	62,065	60,330
Salaries - Overtime	4,500	3,526	6,676
Salaries - Part-Time Pay	74,025	76,899	65,921
Employee Insurance	1,250	1,278	1,179
Deferred Compensation	520	518	543
Safety Equipment and Uniforms	1,750	1,460	1,230

(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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Drug and Alcohol Tests	\$ 70	\$ 67	\$ 67
Association Dues and Memberships	50	40	40
Office Supplies	200	138	592
Office Equipment	200	-	19
Advertising	200	44	216
Publications/Printing	400	332	400
Telephone	2,300	2,468	2,519
Utilities	4,000	3,069	3,042
Computer Support/Maintenance	350	-	-
Professional Fees	100	150	9,578
Stone Refurbishment	2,000	-	2,000
Maintenance of Licensed Vehicles	3,250	4,091	3,290
Maintenance of Radios/Vehicle Equipment	250	-	-
Gasoline and Fuel	8,000	6,937	5,621
Maintenance Moveable Equipment	4,500	7,533	5,039
Small Hand Tools	4,000	2,795	3,457
General Operating Expenditures	2,500	1,631	2,680
Building, Grounds and Equipment Maintenance	8,000	7,629	11,218
Health Insurance	22,580	22,464	20,309
Total Cemetery	<u>206,200</u>	<u>205,134</u>	<u>205,966</u>
Clerk's Office			
Salaries	74,990	74,696	72,082
Salaries - Overtime	650	911	832
Employee Insurance	400	406	409
Deferred Compensation	380	371	393
Travel/Training/Continuing Education	2,500	1,192	1,256
Association Dues and Memberships	500	420	405
Office Supplies	1,600	1,147	960
Office Equipment	1,600	149	126
Advertising	500	50	33
Publications/Printing	8,000	4,077	3,894
Postage	600	530	553
Telephone	3,500	2,352	2,350
Computer Support/Maintenance	1,000	-	-
Professional Fees	10,500	10,431	10,755
General Operating Expenditures	200	-	47
Health Insurance	45,155	44,928	40,618
Total Clerk's Office	<u>152,075</u>	<u>141,660</u>	<u>134,713</u>
City Attorney			
Salaries	127,680	128,968	127,161

(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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017			2016
	Original and Final Budget	Actual		Actual
Salaries - Overtime	\$ 300	\$ -	\$	174
Salaries Part Time	8,815	8,774		6,441
Employee Insurance	560	684		664
Travel	3,000	1,984		291
Association Dues/Memberships	950	1,257		1,214
Office Supplies	1,500	767		765
Office Equipment	-	125		291
Publications/Printing	500	483		669
Postage	600	591		425
Telephone	2,000	1,309		1,391
Computer Support/Maintenance	1,000	725		585
Professional Fees	500	95		370
General Operating Expenditures	-	90		-
Health Insurance	33,685	33,518		30,302
Total City Attorney	181,090	179,370		170,743
Mayor's Office				
Salaries	63,060	61,755		64,832
Salaries - Overtime	300	84		23
Part Time Salaries	500	-		1,070
Employee Insurance	260	277		239
Deferred Compensation	-	-		72
Travel/Training/Continuing Education	12,000	8,843		9,614
Association Dues and Memberships	750	100		100
Office Supplies	500	698		624
Office Equipment	300	-		40
Advertising	400	83		154
Publications/Printing	900	989		959
Postage	350	400		299
Telephone	1,100	1,010		1,041
Computer Support/Maintenance	200	-		-
Professional Fees	100	-		20
General Operating Expenditures	2,100	2,037		1,315
Health Insurance	13,008	11,232		5,940
Total Mayor's Office	95,828	87,508		86,342
Treasurer's Office				
Salaries	7,500	7,500		7,529
Employee Insurance	70	69		71
Deferred Compensation	75	72		78
Travel/Training/Continuing Education	1,600	1,580		1,376
Office Supplies	400	108		-

(Continued)

CITY OF MACOMB, ILLINOIS

General Corporate Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended April 30, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017			2016
	Original and Final Budget	Actual		Actual
Office Equipment	\$ 50	\$ 40	\$	-
Telephone	240	240		240
General Operating Expenditures	-	-		4
Total Treasurer's Office	9,935	9,609		9,298
Total General Government	2,260,860	2,166,001		2,136,028
Public Safety				
Fire Department				
Salaries	1,247,385	1,229,003		1,235,520
Salaries - Overtime	75,000	115,345		63,855
Employee Insurance	5,875	5,953		5,787
Deferred Compensation	10,450	9,857		10,820
Travel/Training/Continuing Education	16,000	13,049		9,307
Fire Prevention Education	2,500	2,457		2,407
Association Dues and Memberships	1,500	923		1,244
Office Supplies	800	175		23
Office Equipment	1,500	35		547
Publications/Printing	1,200	1,451		323
Postage	200	128		110
Telephone	6,000	5,470		5,746
Utilities	17,000	15,647		14,165
Computer Support/Maintenance	500	-		90
Professional Fees	2,000	1,684		806
Equipment Lease Payments	1,500	1,857		1,662
Maintenance of Licensed Vehicles	30,000	18,715		24,483
Maintenance of Radios/Vehicle Equipment	2,500	1,242		2,198
Gasoline and Fuel	9,000	6,495		6,359
Maintenance Moveable Equipment	17,000	3,183		6,122
Hand Tools - Small Equipment	600	117		295
Flags	500	-		-
General Operating Expenditures	10,000	2,199		2,466
Region 9 Tech Rescue Team	1,000	1,000		1,000
Hazardous Material Response	4,000	483		2,906
Turnout Gear	-	13,736		-
Building, Grounds and Equipment Maintenance	8,000	5,404		7,477
Building and Grounds - Training Site	1,000	-		963
Building and Grounds Station #2	-	13,332		-
Health Insurance	405,285	387,334		363,761
Fire Pension Contribution	477,910	477,097		483,008
Total Fire Department	2,356,205	2,333,371		2,253,450
Police Department				
Salaries	1,793,570	1,747,843		1,700,981
Salaries - Overtime	320,000	243,748		294,790

(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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Police Part-Time Wages	\$ 5,000	\$ 5,715	\$ 4,522
Employee Insurance	8,390	8,426	8,687
Deferred Compensation	9,520	11,205	10,193
Safety Equipment and Uniforms	55,000	63,779	53,446
Travel/Training/Continuing Education	55,000	25,848	42,867
Association Dues and Memberships	1,200	935	1,065
Office Supplies	3,000	2,819	2,643
Office Equipment	2,500	601	852
Advertising	200	-	-
Publications/Printing	9,500	7,685	7,123
Postage	1,000	842	662
Telephone	15,000	13,711	15,056
Utilities	14,000	12,871	11,765
Computer Support/Maintenance	6,500	2,706	4,759
Mobile Data Computer Expenditures	9,000	7,120	7,490
Professional Fees	1,500	5,645	1,879
Equipment Lease Payments	6,500	4,969	6,606
911 Communications Center	307,000	302,000	302,872
Maintenance of Licensed Vehicles	45,000	42,980	42,832
Maintenance of Radios/Vehicle Equipment	17,000	16,397	14,273
Gasoline and Fuel	38,880	27,980	31,554
D.A.R.E Expenditures	-	1,052	1,109
General Operating Expenditures	3,600	4,191	3,051
K-9 Unit	2,500	737	498
Firing Range	9,000	8,702	6,666
Building, Grounds and Equipment Maintenance	10,600	7,891	10,522
Building and Grounds - Impound Lot	31,000	23,854	27,077
Health Insurance	482,330	459,312	416,836
Police Pension Contribution	792,735	792,384	499,375
Total Police Department	4,056,025	3,853,948	3,532,051
Total Public Safety	6,412,230	6,187,319	5,785,501
Community Development			
General Corporate			
MAEDCO Payments	40,000	42,500	37,500
MAEDCO Payments - Pella	48,740	48,737	57,669
Depot Expenditures	19,000	10,608	14,952
Total General Corporate	107,740	101,845	110,121
Building and Zoning Office			
Salaries	189,180	190,652	176,856

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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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Salaries - Overtime	\$ 1,000	\$ 2,426	\$ 8,612
Salaries - Part-Time Pay	51,370	40,501	23,061
Employee Insurance	1,960	1,708	1,727
Deferred Compensation	665	990	259
Safety Equipment and Uniforms	250	161	491
Travel/Training/Continuing Education	5,500	1,940	3,321
Association Dues and Memberships	700	-	661
Employment Contracts	5,000	7,500	2,500
Engineering	2,000	402	-
Office Supplies	2,450	1,502	2,717
Office Equipment	250	114	199
Advertising	2,500	1,019	2,185
Publications/Printing	1,500	1,745	3,272
Postage	2,000	2,567	1,507
Telephone	4,500	5,123	4,552
Computer Support/Maintenance	1,500	299	400
GIS Center Payment	31,525	31,825	30,200
Professional Fees	1,500	3,029	3,592
Mowing Contracts	12,000	9,552	12,700
Plumbing Inspections Contracted	18,000	15,750	17,250
Maintenance of Licensed Vehicles	1,000	3,119	611
Gasoline and Fuel	1,800	2,073	1,428
General Operating Expenditures	200	128	186
Emergency Relief Fund	-	318	-
Health Insurance	64,730	68,008	57,225
Total Building and Zoning Office	403,080	392,451	355,512
Total Community Development	510,820	494,296	465,633
Capital Outlay			
Cemetery - Equipment	72,000	68,800	26,395
Fire Department Capital Improvement Project	-	-	33,045
Total Capital Outlay	72,000	68,800	59,440

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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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Total Expenditures	\$ 9,255,910	\$ 8,916,416	\$ 8,446,602
Excess (Deficiency) of Revenues Over Expenditures	(552,872)	(524,459)	298,740
Other Financing Sources (Uses)			
Inter-account Transfers (Out)	(500,609)	(343,427)	(799,317)
Transfers In	897,980	746,043	712,372
Total Other Financing Sources (Uses)	397,371	402,616	(86,945)
Net Change in Fund Balance	(\$ 155,501)	(121,843)	211,795
Fund Balance - Beginning of Year		5,293,324	5,081,529
Fund Balance - End of Year		\$ 5,171,481	\$ 5,293,324

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues			
Sales Taxes	\$ 1,900,000	\$ 1,749,853	\$ 1,795,873
Investment Income	350	5,448	2,659
Intergovernmental Revenues	160,000	-	-
Miscellaneous	-	184,231	110,858
	2,060,350	1,939,532	1,909,390
Expenditures			
Current:			
Highways and Streets			
Professional Fees	-	3,150	-
Prairie/Jackson-Carroll	120,000	123,276	-
Glenwood Water Main Project	250,000	248,850	3,276
Unspecified Projects	-	6,576	6,548
Infrastructure Street Projects	-	50,472	-
Collins Avenue	101,000	7,593	8,126
Compton	30,000	-	3,980
Walmart Connecting Road	-	56,708	-
Street Striping	12,000	10,882	5,598
Sidewalks	15,000	34	6,950
Safe Route to School	210,000	-	-
Adams St. Project	-	43,279	-
Concrete	36,000	39,698	21,816
Asphalt	15,000	4,502	13,418
Emulsion Oil	62,000	30,067	53,664
Sand / Rock	30,000	35,221	25,023
Pipe/Culvert/Grates/Inlet	20,000	22,111	19,985
Total Highways and Streets	901,000	682,419	168,384
Capital Outlay			
Woodland Estates	239,000	39,146	216,480
University Drive	-	47,793	-
1st Bankers Trust Connect Road	-	11,864	23,351
White and McDonough St.	-	-	381,042
Pearl Street Culvert	15,000	25,829	7,384
Total Capital Outlay	254,000	124,632	628,257
Debt Service			
Principal	460,000	460,000	450,000
Interest and Fees	142,940	142,938	152,288
	1,757,940	1,409,989	1,398,929

(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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Excess of Revenues Over Expenditures	\$ 302,410	\$ 529,543	\$ 510,461
Other Financing (Uses)			
Transfers Out	(225,000)	(245,000)	(1,300,000)
Total Other Financing (Uses)	(225,000)	(245,000)	(1,300,000)
Net Change in Fund Balance	<u>\$ 77,410</u>	284,543	(789,539)
Fund Balance - Beginning of Year		<u>2,186,220</u>	<u>2,975,759</u>
Fund Balance - End of Year		<u>\$ 2,470,763</u>	<u>\$ 2,186,220</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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government			
Building and Grounds	-	820	-
Total Expenditures	-	820	-
(Deficiency) of Revenues Over Expenditures	-	(820)	-
Other Financing Sources			
Inter-account Transfers In	10,000	10,000	20,000
Total Other Financing Sources	10,000	10,000	20,000
Net Change in Fund Balance	\$ 10,000	9,180	20,000
Fund Balance - Beginning of Year		24,858	4,858
Fund Balance - End of Year		\$ 34,038	\$ 24,858

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues			
Other Taxes	\$ 361,800	\$ 304,763	\$ 366,268
Intergovernmental Revenues	3,955	5,945	-
Charges for Services	377,360	285,240	312,922
Miscellaneous	12,000	19,260	20,817
	755,115	615,208	700,007
Expenditures			
Current:			
Highways and Streets			
Salaries	832,415	858,605	782,623
Salaries - Overtime	34,000	24,173	18,563
Salaries - Part-Time Pay	20,000	15,483	3,675
Employee Insurance	4,695	5,482	5,090
Deferred Compensation	3,450	4,422	4,193
Safety Equipment and Uniforms	12,000	11,241	8,361
Travel/Training/Continuing Education	7,000	1,857	4,746
Drug and Alcohol Tests	1,075	1,136	1,296
Association Dues and Memberships	1,000	1,110	598
Engineering	1,000	-	877
Office Supplies	800	1,329	1,220
Office Equipment	300	701	1,225
Advertising	1,000	111	1,035
Publications/Printing	500	955	352
Postage	400	190	242
Telephone	6,000	6,746	5,813
Utilities	12,000	10,490	9,903
Computer Support/Maintenance	800	1,600	-
Professional Fees	1,500	605	1,284
Street Lighting	125,000	148,382	139,864
Weed/Mosquito Spraying	4,000	1,894	2,285
Equipment Lease Payments	2,250	2,307	2,235
Street Lighting Upgrades	20,000	1,362	2,500
Maintenance of Licensed Vehicles	30,000	41,942	37,103
Maintenance of Radios/Vehicle Equipment	1,500	2,440	1,201

(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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Gasoline and Fuel - Bulk	\$ 365,700	\$ 289,474	\$ 307,971
Gasoline and Fuel - Other	50,400	34,717	55,355
Maintenance Moveable Equipment	28,000	31,709	22,844
Hand Tools-Small Equip	8,000	6,473	6,829
General Operating Expenditures	30,000	24,406	12,678
General Operating Expenditures Underground	100,000	63,250	69,401
Traffic Control Signage	10,000	4,050	5,234
Tree Planting/Care/Maintenance	18,000	17,907	14,791
Snow Removal Contract	18,000	18,000	16,000
Building, Grounds and Equipment Maintenance	10,000	14,656	6,455
Health Insurance	<u>327,850</u>	<u>318,995</u>	<u>268,987</u>
 Total Highways and Streets	 <u>2,088,635</u>	 <u>1,968,200</u>	 <u>1,822,829</u>
 Capital Outlay			
Capital Improvements	90,000	-	-
Capital Outlay	<u>300,000</u>	<u>146,911</u>	<u>193,526</u>
 Total Capital Outlay	 <u>390,000</u>	 <u>146,911</u>	 <u>193,526</u>
 Total Expenditures	 <u>2,478,635</u>	 <u>2,115,111</u>	 <u>2,016,355</u>
 (Deficiency) of Revenues Over Expenditures	 (<u>1,723,520</u>)	 (<u>1,499,903</u>)	 (<u>1,316,348</u>)
 Other Financing Sources			
Inter-account Transfers In	467,590	190,795	103,467
Transfers In	<u>1,255,930</u>	<u>1,283,430</u>	<u>1,206,015</u>
 Total Other Financing Sources	 <u>1,723,520</u>	 <u>1,474,225</u>	 <u>1,309,482</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 (25,678)	 (6,866)
 Fund Balance - Beginning of Year		 <u>173,818</u>	 <u>180,684</u>
 Fund Balance - End of Year		 <u>\$ 148,140</u>	 <u>\$ 173,818</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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Charges for Services	\$ 5,000	\$ 4,750	\$ 5,500
Total Revenues	5,000	4,750	5,500
Expenditures	-	-	-
Net Change in Fund Balance	\$ 5,000	4,750	5,500
Fund Balance - Beginning of Year		39,732	34,232
Fund Balance - End of Year		\$ 44,482	\$ 39,732

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017			2016
	Original and Final Budget	Actual		Actual
Revenues				
Property Taxes	\$ 58,975	\$ 59,906	\$	58,975
Other Taxes	12,500	11,219		12,975
Investment Income	40	182		57
Licenses and Permits	15,500	16,990		16,443
Total Revenues	87,015	88,297		88,450
Expenditures				
Current:				
Public Safety				
Safety Equipment	13,100	25,547		15,177
Capital Outlay				
Capital Outlay	61,340	-		-
Debt Service:				
Principal	-	61,341		59,814
Interest and Fees	3,925	3,925		5,452
Total Expenditures	78,365	90,813		80,443
Net Change in Fund Balance	\$ 8,650	(2,516)		8,007
Fund Balance - Beginning of Year		25,977		17,970
Fund Balance - End of Year		\$ 23,461	\$	25,977

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues			
Property Taxes	\$ 58,975	\$ 59,906	\$ 58,975
Other Taxes	12,500	11,219	12,975
Investment Income	35	468	187
	71,510	71,593	72,137
Total Revenues			
	71,510	71,593	72,137
Expenditures			
Current:			
Public Safety			
Vehicle Maintenance	-	-	750
Maintenance of Radios/Vehicle Equipment	12,400	-	1,667
Capital Outlay	66,000	80,984	61,434
	78,400	80,984	63,851
Total Expenditures			
	78,400	80,984	63,851
Excess (Deficiency) of Revenues Over Expenditures	(6,890)	(9,391)	8,286
Other Financing Sources			
Proceeds from the Sale of Capital Assets	-	7,000	-
	-	7,000	-
Total Other Financing Sources			
	-	7,000	-
Net Change in Fund Balance	(\$ 6,890)	(2,391)	8,286
Fund Balance - Beginning of Year		77,655	69,369
Fund Balance - End of Year		\$ 75,264	\$ 77,655

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, 2017

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

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government			
Salaries	55,580	118,904	87,066
Total Expenditures	55,580	118,904	87,066
(Deficiency) of Revenues Over Expenditures	(55,580)	(118,904)	(87,066)
Other Financing Sources			
Inter-account Transfers In	55,580	122,652	87,621
Total Other Financing Sources	55,580	122,652	87,621
Net Change in Fund Balance	\$ -	3,748	555
Fund Balance - Beginning of Year		195,399	194,844
Fund Balance - End of Year		\$ 199,147	\$ 195,399

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Community Development Facade Program	20,000	38,000	25,115
Total Expenditures	20,000	38,000	25,115
(Deficiency) of Revenues Over Expenditures	(20,000)	(38,000)	(25,115)
Other Financing Sources			
Inter-account Transfers In	25,000	-	-
Transfers In	-	25,000	50,000
Total Other Financing Sources	25,000	25,000	50,000
Net Change in Fund Balance	\$ 5,000	(13,000)	24,885
Fund Balance - Beginning of Year		47,825	22,940
Fund Balance - End of Year		\$ 34,825	\$ 47,825

CITY OF MACOMB, ILLINOIS

Macomb Downtown Development Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended April 30, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017			2016
	Original and Final Budget	Actual		Actual
Revenues				
Investment Income	\$ -	\$ 20	\$	-
Licenses and Permits	1,100	1,290		1,519
Miscellaneous	-	110		219
	1,100	1,420		1,738
Total Revenues				
Expenditures				
Current:				
Community Development				
Salaries	36,375	35,649		33,840
Life/Unemployment Insurance	280	301		440
Travel/Training/Continuing Education	2,000	1,831		1,331
Association Dues and Memberships	250	218		-
Office Supplies	1,800	1,073		1,066
Advertising/Marketing	2,000	475		7,251
Printing/Publications	500	604		77
Postage	500	699		204
Telephone	650	379		881
Farmers Market Expenditures	2,850	2,738		96
Brown Bag	2,985	3,572		-
Dickens/Polar Express	7,000	4,514		-
Elf on the Shelf	250	-		-
Moon Over Macomb	1,000	1,185		-
Park & Cruise	2,530	2,895		-
General Operating Expenditures	1,000	309		945
Health Insurance	22,580	22,464		18,672
	84,550	78,906		64,803
Total Expenditures				
(Deficiency) of Revenues				
Over Expenditures	(83,450)	(77,486)	(63,065)
Other Financing Sources				
Inter-account Transfers In	77,000	32,000		33,665
Transfers In	-	45,000		36,800
	77,000	77,000		70,465
Total Other Financing Sources				
Net Change in Fund Balance	(\$ 6,450)	(486)		7,400
Fund Balance (Deficit) - Beginning of Year				
		7,102	(298)
Fund Balance - End of Year				
		\$ 6,616	\$	7,102

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Other Taxes	\$ 240,000	\$ 217,865	\$ 238,126
Investment Income	20	139	108
	240,020	218,004	238,234
Expenditures			
Current:			
Community Development			
Community Sponsorships	7,500	7,500	8,850
Hotel/Motel Tax Distribution	185,619	180,041	182,694
Culture and Recreation			
Fireworks	14,000	14,459	13,389
Total Expenditures	207,119	202,000	204,933
Excess of Revenues Over Expenditures	32,901	16,004	33,301
Other Financing (Uses)			
Inter-account Transfers (Out)	(32,000)	(32,000)	(45,415)
Total Other Financing (Uses)	(32,000)	(32,000)	(45,415)
Net Change in Fund Balance	\$ 901	(15,996)	(12,114)
Fund Balance - Beginning of Year		40,105	52,219
Fund Balance - End of Year		\$ 24,109	\$ 40,105

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government			
Salaries	33,600	33,600	33,600
Telephone-Shoretell Support	6,000	7,842	5,859
Computer Support/Maintenance	2,410	5,784	3,583
GIS-Low Flight Photos	8,000	-	18,707
Computer Hardware	11,875	11,814	19,220
General Operating Expenditures	-	72	-
	61,885	59,112	80,969
Total Expenditures			
	61,885	59,112	80,969
(Deficiency) of Revenues Over Expenditures	(61,885)	(59,112)	(80,969)
Other Financing Sources			
Inter-account Transfers In	20,000	20,000	100,000
Transfers In	20,000	20,000	25,000
	40,000	40,000	125,000
Total Other Financing Sources			
	40,000	40,000	125,000
Net Change in Fund Balance	(\$ 21,885)	(19,112)	44,031
Fund Balance - Beginning of Year		83,132	39,101
Fund Balance - End of Year		\$ 64,020	\$ 83,132

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017			2016
	Original and Final Budget	Actual		Actual
Revenues				
Intergovernmental Revenues	\$ 385,000	\$ -		\$ -
Miscellaneous	600	580		3,213
Total Revenues	385,600	580		3,213
Expenditures				
Current:				
Community Development				
Engineering	-	2,025		-
Professional Fees	750	625		595
Collaborative Community Project	15,000	17,643		7,950
Blight Reduction Expenditures	525,075	327,536		-
General Operating Expenditures	2,500	2,277		860
Capital Outlay				
Fix/Flatten Properties	-	1,730		3,318
Total Expenditures	543,325	351,836		12,723
(Deficiency) of Revenues Over Expenditures	(157,725)	(351,256)		(9,510)
Other Financing Sources				
Transfers In	-	225,000		-
Total Other Financing Sources	-	225,000		-
Net Change in Fund Balance	(\$ 157,725)	(126,256)		(9,510)
Fund Balance - Beginning of Year		204,387		213,897
Fund Balance - End of Year		\$ 78,131		\$ 204,387

CITY OF MACOMB, ILLINOIS

Gift Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended April 30, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Investment Income	\$ 65	\$ 62	\$ 61
Miscellaneous	600	6,086	3,341
Total Revenues	665	6,148	3,402
Expenditures			
Current:			
General Government			
General Operating Expenditures	200	142	829
Tree Plantings - Donations	2,000	7,602	4,856
Spring Lake Tree Expenditures	-	1,334	-
Total Expenditures	2,200	9,078	5,685
Net Change in Fund Balance	(\$ 1,535)	(2,930)	(2,283)
Fund Balance - Beginning of Year		61,744	64,027
Fund Balance - End of Year		\$ 58,814	\$ 61,744

CITY OF MACOMB, ILLINOIS

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2017

	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
Assets						
Cash and Cash Equivalents	\$ 50,265	\$ 99,757	\$ 19,265	\$ 113,594	\$ 111,553	\$ 36,759
Receivables:						
Property Taxes	-	195,909	-	67,736	-	-
Loans	-	32,292	-	-	3,964	138,278
Due from Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 50,265	\$ 327,958	\$ 19,265	\$ 181,330	\$ 115,517	\$ 175,037
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 261	\$ -	\$ -
Accrued Liabilities	-	230	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	230	-	261	-	-
Deferred Inflows of Resources						
Deferred Property Taxes	-	195,909	-	67,736	-	-
Total Deferred Inflows of Resources	-	195,909	-	67,736	-	-
Fund Balances						
Nonspendable	-	32,292	-	-	3,964	138,278
Restricted	50,265	99,527	19,265	113,333	111,553	36,759
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	50,265	131,819	19,265	113,333	115,517	175,037
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 50,265	\$ 327,958	\$ 19,265	\$ 181,330	\$ 115,517	\$ 175,037

Motor Fuel Tax Fund	Sculpting Downtown Macomb Fund	Total Special Revenue Funds	Capital Projects Funds		Total Capital Projects Funds	Total	
			Downtown Revitalization Fund	Special Projects Fund		2017	2016
\$ 600,736	\$ 16,420	\$ 1,048,349	\$ -	\$ 640,292	\$ 640,292	\$ 1,688,641	\$ 2,152,675
-	-	263,645	-	-	-	263,645	268,019
-	-	174,534	-	-	-	174,534	171,147
47,109	-	47,109	-	-	-	47,109	48,966
20,580	-	20,580	-	-	-	20,580	36,488
<u>\$ 668,425</u>	<u>\$ 16,420</u>	<u>\$ 1,554,217</u>	<u>\$ -</u>	<u>\$ 640,292</u>	<u>\$ 640,292</u>	<u>\$ 2,194,509</u>	<u>\$ 2,677,295</u>
\$ 324	\$ -	\$ 585	\$ 6,587	\$ -	\$ 6,587	\$ 7,172	\$ 1,777
-	-	230	-	-	-	230	216
-	-	-	2,408	-	2,408	2,408	-
<u>324</u>	<u>-</u>	<u>815</u>	<u>8,995</u>	<u>-</u>	<u>8,995</u>	<u>9,810</u>	<u>1,993</u>
-	-	263,645	-	-	-	263,645	268,019
-	-	263,645	-	-	-	263,645	268,019
20,580	-	195,114	-	-	-	195,114	207,635
647,521	16,420	1,094,643	-	-	-	1,094,643	1,263,357
-	-	-	-	640,292	640,292	640,292	936,291
-	-	-	(8,995)	-	(8,995)	(8,995)	-
<u>668,101</u>	<u>16,420</u>	<u>1,289,757</u>	<u>(8,995)</u>	<u>640,292</u>	<u>631,297</u>	<u>1,921,054</u>	<u>2,407,283</u>
<u>\$ 668,425</u>	<u>\$ 16,420</u>	<u>\$ 1,554,217</u>	<u>\$ -</u>	<u>\$ 640,292</u>	<u>\$ 640,292</u>	<u>\$ 2,194,509</u>	<u>\$ 2,677,295</u>

CITY OF MACOMB, ILLINOIS

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended April 30, 2017

	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
Revenues						
Property Taxes	\$ -	\$ 203,631	\$ -	\$ 57,765	\$ -	\$ -
Other Taxes	-	8,935	-	826	-	-
Investment Income	-	685	7	319	1,120	3,935
Intergovernmental Revenues	-	-	19,932	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	19,981	1,500	-	2,261	17	-
Total Revenues	<u>19,981</u>	<u>214,751</u>	<u>19,939</u>	<u>61,171</u>	<u>1,137</u>	<u>3,935</u>
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	6,457	-	9,828	-	-	-
Highways and Streets	-	-	-	-	-	-
Community Development	-	96,767	-	17,296	183	110
Culture and Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	20,000	-	-
Total Expenditures	<u>6,457</u>	<u>96,767</u>	<u>9,828</u>	<u>37,296</u>	<u>183</u>	<u>110</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,524</u>	<u>117,984</u>	<u>10,111</u>	<u>23,875</u>	<u>954</u>	<u>3,825</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	35,000	-	-
Transfers Out	-	(115,000)	-	-	-	(225,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(115,000)</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>(225,000)</u>
Net Change in Fund Balances	13,524	2,984	10,111	58,875	954	(221,175)
Fund Balances - Beginning of Year	<u>36,741</u>	<u>128,835</u>	<u>9,154</u>	<u>54,458</u>	<u>114,563</u>	<u>396,212</u>
Fund Balances (Deficit) - End of Year	<u>\$ 50,265</u>	<u>\$ 131,819</u>	<u>\$ 19,265</u>	<u>\$ 113,333</u>	<u>\$ 115,517</u>	<u>\$ 175,037</u>

Motor Fuel Tax Fund	Sculpting Downtown Macomb Fund	Total Special Revenue Funds	Capital Projects Funds		Total Capital Projects Funds	Total	
			Downtown Revitalization Fund	Special Projects Fund		2017	2016
\$ -	\$ -	\$ 261,396	\$ -	\$ -	\$ -	\$ 261,396	\$ 252,004
-	-	9,761	-	-	-	9,761	-
590	-	6,656	-	-	-	6,656	7,866
545,355	-	565,287	-	-	-	565,287	569,252
-	25	25	-	-	-	25	100
25,289	10,550	59,598	-	-	-	59,598	61,915
<u>571,234</u>	<u>10,575</u>	<u>902,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>902,723</u>	<u>891,137</u>
-	-	-	-	216,140	216,140	216,140	143,568
-	-	16,285	-	-	-	16,285	46,780
71,810	-	71,810	-	-	-	71,810	83,167
-	-	114,356	108,854	-	108,854	223,210	308,746
-	11,507	11,507	-	-	-	11,507	1,698
-	-	-	-	-	-	-	25,761
-	-	20,000	-	-	-	20,000	20,000
<u>71,810</u>	<u>11,507</u>	<u>233,958</u>	<u>108,854</u>	<u>216,140</u>	<u>324,994</u>	<u>558,952</u>	<u>629,720</u>
<u>499,424</u>	<u>(932)</u>	<u>668,765</u>	<u>(108,854)</u>	<u>(216,140)</u>	<u>(324,994)</u>	<u>343,771</u>	<u>261,417</u>
-	-	35,000	20,000	-	20,000	55,000	1,280,000
(545,000)	-	(885,000)	-	-	-	(885,000)	(671,800)
(545,000)	-	(850,000)	20,000	-	20,000	(830,000)	608,200
(45,576)	(932)	(181,235)	(88,854)	(216,140)	(304,994)	(486,229)	869,617
<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>\$ 668,101</u>	<u>\$ 16,420</u>	<u>\$ 1,289,757</u>	<u>(\$ 8,995)</u>	<u>\$ 640,292</u>	<u>\$ 631,297</u>	<u>\$ 1,921,054</u>	<u>\$ 2,407,283</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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues			
Property Taxes	\$ 200,000	\$ 203,631	\$ 200,977
Other Taxes	8,751	8,935	-
Investment Income	50	685	315
Miscellaneous	1,000	1,500	1,500
	209,801	214,751	202,792
Expenditures			
Current:			
Community Development			
Salaries - other	-	14	78
Salaries	15,770	11,524	10,630
Employee Insurance	162	145	145
Travel/Training/Continuing Education	1,900	139	990
Professional Dues	650	650	650
Engineering	1,000	-	-
Advertising/Marketing	500	-	666
Downtown Beautification	5,000	4,142	5,104
General Operating Expenditures	100	38	100
Building, Grounds and Equipment Maintenance	500	2,392	2,663
Surplus Tax Payment	87,395	77,723	85,660
	112,977	96,767	106,686
Total Expenditures			
Excess of Revenues Over Expenditures	96,824	117,984	96,106
Other Financing (Uses)			
Transfers Out	(115,000)	(115,000)	(126,800)
Total Other Financing (Uses)	(115,000)	(115,000)	(126,800)
Net Change in Fund Balance	(\$ 18,176)	2,984	(30,694)
Fund Balance - Beginning of Year		128,835	159,529
Fund Balance - End of Year		\$ 131,819	\$ 128,835

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Property Taxes	\$ 50,000	\$ 57,765	\$ 51,027
Other Taxes	291	826	-
Investment Income	25	319	101
Miscellaneous	-	2,261	-
	50,316	61,171	51,128
Total Revenues			
	50,316	61,171	51,128
Expenditures			
Current:			
Community Development			
Utilities	2,000	3,661	2,073
Professional Fees	-	-	28,590
Chandler Park Playground	2,500	799	3,654
Chandler Park Electrical	1,000	2,280	3,552
General Operating	-	-	43
Building, Grounds and Equipment Maintenance	4,000	5,136	3,226
Surplus Tax Payments	2,555	5,420	2,503
Capital Outlay			
Lamoine Hotel Project	50,000	-	-
Mummert Property	20,000	-	25,761
Debt Service			
Principal on Loans	-	20,000	20,000
	-	20,000	20,000
Total Expenditures	82,055	37,296	89,402
Excess (Deficiency) of Revenues Over Expenditures	(31,739)	23,875	(38,274)
Other Financing Sources			
Transfers In	35,000	35,000	25,000
	35,000	35,000	25,000
Total Other Financing Sources			
	35,000	35,000	25,000
Net Change in Fund Balance	\$ 3,261	58,875	(13,274)
Fund Balance - Beginning of Year		54,458	67,732
Fund Balance - End of Year		\$ 113,333	\$ 54,458

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Investment Income	\$ 970	\$ 1,120	\$ 1,693
Miscellaneous	-	17	-
Total Revenues	970	1,137	1,693
Expenditures			
Current:			
Community Development			
Professional Fees	-	165	-
General Operating	-	18	-
Total Expenditures	-	183	-
Net Change in Fund Balance	\$ 970	954	1,693
Fund Balance - Beginning of Year		114,563	112,870
Fund Balance - End of Year		\$ 115,517	\$ 114,563

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Investment Income	\$ 4,175	\$ 3,935	\$ 5,325
Total Revenues	4,175	3,935	5,325
Expenditures			
Current:			
Community Development Professional Fees	-	110	165
Total Expenditures	-	110	165
Excess of Revenues Over Expenditures	4,175	3,825	5,160
Other Financing (Uses)			
Transfers Out	-	(225,000)	-
Total Other Financing (Uses)	-	(225,000)	-
Net Change in Fund Balance	\$ 4,175	(221,175)	5,160
Fund Balance - Beginning of Year		396,212	391,052
Fund Balance - End of Year		\$ 175,037	\$ 396,212

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		2016 Actual
	Original and Final Budget	Actual	
Revenues			
Investment Income	\$ 200	\$ 590	\$ 432
Intergovernmental Revenues	550,000	545,355	550,355
Miscellaneous	20,000	25,289	18,627
	570,200	571,234	569,414
Total Revenues			
Expenditures			
Current:			
Highways and Streets			
Utilities	2,500	4,664	4,121
Bank Charges	-	-	247
Road Salt	110,000	58,218	65,831
Signs	10,000	3,453	6,762
Building, Grounds and Equipment Maintenance	5,000	5,475	6,206
	127,500	71,810	83,167
Total Expenditures			
Excess of Revenues Over Expenditures	442,700	499,424	486,247
Other Financing (Uses)			
Transfers Out	(545,000)	(545,000)	(545,000)
	(545,000)	(545,000)	(545,000)
Total Other Financing (Uses)			
Net Change in Fund Balance	(\$ 102,300)	(45,576)	(58,753)
Fund Balance - Beginning of Year		713,677	772,430
Fund Balance - End of Year		\$ 668,101	\$ 713,677

CITY OF MACOMB, ILLINOIS

Sculpting Downtown Macomb Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended April 30, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues			
Charges for Services	\$ 5,000	\$ 25	\$ 100
Miscellaneous	10,000	10,550	13,950
Total Revenues	15,000	10,575	14,050
Expenditures			
Current:			
Community Development			
Sculpting Macomb Expenditures	13,550	11,507	1,698
Total Expenditures	13,550	11,507	1,698
Excess (Deficiency) of Revenues Over Expenditures	1,450	(932)	12,352
Other Financing Sources			
Transfers In	-	-	5,000
Total Other Financing Sources	-	-	5,000
Net Change in Fund Balance	\$ 1,450	(932)	17,352
Fund Balance - Beginning of Year		17,352	-
Fund Balance - End of Year		\$ 16,420	\$ 17,352

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, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Community Development			
Downtown Project	36,000	108,822	158,254
General Operating Expenditures	-	32	-
	36,000	108,854	158,254
Total Expenditures			
	36,000	108,854	158,254
(Deficiency) of Revenues Over Expenditures	(36,000)	(108,854)	(158,254)
Other Financing Sources			
Transfers In	-	20,000	250,000
	-	20,000	250,000
Total Other Financing Sources			
	-	20,000	250,000
Net Change in Fund Balance	(\$ 36,000)	(88,854)	91,746
Fund Balance (Deficit) - Beginning of Year		79,859	(11,887)
Fund Balance (Deficit) - End of Year		(\$ 8,995)	\$ 79,859

CITY OF MACOMB, ILLINOIS

Special Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended April 30, 2017
 (With Comparative Actual Amounts for the Year Ended April 30, 2016)

	2017		
	Original and Final Budget	Actual	2016 Actual
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
General Government			
Construction/Engineering	-	42,874	143,568
Candy Lane Sidewalk Grant	170,000	173,266	-
Total Expenditures	170,000	216,140	143,568
Excess (Deficiency) of Revenues Over Expenditures	(170,000)	(216,140)	(143,568)
Other Financing Sources			
Transfers In	-	-	1,000,000
Total Other Financing Sources	-	-	1,000,000
Net Change in Fund Balance	(\$ 170,000)	(216,140)	856,432
Fund Balance - Beginning of Year		856,432	-
Fund Balance - End of Year		\$ 640,292	\$ 856,432

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, 2017

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 3,713,010	\$ 3,679,845	(\$ 33,165)
Total Operating Revenues	3,713,010	3,679,845	(33,165)
Operating Expenses			
Waterworks:			
Personnel	496,060	445,238	50,822
Utilities	170,800	186,593	(15,793)
Contractual Services	95,240	98,990	(3,750)
Supplies and Materials	1,616,285	783,305	832,980
Miscellaneous Expense	-	154,722	(154,722)
Depreciation	-	521,703	(521,703)
Total Operating Expenses	2,378,385	2,190,551	187,834
Operating Income	1,334,625	1,489,294	154,669
Nonoperating Revenues (Expenses)			
Grants	183,880	-	(183,880)
Investment Income	685	1,184	499
Interest Expense	(139,094)	(132,691)	6,403
Total Nonoperating Revenues (Expenses)	45,471	(131,507)	(176,978)
Income Before Transfers	1,380,096	1,357,787	(22,309)
Transfers			
Transfers In	100,115	100,121	6
Transfers Out	(1,279,970)	(1,067,669)	212,301
Total Transfers	(1,179,855)	(967,548)	212,307
Change in Net Position	\$ 200,241	390,239	\$ 189,998
Net Position - Beginning of Year		11,442,731	
Net Position - End of Year		\$ 11,832,970	

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, 2017

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 2,002,200	\$ 1,973,020	(\$ 29,180)
Total Operating Revenues	2,002,200	1,973,020	(29,180)
Operating Expenses			
Sewerage:			
Personnel	364,473	360,851	3,622
Utilities	183,500	201,518	(18,018)
Contractual Services	234,525	234,597	(72)
Supplies and Materials	3,193,053	271,475	2,921,578
Depreciation	-	339,306	(339,306)
Total Operating Expenses	3,975,551	1,407,747	2,567,804
Operating Income	(1,973,351)	565,273	2,538,624
Nonoperating Revenues			
Other Taxes	1,000	924	(76)
Grants	2,650,000	-	(2,650,000)
Investment Income	400	633	233
Total Nonoperating Revenues	2,651,400	1,557	(2,649,843)
Income Before Transfers	678,049	566,830	(111,219)
Transfers			
Transfers In	225,070	225,078	8
Transfers Out	(506,440)	(506,440)	-
Total Transfers	(281,370)	(281,362)	8
Change in Net Position	\$ 396,679	285,468	(\$ 111,211)
Net Position - Beginning of Year		9,312,464	
Net Position - End of Year		\$ 9,597,932	

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, 2017

	Original and Final Budget	Actual	Variance from Budget Positive (Negative)
Operating Revenues			
Licenses and Permits	\$ 2,000	\$ 3,330	\$ 1,330
Charges for Services	893,000	886,647	(6,353)
Total Operating Revenues	895,000	889,977	(5,023)
Operating Expenses			
Garbage:			
Personnel	13,225	12,539	686
Utilities	275	464	(189)
Contractual Services	823,443	839,972	(16,529)
Supplies and Materials	36,000	31,188	4,812
Depreciation	-	1,477	(1,477)
Total Operating Expenses	872,943	885,640	(12,697)
Operating Income	22,057	4,337	(17,720)
Nonoperating Revenues			
Other Taxes	34,000	29,758	(4,242)
Investment Income	25	327	302
Miscellaneous Revenue	3,500	1,320	(2,180)
Total Nonoperating Revenues	37,525	31,405	(6,120)
Income Before Transfers	59,582	35,742	(23,840)
Transfers			
Transfers Out	(78,063)	(78,063)	-
Total Transfers	(78,063)	(78,063)	-
Change in Net Position	(\$ 18,481)	(42,321)	(\$ 23,840)
Net Position - Beginning of Year		169,120	
Net Position - End of Year		\$ 126,799	

CITY OF MACOMB, ILLINOIS

Combining Statement of Net Position
Internal Service Funds
April 30, 2017

	Insurance and Tort Judgment Fund	Health Insurance Fund	Total	
			2017	2016
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 853,629	\$ 853,629	\$ 555,532
Property Taxes Receivable	10,005	-	10,005	100,481
Prepaid Items	267,625	-	267,625	273,216
Total Assets	\$ 277,630	\$ 853,629	\$ 1,131,259	\$ 929,229
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,919
Accrued Liabilities	-	212,068	212,068	217,327
Total Liabilities	-	212,068	212,068	224,246
Deferred Inflows of Resources				
Deferred Property Taxes	10,005	-	10,005	100,481
Net Position				
Unrestricted	267,625	641,561	909,186	604,502
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 277,630	\$ 853,629	\$ 1,131,259	\$ 929,229

CITY OF MACOMB, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended April 30, 2017

	Insurance and Tort Judgment Fund	Health Insurance Fund	Total	
			2017	2016
Operating Revenues				
Charges for Services	\$ 491,149	\$ 2,152,253	\$ 2,643,402	\$ 2,409,551
Total Operating Revenues	491,149	2,152,253	2,643,402	2,409,551
Operating Expenses				
Worker's Compensation	329,693	-	329,693	328,505
General Liability Insurance	274,875	-	274,875	273,346
Insurance Deductibles	24,793	-	24,793	25,638
Premiums and Administrative Fees	-	505,610	505,610	471,158
Health Claims	-	1,345,923	1,345,923	1,487,345
Total Operating Expenses	629,361	1,851,533	2,480,894	2,585,992
Operating Income (Loss)	(138,212)	300,720	162,508	(176,441)
Nonoperating Revenues				
Property Taxes	100,342	-	100,342	88,706
Investment Income	10	2,636	2,646	1,053
Miscellaneous Revenue	39,188	-	39,188	24,453
Total Nonoperating Revenues	139,540	2,636	142,176	114,212
Change in Net Position	1,328	303,356	304,684	(62,229)
Net Position - Beginning of Year	266,297	338,205	604,502	666,731
Net Position - End of Year	\$ 267,625	\$ 641,561	\$ 909,186	\$ 604,502

CITY OF MACOMB, ILLINOIS

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended April 30, 2017

	Insurance and Tort Judgment Fund	Health Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 39,188	\$ 396,799	\$ 435,987
Cash Received from Interfund Services Provided	491,149	1,755,454	2,246,603
Cash Payments for Claims, Premiums and Fees	(630,689)	(1,856,792)	(2,487,481)
Net Cash Provided by (Used in) Operating Activities	(100,352)	295,461	195,109
Cash Flows from Noncapital Financing Activities			
Property and Other Taxes Received	100,342	-	100,342
Net Cash Provided by Noncapital Financing Activities	100,342	-	100,342
Cash Flows from Investing Activities			
Income Received on Investments	10	2,636	2,646
Net Cash Provided by Investing Activities	10	2,636	2,646
Net Increase in Cash	-	298,097	298,097
Cash and Cash Equivalents, Beginning of Year	-	555,532	555,532
Cash and Cash Equivalents, End of Year	\$ -	\$ 853,629	\$ 853,629
 Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating (Loss)	(\$ 138,212)	\$ 300,720	\$ 162,508
Adjustments to Reconcile Operating (Loss) to Net Cash (Used in) Operating Activities:			
Other Nonoperating Cash Receipts	39,188	-	39,188
Decrease in Prepaid Items	5,591	-	5,591
(Decrease) in Accounts Payable	(6,919)	-	(6,919)
(Decrease) in Accrued Liabilities	-	(5,259)	(5,259)
Total Adjustments	37,860	(5,259)	32,601
Net Cash Provided by (Used in) Operating Activities	(\$ 100,352)	\$ 295,461	\$ 195,109

CITY OF MACOMB, ILLINOIS

Combining Statement of Fiduciary Net Position Pension Trust Funds April 30, 2017

	Firefighters' Pension Fund	Police Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 104,899	\$ 24,695	\$ 129,594
Investments:			
Money Market Mutual Funds	157,011	382,092	539,103
U.S. Government and Agency Securities:			
U.S. Treasury Notes	698,682	834,307	1,532,989
U.S. Treasury Bonds	-	329,697	329,697
Government National Mortgage Association (GNMA)	36,083	-	36,083
U.S. Government Sponsored Agency Securities:			
Federal Home Loan Mortgage Corporation (FHLMC)	297,303	367,857	665,160
Federal National Mortgage Association (FNMA)	509,964	580,761	1,090,725
Other Debt Securities:			
Corporate Bonds	1,584,202	1,973,591	3,557,793
Equity Securities:			
Mutual Fund Equities	3,560,139	3,121,268	6,681,407
Common Stock	3,304,481	6,368,498	9,672,979
Total Investments	10,147,865	13,958,071	24,105,936
Interest Receivable	23,052	35,229	58,281
Total Assets	10,275,816	14,017,995	24,293,811
Liabilities			
Accounts Payable	10,165	7,629	17,794
Total Liabilities	10,165	7,629	17,794
Net Position			
Net Position Restricted for Pensions	\$ 10,265,651	\$ 14,010,366	\$ 24,276,017

CITY OF MACOMB, ILLINOIS

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended April 30, 2017

	Firefighters' Pension Fund	Police Pension Fund	Total
Additions			
Contributions			
Employer	\$ 493,965	\$ 800,765	\$ 1,294,730
Plan Member	113,069	158,858	271,927
Other Sources	96	2,522	2,618
Total Contributions	<u>607,130</u>	<u>962,145</u>	<u>1,569,275</u>
Investment Income			
Interest	101,272	116,336	217,608
Dividends	115,300	271,754	387,054
Net Appreciation in Fair Value of Investments	651,839	975,064	1,626,903
Gross Investment Income	868,411	1,363,154	2,231,565
Less Investment Expense	(46,632)	(82,373)	(129,005)
Total Investment Income	<u>821,779</u>	<u>1,280,781</u>	<u>2,102,560</u>
Total Additions	<u>1,428,909</u>	<u>2,242,926</u>	<u>3,671,835</u>
Deductions			
Pension Benefit Payments and Refunds	1,139,985	1,188,099	2,328,084
Administration	10,654	15,728	26,382
Total Deductions	<u>1,150,639</u>	<u>1,203,827</u>	<u>2,354,466</u>
Net Increase in Net Position	278,270	1,039,099	1,317,369
Net Position Restricted for Pensions			
Beginning of Year	<u>9,987,381</u>	<u>12,971,267</u>	<u>22,958,648</u>
End of Year	<u>\$ 10,265,651</u>	<u>\$ 14,010,366</u>	<u>\$ 24,276,017</u>

CITY OF MACOMB, ILLINOIS

Schedule of Changes in Assets and Liabilities
Flex Benefits Fund - Agency Fund
For the Year Ended April 30, 2017

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Assets				
Cash and Cash Equivalents	\$ 6,553	\$ 99,160	\$ 105,713	\$ -
Accounts Receivable	14,405	6,858	-	21,263
Total Assets	\$ 20,958	\$ 106,018	\$ 105,713	\$ 21,263
Liabilities				
Accounts Payable	\$ 10,646	\$ 106,018	\$ 106,011	\$ 10,653
Due to Other Funds	10,312	298	-	10,610
Total Liabilities	\$ 20,958	\$ 106,316	\$ 106,011	\$ 21,263

OTHER SUPPLEMENTAL SCHEDULES

CITY OF MACOMB, ILLINOIS

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

Tax Collection Year	Year Ended April 30, 2017		
	2015 Levy	Rate	Amount Extended
General Fund:			
Corporate	\$ 230,000	0.12450	\$ 230,006
Bond and Interest	-	-	-
Fire Protection	60,000	0.03489	59,989
Police Protection	60,000	0.03489	59,989
Firefighters' Pension	477,901	0.27784	477,715
Police Pension	793,744	0.46165	793,411
Special Revenue Fund:			
Illinois Municipal Retirement Fund	258,214	0.15010	258,080
Internal Service Fund:			
Liability Insurance	100,500	0.05844	100,481
Total	\$ 1,980,359	1.14231	\$ 1,979,671
Rate Setting Assessed Valuation - Corporate Levy			\$ 184,744,561
Rate Setting Assessed Valuation - All Other Levies			\$ 171,938,625

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

Source of Information: McDonough County Clerk

Year Ended April 30, 2016			Year Ended April 30, 2015		
<u>2014 Levy</u>	<u>Rate</u>	<u>Amount Extended</u>	<u>2013 Levy</u>	<u>Rate</u>	<u>Amount Extended</u>
\$ 226,721	0.12375	\$ 226,661	\$ 210,000	0.12019	\$ 210,013
-	-	-	69,305	0.04173	74,099
60,000	0.03517	59,033	60,000	0.03610	64,102
60,000	0.03517	59,033	60,000	0.03610	64,102
491,279	0.28804	483,479	458,725	0.27597	490,036
508,169	0.29780	499,861	498,694	0.30000	532,706
515,226	0.30192	506,777	489,500	0.29444	522,833
90,256	0.05290	88,793	64,816	0.03900	69,252
<u>\$ 1,951,651</u>	<u>1.13475</u>	<u>\$ 1,923,637</u>	<u>\$ 1,911,040</u>	<u>1.14353</u>	<u>\$ 2,027,143</u>
		<u>\$ 183,160,272</u>			<u>\$ 174,733,781</u>
		<u>\$ 167,851,312</u>			<u>\$ 166,085,295</u>

CITY OF MACOMB, ILLINOIS

Schedule of Insurance Coverage (Unaudited) April 30, 2017

Type of Coverage and Name of Company	Policy Number	Policy Period	
		From	To
General and Law Enforcement Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Property/Inland Marine/ Auto Coverage Physical Damage Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Automobile Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Crime Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Public Officials Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Workers' Compensation Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Excess Liability Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Boiler and Machinery Illinois Counties Risk Management Trust	ICRMT2016209	12/01/2016	12/01/2017
Stop-Loss Insurance HM Life Insurance Company	405492-A	02/01/2017	02/01/2018

Details of Coverage	Liability Limits	Annual Premium
Bodily Injury/Property Damage/ Law Enforcement Injury	General and Personal Injury \$1,000,000 per occurrence	\$ 106,498
Property	\$3,000,000 aggregate \$70,478,306 annual coverage	90,013
Automobile Liability and Physical Damage	\$1,000,000 per occurrence	30,361
Employee Dishonesty, Money Orders/Counterfeit Currency, Depositors Forgery	\$500,000 per occurrence	912
Physical/Sexual Abuse	\$100,000 per occurrence	483
Workers' Compensation Employer's Liability	\$2,500,000 per occurrence	318,429
Excess Liability	\$7,000,000 excess for general and law enforcement, auto liability, or public officials	36,339
Boiler and Machinery	Included in total building and contents limit up to \$70,478,306	3,465
Excess Insurance	\$1,000,000 maximum aggregate benefit	-

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CITY OF MACOMB, ILLINOIS

Schedule of Supplemental Information Required
by Bond Ordinance
Waterworks and Sewerage System (Unaudited)
April 30, 2017

As of April 30, 2017

Number of metered water customers	5,694
Number of unmetered sewer customers	2
Number of sewer customers	5,411

Year Ended April 30, 2017

Quantity of water pumped:	
Raw	751,932,678 gallons
Finished	668,435,000 gallons
Quantity of sewerage treated	1,069,700,000 gallons
Quantity of water billed	66,088,308 cubic feet

OTHER REPORT



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

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

We have examined the City of Macomb, Illinois, (City)'s compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2017. 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, 2017.

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 26, 2017

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