

CITY OF DECATUR, ILLINOIS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021



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DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Decatur, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Decatur, Illinois (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Decatur, Illinois as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Civic Center Authority discretely presented component unit, which represent 100%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Civic Center Authority discretely presented component unit, is solely based on the report of the other auditors.

Emphasis of a Matter

During fiscal year ended December 31, 2021, the City corrected an error in the beginning balance of capital assets and related accumulated depreciation, for certain enterprise funds and governmental activities. In addition, beginning accrued compensated absences was corrected for one enterprise funds. These corrections resulted in a restatement of beginning fund balance, as described in Note 19. Our auditors' opinion was not modified with respect to the restatements.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer contributions, schedule of changes in total OPEB liability and related ratios, schedules of changes in net position liability (asset) and related ratios, schedules of investment return – police and fire pension plans, and certain budgetary comparison information, as listed in the table of contents, 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.

The City has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements 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 nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mayor and City Council
City of Decatur, Illinois

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Decatur's 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Champaign, Illinois
April 14, 2023

**CITY OF DECATUR, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 44,082,570	\$ 44,612,574	\$ 88,695,144	\$ 127,120
Investments	2,018,584	-	2,018,584	-
Receivables:				
Property Taxes, Net	16,944,699	-	16,944,699	-
Illinois Municipal Sales Tax	7,627,279	-	7,627,279	-
Other Taxes	3,048,370	-	3,048,370	-
Due from Other Governments	2,339,344	-	2,339,344	-
Accounts Receivable	548,161	6,838,364	7,386,525	95,017
Notes Receivable	189,562	-	189,562	-
Other	7,830	-	7,830	-
Internal Balances	(381,298)	381,298	-	-
Prepaid Items	218,191	127,397	345,588	-
Inventories	285,506	607,215	892,721	4,094
Net Pension Asset	4,235,969	957,281	5,193,250	-
Capital Assets Not Being Depreciated	23,411,948	11,360,770	34,772,718	3,130,762
Capital Assets Being Depreciated, Net	77,041,403	156,090,744	233,132,147	2,587,840
Total Assets	181,618,118	220,975,643	402,593,761	5,944,833
DEFERRED OUTFLOW OF RESOURCES				
Deferred Amount Related to Pension Liability	33,514,842	367,568	33,882,410	-
Deferred Amount Related to OPEB Liability	2,558,826	632,555	3,191,381	-
Total Deferred Outflows of Resources	36,073,668	1,000,123	37,073,791	-
LIABILITIES				
Accounts Payable	2,489,951	1,943,851	4,433,802	49,151
Contracts Payable	2,821,028	82,423	2,903,451	-
Interest Payable	225,132	1,388,178	1,613,310	-
Claims Payable	2,165,588	-	2,165,588	-
Due to Other Governments	-	349,947	349,947	-
Other Accrued Liabilities	2,089,954	203,751	2,293,705	33,021
Unearned Revenue	6,495,982	11,590,374	18,086,356	-
Long-Term Obligations, Due Within One Year:				
Bonds Payable	2,903,200	7,673,679	10,576,879	-
Capital Leases	122,087	-	122,087	-
Notes Payable	1,863,136	3,075,256	4,938,392	-
Compensated Absences	2,946,882	93,556	3,040,438	23,018
Long-Term Obligations, Due in More Than One Year:				
Bonds Payable	24,123,347	86,591,223	110,714,570	-
Capital Leases	177,047	-	177,047	-
Notes Payable	4,318,965	33,442,106	37,761,071	-
Net Pension Liability	149,281,386	-	149,281,386	-
Other Postemployment Benefits	10,796,484	2,729,049	13,525,533	-
Compensated Absences	3,257,080	103,405	3,360,485	-
Total Liabilities	216,077,249	149,266,798	365,344,047	105,190
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	16,933,899	-	16,933,899	-
Deferred Amount Related to Pension Liability	27,847,306	2,125,074	29,972,380	-
Deferred Amount Related to OPEB Liability	190,171	51,909	242,080	-
Deferred Operating Contribution Receipts and Grants	-	-	-	900
Total Deferred Inflows of Resources	44,971,376	2,176,983	47,148,359	900
NET POSITION				
Net Investment in Capital Assets	67,086,609	36,359,431	103,446,040	5,718,602
Restricted for General Government	303,428	-	303,428	-
Restricted for Economic Development	5,086,998	-	5,086,998	-
Restricted for Transportation and Highway	8,381,233	-	8,381,233	-
Restricted for Education	2,267,626	-	2,267,626	-
Restricted for Culture	102,919	-	102,919	-
Restricted for Public Safety	1,199,092	-	1,199,092	-
Restricted for Public Works	-	-	-	-
Restricted for Debt Service	1,223,736	-	1,223,736	-
Unrestricted Net Position	(129,008,480)	34,172,554	(94,835,926)	120,141
Total Net Position	\$ (43,356,839)	\$ 70,531,985	\$ 27,175,146	\$ 5,838,743

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 8,763,204	\$ 2,905,271	\$ 2,779,315	\$ -	\$ (3,078,618)	\$ -	\$ (3,078,618)	\$ -
Economic Development	4,059,597	-	3,418,398	-	(641,199)	-	(641,199)	-
Public Safety	54,829,888	234,694	21,697	-	(54,573,497)	-	(54,573,497)	-
Public Works	20,514,351	-	-	6,910,054	(13,604,297)	-	(13,604,297)	-
Culture	73,603	-	-	-	(73,603)	-	(73,603)	-
Education	5,247,526	23,183	112,280	-	(5,112,063)	-	(5,112,063)	-
Interest and Other Charges	781,847	-	-	-	(781,847)	-	(781,847)	-
Total Governmental Activities	94,270,016	3,163,148	6,331,690	6,910,054	(77,865,124)	-	(77,865,124)	-
Business-Type Activities:								
Water	23,752,708	31,792,162	97,756	-	-	8,137,210	8,137,210	-
Mass Transit	8,959,359	206,606	7,006,156	1,670,462	-	(76,135)	(76,135)	-
Fiber Optics	233,077	54,500	-	-	-	(178,577)	(178,577)	-
Waste Removal	641,354	731,594	-	-	-	90,240	90,240	-
Storm Water	1,519,726	1,721,129	-	-	-	201,403	201,403	-
Sewer	4,642,992	6,553,759	-	-	-	1,910,767	1,910,767	-
Total Business-Type Activities	39,749,216	41,059,750	7,103,912	1,670,462	-	10,084,908	10,084,908	-
Total Primary Government	<u>\$ 134,019,232</u>	<u>\$ 44,222,898</u>	<u>\$ 13,435,602</u>	<u>\$ 8,580,516</u>	<u>\$ (77,865,124)</u>	<u>\$ 10,084,908</u>	<u>\$ (67,780,216)</u>	<u>\$ -</u>
Component Unit								
Civic Center Authority	<u>\$ 1,501,216</u>	<u>\$ 839,695</u>	<u>\$ -</u>	<u>\$ 440,146</u>				<u>(221,375)</u>
General Revenues:								
Taxes:								
Property Taxes					16,867,964	-	16,867,964	-
Utility Taxes					7,552,633	-	7,552,633	-
Food and Beverage Taxes					3,565,325	-	3,565,325	-
Hotel and Motel Taxes					936,618	-	936,618	-
Local Sales Tax					12,160,630	-	12,160,630	-
Local Use Tax					2,837,974	-	2,837,974	-
Motor Fuel Tax					1,728,262	-	1,728,262	-
Other Taxes					7,882,559	-	7,882,559	-
Intergovernmental (State Sales and Income Tax)					23,114,018	-	23,114,018	-
Investment Earnings					(70,799)	582,508	511,709	-
Gain on Sale of Capital Assets					-	4,750	4,750	-
Other General Revenues					2,652,873	-	2,652,873	75,995
Transfers					2,758,284	(2,758,284)	-	-
Total General Revenues and Transfers					<u>81,986,341</u>	<u>(2,171,026)</u>	<u>79,815,315</u>	<u>75,995</u>
CHANGE IN NET POSITION					4,121,217	7,913,882	12,035,099	(145,380)
Net Position - Beginning of Year, as restated					<u>(47,478,056)</u>	<u>62,618,103</u>	<u>15,140,047</u>	<u>5,984,123</u>
NET POSITION - END OF YEAR					<u>\$ (43,356,839)</u>	<u>\$ 70,531,985</u>	<u>\$ 27,175,146</u>	<u>\$ 5,838,743</u>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2021**

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 16,064,151	\$ 5,013,575	\$ 21,929,445	\$ 43,007,171
Receivables:				
Property Taxes, Net	11,210,404	-	5,734,295	16,944,699
Illinois Municipal Sales Tax	7,549,388	-	77,891	7,627,279
Other Taxes	2,783,614	-	264,756	3,048,370
Due from Other Governments	187,710	1,811,447	340,187	2,339,344
Due from Other Funds	-	-	21,050	21,050
Accounts Receivable	543,454	-	1,132	544,586
Notes Receivable	-	-	189,562	189,562
Other	7,208	-	622	7,830
Prepaid Items	55,892	-	2,460	58,352
Inventories	21,154	-	-	21,154
Total Assets	<u>\$ 38,422,975</u>	<u>\$ 6,825,022</u>	<u>\$ 28,561,400</u>	<u>\$ 73,809,397</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 537,148	\$ -	\$ 1,800,251	\$ 2,337,399
Contracts Payable	423	2,244,632	575,973	2,821,028
Unearned Revenue	2,074,608	188,458	4,230,435	6,493,501
Other Accrued Liabilities	1,594,326	-	461,092	2,055,418
Due to Other Funds	21,050	-	1,103,816	1,124,866
Total Liabilities	<u>4,227,555</u>	<u>2,433,090</u>	<u>8,171,567</u>	<u>14,832,212</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	11,214,089	-	5,719,810	16,933,899
Unavailable Taxes and Grants	3,264,902	706,890	187,553	4,159,345
Total Deferred Inflows of Resources	<u>14,478,991</u>	<u>706,890</u>	<u>5,907,363</u>	<u>21,093,244</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	55,892	-	2,460	58,352
Inventories	21,154	-	-	21,154
Restricted:				
General Government	-	-	303,428	303,428
Transportation and Highway	-	3,685,042	842,464	4,527,506
Culture	-	-	102,919	102,919
Economic Development	-	-	5,086,998	5,086,998
Public Safety	-	-	3,614,495	3,614,495
Education	-	-	2,267,626	2,267,626
Debt Service	-	-	1,448,868	1,448,868
Committed:				
Education	-	-	162,099	162,099
Public Safety	-	-	1,191,287	1,191,287
Public Works	-	-	527,170	527,170
Unassigned	19,639,383	-	(1,067,344)	18,572,039
Total Fund Balances	<u>19,716,429</u>	<u>3,685,042</u>	<u>14,482,470</u>	<u>37,883,941</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,422,975</u>	<u>\$ 6,825,022</u>	<u>\$ 28,561,400</u>	<u>\$ 73,809,397</u>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

Total Fund Balances - Governmental Funds	\$	37,883,941
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital Assets	\$ 238,508,033	
Accumulated Depreciation	(138,054,682)	
Net Capital Assets		100,453,351

Deferred inflows of resources related to taxes and grants receivable are not available until future periods; therefore, they are not reported in the funds.		4,159,345
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Net deferred inflows and outflows of resources related to pensions are applicable to future periods; therefore, they are not reported in the funds.		5,667,536
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Net deferred inflows and outflows of resources related to OPEB are applicable to future periods; therefore, they are not reported in the funds.		2,368,655
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Internal service funds are used by the City to charge the costs of certain activities to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position (capital asset are included above and in long term liabilities below).		1,889,110
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(225,132)
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Some assets reported in the Statement of Net Position do not require the benefit of current financial resources and therefore are not reported as asset governmental funds. These asset consist of:

Net Pension Asset		4,235,969
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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 liabilities consist of:

Compensated Absences Payable	(6,203,962)	
Net Pension Liability	(149,281,386)	
Other Postemployment Benefits	(10,796,484)	
Capital Leases	(299,134)	
Bonds Payable	(27,026,547)	
Notes Payable	(6,182,101)	
Total Long-Term Liabilities		(199,789,614)
Net Position of Governmental Activities		\$ (43,356,839)

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ 36,679,180	\$ -	\$ 8,153,530	\$ 44,832,710
Charges for Service	536,314	-	-	536,314
Investment Income and Net Increase (Decrease) in Fair Value of Investments	(117,487)	2,907	37,212	(77,368)
Intergovernmental	29,211,130	11,844,094	7,872,674	48,927,898
Licenses and Permits	1,481,592	-	-	1,481,592
Fines and Fees	894,165	-	251,077	1,145,242
Other Revenue	1,252,778	7,146	1,357,334	2,617,258
Total Revenues	69,937,672	11,854,147	17,671,827	99,463,646
EXPENDITURES				
Current:				
General Government	7,512,172	-	1,210,745	8,722,917
Economic Development	-	-	4,179,663	4,179,663
Public Safety	48,309,548	-	3,492,073	51,801,621
Culture	-	-	77,202	77,202
Public Works	6,497,743	10,604,137	4,509,382	21,611,262
Education	-	-	4,686,361	4,686,361
Debt Service:				
Principal Retirement	140,249	-	4,498,723	4,638,972
Interest and Other Charges	9,888	-	1,028,102	1,037,990
Total Expenditures	62,469,600	10,604,137	23,682,251	96,755,988
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	7,468,072	1,250,010	(6,010,424)	2,707,658
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	194	-	102,304	102,498
Loan Proceeds/Issuance of Debt	-	-	3,293,115	3,293,115
Transfers In	3,875,129	-	5,734,955	9,610,084
Transfers Out	(4,388,608)	-	(2,463,192)	(6,851,800)
Total Other Financing Sources (Uses)	(513,285)	-	6,667,182	6,153,897
Net Change in Fund Balances	6,954,787	1,250,010	656,758	8,861,555
FUND BALANCES				
Beginning of Year	12,761,642	2,435,032	13,825,712	29,022,386
End of Year	\$ 19,716,429	\$ 3,685,042	\$ 14,482,470	\$ 37,883,941

See accompanying Notes to Financial Statements.

CITY OF DECATUR, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net Change in Total Fund Balances \$ 8,861,555

Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.

Taxes and Grants Received (3,815,943)

Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

Increase in Long-Term Compensated Absences	\$ 138,532	
Decrease in Accrued Interest on Debt	26,822	
		165,354

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

Capital Expenditures	10,621,213	
Depreciation	(6,433,789)	
		4,187,424

The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) which do not affect change in fund balance.

Proceeds from Sale of Capital Assets	(102,498)	
Gain on Disposal of Capital Assets	(21,322)	
		(123,820)

Internal service funds are used by the City to charge the costs of certain activities to individual funds. A portion of the net income of the internal service funds is reported with governmental activities on the Statement of Activities.

(1,338,298)
(Continued)

CITY OF DECATUR, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital Leases Payable	\$ 193,099	
Notes and Bonds Payable	<u>4,697,043</u>	
		\$ 4,890,142

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

Notes and Bonds Payable	<u>(3,293,115)</u>	(3,293,115)
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Governmental funds report pension contributions as expenditures when made. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred inflows and outflows of resources related to pensions, and the investment experience.

(5,071,273)

Governmental funds do not report OPEB. However, in the Statement of Activities, OPEB expense includes the cost of benefits earned and the recognition of changes in deferred outflows of resources and deferred inflows of resources related to OPEB.

(497,998)

Bonds premiums/discounts on issuance were reported in the governmental funds. However, these amounts have been deferred and amortized in the Statement of Net Position:

Amortization on Bond Premium	<u>157,189</u>	
Change in Net Position of Governmental Activities	<u><u>\$ 4,121,217</u></u>	

**CITY OF DECATUR, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Business-Type Activities					Governmental
	Major Enterprise Funds					Activities - Internal Service Funds
ASSETS	Water Fund	Sewer Fund	Mass Transit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 26,247,393	\$ 13,759,354	\$ 244,934	\$ 4,360,893	\$ 44,612,574	\$ 3,093,983
Receivables:						
Accounts Receivable	3,145,223	387,214	3,045,349	260,578	6,838,364	3,575
Due from Other Funds	3,753,816	-	-	-	3,753,816	-
Inventories	350,243	-	256,972	-	607,215	264,352
Prepaid Expenses	-	-	127,397	-	127,397	159,839
Total Current Assets	33,496,675	14,146,568	3,674,652	4,621,471	55,939,366	3,521,749
NONCURRENT ASSETS						
Capital Assets:						
Land	3,550,667	-	899,399	-	4,450,066	-
Construction in Progress	4,078,871	2,221,346	-	610,487	6,910,704	45,000
Buildings and Leasehold Improvements	154,660,532	-	4,750,583	-	159,411,115	-
Infrastructure	61,456,027	36,382,225	-	4,688,761	102,527,013	-
Machinery and Equipment	19,674,796	1,204,972	10,795,366	41,630	31,716,764	1,273,556
Subtotal	243,420,893	39,808,543	16,445,348	5,340,878	305,015,662	1,318,556
Less: Accumulated Depreciation	115,629,861	12,506,275	8,927,292	500,720	137,564,148	1,010,988
Net Capital Assets	127,791,032	27,302,268	7,518,056	4,840,158	167,451,514	307,568
Net Pension Asset	957,281	-	-	-	957,281	191,456
Total Noncurrent Assets	128,748,313	27,302,268	7,518,056	4,840,158	168,408,795	499,024
Total Assets	162,244,988	41,448,836	11,192,708	9,461,629	224,348,161	4,020,773
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount Related to OPEB Liability	632,555	-	-	-	632,555	122,797
Deferred Amount Related to Pension	367,568	-	-	-	367,568	73,514
Total Deferred Outflows of Resources	1,000,123	-	-	-	1,000,123	196,311
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	718,178	466,712	581,850	177,111	1,943,851	152,552
Contracts Payable	39,514	27,717	-	15,192	82,423	-
Claims Payable	-	-	-	-	-	2,165,588
Interest Payable	1,268,203	112,513	1,407	6,055	1,388,178	3,622
Due to Other Governments	-	-	349,947	-	349,947	-
Other Accrued Liabilities	198,172	-	5,579	-	203,751	34,536
Compensated Absences	89,496	-	4,060	-	93,556	23,393
Unearned Revenue	5,971,834	3,001,475	1,617,965	999,100	11,590,374	2,481
Notes Payable	1,830,434	1,039,043	40,544	165,235	3,075,256	61,141
Bonds Payable	7,673,679	-	-	-	7,673,679	-
Due to Other Funds	-	-	2,650,000	-	2,650,000	-
Total Current Liabilities	17,789,510	4,647,460	5,251,352	1,362,693	29,051,015	2,443,313
NONCURRENT LIABILITIES						
Compensated Absences	98,917	-	4,488	-	103,405	-
Other Postemployment Benefits	2,729,049	-	-	-	2,729,049	523,826
Notes Payable	12,828,847	17,559,039	88,182	2,966,038	33,442,106	434,134
Bonds Payable	86,591,223	-	-	-	86,591,223	-
Total Noncurrent Liabilities	102,248,036	17,559,039	92,670	2,966,038	122,865,783	957,960
Total Liabilities	120,037,546	22,206,499	5,344,022	4,328,731	151,916,798	3,401,273
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount Related to OPEB Liability	51,909	-	-	-	51,909	9,649
Deferred Amount Related to Pension	2,125,074	-	-	-	2,125,074	425,015
Total Deferred Inflows of Resources	2,176,983	-	-	-	2,176,983	434,664
NET POSITION						
Net Investment in Capital Assets	18,801,565	8,515,158	7,389,330	1,653,378	36,359,431	(187,707)
Unrestricted	22,229,017	10,727,179	(1,540,644)	3,479,520	34,895,072	568,854
Total Net Position	\$ 41,030,582	\$ 19,242,337	\$ 5,848,686	\$ 5,132,898	71,254,503	\$ 381,147
Some amounts reported for business-type activities in the statement of net position are different because certain Internal Service Funds net position is included with business-type activities					(722,518)	
Net Position of Business-Type Activities					\$ 70,531,985	

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities					Governmental
	Major Enterprise Funds					Activities -
	Water	Sewer	Mass Transit	Nonmajor	Total	Internal
	Fund	Fund	Fund	Enterprise	Enterprise	Service
				Funds	Funds	Funds
OPERATING REVENUES						
Charges for Services	\$ 31,660,355	\$ 6,553,685	\$ 194,879	\$ 2,507,223	\$ 40,916,142	\$ 13,642,926
Payroll Deductions/Retiree Contributions	-	-	-	-	-	2,512,976
Other Revenues	131,807	74	11,727	-	143,608	177,171
Total Operating Revenues	31,792,162	6,553,759	206,606	2,507,223	41,059,750	16,333,073
OPERATING EXPENSES						
Personnel Services	4,241,852	-	220,424	-	4,462,276	773,899
Contractual Services	3,953,146	2,397,256	6,884,861	1,605,747	14,841,010	1,752,427
Supplies	3,314,678	924,831	804,804	578,810	5,623,123	1,043,903
Other Charges	712,437	11,464	22,553	-	746,454	14,295,568
Depreciation and Amortization	7,292,766	945,069	1,013,213	152,982	9,404,030	97,153
Total Operating Expenses	19,514,879	4,278,620	8,945,855	2,337,539	35,076,893	17,962,950
OPERATING INCOME (LOSS)	12,277,283	2,275,139	(8,739,249)	169,684	5,982,857	(1,629,877)
NONOPERATING REVENUES (EXPENSES)						
Investment Income and Net Increase in						
Fair Value of Investments	562,935	14,734	-	4,839	582,508	6,568
Intergovernmental Revenue	97,756	-	8,676,618	-	8,774,374	-
Interest and Other Charges	(4,112,567)	(364,372)	(2,748)	(56,618)	(4,536,305)	(21,849)
Gain (Loss) on Disposal of Assets	-	-	4,750	-	4,750	-
Total Nonoperating Revenues (Expenses)	(3,451,876)	(349,638)	8,678,620	(51,779)	4,825,327	(15,281)
INCOME (LOSS) BEFORE TRANSFERS	8,825,407	1,925,501	(60,629)	117,905	10,808,184	(1,645,158)
TRANSFERS						
Transfers In	2,100,000	-	-	109,656	2,209,656	-
Transfers Out	(4,383,492)	(513,072)	-	(71,376)	(4,967,940)	-
Net Transfers	(2,283,492)	(513,072)	-	38,280	(2,758,284)	-
CHANGE IN NET POSITION	6,541,915	1,412,429	(60,629)	156,185	8,049,900	(1,645,158)
NET POSITION						
Beginning of Year, as restated	34,488,667	17,829,908	5,909,315	4,976,713		2,026,305
End of Year	\$ 41,030,582	\$ 19,242,337	\$ 5,848,686	\$ 5,132,898		\$ 381,147

Reconciliation to Statement of Activities:

Certain amounts for the Internal Service Funds are allocated to
business-type activities in the Statement of Activities

Net Business-Type Activities

(136,018)

\$ 7,913,882

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities					
	Major Enterprise Funds			Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Mass Transit Fund			
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Charges for Services	\$ 37,354,640	\$ 9,535,890	\$ (1,532,050)	\$ 3,400,238	\$ 48,758,718	\$ 16,333,073
Cash Paid to Suppliers for Goods and Services	(8,127,486)	(3,187,498)	(5,211,844)	(2,121,106)	(18,647,934)	(17,903,398)
Cash Paid to Employees/Contract Employees	(4,736,574)	-	(577,623)	-	(5,314,197)	(684,183)
Net Cash Provided (Used) by Operating Activities	24,490,580	6,348,392	(7,321,517)	1,279,132	24,796,587	(2,254,508)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental Revenue	97,756	-	8,720,665	-	8,818,421	-
Cash Transfers from Other Funds	2,100,000	-	-	109,656	2,209,656	-
Cash Transfers to Other Funds	(4,383,492)	(513,072)	-	(71,376)	(4,967,940)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(2,185,736)	(513,072)	8,720,665	38,280	6,060,137	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	(1,669,087)	(984,052)	(1,353,402)	(18,470)	(4,025,011)	(45,000)
Proceeds from the Sale of Capital Assets	-	-	4,750	-	4,750	-
Principal Payment on Debt	(8,936,927)	(1,009,013)	(42,573)	(162,381)	(10,150,894)	(58,255)
Interest Payments and Other Charges	(4,330,750)	(359,237)	(3,798)	(56,618)	(4,750,403)	(21,849)
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,936,764)	(2,352,302)	(1,395,023)	(237,469)	(18,921,558)	(125,104)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(206,427)	-	-	-	(206,427)	-
Proceeds from Sale of Investments	228,641	-	-	-	228,641	-
Investment Income	28,987	14,734	-	4,839	48,560	6,568
Net Cash Provided (Used) by Investing Activities	51,201	14,734	-	4,839	70,774	6,568
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,419,281	3,497,752	4,125	1,084,782	12,005,940	(2,373,044)
Cash and Cash Equivalents - Beginning of Year	18,828,112	10,261,602	240,809	3,276,111	32,606,634	5,467,027
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 26,247,393</u>	<u>\$ 13,759,354</u>	<u>\$ 244,934</u>	<u>\$ 4,360,893</u>	<u>\$ 44,612,574</u>	<u>\$ 3,093,983</u>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Major Enterprise Funds			Nonmajor Enterprise Funds	Total Enterprise Funds	
	Water Fund	Sewer Fund	Mass Transit Fund			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 12,277,283	\$ 2,275,139	\$ (8,739,249)	\$ 169,684	\$ 5,982,857	\$ (1,629,877)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	7,292,766	945,069	1,013,213	152,982	9,404,030	97,153
Unrealized Gain on Investments	58,364	-	-	-	58,364	-
Effects of Changes in Operating Assets and Liabilities:						
Receivables	57,280	(19,344)	(2,967,635)	(106,085)	(3,035,784)	(2,481)
Inventories	27,856	-	6,862	-	34,718	(7,019)
Prepaid Items	-	-	8,546	-	8,546	56,034
Due from Other Funds	(525,000)	-	-	-	(525,000)	-
Accounts Payable	(175,081)	198,580	(115,034)	61,971	(29,564)	(672,978)
Contracts Payable	-	(52,527)	-	1,480	(51,047)	-
Compensated Absences	(3,899)	-	(353,500)	-	(357,399)	-
Unearned Revenue	5,971,834	3,001,475	1,228,979	999,100	11,201,388	-
OPEB	22,150	-	-	-	22,150	4,454
Other Liabilities	22,151	-	(3,699)	-	18,452	(2,303)
Deferred Outflows-OPEB	102,870	-	-	-	102,870	20,686
Deferred Outflows-Pensions	266,259	-	-	-	266,259	50,160
Net Pension Liability	(1,752,190)	-	-	-	(1,752,190)	(346,560)
Deferred Inflows-Pensions	860,663	-	-	-	860,663	178,301
Deferred Inflows-OPEB	(12,726)	-	-	-	(12,726)	(2,559)
Due to Other Funds	-	-	2,600,000	-	2,600,000	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 24,490,580</u>	<u>\$ 6,348,392</u>	<u>\$ (7,321,517)</u>	<u>\$ 1,279,132</u>	<u>\$ 24,796,587</u>	<u>\$ (2,254,508)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION						
Noncash Transactions	<u>\$ (203,121)</u>	<u>\$ 309,325</u>	<u>\$ -</u>	<u>\$ 339,522</u>	<u>\$ 445,726</u>	<u>\$ -</u>

NONCASH TRANSACTIONS

Capital asset purchases in the Water Fund for which the cash has not been disbursed but rather is in accounts payable or contracts payable amounted to \$282,613.

Capital asset purchases in Water Fund for the prior year which the cash had not been disbursed but rather was in accounts payable or contracts payable amounted to \$79,492, which was reversed out in the current year.

Capital asset purchases in the Sewer Fund for which the cash has not been disbursed but rather is in accounts payable amounted to \$189,028.

Capital asset purchases in the Sewer Fund for the prior year which the cash had not been disbursed but rather was in accounts payable amounted to \$498,353, which was reversed out in the current year.

Capital asset purchases in the Storm Water Fund for which the cash has not been disbursed but rather is in accounts payable amounted to \$55,507.

Capital asset purchases in the Storm Water Fund for the prior year which the cash had not been disbursed but rather was in accounts payable amounted to \$395,029, which was reversed out in the current year.

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021**

ASSETS

Cash and Short-Term Investments	\$ 8,750,224
Accrued Interest	368,793
Investments, at Fair Value:	
U.S. Government Obligations	39,458,355
Mutual Funds	124,595,435
Common Stock	39,668,799
Annuities	808,660
Municipal Bonds	898,694
Corporate Bonds	31,088,864
Notes	196,430
Total Investments	<u>236,715,237</u>
 Total Assets	 <u><u>\$ 245,834,254</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable	\$ 41,493
Total Current Liabilities	<u>41,493</u>

NET POSITION

Net Position Restricted for Pensions	<u>245,792,761</u>
 Total Liabilities and Net Position	 <u><u>\$ 245,834,254</u></u>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

ADDITIONS

Contributions:

Employer	\$ 11,829,143
Plan Member	2,221,073
Miscellaneous Revenue	5,122
Total Contributions	<u>14,055,338</u>

Investment Earnings:

Interest and Dividends	1,675,038
Net Increase in the Fair Value of Investments	26,401,957
Total Investment Income	<u>28,076,995</u>

Less: Investment Expense	<u>520,689</u>
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Net Investment Income	<u>27,556,306</u>
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Total Additions	41,611,644
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DEDUCTIONS

Benefits and Refunds	18,533,631
Administrative Expense	179,544
Total Deductions	<u>18,713,175</u>

CHANGE IN NET POSITION	22,898,469
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Net Position - Beginning of Year	<u>222,894,292</u>
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NET POSITION - END OF YEAR	<u><u>\$ 245,792,761</u></u>
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See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Decatur, Illinois (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governments as promulgated by the Governmental Accounting Standards Board (GASB). The more significant of these accounting policies are as follows:

The Financial Reporting Entity

The City of Decatur, Illinois is a municipal corporation with a council/manager form of government. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, income, and state motor fuel taxes), locally imposed and collected taxes (examples would be food and beverage, hotel use, local motor fuel), charges for services performed and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of entitlements at the state and federal government level. Taxable industry within the area is primarily manufacturing and retail. The surrounding area has a substantial agricultural base.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on the primary government entity.

The City's reporting entity includes the City's governing board and all related organizations for which the City is financially accountable.

Blended Component Unit

DCDF, Inc. is a nonprofit corporation which finances and subsidizes housing rehabilitation activities within the City. DCDF, Inc. members are comprised entirely of the City Council and the Mayor. The members, who are the governing body of DCDF, Inc., appoint a six member advisory board. The members retain ultimate control over DCDF, Inc. Therefore, DCDF, Inc. is reported as if it were part of the primary government. DCDF, Inc. is the vehicle through which a portion of the City's redevelopment efforts are conducted. All of DCDF, Inc.'s activities are directed entirely by the City. In addition, the City's employees are responsible for the day-to-day administrative and financial management of DCDF, Inc., and grant funds used by DCDF, Inc. are in the City's name. DCDF, Inc. is included as a nonmajor special revenue fund in the City's financial statements. Separate financial statements are not issued for this component unit.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Financial Reporting Entity (Continued)

Discretely Presented Component Unit

The Decatur Metropolitan Exposition, Auditorium and Office Building Authority (Civic Center Authority) was made possible by Act 265 of the Illinois Compiled Statutes (70ILCS265/1 et seq). Its primary purpose is to provide office space and administrative services for various meeting and entertainment functions. The Mayor of the City appoints the board of directors. The Civic Center Authority imposes a financial burden upon the City due to an intergovernmental cooperation agreement in which the City agreed to pay all cash operating deficits of the Civic Center Authority. The Civic Center Authority does not have a legally adopted budget.

Complete financial statements for the Civic Center Authority may be obtained at Civic Center Authority, #1 Gary K. Anderson Plaza, Decatur, Illinois 62523.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments.

Joint Venture

The City is a participant with Macon County, Illinois (the County) in a nonequity joint venture to provide financial support for the Central Illinois Regional Dispatch Center (CIRDC). The Central Illinois Regional Dispatch Center (CIRDC), is a separate legal entity, owns and operates the Central Illinois Regional Dispatch Center. The CIRDC is governed by a three-member board composed of the Macon County Board Chair, the Mayor of the City of Decatur, and an at large member of the community recommended by the Macon County Emergency Telephone System Board. Complete financial statements for the CIRDC can be obtained from the CIRDC's administrative office at 141 S. Main Street, Suite 810, Decatur, Illinois 62523.

Basis of Presentation

The City's basic financial statements consist of City-wide statements, including a statement of net position and a statement of activities, and fund-financial statements, which provide a more detailed level of financial information. The City-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

City-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. In the City-wide statement of net position, both the governmental and business-type activity columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the consolidated financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City-wide statement of activities reflects both the direct expenses and net cost of each function of the City's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the City.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting

City-Wide Financial Statements

The City-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

City-Wide Financial Statements (Continued)

The City has reported three categories of program revenues in the statement of activities (1) fees, fines, and charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources; they reduce the net cost of each function to be financed from the City's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

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 interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds 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.

Fund Financial Statements

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 liabilities of the current period. For this purpose the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes, income taxes, and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Nonexchange transactions, in which the City receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Unearned revenue is reported on the governmental fund balance sheet. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue includes grant awards received but unearned because the fulfillment of expenditure provisions has not yet occurred.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Proprietary funds separate all activity into two categories: operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Nonoperating revenues and expenses entail all other activity not included in operating revenues and expenses. Nonoperating revenues and expenses include capital and noncapital financing activities and investing activities.

Differences occur from the manner in which the governmental activities and the City-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity, as an example. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the City-wide statements and the statements for governmental funds.

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 all of the general revenues of the City which are not specifically levied or collected for other City funds, and for expenditures related to public works, public safety, and other general governmental activities of the City.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund accounts for revenues, including the City's motor fuel tax allotment from the State of Illinois, and expenditures from street improvements and traffic light maintenance.

Proprietary Funds

Proprietary funds are used to account for those City activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The City reports the following major proprietary funds:

Water Fund – This fund accounts for the construction, operation, and maintenance of the City-owned water treatment and distribution system. Revenues are generated through charges to users based upon water consumption.

Sewer Fund – This fund accounts for the construction, operation, and maintenance of the City-owned sanitary sewer collection system. Revenues are generated through charges to users based upon water consumption or measured water discharge into the sewer system.

Public Transit Fund – This fund accounts for the operation and maintenance of the City-owned public transit system.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fiduciary Funds

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 Pension Trust Funds. The Pension Trusts include the Firefighter Pension Fund and Police Pension Fund which account for activities as prescribed by the statutes of the state of Illinois.

In addition to the major funds mentioned above, the City uses the following fund types:

Governmental Fund Types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – Debt Service Funds are used to account for the City's accumulation of resources for, and the payment of, long-term debt, principal, interest, and related costs.

Capital Projects Funds – The Capital Projects Funds are used to account for the City's purchase of capital assets or construction of major capital facilities, which are not financed by other funds.

Proprietary Fund Types:

Enterprise Funds – The Enterprise Funds operations are financed similar to a private business enterprise; the intent is that the cost of the service is financed by user charges, and the activities be measured on a net income basis.

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost-reimbursement basis. Such goods and services include maintenance of the City vehicle fleet, and administration and accounting of the City's insurance policies, including risk management and employee benefit insurance.

Pooled Cash and Investments

The City maintains pooled cash accounts for different fund groups which are used to account for all cash and investment transactions of that group. Monthly interest income of each pool is distributed to the individual funds based on their average cash balance in the pool during that period.

Investments are stated at fair value.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Inventories and Prepaid Items

The only significant inventories are those of supplies and parts in the Water Fund, Public Transit Fund, and Fleet Maintenance Fund which are valued at cost, with cost determined on a first-in first-out basis. A perpetual inventory system is used which is adjusted annually based on a physical count. Cost is recorded at the time of purchase and is charged to the appropriate activity when consumed.

The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased in both the government-wide and fund financial statements.

Long-Term Debt

In the City-wide financial statements and in the proprietary fund financial statements, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are expensed in both the fund statements and City-wide statements.

Capital Assets

Capital assets, which include buildings and improvements, vehicles, and infrastructure (e.g., streets, sewer lines, water mains), are reported in the applicable governmental or business-type activities columns in the City-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost meeting certain capitalization thresholds and a useful life of more than two years. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements to land and buildings are capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Category of Assets</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Building and Other Improvements	\$50,000 (Improvements) \$100,000 (New)	10 to 50 Years
Infrastructure – Roads	\$50,000 (Improvements) \$100,000 (New)	18 to 50 Years
Office Furniture	\$5,000	5 Years
Office Equipment	\$5,000	4 to 10 Years
Water Treatment Equipment	\$5,000	15 to 20 Years
Automobiles	\$5,000	2 to 7 Years
Trucks	\$5,000	2 to 8 Years
Buses	\$5,000	12 Years
Other Vehicles	\$5,000	2 to 10 Years
Other Machinery and Equipment	\$5,000	4 to 20 Years

Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the City's financial statements:

Government-Wide Statements

Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement for those assets (net of any unspent debt proceeds). Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements

The following classifications describe the categories of fund balance on the fund financial statements based on the relative strength of the spending constraints:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

Fund Financial Statements (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council. A commitment may only be rescinded by the same formal action of the City Council.

Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council, or through the City Council delegating this responsibility to the City Manager or the Finance Director or other official, in accordance with Council budget policies. There were no assigned fund balances as of December 31, 2021.

Unassigned – This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Use of Restricted Resources

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Property Taxes

The City's property tax is levied each year by the second Tuesday of December on all taxable real property located in the City. A lien on all taxable real property is effective on January 1 of the tax year.

The City is a home rule community under the 1970 Illinois Constitution and, accordingly, does not have a statutory tax rate limit.

Property in Macon County, Illinois, the county in which the City resides, is assessed by the Macon County Assessor. The values are adjusted by various percentages depending upon the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Macon County Clerk computes the annual tax rate. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Macon County Treasurer for tax billing to property owners.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property taxes are collected by the Macon County Treasurer who affects the tax distribution to the taxing units based on the taxing unit respective share of the tax collection. Taxes levied in one year become due and payable by property owners in two equal installments during the following year. The first installment is due no later than June 1st and the second installment is due no later than September 1st. The Macon County Treasurer distributes the tax collection to the taxing units within 45 days of collection due date.

Based on collection histories, the City has provided at December 31, 2021 an allowance for uncollectible real property taxes equivalent to 1% of the current year's levy.

Since the 2021 property tax levy is measurable as of December 31 but not available to finance current period obligations, a receivable and deferred inflow of resources is recorded in the government-wide and fund statements.

Compensated Absences

City employees receive vacation and sick pay in varying amounts based upon their employment anniversary dates. The City reimburses employees for accumulated vacation days upon their termination or retirement. Employees must take vacation accrued during the year of the accrual. Management and general service employees, fire, and police, may accumulate up to 240, 200, and 200 days of sick leave, respectively, to be paid upon death or retirement. The City pays no accumulated sick leave upon termination.

City employees required to work on any of the City's authorized holidays are given equivalent time off. This holiday time is reimbursable to employees upon termination or retirement.

A liability for compensated absences (unused vacation, sick, and holiday time) of the City relating to employees of the governmental activities is recorded in the City-wide financial statements. The compensated absences will be paid from the fund from which the employee is paid. For governmental funds this includes the General Fund and Library Fund.

The accumulated vacation, sick, and holiday time liability of employees charged to the Proprietary Fund Types is reported as an expense and as a liability of those funds as the benefits accrue to the employees.

Interfund Transactions/Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the City-wide financial statements as "internal balances".

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Claims and Judgments

When a probable claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss under its self-insurance program. The claim liability includes claims incurred but not reported (IBNR), based on historical data pursuant to the workmen's compensation, comprehensive general liability, employee dishonesty, property damage, medical, dental, and unemployment compensation programs.

Deferred Outflows of Resources

The City reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. The City has two types of deferred outflow of resources which occur related to its pension and OPEB plans. The City has deferred outflows related to pension and OPEB expense to be recognized in future periods.

Deferred Inflows of Resources

This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The City will not recognize the related revenue until a future event occurs. The City has several types of items which occur related to revenue recognition. One occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year, as it is meant to finance the next fiscal year. Another occurs as various other receivables are recorded for which the revenue will be recorded next year, when available, in the fund statements. In addition, there are deferred inflows of resources related to the pension liability and OPEB liability and income that will be recognized in future periods related to these.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plans. 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.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Appropriated Budget and Budgetary Accounting

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

1. The City Budget Policy is established in compliance with 65 ILCS 5/8-2-9.1 et. Seq. and Chapter 18.1 of the City Code and sets forth the procedures to be used in the preparation of the annual budget of the City and administration of the budget during the fiscal period.
2. The City has adopted the budget method as set forth in the Illinois Municipal Code and Chapter 18.1 of the City Code and will operate as a budget city, with annual budget presentation to and adoption by the City Council before the end of the fiscal year preceding the budget fiscal year.
3. The City fiscal year is January 1 to December 31.
4. The City Budget is legally adopted by Council Ordinance before the end of the fiscal year preceding the budget fiscal year.
5. The annual budget is presented to the City Council and the City Clerk in sufficient time for public hearing to be held and the budget timely adopted.
6. The budget officer or designee is responsible for the required public notices on the dates set forth in Chapter 18.1 of the City Code.
7. The annual budget shall be balanced such that expenditures cannot exceed revenues plus fund cash reserves.
8. The Budget Ordinance presented to and adopted by the City Council is prepared on a cash basis which is not in accordance with generally Accepted Accounting Principles (GAAP). The Budget to Actual schedule included in Required Supplementary Information include the amounts of timing differences necessary to reconcile the non-GAAP actual to GAAP actual fund balance for the General Fund.
9. The level of budgetary control is by Fund. Therefore, expenditures cannot legally exceed appropriations beyond this level.
10. Supplemental appropriation ordinances may be passed by the City Council, as required to appropriate new spending for expenditures not contemplated in the Council adopted budget, with funding provided by a new revenue source or from fund balance reserves.

Excess of Expenditures Over Appropriations

No major funds had an excess of actual expenditures over legally enacted budget.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS

The City has adopted investment policies and procedures as recommended by an investment advisory committee and approved by the City Manager, all within the guidelines established for the investment of public funds in accordance with the Illinois Compiled Statutes. The City is authorized by statute and policy to make deposits or investments in obligations of the United States Government; obligations of states or their political subdivisions; savings accounts, time deposits, certificates of deposit, or other investments which are direct obligations of banks as defined by the Illinois Banking Act; credit union shares; repurchase agreements; commercial paper rated within the three highest classifications by at least two standard rating services; the Illinois Public Treasurer's Investment Pool; and funds managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations' tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivision, stocks, mutual funds, and Illinois insurance companies' general and separate accounts.

At year-end the carrying value of the City's deposits, including certificates of deposit, was \$81,896,180 and the respective bank balances totaled \$83,520,874, not including cash on hand of \$6,415.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's formal investment policy states the portfolio shall remain sufficiently liquid to meet all operating costs which may be reasonably anticipated. In addition, the City shall maintain diversified investments to avoid unreasonable risks. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. The standard of prudence to be used by the City shall be the "prudent person" standard which states:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the City's overall portfolio.

100% of the Government's investments in U.S. Government agencies were rated Aaa by Moody's Investors Service. 18% of the government's investments in municipal bonds were rated Aa3 and 5% were rated Aa3 by Moody's, 14% were rated AAA, 16% were rated AA, and 48% were rated AA+ by S & P. 4% of the government's investments in corporate bonds were rated Aaa by Moody's, 7% were rated Aa2, 3% were rated Aa3, 16% were rated A1, 19% were rated A2, 17% were rated A3, 1% were rated AA, 15% were rated Baa1, 13% were rated Baa2, 4% were rated Baa3, and 1% were not rated.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. The City's deposit policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third-party institution in the name of the City. As of December 31, 2021, the City's bank deposits were fully collateralized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy requires diversification of investment to avoid unreasonable risk. At December 31, 2021, the City's investments representing greater than five percent of their total fund investments was U.S. Treasury Bond (\$11,548,986). At December 31, 2021, the Police Pension Fund's investments representing greater than five percent of their total fund investments was American Funds (\$14,774,157), Capital World Growth (\$31,314,493), T. Rowe Price (\$18,417,627), and United States Treasury (\$17,444,480). At December 31, 2021, the Firefighters' Pension Fund's investments representing greater than five percent of their total fund investments was IShares TR (\$11,161,020) and T. Rowe Price (\$10,752,526).

As of December 31, 2021, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Cash and Money Market	\$ 5,830,250	\$ 5,830,250	\$ -	\$ -	\$ -
Certificates of Deposit	181,894	-	-	181,894	-
Market-Linked Notes	196,430	-	196,430	-	-
U.S. Government Agencies	12,867,394	12,878	1,325,776	2,240,378	9,288,362
Corporate Bonds	31,088,864	1,953,448	12,994,194	12,832,279	3,308,943
Municipal Bonds	898,694	-	-	70,222	828,472
U.S. Treasury Bonds	38,140,173	9,811,792	21,924,622	4,374,832	2,028,927
Annuities	808,660	648,346	-	-	160,314
Mutual Funds	124,595,436	124,595,436	-	-	-
Common Stock	39,668,799	39,668,799	-	-	-
Total	<u>\$ 254,276,594</u>	<u>\$ 182,520,949</u>	<u>\$ 36,441,022</u>	<u>\$ 19,699,605</u>	<u>\$ 15,615,018</u>

The City invests in various investment securities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the Statement of Net Position.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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 (quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs such as investments and yield curves, implied volatiles, and credit spreads); Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2021:

Level 1 Inputs of \$39,668,799 – including common stock.

Level 2 Inputs of \$208,777,544– including U.S. government agencies, U.S. treasury securities, municipal bonds, corporate bonds, mutual funds, and annuities.

Investments in The Illinois Funds

The State Treasurer maintains the Illinois Treasurer's Investment Pool (Pool) at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the Pool at less than 25 days. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The Pool maintains a Standard and Poor's AAA rating. The City's investments in the Illinois Funds are not required to be categorized because these are not securities. The relationship between the City and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship. At December 31, 2021, the City had \$78,261 in the Pool, which approximates fair value.

All funds deposited in the Pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235.

At December 31, 2021, cash and cash equivalents for the Civic Center Authority are comprised of cash on hand of \$1,774 and bank deposits of \$121,716 (carrying value of \$125,346).

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

Investments in The Illinois Funds (Continued)

Reconciliation of this footnote to the financial statements:

	Primary Government
Carrying Amount of Bank Deposits – per Note Above	\$ 81,896,180
Cash on Hand – per Note Above	6,415
Investments – per Note Above (Including Illinois Funds)	254,276,594
Total	<u>\$ 336,179,189</u>
	Primary Government
Statement of Net Position	
Cash and Cash Equivalents	\$ 88,695,144
Investments	2,018,584
Statement of Fiduciary Net Position - Pension Trust Funds	
Cash and Short-Term Investments	8,750,224
Long-Term Investments	236,715,237
Total	<u>\$ 336,179,189</u>

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of December 31, 2021 are summarized below:

	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General	\$ -	\$ 21,050
Nonmajor Governmental Funds	-	1,103,816
Major Enterprise Funds		
Water	3,753,816	-
Mass Transit	-	2,650,000
Total	<u>\$ 3,753,816</u>	<u>\$ 3,753,816</u>

Interfund receivables and payables are primarily used to record:

- Interfund loans to cover short-term cash flow needs.
- Interfund loans between funds for various programs.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 TRANSFERS

The following transfers were made during the fiscal year between funds within the primary government:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General	\$ 3,875,129	\$ 4,388,608
Nonmajor Governmental Funds	5,734,955	2,463,192
Major Enterprise Funds		
Water	2,100,000	4,383,492
Sewer	-	513,072
Nonmajor Enterprise Funds	109,656	71,376
Total	<u>\$ 11,819,740</u>	<u>\$ 11,819,740</u>

The transfers represent both routine and nonroutine items. Generally, routine transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund or other funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 CAPITAL ASSETS

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

Primary Government

	Balance December 31, 2020	Increases	Decreases	Balance December 31, 2021
Governmental Activities *				
Capital Assets Not Being Depreciated				
Land	\$ 10,514,270	\$ -	\$ 2,671,444	\$ 7,842,826
Construction in Progress	7,608,963	8,722,616	762,457	15,569,122
Subtotal	18,123,233	8,722,616	3,433,901	23,411,948
Capital Assets Being Depreciated				
Infrastructure	136,918,123	1,170,653	4,805,082	133,283,694
Buildings and Improvements	49,423,817	3,738,237	2,331,842	50,830,212
Vehicles	14,135,378	500,784	946,602	13,689,560
Equipment	16,827,714	527,679	62,774	17,292,619
Subtotal	217,305,032	5,937,353	8,146,300	215,096,085
Less Accumulated Depreciation for:				
Infrastructure	(81,495,145)	(3,449,148)	(1,077,724)	(83,866,569)
Buildings and Improvements	(27,307,569)	(1,347,333)	(535,952)	(28,118,950)
Vehicles	(12,161,704)	(479,487)	(969,424)	(11,671,767)
Equipment	(13,227,282)	(1,157,821)	12,293	(14,397,396)
Total Accumulated Depreciation	(134,191,700)	(6,433,789)	(2,570,807)	(138,054,682)
Total Capital Assets Being Depreciated, Net	83,113,332	(496,436)	5,575,493	77,041,403
Total Governmental Activities Capital Assets, Net	<u>\$ 101,236,565</u>	<u>\$ 8,226,180</u>	<u>\$ 9,009,394</u>	<u>\$ 100,453,351</u>

*Includes internal service funds

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Business-Type Activities

Capital Assets Not Being Depreciated

Land	\$ 4,450,066	\$ -	\$ -	\$ 4,450,066
Construction in Progress	5,767,273	2,411,389	1,267,958	6,910,704
Subtotal	<u>10,217,339</u>	<u>2,411,389</u>	<u>1,267,958</u>	<u>11,360,770</u>

Capital Assets Being Depreciated

Infrastructure	71,651,642	31,168,186	292,815	102,527,013
Buildings and Improvements	186,498,881	8,450	27,096,216	159,411,115
Vehicles	11,673,328	1,795,227	938,529	12,530,026
Equipment	18,995,738	191,000	-	19,186,738
Subtotal	<u>288,819,589</u>	<u>33,162,863</u>	<u>28,327,560</u>	<u>293,654,892</u>

Less Accumulated Depreciation for:

Infrastructure	(22,471,402)	(3,699,774)	404,601	(26,575,777)
Buildings and Improvements	(91,820,045)	(5,406,386)	(404,602)	(96,821,829)
Vehicles	(5,671,402)	(1,076,659)	(990,053)	(5,758,008)
Equipment	(7,330,438)	(1,026,570)	51,526	(8,408,534)
Total Accumulated Depreciation	<u>(127,293,287)</u>	<u>(11,209,389)</u>	<u>(938,528)</u>	<u>(137,564,148)</u>

Total Capital Assets

Being Depreciated, Net	<u>161,526,302</u>	<u>21,953,474</u>	<u>27,389,032</u>	<u>156,090,744</u>
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Total Business-Type Activities

Capital Assets, Net	<u>\$ 171,743,641</u>	<u>\$ 24,364,863</u>	<u>\$ 28,656,990</u>	<u>\$ 167,451,514</u>
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Depreciation expense was charged to governmental and business-type activities functional expense categories, respectively, as follows:

Governmental Activities	Depreciation	Business-Type Activities	Depreciation
General Government	\$ 223,604	Water	\$ 9,098,125
Public Safety	1,033,065	Mass Transit	1,013,213
Public Works	4,483,080	Fiber Optics	43,247
Culture and Recreation	596,887	Sewer	945,069
Internal Service	97,153	Storm Water	109,735
Total	<u>\$ 6,433,789</u>	Total	<u>\$ 11,209,389</u>

Discretely Presented Component Unit

Activity for the Civic Center Authority for the year ended December 31, 2021 was as follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Capital Assets Not Being Depreciated				
Land	\$ 3,130,762	\$ -	\$ -	\$ 3,130,762
Total Capital Assets Being Not Depreciated	<u>3,130,762</u>	<u>-</u>	<u>-</u>	<u>3,130,762</u>
Capital Assets Being Depreciated				
Buildings and Equipment	14,389,113	19,252	6,232	14,402,133
Less Accumulated Depreciation for:				
Buildings and Equipment	(11,650,950)	(169,575)	(6,232)	(11,814,293)
Total Capital Assets Being Depreciated, Net	<u>2,738,163</u>	<u>(150,323)</u>	<u>-</u>	<u>2,587,840</u>
Civic Center Capital Assets, Net	<u>\$ 5,868,925</u>	<u>\$ (150,323)</u>	<u>\$ -</u>	<u>\$ 5,718,602</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 RECEIVABLES

The following is a summary of other taxes, due from other governments, accounts, notes, and other receivables by fund type at December 31, 2021, less the allowance for uncollectible accounts. Any other uncollectible amounts are not believed to be material.

Governmental Activities

	General	Special Revenue	Debt Service	Capital Projects	Internal Services	Total Statement of Net Position
Other Taxes						
Hotel and Motel Tax	\$ 62,215	\$ -	\$ -	\$ -	\$ -	\$ 62,215
Food and Beverage Tax	333,093	-	-	-	-	333,093
Cable TV Tax	248,753	-	-	-	-	248,753
Utility Tax	742,905	-	-	-	-	742,905
Motor Fuel Tax	-	155,334	-	-	-	155,334
State Route Maintenance	65,274	109,422	-	-	-	174,696
State Income Tax	960,876	-	-	-	-	960,876
State Replacement Tax	370,498	-	-	-	-	370,498
Total Other Taxes	<u>\$ 2,783,614</u>	<u>\$ 264,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,048,370</u>
Due from Other Governments						
Grants	\$ 187,710	\$ 1,868,563	\$ -	\$ -	\$ -	\$ 2,056,273
Allotments	-	283,071	-	-	-	283,071
Total Due from Other Governments	<u>\$ 187,710</u>	<u>\$ 2,151,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,339,344</u>
Accounts Receivable						
General Billings	\$ 211,051	\$ 1,132	\$ -	\$ -	\$ 3,575	\$ 215,758
Outstanding Parking Tickets	661,160	-	-	-	-	661,160
Allowance for Uncollectible Portion	(328,757)	-	-	-	-	(328,757)
Total Accounts Receivable	<u>\$ 543,454</u>	<u>\$ 1,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,575</u>	<u>\$ 548,161</u>
Notes Receivable						
Installment Notes	\$ -	\$ 207,047	\$ -	\$ -	\$ -	\$ 207,047
Home Program Loans	-	85,872	-	-	-	85,872
Allowance for Uncollectible Notes	-	(103,357)	-	-	-	(103,357)
Total Notes Receivable	<u>\$ -</u>	<u>\$ 189,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,562</u>
Other						
Investment Income	<u>\$ 7,208</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ 7,830</u>

Notes receivable include loans made through the DCDF, Inc. housing rehabilitation program under the terms of mortgage-secured installment notes with interest rates ranging from zero to 6%. The term of the notes is not to exceed twenty years. Notes are classified as either installment or deferred. Deferred notes have repayment terms beginning sometime in the future.

Business-Type Activities

	Enterprise
Accounts Receivable	
Water Billings	\$ 2,671,012
Watermain Tapping	5,723
Sanitary District	468,488
Grants	3,045,349
Recycling Fees	61,271
Fiber Optics	(450)
Sewer Billings	387,214
Storm Water	199,757
Total Accounts Receivable	<u>\$ 6,838,364</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT

The following is a summary of changes to the City's long-term debt for the year:

	Obligations Outstanding at December 31, 2020	Debt Additions	Debt Retirement	Obligations Outstanding at December 31, 2021	Due Within One Year
Governmental Activities *					
General Obligation Bonds:					
Series of 2010C	\$ 990,000	\$ -	\$ 235,000	\$ 755,000	\$ 240,000
Series of 2012	3,560,000	-	670,000	2,890,000	695,000
Series of 2018	9,275,000	-	335,000	8,940,000	345,000
Series of 2019	6,500,000	-	655,000	5,845,000	675,000
Series of 2019B	2,100,000	-	200,000	1,900,000	200,000
Series of 2020	6,390,000	-	635,000	5,755,000	670,000
(Less) Plus Deferred Amounts for:					
Issuance Premiums	1,098,736	-	157,189	941,547	78,200
Total General Obligation Bonds	29,913,736	-	2,887,189	27,026,547	2,903,200
Notes Payable (Direct Borrowings):					
2014 Soy Capital Bank	233,546	-	121,859	111,687	111,687
2015 Busey Fire Note	132,920	-	65,705	67,215	67,215
2016 Busey Street Note	3,214,282	-	1,071,429	2,142,853	1,071,429
2017 Busey Public Works	66,569	-	37,577	28,992	28,992
2019 Busey Police Note	66,833	-	66,833	-	-
HUD Section 108, 2019-A	415,000	-	415,000	-	-
2020 Regions Note	726,879	-	76,461	650,418	80,324
2021 Regions Note	-	1,600,842	112,179	1,488,663	361,041
2021 Hickory Point Fire Pierce Aerial	-	820,633	-	820,633	59,426
2021 Hickory Point Fire Pierce Pumper	-	569,681	-	569,681	41,253
2021 Hickory Point Sweeper	-	301,959	-	301,959	41,769
Total Notes Payable	4,856,029	3,293,115	1,967,043	6,182,101	1,863,136
Compensated Absences	6,342,494	2,207,910	2,346,442	6,203,962	2,946,882
Capital Leases	492,233	-	193,099	299,134	122,087
Total Governmental Activities	<u>\$ 41,604,492</u>	<u>\$ 5,501,025</u>	<u>\$ 7,393,773</u>	<u>\$ 39,711,744</u>	<u>\$ 7,835,305</u>

*Includes internal service funds

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

	Obligations Outstanding at December 31, 2020	Debt Additions	Debt Retirement	Obligations Outstanding December 31, 2021	Due Within One Year
Business-Type Activities					
General Obligation Bonds:					
Series of 2013	\$ 8,125,000	\$ -	\$ 1,465,000	\$ 6,660,000	\$ 1,540,000
Series of 2014	18,870,000	-	995,000	17,875,000	1,035,000
Series of 2015	19,095,000	-	935,000	18,160,000	970,000
Series of 2016	19,605,000	-	850,000	18,755,000	890,000
Series of 2017	3,500,000	-	995,000	2,505,000	1,045,000
Series of 2018	14,905,000	-	540,000	14,365,000	560,000
Series of 2020	11,660,000	-	1,040,000	10,620,000	1,100,000
(Less) Plus Deferred Amounts for:					
Issuance Premiums	5,858,880	-	533,978	5,324,902	533,679
Total General Obligation Bonds	101,618,880	-	7,353,978	94,264,902	7,673,679
Notes Payable (Direct Borrowings):					
2001 IEPA Loan	591,044	-	470,581	120,463	120,463
2011 IEPA Water Loan	3,978,487	-	361,680	3,616,807	361,681
2013 IEPA Sewer Loan	5,615,999	-	353,002	5,262,997	359,848
2014 IEPA Loan	1,712,995	-	99,019	1,613,976	101,005
2014 Soy Capital Bank	58,838	-	30,680	28,158	28,158
2016 IEPA Sewer Loan	7,630,987	-	376,217	7,254,770	382,830
2017 IEPA Storm Sewer Loan	3,293,654	-	162,381	3,131,273	165,235
2019 IEPA Loan Sewer Project	4,647,112	-	180,776	4,466,336	195,360
2020 Regions Note	12,319,120	-	1,296,538	11,022,582	1,360,676
Total Notes Payable	39,848,236	-	3,330,874	36,517,362	3,075,256
Compensated Absences	554,350	-	357,389	196,961	93,556
Total Business-Type Activities	<u>\$ 142,021,466</u>	<u>\$ -</u>	<u>\$ 11,042,241</u>	<u>\$ 130,979,225</u>	<u>\$ 10,842,491</u>

See Note 17 for more detail of the capital lease obligations.

Net pension liability and other postemployment benefit liability changes are disclosed in separate footnotes.

Long-term bond and note obligations (all direct borrowings) outstanding at December 31, 2021 are comprised of the following:

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

General Obligation Bonds, Series 2010C

\$2,800,000 2010 General Obligation Bonds dated November 3, 2010 due December 15, 2024; interest of 2.00% to 4.00% (principal and interest to be serviced by annual tax levy) to finance capital improvements in the City.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 240,000	\$ 30,200	\$ 270,200
2023	250,000	20,600	270,600
2024	265,000	10,600	275,600
Total	<u>\$ 755,000</u>	<u>\$ 61,400</u>	<u>\$ 816,400</u>

General Obligation Bonds, Series 2012

\$8,030,000 Series 2012 General Obligation Bonds dated December 20, 2012 due March 1, 2025; interest of 1.00% to 2.50% (principal and interest to be serviced by annual tax levy) to refund Series 2004A general obligation bonds which were used for various capital projects.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 695,000	\$ 61,806	\$ 756,806
2023	710,000	45,556	755,556
2024	730,000	28,000	758,000
2025	755,000	9,438	764,438
Total	<u>\$ 2,890,000</u>	<u>\$ 144,800</u>	<u>\$ 3,034,800</u>

General Obligation Bonds, Series 2013

\$17,220,000 Series 2013 General Obligation Bonds dated January 24, 2013 due March 1, 2025; interest of 2.00% to 5.00% (principal and interest to be serviced by annual tax levy) to refund Series 2004B general obligation bonds which were used to refund the 2000 and 1985 general obligation bonds used in the construction of the water treatment facility.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,540,000	\$ 290,000	\$ 1,830,000
2023	1,625,000	210,875	1,835,875
2024	1,705,000	129,875	1,834,875
2025	1,790,000	44,750	1,834,750
Total	<u>\$ 6,660,000</u>	<u>\$ 675,500</u>	<u>\$ 7,335,500</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General Obligation Bonds, Series 2014

\$24,055,000 Series 2014 General Obligation Bonds dated April 8, 2014 due March 1, 2034; interest of 3.00% to 5.00% (principal and interest to be serviced by annual tax levy) to finance phase 1 of six (6) year \$90.4m project to dredge Lake Decatur basins 1-4.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,035,000	\$ 817,738	\$ 1,852,738
2023	1,075,000	770,163	1,845,163
2024	1,130,000	715,038	1,845,038
2025	1,185,000	657,163	1,842,163
2026	1,245,000	596,413	1,841,413
2027-2031	7,100,000	2,106,044	9,206,044
2032-2034	5,105,000	391,125	5,496,125
Total	<u>\$ 17,875,000</u>	<u>\$ 6,053,684</u>	<u>\$ 23,928,684</u>

General Obligation Bonds, Series 2015

\$23,305,000 Series 2015 General Obligation Bonds dated September 3, 2015 due March 1, 2035; interest of 2.00% to 5.00% (principal and interest to be serviced by annual tax levy) to finance phase 2 of six (6) year \$90.4m project to dredge Lake Decatur basins 1-4.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 970,000	\$ 769,425	\$ 1,739,425
2023	995,000	739,950	1,734,950
2024	1,030,000	709,575	1,739,575
2025	1,070,000	667,375	1,737,375
2026	1,125,000	612,500	1,737,500
2027-2031	6,555,000	2,136,050	8,691,050
2032-2035	6,415,000	533,338	6,948,338
Total	<u>\$ 18,160,000</u>	<u>\$ 6,168,213</u>	<u>\$ 24,328,213</u>

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General Obligation Bonds, Series 2016

\$22,200,000 Series 2016 General Obligation Bonds dated November 9, 2016 due March 1, 2036; interest of 3.00% to 5.00% (principal and interest to be serviced by annual tax levy) to finance phase 3 of six (6) year project to dredge Lake Decatur basins 1-4.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 890,000	\$ 826,006	\$ 1,716,006
2023	935,000	780,381	1,715,381
2024	985,000	732,381	1,717,381
2025	1,030,000	682,006	1,712,006
2026	1,085,000	629,131	1,714,131
2027-2031	6,220,000	2,367,884	8,587,884
2032-2036	7,610,000	913,375	8,523,375
Total	<u>\$ 18,755,000</u>	<u>\$ 6,931,164</u>	<u>\$ 25,686,164</u>

General Obligation Bonds, Series 2017

\$6,275,000 Series 2017 General Obligation Bonds dated December 21, 2017 due December 15, 2024; interest of 3.00% to 4.00% (principal and interest to be serviced by annual tax levy) to refund Series 2008 general obligation bonds which refinanced certain outstanding indebtedness that financed capital improvements in the City.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,045,000	\$ 100,200	\$ 1,145,200
2023	1,095,000	58,400	1,153,400
2024	365,000	14,600	379,600
Total	<u>\$ 2,505,000</u>	<u>\$ 173,200</u>	<u>\$ 2,678,200</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General Obligation Bonds, Series 2018

\$25,810,000 Series 2018 General Obligation Bonds dated July 17, 2018 due March 1, 2038; interest of 4.00% to 5.00% (principal and interest to be serviced by annual tax levy) to finance phase 4 (final phase) of six (6) year \$90.4 million project to dredge Lake Decatur basins 1-4, finance construction of new fire stations, and to refinance certain outstanding indebtedness of the City (2016 Busey Bank Fire Facility Rehabilitation Note). As of December 31, 2021, approximately \$3,178,975 of the proceeds remains unexpended.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 905,000	\$ 1,138,100	\$ 2,043,100
2023	945,000	1,096,375	2,041,375
2024	1,000,000	1,047,750	2,047,750
2025	1,045,000	996,625	2,041,625
2026	1,100,000	943,000	2,043,000
2027-2031	6,350,000	3,814,000	10,164,000
2032-2036	8,120,000	2,014,250	10,134,250
2037-2038	3,840,000	194,250	4,034,250
Total	<u>\$ 23,305,000</u>	<u>\$ 11,244,350</u>	<u>\$ 34,549,350</u>

General Obligation Bonds, Series 2019

\$6,720,000 Series 2019 General Obligation Bonds dated August 7, 2019 due December 15, 2030; interest of 2.30% to 3.05% (principal and interest to be serviced by annual tax levy) to partially refund Series 2010A general obligation bonds which refinanced certain outstanding indebtedness that financed capital improvements in the City.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 675,000	\$ 153,968	\$ 828,968
2023	900,000	138,274	1,038,274
2024	915,000	116,629	1,031,629
2025	670,000	93,709	763,709
2026	700,000	76,188	776,188
2027-2030	1,985,000	133,223	2,118,223
Total	<u>\$ 5,845,000</u>	<u>\$ 711,991</u>	<u>\$ 6,556,991</u>

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General Obligation Bonds, Series 2019B

\$2,300,000 Series 2019B General Obligation Bonds dated December 10, 2019 due December 15, 2034; interest of 2.31% (principal and interest to be serviced by annual tax levy) to finance capital improvements to the library parking lot and air handling system and to refund the lease of police radios and ancillary equipment. This was a direct placement and there are no default measures.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 200,000	\$ 43,890	\$ 243,890
2023	200,000	39,270	239,270
2024	200,000	34,650	234,650
2025	115,000	30,030	145,030
2026	120,000	27,374	147,374
2027-2031	645,000	93,786	738,786
2032-2034	420,000	19,635	439,635
Total	<u>\$ 1,900,000</u>	<u>\$ 288,635</u>	<u>\$ 2,188,635</u>

General Obligation Bonds, Series 2020

\$18,500,000 Series 2020 General Obligation Bonds dated December 15, 2020 due December 15, 2030; interest of 2.10% (principal and interest to be serviced by annual tax levy) to refinance General Obligation Bonds, Series 2010B. This was a direct placement and there are no default measures.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,770,000	\$ 343,875	\$ 2,113,875
2023	1,850,000	306,705	2,156,705
2024	1,935,000	267,855	2,202,855
2025	1,720,000	227,220	1,947,220
2026	1,750,000	191,100	1,941,100
2027-2030	7,350,000	389,445	7,739,445
Total	<u>\$ 16,375,000</u>	<u>\$ 1,726,200</u>	<u>\$ 18,101,200</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings)

Illinois Environmental Protection Agency 2001 Loan

\$7,172,169 loan with the Illinois Environmental Protection Agency (IEPA) to finance the costs relating to the construction of the Nitrate Removal facility. The term of the loan is for 20 years with an annual fixed loan rate of 2.905%. The semi-annual repayment dates for both principal and interest are June 1 and December 1.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 120,463	\$ 1,751	\$ 122,214
Total	<u>\$ 120,463</u>	<u>\$ 1,751</u>	<u>\$ 122,214</u>

Illinois Environmental Protection Agency Water Loan - 2011

\$9,444,709 loan with the Illinois Environmental Protection Agency (IEPA), of which \$2,451,381 was forgivable for net debt of \$6,993,328, to finance the costs relating to the construction of a new water main, water tower, and booster pump station. The term of the loan is for 20 years with a fixed rate of 0.00%. The semi-annual repayment dates are July 10 and January 10.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 361,681	\$ -	\$ 361,681
2023	361,681	-	361,681
2024	361,681	-	361,681
2025	361,681	-	361,681
2026	361,681	-	361,681
2027-2031	1,808,402	-	1,808,402
Total	<u>\$ 3,616,807</u>	<u>\$ -</u>	<u>\$ 3,616,807</u>

Illinois Environmental Protection Agency Sewer Loan - 2013

\$8,353,821 loan with the Illinois Environmental Protection Agency (IEPA), of which \$764,148 was forgivable for net debt of \$7,589,673, to finance the costs related to the rehabilitation of certain main line sewer infrastructure. The term of the loan is for 20 years with a fixed interest rate of 1.93%. The semi-annual repayment dates are June 15 and December 15.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings) (Continued)

Illinois Environmental Protection Agency Sewer Loan – 2013

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 359,848	\$ 99,848	\$ 459,696
2023	366,826	92,869	459,695
2024	373,940	85,755	459,695
2025	381,192	78,504	459,696
2026	388,584	71,111	459,695
2027-2031	2,058,926	239,552	2,298,478
2032-2034	1,333,681	45,406	1,379,087
Total	<u>\$ 5,262,997</u>	<u>\$ 713,045</u>	<u>\$ 5,976,042</u>

Illinois Environmental Protection Agency Sewer Loan - 2014

\$2,447,218 loan with the Illinois Environmental Protection Agency (IEPA), of which \$275,000 was immediately forgivable, to finance the costs related to the rehabilitation of certain main line sewer infrastructure. The term of the loan is 20 years for a fixed interest rate of 1.995%. The semi-annual repayment dates are January 8 and July 8.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 101,005	\$ 31,697	\$ 132,702
2023	103,030	29,672	132,702
2024	105,095	27,607	132,702
2025	107,202	25,500	132,702
2026	109,352	23,350	132,702
2027-2031	580,538	82,972	663,510
2032-2035	507,754	23,056	530,810
Total	<u>\$ 1,613,976</u>	<u>\$ 243,854</u>	<u>\$ 1,857,830</u>

Soy Capital Bank & Trust - 2014

\$1,000,000 loan with Soy Capital Bank & Trust dated September 30, 2014, to finance the costs related to the acquisition of public works radio communications system. The term of the loan is 7 years at a fixed interest rate of 2.8%. The annual repayment dates are January 5.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 139,845	\$ 3,432	\$ 143,277
Total	<u>\$ 139,845</u>	<u>\$ 3,432</u>	<u>\$ 143,277</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings) (Continued)

Busey Bank Fire Apparatus Pierce Impel Pumper 2015 Loan

\$439,940 loan with Busey Bank dated May 4, 2015, to finance the costs related to the acquisition of Fire Apparatus Pierce Impel Pumper. The term of the loan is for 7 years with a fixed interest rate of 2.3%. The annual repayment dates are May 4.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 67,215	\$ 1,547	\$ 68,762
Total	<u>\$ 67,215</u>	<u>\$ 1,547</u>	<u>\$ 68,762</u>

Busey Bank Local Road and Street Resurfacing - 2016

The City authorized the issuance of a loan with Busey Bank for a maximum of \$7,500,000 to finance the costs related to resurfacing of local roads and streets within the City on August 18, 2016. The City has drawn down \$7,232,692 as of December 31, 2021. The term of the loan is 7 years for a fixed interest rate of 2.85% with semi-annual principal and interest payments due February 15 and August 15 in the amount of \$535,714, with a fixed interest rate of 2.85%. In the event of default, any remaining lender obligations terminate, and at the option of the lender, all outstanding debt is due.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,071,429	\$ 54,243	\$ 1,125,672
2023	1,071,424	23,286	1,094,710
Total	<u>\$ 2,142,853</u>	<u>\$ 77,529</u>	<u>\$ 2,220,382</u>

Illinois Environmental Protection Agency Sewer Loan - 2016

\$8,540,319 loan with the Illinois Environmental Protection Agency (IEPA) to finance the costs related to the rehabilitation of certain main line sewer infrastructure. The term of the loan is 20 years for a fixed interest rate of 1.75%. The semi-annual repayment dates are scheduled to be March 17 and September 17.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 382,830	\$ 125,291	\$ 508,121
2023	389,558	118,562	508,120
2024	396,406	111,715	508,121
2025	403,373	104,748	508,121
2026	410,463	97,658	508,121
2027-2031	2,163,102	377,500	2,540,602
2032-2036	2,360,003	180,600	2,540,603
2037-2038	749,035	13,146	762,181
Total	<u>\$ 7,254,770</u>	<u>\$ 1,129,220</u>	<u>\$ 8,383,990</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings) (Continued)

Busey Bank Public Works Heavy Equipment - 2017

\$180,624 loan with Busey Bank dated August 18, 2017, to finance the costs related to acquisition of Public Works Heavy Equipment. The term of the loan is 5 years at a fixed interest rate of 3.25% with quarterly principal and interest payments due February 18, May 18, August 18, and November 18 of each year with a maturity date of August 18, 2022.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 28,992	\$ 472	\$ 29,464
Total	<u>\$ 28,992</u>	<u>\$ 472</u>	<u>\$ 29,464</u>

Illinois Environmental Protection Agency Storm Sewer Loan - 2017

\$3,581,487 loan with the Illinois Environmental Protection Agency (IEPA) to finance the costs related to the rehabilitation and separation of certain storm sewer infrastructure. The term of the loan is 20 years for a fixed interest rate of 1.75%. The semi-annual repayment dates are scheduled to be May 21 and November 21.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 165,235	\$ 54,078	\$ 219,313
2023	168,140	51,173	219,313
2024	171,095	48,218	219,313
2025	174,102	45,211	219,313
2026	177,162	42,151	219,313
2027-2031	933,629	162,935	1,096,564
2032-2036	1,018,614	77,950	1,096,564
2037-2038	323,296	5,674	328,970
Total	<u>\$ 3,131,273</u>	<u>\$ 487,390</u>	<u>\$ 3,618,663</u>

Busey Bank Police Interceptor Vehicles - 2019

\$261,460 loan with Busey Bank dated April 17, 2019, to finance the costs related to the acquisition of Police Patrol Vehicles. The term of the loan is 2 years at a fixed interest rate of 1.50% with quarterly principal and interest payments due at January 15, April 15, July 15, and October 15 of each year. This note was paid off in full in 2021.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings) (Continued)

U.S. Department of Housing and Urban Development Series 2019 Certificates

\$810,000 Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974 (Note B-95-MC-17-0008-A) due August 1, 2022; interest of 1.74% to 2.56%. This note was paid off in full in 2021.

Illinois Environmental Protection Agency McKinley Sewer Loan – 2019

\$5,509,611 loan with the Illinois Environmental Protection Agency (IEPA) to finance the costs related to the McKinley Sewer infrastructure. The term of the loan is 20 years for a fixed interest rate of 2.00%. The semi-annual repayment dates are scheduled to be January 23 and July 23.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 195,360	\$ 88,355	\$ 283,715
2023	199,287	84,428	283,715
2024	203,293	80,422	283,715
2025	207,379	76,336	283,715
2026	211,547	72,168	283,715
2027-2031	1,123,253	295,323	1,418,576
2032-2036	1,240,770	177,806	1,418,576
2037-2040	1,085,447	49,412	1,134,859
Total	<u>\$ 4,466,336</u>	<u>\$ 924,250</u>	<u>\$ 5,390,586</u>

Regions Capital Advantage Promissory Note 2020

\$13,417,000 loan with Regions Capital Advantage, Inc. dated July 15, 2020 to refinance the 2013 Regions Note. The term of the loan is 8 years at a fixed interest rate of 1.95% with semi-annual principal and interest payments due at August 15 and February 15 of each year with a maturity date of August 15, 2021. There are no default measures in the agreement.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,441,000	\$ 220,623	\$ 1,661,623
2023	1,516,000	192,182	1,708,182
2024	1,587,000	162,279	1,749,279
2025	1,661,000	130,962	1,791,962
2026	1,740,000	98,192	1,838,192
2027-2028	3,728,000	97,767	3,825,767
Total	<u>\$ 11,673,000</u>	<u>\$ 902,005</u>	<u>\$ 12,575,005</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings) (Continued)

Regions Equipment Notes 2021

\$1,600,842 loan with Regions Equipment Finance, Inc. dated June 4, 2021 to finance the purchase of a 2021 Fire Apparatus Pierce Aerial, two Fire Interceptors and seven Police Interceptors. The term of the two loans combined is 7 years at a fixed interest rate of 2.00% with semi-annual principal and interest payments due at July 15th and January 15th, May 21st and November 21st of each year with a maturity date of May 21, 2028. There are no default measures in the agreement.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 361,041	\$ 41,306	\$ 402,347
2023	379,728	22,244	401,972
2024	159,950	15,437	175,387
2025	163,456	11,931	175,387
2026	167,039	8,348	175,387
2027-2028	257,449	5,633	263,082
Total	<u>\$ 1,488,663</u>	<u>\$ 104,899</u>	<u>\$ 1,593,562</u>

Hickory Point Bank Fire Apparatus Pierce Quint Aerial Sky Boom - 2021

\$820,633 loan with Hickory Point Bank dated December 6, 2021, to finance the costs related to the acquisition of Fire Apparatus Pierce Quint Aerial Sky Boom. The term of the loan is 7 years at a fixed interest rate of 2.00% with semi-annual principal and interest payments due at March 15 and September 15 of each year. In the event of default, the lender may declare the entire unpaid principal under this note and all accrued unpaid interest immediately due.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 59,426	\$ 12,720	\$ 72,146
2023	120,641	14,624	135,265
2024	123,066	12,199	135,265
2025	125,539	9,725	135,264
2026	128,063	7,202	135,265
2027-2028	263,898	6,630	270,528
Total	<u>\$ 820,633</u>	<u>\$ 63,100</u>	<u>\$ 883,733</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable (All Direct Borrowings) (Continued)

Hickory Point Bank Fire Apparatus Pierce Pumper - 2021

\$569,681 loan with Hickory Point Bank dated December 6, 2021, to finance the costs related to the acquisition of Fire Apparatus Pierce Pumper. The term of the loan is 7 years at a fixed interest rate of 2.00% with semi-annual principal and interest payments due at March 15 and September 15 of each year. In the event of default, the lender may declare the entire unpaid principal under this note and all accrued unpaid interest immediately due.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 41,253	\$ 8,830	\$ 50,083
2023	83,748	10,152	93,900
2024	85,432	8,469	93,901
2025	87,149	6,751	93,900
2026	88,901	5,000	93,901
2027-2028	183,198	4,603	187,801
Total	<u>\$ 569,681</u>	<u>\$ 43,805</u>	<u>\$ 613,486</u>

Hickory Point Bank Public Works Tymco Street Sweeper- 2021

\$301,959 loan with Hickory Point Bank dated December 6, 2021, to finance the costs related to the acquisition of Public Works Tymco Street Sweeper. The term of the loan is 7 years at a fixed interest rate of 2.00% with semi-annual principal and interest payments due at March 15 and September 15 of each year. In the event of default, the lender may declare the entire unpaid principal under this note and all accrued unpaid interest immediately due.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 41,769	\$ 4,466	\$ 46,235
2023	41,236	4,999	46,235
2024	42,065	4,170	46,235
2025	42,911	3,324	46,235
2026	43,773	2,462	46,235
2027-2028	90,205	2,266	92,471
Total	<u>\$ 301,959</u>	<u>\$ 21,687</u>	<u>\$ 323,646</u>

The City's outstanding notes from direct placements related to the IEPA contain a provision that in an event of default, failure to take appropriate action shall cause the IEPA to pursue the collection of the amounts past due, the loan balance and the costs thereby incurred through either the Illinois State Collection Act of 1986 (30 ILCS 210) or by any other reasonable means as may be provided by law.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned compensated absences for unused vacation time, sick time and holiday time which will be paid to employees upon separation from City service. In Governmental Fund Types, the cost of these benefits is recognized when payments are made to employees. Enterprise Fund Types accrue vacation time benefits in the period in which they are earned. A liability representing the City's commitment to fund such costs from future operations has been recorded in the Statement of Net Position in the amount of \$6,203,962 for Governmental Activities and \$196,961 for Business Activities. The Governmental Activities costs are substantially paid through the General Fund and the Library Fund.

NOTE 9 PENSION PLANS

The City contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighter's Pension Plan, which is also a single-employer pension plan. None of the pension plans issue a separate report except for IMRF.

IMRF

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement 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 multiemployer 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report may be obtained on-line at www.imrf.org.

Benefits Provided

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

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

IMRF (Continued)

Benefits Provided (Continued)

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 10 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

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	393
Inactive Plan Members Entitled to but not yet Receiving Benefits	129
Active Plan Members	<u>223</u>
Total	<u><u>745</u></u>

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.50% 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 annual contribution rate for calendar year 2020 was 10.97% and for 2021 was 11.98%. For the fiscal year ended December 31, 2021, the City contributed \$1,568,323 to the plan.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

IMRF (Continued)

Contributions (Continued)

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 (Asset)

The City's net pension liability (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary** Increases were expected to be 2.85% to 13.75%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017-2019.
- The IMRF-specific rates for **Mortality** (for nondisabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for nondisabled lives.
- For **Nondisabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

IMRF (Continued)

Actuarial Assumptions (Continued)

- 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	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.00%
International Equity	18	6.00%
Fixed Income	28	1.30%
Real Estate	9	6.20%
Alternative Investments	7	2.85 - 6.95%
Cash Equivalents	1	0.70%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. 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 (to the extent that the plan's 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 as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).
3. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

IMRF (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2020	\$ 112,648,810	\$ 108,508,790	\$ 4,140,020
Changes for the Year:			
Service Cost	1,346,216	-	1,346,216
Interest on the Total Pension Liability	7,971,666	-	7,971,666
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,146,686)	-	(1,146,686)
Assumption changes	(461,642)	-	(461,642)
Contributions - Employer	-	1,440,124	(1,440,124)
Contributions - Employees	-	651,014	(651,014)
Net Investment Income	-	7,628,709	(7,628,709)
Difference Between Projected and Actual Investment Income	-	7,746,298	(7,746,298)
Benefit Payments, Including Refunds of Employee Contributions	(6,735,799)	(6,739,299)	3,500
Administrative Expenses	-	(72,233)	72,233
Other	-	(347,588)	347,588
Net Changes	<u>973,755</u>	<u>10,307,025</u>	<u>(9,333,270)</u>
Balances at December 31, 2021	<u>\$ 113,622,565</u>	<u>\$ 118,815,815</u>	<u>\$ (5,193,250)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	<u>\$ 8,580,655</u>	<u>\$ (5,193,250)</u>	<u>\$ (16,285,661)</u>

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

For the year ended December 31, 2021, the City recognized pension benefit of \$1,494,558. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

IMRF (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
Related to Pensions (Continued)

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences Between Expected and Actual	\$ 309,886	\$ 785,153
Changes of Assumptions	115,848	294,785
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>-</u>	<u>10,448,591</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	425,734	11,528,529
Pension Contributions Made Subsequent to the Measurement Date	<u>1,568,323</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 1,994,057</u></u>	<u><u>\$ 11,528,529</u></u>

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ (3,443,447)
2023	(2,071,057)
2024	(4,039,030)
2025	<u>(1,549,261)</u>
Total	<u><u>\$ (11,102,795)</u></u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Single-Employer Pension Plans

The City has two (2) defined benefit single-employer pension plans: Police and Fire Pension Plans. The plans do not issue stand-alone financial reports and are not included in any other retirement systems or entities financial report. The City accounts for both plans as pension trusts funds; therefore, they are accounted for in substantially the same manner as proprietary funds, with an economic resources measurement focus and employment of the accrual basis of accounting. Plan member contributions, employer contributions and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

For financial statement purposes, plan assets are valued at fair value of the Police and Fire Plans, as reported within the annual trustee statements. The plans do not issue stand-alone financial reports. Therefore, the individual financial reports are presented for each of the plans in this section.

	Pension Trust Funds		
	Police Pension Fund	Fire Pension Fund	Total
ASSETS			
Cash and Short-Term Investments	\$ 5,168,602	\$ 3,581,622	\$ 8,750,224
Accrued Interest	215,915	152,878	368,793
Long-Term Investments, at Fair Value:			
U.S. Government Obligations	28,741,752	10,716,603	39,458,355
Mutual Funds	64,506,277	60,089,158	124,595,435
Common Stock	26,468,424	13,200,375	39,668,799
Annuities	-	808,660	808,660
Municipal Bonds	266,860	631,834	898,694
Corporate Bonds	16,555,883	14,532,981	31,088,864
Notes	-	196,430	196,430
Total Long-Term Investments	<u>136,539,196</u>	<u>100,176,041</u>	<u>236,715,237</u>
Total Assets	<u>\$ 141,923,713</u>	<u>\$ 103,910,541</u>	<u>\$ 245,834,254</u>
LIABILITIES AND NET POSITION			
Accounts Payable	\$ 35,512	\$ 5,981	\$ 41,493
NET POSITION			
Held in Trust for Pension Benefits	<u>141,888,201</u>	<u>103,904,560</u>	<u>245,792,761</u>
Total Liabilities and Net Position	<u>\$ 141,923,713</u>	<u>\$ 103,910,541</u>	<u>\$ 245,834,254</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Single-Employer Pension Plans (Continued)

	Police Pension Fund	Fire Pension Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 5,634,213	\$ 6,194,930	\$ 11,829,143
Plan Member	1,376,741	844,332	2,221,073
Miscellaneous Revenue	5,072	50	5,122
Total Contributions	<u>7,016,026</u>	<u>7,039,312</u>	<u>14,055,338</u>
Investment Earnings:			
Interest and Dividends	1,008,709	666,329	1,675,038
Net Increase in the Fair Value of Investments	<u>16,110,233</u>	<u>10,291,724</u>	<u>26,401,957</u>
Total Investment Income	<u>17,118,942</u>	<u>10,958,053</u>	<u>28,076,995</u>
Less: Investment Expense	<u>300,578</u>	<u>220,111</u>	<u>520,689</u>
Net Investment Income	<u>16,818,364</u>	<u>10,737,942</u>	<u>27,556,306</u>
Total Additions	23,834,390	17,777,254	41,611,644
DEDUCTIONS			
Benefits and Refunds	9,417,153	9,116,478	18,533,631
Administrative Expense	<u>107,908</u>	<u>71,636</u>	<u>179,544</u>
Total Deductions	<u>9,525,061</u>	<u>9,188,114</u>	<u>18,713,175</u>
CHANGE IN NET POSITION	14,309,329	8,589,140	22,898,469
Net Position - Beginning of Year	<u>127,578,872</u>	<u>95,315,420</u>	<u>222,894,292</u>
NET POSITION - END OF YEAR	<u><u>\$ 141,888,201</u></u>	<u><u>\$ 103,904,560</u></u>	<u><u>\$ 245,792,761</u></u>

In addition to other disclosures, the GASB requires a schedule of changes in the net pension liability and related ratios; a schedule of contributions; and a schedule of investment returns that include historical trend information. These schedules are included as required supplementary information to the financial statements.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

Police Pension Plan

Plan Description

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan is administered by a Board of Trustees which acts as the administrator of the plan.

The Board for the Police Pension Plan consists of five Trustees, two of whom are appointed by the Mayor, two of whom are members of the system who are elected by a majority of the Police Officers who are members of the system, and a fifth trustee who is elected by and from the beneficiaries of legal age of the fund. Each Trustee serves a two-year term. Under Article 3 of the Illinois Pension Code, a Police Officer may become a Participant in the Plan upon written application within the first six months of his appointment as a sworn Police Officer.

At December 31, 2021, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated	
Employees Entitled to but not yet Receiving Benefits	195
Current Employees:	
Vested and Nonvested	<u>145</u>
Total	<u><u>340</u></u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years. Employees with at least 8 years but less than 20 years of credited service may retire at or after the age of 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)

Plan Description (Continued)

Under Public Act 96-1495, the annual requirements of the pension fund are to be determined as a level percent of payroll sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities by the year 2040.

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2021 are as follows:

Total Pension Liability	\$ 211,727,174
Plan Fiduciary Net Position	141,707,798
Net Pension Liability	<u>\$ 70,019,376</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.93%
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions applied to all measurement periods:

Valuation Date	January 1, 2021
Measurement Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Projected Salary Increases	3.0%
Investment Rate of Return	7.25%
Mortality Rate	PubS-2010 Mortality with Generational Projection per the MP-2019 Ultimate Scale

Each Board of Trustees (Board) is responsible for administering the investment policies of the Plans and providing oversight for the management of the plans' assets. The investment strategy of each plan is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy for each plan requires that all plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)

Net Pension Liability (Continued)

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 by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rate of return for each major asset class included in the pension plans' target asset allocations as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3%	-0.26%
Core Fixed Income	34%	1.28%
Broad U.S. Equities	63%	3.57%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for Police Pension. The projection of cash flow used to determine the discount rate assumed that the funding policy is to amortize the unfunded liability over 24 years from January 1, 2021. Based on those assumptions, the pension plans' 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.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Pension Plan calculated using the discount rates listed above, as well as what the Plan'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:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount Rate	6.25%	7.25%	8.25%
Net Pension Liability	\$102,241,262	\$70,019,376	\$44,152,055

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)

Net Pension Liability (Continued)

The following presents the changes in City's net pension liability for the Police Pension Plan:

Total Pension Liability	
Service Cost	\$ 2,309,690
Interest	14,565,283
Changes of Assumptions/Methods	4,458,856
Effect of Economic/Geographic Gains or Losses	-
Benefit Payments	<u>(9,417,153)</u>
Net Change in Total Pension Liability	11,916,676
Total Pension Liability - Beginning	<u>199,810,498</u>
Total Pension Liability - Ending (A)	<u><u>\$ 211,727,174</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 5,634,213
Contributions - Employee	1,376,741
Net Investment Income	16,633,312
Benefit Payments	(9,417,153)
Administrative Expense	<u>(98,188)</u>
Net Change in Plan Fiduciary Net Position	14,128,925
Plan Fiduciary Net Position - Beginning	<u>127,578,873</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 141,707,798</u></u>
 Net Pension Liability (A) - (B)	<u><u>\$ 70,019,376</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 66.93%
 Covered Payroll	 \$ 12,280,102
 Net Pension Liability as a Percentage of Covered Payroll	 570.19%

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)

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

For the year ended December 31, 2021, the City recognized pension expense of \$10,034,801. On December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,445,613	\$ 512,999
Changes of assumptions	11,637,958	-
Net Difference Between Projected and Actual Earnings	-	9,892,526
Total Deferred Amounts Related to Pensions	<u>\$ 17,083,571</u>	<u>\$ 10,405,525</u>

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) in future periods as follows:

<u>Year Ending December 31,</u>	Net Deferred Outflows of Resources
2022	\$ 4,433,061
2023	1,763,764
2024	1,448,810
2025	(967,589)
Total	<u>\$ 6,678,046</u>

Fire Pension Plan

Plan Description

The Fire Pension Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan is administered by a Board of Trustees which acts as the administrator of the plan.

The Board for the Fire Pension Plan consists of five Trustees, two of whom are appointed by the Mayor, two of whom are members of the system who are elected by a majority of the Firefighters who are members of the system, and a fifth trustee who is elected by and from the retired/disabled members of the fund. Each Trustee serves a three-year term. Each person employed by the City Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of his or her employment.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

Fire Pension Plan (Continued)

Plan Description (Continued)

All Firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

At December 31, 2021, the Fire Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated	
Employees Entitled to but not yet Receiving Benefits	142
Current Employees:	
Vested and Nonvested	103
Total	<u>245</u>

The Fire Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held on the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.45% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings.

Under Public Act 96-1495, the annual requirements of the pension fund are to be determined as a level percent of payroll sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities by the year 2040.

Net Pension Liability

The components of the net pension liability of the Fire Pension Plan as of December 31, 2021 are as follows:

Total Pension Liability	\$ 183,019,674
Plan Fiduciary Net Position	<u>103,757,664</u>
Net Pension Liability	<u>\$ 79,262,010</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.69%
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CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Fire Pension Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 using the following actuarial assumptions applied to all measurement periods:

Valuation Date	January 1, 2021
Measurement Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Projected Salary Increases	3.0%
Investment Rate of Return	6.75%
Mortality Rate	PubS-2010 Mortality with Generational Projection per the MP-2019 Ultimate Scale

Each Board of Trustees (Board) is responsible for administering the investment policies of the Plans and providing oversight for the management of the Plans' assets. The investment strategy of each Plan is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy for each plan requires that all Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price.

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 by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rate of return for each major asset class included in the pension plans' target asset allocations as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	4.5%	-0.26%
Core Fixed Income	27.5%	1.28%
Broad U.S. Equities	68%	3.57%

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

Fire Pension Plan (Continued)

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for Fire Pension. The projection of cash flow used to determine the discount rate assumed that the funding policy is to amortize the unfunded liability over 24 years from January 1, 2021. Based on those assumptions, the pension plans' 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.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Pension Plan calculated using the discount rates listed above, as well as what the Plan'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:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount Rate	5.75%	6.75%	7.75%
Net Pension Liability	\$105,078,140	\$79,262,010	\$58,327,951

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Fire Pension Plan (Continued)

Net Pension Liability (Continued)

The following presents the changes in City's net pension liability for Fire Pension Plan:

Total Pension Liability	
Service Cost	\$ 2,380,150
Interest	11,753,007
Changes of Assumptions/Methods	2,799,953
Effect of Economic/Demographic Gain (Loss)	2,147,881
Benefit Payments	(9,116,478)
Net Change in Total Pension Liability	9,964,513
Total Pension Liability - Beginning	173,055,161
Total Pension Liability - Ending (A)	<u>\$ 183,019,674</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 6,194,929
Contributions - Employee	844,332
Net Investment Income	10,585,117
Benefit Payments	(9,116,478)
Administrative Expense	(65,655)
Net Change in Plan Fiduciary Net Position	8,442,245
Plan Fiduciary Net Position - Beginning	95,315,419
Plan Fiduciary Net Position - Ending (B)	<u>\$ 103,757,664</u>
Net Pension Liability (A) - (B)	<u>\$ 79,262,010</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.69%
Covered Payroll	\$ 9,369,016
Net Pension Liability as a Percentage of Covered Payroll	846.00%

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

For the year ended December 31, 2021, the City recognized pension expense of \$9,033,798. On December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,491,976	\$ -
Changes of assumptions	12,312,806	-
Net Difference Between Projected and Actual Earnings	-	8,038,327
Total Deferred Amounts Related to Pensions	<u>\$ 14,804,782</u>	<u>\$ 8,038,327</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 PENSION PLANS (CONTINUED)

Fire Pension Plan (Continued)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions (Continued)

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2022	\$ 3,004,517
2023	1,039,266
2024	2,554,029
2025	168,643
Total	<u>\$ 6,766,455</u>

Pension Summary

For the year ended December 31, 2021, aggregate data for the City's three pension plans is summarized by the following table.

	<u>IMRF</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
Net Pension Asset	\$ 5,193,250	\$ -	\$ -	\$ 5,193,250
Net Pension Liability	-	70,019,376	79,262,010	149,281,386
Deferred Outflows of Resources	1,994,057	17,083,571	14,804,782	33,882,410
Deferred Inflows of Resources	11,528,528	10,405,525	8,038,327	29,972,380
Pension Expense (Revenue)	(1,494,558)	10,034,801	9,033,798	17,574,041

NOTE 10 CONTINGENT LIABILITIES

The City participates in a number of federally assisted grant programs, principal of which are the Community Development Block Grant, HOME, Highway Planning, and Federal Transit Administration programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended December 31, 2021, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be insignificant.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 LITIGATION

There are several lawsuits pending against the City for various reasons. The outcome and eventual liability of the City, if any, in these cases are not known at this time and, accordingly, no specific provisions for these lawsuits are included in the financial statements.

NOTE 12 COMMITMENTS

The City has the following commitments:

1. As a result of the City's involvement in the construction of the Decatur Civic Center building, the City and the Decatur Metropolitan Exposition Auditorium and Office Building Authority (Authority) entered into an intergovernmental cooperation agreement in 1977, as amended in 1980, which included a negotiated 99-year rent-free lease for office space. The lease terms require the City to pay only utility and maintenance costs based on square footage occupied by the City within the building, which is approximately 40% of the space.

In applying the accounting standards related to accounting for leases, this lease should be capitalized due to its term and included in long-term debt. However, since these costs represent executory costs and are not quantifiable, the lease has not been capitalized and is classified as an operating lease. Also, since the costs are not quantifiable, the future minimum lease payments are not determinable.

The City pays an operating subsidy to the Authority at the beginning of each fiscal year, in such amount to fund operations anticipated in the fiscal year. The operating subsidy is adjusted each year by the change in the consumer price index.

2. On September 11, 2013, the City entered into a long-term lease arrangement for space to house the City of Decatur Police Headquarters. Lease payments began upon facility occupancy on June 6, 2014. The lease is for twenty (20) years with option to extend the lease for four (4) additional five (5) year terms, or an additional twenty (20) years. Current year expense was \$531,133. Future minimum rental payments are estimated as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 531,133
2023	531,133
2024	546,624
2025	557,690
2026	557,690
2027-2031	2,860,483
2032-2034	1,415,138
Total	<u>\$ 6,999,891</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 COMMITMENTS (CONTINUED)

3. On July 8, 2014, the City entered a five (5) year agreement to lease a certain building facility adjacent to the City of Decatur Police Headquarters with the lease commencing on July 1, 2014 and ending July 31, 2019. On September 28, 2018, the City modified the lease agreement for the lease period commencing August 1, 2019 and ending July 31, 2024, representing early renewal and extension of term, with City ability to extend for an additional five (5) year period in accordance with extension terms of the original lease. Current year expense was \$39,360. Future minimum rental payments are estimated as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 39,360
2023	39,360
2024	22,960
2025	-
Total	<u>\$ 101,680</u>

Other Commitments

At December 31, 2021, the City had contractual commitments of approximately \$13.1 million for capital improvement programs.

The City's labor agreement with Illinois Association of Firefighter's expired at the end of 2019 and is currently in negotiation. When an agreement is reached and ratified, the City will likely owe additional wages to the firefighter's retroactive to January 1, 2020.

NOTE 13 RISK MANAGEMENT

The City is self-insured for group health medical, unemployment compensation claims, workers' compensation, property and casualty including equipment breakdown, and liability including general, auto, law, public officials, benefit plan, cyber, and crime.

The group health medical program is insured for amounts above the self-insurance retention limits of \$200,000 per individual and approximately \$11,074,421 in the aggregate by an insurance carrier. Unemployment compensation is funded in full by the City. Other programs are insured for amounts above the self-insurance retention limits of \$25,000 - \$500,000 by an insurance carrier. There have been no significant reductions in insurance coverage from the prior year. During the past three fiscal years, there have been no settlements that exceeded insurance coverage.

Rates are developed annually to fund the self-insurance programs, including claims and administrative costs, in the self-insurance internal service fund. All funds and departments of the City are charged monthly thereafter based on their loss history and exposure.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 RISK MANAGEMENT (CONTINUED)

The claims liability for group health of \$1,261,444 and the nonmedical claims liability of \$904,143 at December 31, 2021 is based on the requirements of accounting standards related to Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund's claims liability account for years ended December 31, 2021 and 2020 were:

	2021	2020
Nonmedical Claims Liability		
Beginning of Fiscal Year Liability	\$ 1,380,881	\$ 1,530,531
Current Year Claims and Changes in Estimates	1,624,965	1,137,574
Claims Payments	(2,101,703)	(1,287,224)
Total	<u>\$ 904,143</u>	<u>\$ 1,380,881</u>
Medical Claims Liability		
Beginning of Fiscal Year Liability	\$ 1,403,238	\$ 1,121,809
Current Year Claims and Changes in Estimates	9,647,844	7,947,668
Claims Payments	(9,789,638)	(7,666,239)
Total	<u>\$ 1,261,444</u>	<u>\$ 1,403,238</u>

NOTE 14 RELATED PARTY TRANSACTIONS

The City has an agreement with the Civic Center Authority whereby the City occupies a portion of the Civic Center Building as municipal offices and reimburses the Authority for its portion of occupancy related expenses.

The City is required to maintain the Authority's operating reserve fund at \$100,000. The City is required to replenish this fund whenever it falls below \$100,000. The Authority has not required this fund to be maintained at \$100,000, but reimbursement has been made as Authority cash flow dictates. During 2021, the City contributed \$466,115 to the Authority for fiscal 2022.

NOTE 15 FUND EQUITY

The following funds had a deficit net position or deficit fund balance at December 31, 2021:

Capital Projects Fund	\$ 1,045,186
Employee Benefit Insurance Fund	\$ 305,648
Community Grants Fund	\$ 22,158
Fleet Maintenance Fund	\$ 326,543

The above deficits are expected to be eliminated from future revenues and/or transfers.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described in Note 9, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (Retiree Healthcare Program) and follows GASB No 75. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental and business-type activities.

Benefits Provided

The City provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the retiree can choose to participate or not participate in the City's plan.

Membership

The City's Retiree Healthcare Program includes three employee groups: Fire, Police, and all other City, which are the same as those used for the pension plan.

At January 1, 2020, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	112
Active Employees	<u>465</u>
Total	<u><u>595</u></u>
Participating Employers	<u><u>1</u></u>

Funding Policy

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Premium cost sharing arrangements vary depending on the bargaining unit and date of retirement. Qualified retirees pay 100% of the premium cost for single and dependent coverage.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The City's total OPEB liability was determined for fiscal year ending December 31, 2021, using December 31, 2021 as the measurement date, by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 (measurement date), actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50% per Year
Salary	3.50% Including Inflation
Healthcare Cost Trend Rates	Fire: Pre-65: 5.30% - 4.00% over 67 Years Post-65: 5.40% - 4.00% over 74 Years Police: Pre-65: 5.30% - 4.00% over 70 Years Post-65: 5.40% - 4.00% over 74 Years Other City: Pre-65: 5.30% - 4.00% over 62 Years Post-65: 5.40% - 4.00% over 63 Years

Mortality rates for Police and Fire where based on Sex-distinct RP-2000 Combined Mortality Table with Blue Collar Adjustments with projected mortality improvements until valuation date using Scale AA. All other City Employees where based on RP-2000 Combined Annuitant/Non-Annuitant Male and Female Table with White Collar Adjustment and Generational Mortality Projected using Scale BB. Disabled mortality rates for Police and Fire where based on Sex-distinct RP-2000 Disabled Mortality Table with Blue Collar Adjustments with projected mortality improvements until 2017 using Scale AA. All other City Employees: N/A

Discount Rate

User GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt municipal bonds. The discount rate was 2.06% as of December 31, 2021, for accounting disclosure purposes.

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability at December 31, 2020	\$ 13,405,150
Changes for the Year:	
Service Cost	784,346
Interest	289,913
Difference in Expected and Actual Experiences	-
Changes in Assumptions	80,308
Benefit Payments	(1,034,184)
Net Changes	<u>120,383</u>
Total OPEB Liability at December 31, 2021	<u>\$ 13,525,533</u>

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.06%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current rate.

<u>As of December 31, 2021</u>	Total OPEB Liability
1% Decrease (1.06%)	\$ 15,006,474
Current Discount Rate (2.06%)	\$ 13,525,533
1% Increase (3.06%)	\$ 12,291,662

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

<u>As of December 31, 2021</u>	Total OPEB Liability
1% Decrease	\$ 11,698,207
Current Trend Rate	\$ 13,525,533
1% Increase	\$ 15,823,576

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$1,644,474. At December 31, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in Expected and Actual Experiences	\$ 1,986,115	\$ -
Changes in Assumptions	1,205,266	242,080
	<u>\$ 3,191,381</u>	<u>\$ 242,080</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 570,216
2023	570,216
2024	570,216
2025	535,830
2026	466,952
Thereafter	235,871
Total	<u>\$ 2,949,301</u>

NOTE 17 CAPITAL LEASES

The City has entered into various lease agreements as lessee for financing of a VOIP telephone system, a fire apparatus, and public works vehicles. All three leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception. These are included in the long-term debt summary of changes in Note 8. Original cost and accumulated depreciation included in capital assets for these items are as follows:

<u>Assets</u>	<u>Amount</u>
Pierce Pumper	\$ 428,380
Public Works Vehicles	331,508
Less: Accumulated Depreciation	(460,754)
Total	<u>\$ 299,134</u>

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 17 CAPITAL LEASES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021 were as follows:

	Future Minimum Lease Payments		
	Pierce Pumper	Public Works Vehicles	Total
2022	\$ 77,541	\$ 52,805	\$ 130,346
2023	77,541	52,805	130,346
2024	-	52,805	52,805
Minimum Lease Payments	155,082	158,415	315,523
Less: Amount of Interest	(5,434)	(8,929)	(14,363)
Total	<u>\$ 149,648</u>	<u>\$ 149,486</u>	<u>\$ 299,134</u>

NOTE 18 TAX ABATEMENTS

Tax abatements, as defined by Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures* (GASB 77), are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Enterprise Zone Credits

Enterprise zone credits are available to local businesses under the state Economic Development Opportunity Act of 2016. Under the Act, localities may grant property tax abatements of business" property tax bills for the purpose of attracting or retaining businesses within their jurisdictions and certified by the State of Illinois. The City's estimated net reduced property tax resulting from Enterprise Zone abatement for the year ending December 31, 2021 was \$199,702.

Tax Increment Financing Abatements

Illinois's Tax Increment Financing Act enables cities to finance certain redevelopment costs with the revenue generated from (1) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment and (2) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing (TIF) plan is adopted, real estate taxes in the redevelopment are frozen at their current level. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 18 TAX ABATEMENTS (CONTINUED)

Tax Increment Financing Abatements (Continued)

The City's estimated net reduced tax revenue resulting from the TIFs for the year ending December 31, 2021 are as follows:

	Sales Tax	Property Tax	Total
Southeast Plaza Phase II Airport Plaza JV	\$ -	\$ 322,713	\$ 322,713
Pines Shopping Center Save-A-Lot	28,133	73,311	101,444
Eastgate Commons Rural King Strip Phase I	253,900	84,720	338,620
Near North TIF Tax Agreement	-	229,120	229,120
Slumberland Store	46,671	-	46,671
Jackson Ford	48,358	12,992	61,350
Harrison Management Group LLC	7,594	-	7,594
Evergreen Hospitality, LLC	60,155	-	60,155
Pace Hospitality, LLC	72,472	-	72,472
Grand & Oakland TIF	39,253	133,242	172,495
Liaison Home Automation, LLC	12,514	-	12,514
Total	<u>\$ 569,050</u>	<u>\$ 856,098</u>	<u>\$ 1,425,148</u>

NOTE 19 RESTATEMENT OF NET POSITION

The City recorded a correction to beginning net capital assets to agree capital assets to the detailed asset listing for the government-wide capital assets and certain proprietary fund capital assets. Additionally, the City recorded a correction to beginning accrued vacation for the Mass Transit Fund. The required restatement of net position as of the beginning of the year for these items is shown below:

	Governmental Activities	Water Fund	Sewer Fund	Mass Transit Fund	Business-Type Fund
Net Position, December 31, 2020, as Previously Reported	\$ (42,586,239)	\$ 32,792,399	\$ 18,347,012	\$ 5,555,860	\$ 61,085,484
Correction of Capital Assets	(4,891,817)	1,696,268	(517,104)	-	1,179,164
Correction of Accrued Vacation	-	-	-	353,455	353,455
Net Position, December 31, 2020, as Restated	<u>\$ (47,478,056)</u>	<u>\$ 34,488,667</u>	<u>\$ 17,829,908</u>	<u>\$ 5,909,315</u>	<u>\$ 62,618,103</u>

NOTE 20 SUBSEQUENT EVENTS

In April 2022, the City issued \$24.8 million of general obligation bonds for water and sewer infrastructure improvements, with a 4% interest rate, to be repaid beginning in 2023 until final maturity in 2042.



Required Supplementary Information

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS – PENSIONS PLANS
(Unaudited)

IMRF

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 1,568,822	\$ 1,568,822	\$ -	\$ 13,095,342	11.98%
2020	1,440,124	1,440,124	-	13,127,842	10.97%
2019	1,271,124	1,357,171	(86,047)	12,749,488	10.64%
2018	1,503,344	1,543,344	(40,000)	12,517,436	12.33%
2017	1,737,470	1,788,391	(50,921)	14,160,313	12.63%
2016	1,772,566	1,795,318	(22,752)	13,708,943	13.10%
2015	1,771,905	1,787,566	(15,661)	14,232,171	12.56%
2014	1,695,313	1,633,605	61,708	13,307,066	12.28%

Police Pension Plan

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 5,455,994	\$ 5,634,213	\$ (178,219)	\$ 12,280,102	45.88%
2020	5,455,994	4,849,182	606,812	12,280,102	39.49%
2019	4,327,396	4,990,829	(663,433)	12,800,130	38.99%
2018	4,727,864	4,713,752	14,112	12,800,130	36.83%
2017	4,353,985	4,440,715	(86,730)	12,420,855	35.75%
2016	4,167,919	4,213,121	(45,202)	11,996,768	35.12%
2015	4,026,184	4,229,151	(202,967)	12,391,182	34.13%
2014	4,159,443	4,277,221	(117,778)	12,227,509	34.98%
2013	2,735,709	3,666,579	(930,870)	11,664,930	31.43%

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS – PENSIONS PLANS
(Unaudited)

Fire Pension Plan

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 6,200,989	\$ 6,194,929	\$ 6,060	\$ 9,369,016	66.12%
2020	6,200,989	6,038,678	162,311	9,369,016	64.45%
2019	5,509,057	5,632,583	(123,526)	8,712,059	64.65%
2018	5,348,824	5,611,626	(262,802)	8,712,059	64.41%
2017	5,229,880	5,143,349	86,531	8,732,570	58.90%
2016	4,875,173	5,023,785	(148,612)	8,907,509	56.40%
2015	4,565,589	4,265,438	300,151	8,779,591	48.58%
2014	4,174,530	4,232,824	(58,294)	8,250,783	51.30%
2013	2,774,140	3,806,762	(1,032,622)	8,451,621	45.04%

* Additional years will be added to this schedule annually until 10 years of data is presented.

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
(Unaudited)

	2021	2020	2019	2018
TOTAL OPEB LIABILITY				
Service Cost	\$ 784,346	\$ 669,364	\$ 318,843	\$ 350,092
Interest	289,912	279,000	365,180	330,246
Difference in Expected and Actual Experiences	-	2,708,339	-	-
Changes of Assumptions	80,308	703,902	1,138,041	(518,742)
Benefit Payments	(1,034,184)	(930,853)	(860,710)	(788,548)
NET CHANGE IN TOTAL OPEB LIABILITY	120,382	3,429,752	961,354	(626,952)
Total OPEB Liability - Beginning	13,405,151	9,975,399	9,014,045	9,640,997
TOTAL OPEB LIABILITY - ENDING	<u>\$ 13,525,533</u>	<u>\$ 13,405,151</u>	<u>\$ 9,975,399</u>	<u>\$ 9,014,045</u>
COVERED PAYROLL	\$ 34,744,460	\$ 34,776,960	\$ 34,261,677	\$ 34,029,625
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	38.9%	38.5%	29.1%	26.5%

NOTES TO SCHEDULE

1. Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.
2. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
3. This schedule will ultimately present ten years of information when available.

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND
RELATED RATIOS – POLICE PENSION PLAN
(Unaudited)

The following presents the changes in the City's net pension liability for the Police Pension Plan:

	Calendar Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 2,309,690	\$ 2,145,934	\$ 2,221,427	\$ 2,221,427	\$ 2,314,062	\$ 2,329,042	\$ 2,344,035	\$ 2,726,891
Interest	14,565,283	12,544,568	12,114,330	11,666,385	11,187,658	10,858,441	10,868,268	9,571,302
Difference in Expected and Actual Experiences	691,691	8,727,737	-	-	-	-	-	57,370
Changes of Assumptions/Methods	3,767,165	15,674,295	-	-	-	-	-	6,068,547
Effect of Liability Gains or Losses	-	-	-	(1,881,003)	3,003,408	(1,494,924)	(678,659)	-
Benefit Payments	(9,417,153)	(8,637,845)	(8,413,716)	(8,103,204)	(7,523,341)	(7,061,048)	(6,824,723)	(6,102,938)
Net Change in Total Pension Liability	11,916,676	30,454,689	5,922,041	3,903,605	8,981,787	4,631,511	5,708,921	12,321,172
Total Pension Liability – Beginning	199,810,498	169,355,809	163,433,768	159,530,163	150,548,376	145,916,865	140,207,944	127,886,772
Total Pension Liability – Ending (A)	<u>\$ 211,727,174</u>	<u>\$ 199,810,498</u>	<u>\$ 169,355,809</u>	<u>\$ 163,433,768</u>	<u>\$ 159,530,163</u>	<u>\$ 150,548,376</u>	<u>\$ 145,916,865</u>	<u>\$ 140,207,944</u>
Plan Fiduciary Net Position								
Contributions – Employer	\$ 5,634,213	\$ 4,849,182	\$ 4,990,829	\$ 4,713,752	\$ 4,440,715	\$ 4,213,121	\$ 4,229,151	\$ 4,277,221
Contributions – Employee	1,376,741	1,248,556	1,271,107	1,364,975	1,173,624	1,251,329	1,240,308	1,186,391
Net Investment Income	16,633,312	12,669,969	18,629,998	(5,799,843)	13,313,242	8,167,736	24,273	5,790,077
Benefit Payments	(9,417,153)	(8,637,845)	(8,413,716)	(8,103,204)	(7,523,341)	(7,061,048)	(6,824,723)	(6,102,938)
Administrative Expense	(98,188)	(77,992)	(95,556)	(238,726)	(415,135)	(351,980)	(264,895)	(64,986)
Net Change in Plan Fiduciary Net Position	14,128,925	10,051,870	16,382,662	(8,063,046)	10,989,105	6,219,158	(1,595,886)	5,085,765
Plan Fiduciary Net Position – Beginning	127,578,873	117,527,003	101,144,341	109,207,387	98,218,282	91,999,124	93,595,010	88,509,245
Plan Fiduciary Net Position – Ending (B)	<u>\$ 141,707,798</u>	<u>\$ 127,578,873</u>	<u>\$ 117,527,003</u>	<u>\$ 101,144,341</u>	<u>\$ 109,207,387</u>	<u>\$ 98,218,282</u>	<u>\$ 91,999,124</u>	<u>\$ 93,595,010</u>
Net Pension Liability (A) – (B)	<u>\$ 70,019,376</u>	<u>\$ 72,231,625</u>	<u>\$ 51,828,806</u>	<u>\$ 62,289,427</u>	<u>\$ 50,322,776</u>	<u>\$ 52,330,094</u>	<u>\$ 53,917,741</u>	<u>\$ 46,612,934</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.93%	63.85%	69.40%	61.89%	68.46%	65.24%	63.05%	66.75%
Covered Payroll	\$ 12,280,102	\$ 12,280,102	\$ 12,800,130	\$ 12,800,130	\$ 12,420,855	\$ 11,996,768	\$ 12,391,182	\$ 12,227,509
Net Pension Liability as a Percentage of Covered Payroll	570%	588%	405%	487%	405%	436%	435%	381%

Additional years will be added to this schedule annually until 10 years of data is presented.

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND
RELATED RATIOS – FIREFIGHTER PENSION PLAN
(Unaudited)

The following presents the changes in the City's net pension liability for the Firefighter Pension Plan:

	Calendar Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 2,380,150	\$ 2,357,590	\$ 2,153,501	\$ 2,153,501	\$ 2,107,727	\$ 2,065,510	\$ 2,051,437	\$ 2,183,902
Interest	11,753,007	10,446,459	10,158,825	9,675,428	9,630,886	9,334,747	9,344,391	8,357,081
Difference in Expected/Actual Experience	2,147,881	996,006	-	-	(1,483,822)	-	-	2,180,908
Changes of Assumptions/Methods	2,799,953	16,788,074	-	-	-	-	-	9,131,603
Effect of Liability Gain or Losses	-	-	-	816,311	-	147,773	2,865,795	-
Benefit Payments	(9,116,478)	(8,674,312)	(8,149,267)	(7,645,409)	(7,380,562)	(7,339,489)	(7,030,555)	(6,743,544)
Net Change in Total Pension Liability	9,964,513	21,913,817	4,163,059	4,999,831	2,874,229	4,208,541	7,231,068	15,109,950
Total Pension Liability – Beginning	173,055,161	151,141,344	146,978,285	141,978,454	139,104,225	134,895,684	127,664,616	112,554,666
Total Pension Liability – Ending (A)	<u>\$ 183,019,674</u>	<u>\$ 173,055,161</u>	<u>\$ 151,141,344</u>	<u>\$ 146,978,285</u>	<u>\$ 141,978,454</u>	<u>\$ 139,104,225</u>	<u>\$ 134,895,684</u>	<u>\$ 127,664,616</u>
Plan Fiduciary Net Position								
Contributions – Employer	\$ 6,194,929	\$ 6,038,678	\$ 5,632,583	\$ 5,611,626	\$ 5,143,349	\$ 5,023,785	\$ 4,265,438	\$ 4,232,824
Contributions – Employee	844,332	848,059	885,836	905,768	854,500	833,972	847,728	809,470
Net Investment Income	10,585,117	11,771,213	12,796,416	(3,609,255)	8,405,901	4,989,376	460,973	4,671,711
Benefit Payments	(9,116,478)	(8,674,312)	(8,149,267)	(7,645,409)	(7,380,562)	(7,339,489)	(7,030,555)	(6,743,544)
Administrative Expense	(65,655)	(66,111)	(68,000)	(81,141)	(214,760)	(319,375)	(264,992)	(252,605)
Net Change in Plan Fiduciary Net Position	8,442,245	9,917,527	11,097,568	(4,818,411)	6,808,428	3,188,269	(1,721,408)	2,717,856
Plan Fiduciary Net Position – Beginning	95,315,419	85,397,892	74,300,324	79,118,735	72,310,307	69,122,038	70,843,446	68,125,590
Plan Fiduciary Net Position – Ending (B)	<u>\$ 103,757,664</u>	<u>\$ 95,315,419</u>	<u>\$ 85,397,892</u>	<u>\$ 74,300,324</u>	<u>\$ 79,118,735</u>	<u>\$ 72,310,307</u>	<u>\$ 69,122,038</u>	<u>\$ 70,843,446</u>
Net Pension Liability (A) – (B)	<u>\$ 79,262,010</u>	<u>\$ 77,739,742</u>	<u>\$ 65,743,452</u>	<u>\$ 72,677,961</u>	<u>\$ 62,859,719</u>	<u>\$ 66,793,918</u>	<u>\$ 65,773,646</u>	<u>\$ 56,821,170</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.69%	55.08%	56.50%	50.55%	55.73%	51.98%	51.24%	55.49%
Covered Payroll	\$ 9,369,016	\$ 9,369,016	\$ 8,712,059	\$ 8,712,059	\$ 8,732,570	\$ 8,907,509	\$ 8,779,591	\$ 8,250,783
Net Pension Liability as a Percentage of Covered Payroll	846%	830%	755%	834%	720%	750%	749%	689%

Additional years will be added to this schedule annually until 10 years of data is presented.

**CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENT RETURNS
POLICE AND FIREFIGHTER PENSION PLANS
(Unaudited)**

The following presents the annual money-weighted rate of return, net of investment expenses:

Police Pension	
Fiscal Year Ended	Rate
2021	13.24%
2020	10.97%
2019	18.74%
2018	(5.40%)
2017	13.78%
2016	9.02%
2015	0.02%
Firefighter Pension	
Fiscal Year Ended	Rate
2021	11.32%
2020	14.08%
2019	17.60%
2018	(4.64%)
2017	11.84%
2016	7.36%
2015	0.57%

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT PLAN
(Unaudited)

The following presents the changes in City net pension liability (asset) for IMRF:

	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service Cost	\$ 1,346,216	\$ 1,250,712	\$ 1,389,375	\$ 1,476,556	\$ 1,558,483	\$ 1,484,366
Interest on the Total Pension Liability	7,971,666	7,720,891	7,691,811	7,570,759	7,425,184	7,126,789
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,146,686)	1,217,714	(1,239,634)	1,971,728	(1,363,508)	896,106
Changes of Assumptions	(461,642)	-	2,713,356	(3,240,295)	(338,253)	225,465
Benefit Payments	(6,735,799)	(6,821,841)	(6,291,267)	(5,968,010)	(5,429,754)	(5,622,411)
Other	29,759	-	-	-	-	-
Net Change in Total Pension Liability	1,003,514	3,367,476	4,263,641	1,810,738	1,852,152	4,110,315
Total Pension Liability – Beginning	112,619,051	109,251,575	104,987,934	103,177,196	101,325,044	97,214,729
Total Pension Liability – Ending (A)	<u>\$ 113,622,565</u>	<u>\$ 112,619,051</u>	<u>\$ 109,251,575</u>	<u>\$ 104,987,934</u>	<u>\$ 103,177,196</u>	<u>\$ 101,325,044</u>
Plan Fiduciary Net Position						
Contributions – Employer	\$ 1,440,124	\$ 1,271,124	\$ 1,503,344	\$ 1,788,392	\$ 1,795,318	\$ 1,787,566
Contributions – Employees	651,014	634,843	626,199	665,845	665,417	717,309
Net Investment Income	15,375,007	19,120,098	(4,447,060)	14,727,616	6,686,921	753,618
Benefit Payments	(6,739,299)	(6,821,841)	(6,291,267)	(5,968,010)	(5,429,754)	(5,622,441)
Other (Net Transfer)	(419,820)	(97,899)	(86,552)	(79,418)	(93,500)	(106,040)
Net Change in Plan Fiduciary Net Position	10,307,026	14,106,325	(8,695,336)	11,134,425	3,624,402	(2,469,988)
Plan Fiduciary Net Position – Beginning	108,508,790	94,402,465	103,097,801	91,963,376	88,338,974	90,808,962
Plan Fiduciary Net Position – Ending (B)	<u>\$ 118,815,816</u>	<u>\$ 108,508,790</u>	<u>\$ 94,402,465</u>	<u>\$ 103,097,801</u>	<u>\$ 91,963,376</u>	<u>\$ 88,338,974</u>
Net Position Liability (Asset) – Ending (A) - (B)	<u>\$ (5,193,251)</u>	<u>\$ 4,110,261</u>	<u>\$ 14,849,110</u>	<u>\$ 1,890,133</u>	<u>\$ 11,213,820</u>	<u>\$ 12,986,070</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.57%	96.35%	86.41%	98.20%	89.13%	87.18%
Covered Payroll	\$ 13,127,842	\$ 12,749,488	\$ 12,517,436	\$ 14,160,313	\$ 13,708,943	\$ 14,232,174
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(39.56%)	32.24%	118.63%	13.35%	81.80%	91.24%

Additional years will be added to this schedule annually until 10 years of data is presented.

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	\$ 22,226,000	\$ 22,226,000	\$ 24,808,385	\$ 2,582,385
Charges for Service	6,994,796	6,994,796	6,672,400	(322,396)
Investment Income and Net Increase in Fair Value of Investments	48,000	48,000	17,691	(30,309)
Intergovernmental	35,634,542	37,709,150	41,796,639	4,087,489
Licenses and Permits	1,045,000	1,045,000	1,479,043	434,043
Fines and Fees	1,321,600	1,321,600	894,876	(426,724)
Other Revenue	1,170,806	1,170,806	1,252,778	81,972
Total Revenues	68,440,744	70,515,352	76,921,812	6,406,460
EXPENDITURES				
Current:				
Legislative	56,512	56,512	33,329	23,183
Executive	677,425	677,425	719,249	(41,824)
Management Services	1,877,574	1,877,574	1,867,600	9,974
Legal	935,916	935,916	955,013	(19,097)
Financial Management	4,114,344	4,114,344	3,051,232	1,063,112
Police	28,167,450	28,167,450	28,633,685	(466,235)
Fire	20,069,150	20,069,150	19,534,996	534,154
Planning and Neighborhood Services	3,627,727	3,627,727	3,460,364	167,363
Public Works	9,786,186	9,786,186	8,718,515	1,067,671
Other Nondepartmental Charges	573,579	573,579	521,986	51,593
Debt Services:				
Principal Retirement	140,209	140,209	140,249	(40)
Interest and Other Charges	9,928	9,928	9,888	40
Total Expenditures	70,036,000	70,036,000	67,646,106	2,389,894
Excess (Deficiency) of Revenues Over Expenditures	(1,595,256)	479,352	9,275,706	8,796,354
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Asset	90,000	90,000	194	(89,806)
Transfers In	1,769,256	3,471,793	3,477,275	5,482
Transfers Out	(1,164,000)	(5,088,608)	(4,388,608)	700,000
Total Other Financing Sources (Uses)	695,256	(1,526,815)	(911,139)	615,676
Net Change in Fund Balance	\$ (900,000)	\$ (1,047,463)	8,364,567	\$ 9,412,030
NET CHANGES IN BUDGETARY BASIS TO GAAP BASIS			(1,409,780)	
Net Change in Fund Balance - GAAP Basis			6,954,787	
Fund Balance - Beginning of Year			12,761,642	
FUND BALANCE - END OF YEAR			<u>\$ 19,716,429</u>	

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Original & Final Budget	Actual	Variance from Final Budget
REVENUES			
Intergovernmental:			
Motor Fuel Tax	\$ 3,185,000	\$ 2,952,235	\$ (232,765)
Other	12,176,128	8,255,205	(3,920,923)
Investment Income	12,000	2,907	(9,093)
Other Revenue	16,000	7,146	(8,854)
Total Revenues	<u>15,389,128</u>	<u>11,217,493</u>	<u>(4,171,635)</u>
EXPENDITURES			
Public Works:			
Street Repair and Maintenance	<u>15,841,758</u>	<u>5,250,193</u>	<u>10,591,565</u>
	<u><u>\$ (452,630)</u></u>	<u><u>\$ 5,967,300</u></u>	<u><u>\$ 6,419,930</u></u>
NET CHANGES IN BUDGETARY BASIS TO GAAP BASIS		<u>(4,717,291)</u>	
Net Change in Fund Balance - GAAP Basis		1,250,009	
Fund Balance - Beginning of Year		<u>2,435,033</u>	
FUND BALANCE - END OF YEAR		<u><u>\$ 3,685,042</u></u>	

CITY OF DECATUR, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 BASIS OF ACCOUNTING

The accompanying budgetary schedules are prepared on the cash basis of accounting.

Appropriated Budget and Budgetary Accounting

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

The City Budget Policy is established in compliance with 65 ILCS 5/8-2-9.1 et. Seq. and Chapter 18.1 of the City Code and sets forth the procedures to be used in the preparation of the annual budget of the City and administration of the budget during the fiscal period.

The City has adopted the budget method as set forth in the Illinois Municipal Code and Chapter 18.1 of the City Code and will operate as a budget city, with annual budget presentation to and adoption by the City Council before the end of the fiscal year preceding the budget fiscal year.

The City Budget is legally adopted by Council Ordinance before the end of the fiscal year preceding the budget fiscal year.

The annual budget is presented to the City Council and the City Clerk in sufficient time for public hearing to be held and the budget timely adopted.

The budget officer or designee is responsible for the required public notices on the dates set forth in Chapter 18.1 of the City Code.

The annual budget shall be balanced such that expenditures cannot exceed revenues plus fund cash reserves.

The Budget Ordinance presented to and adopted by the City Council is prepared on a cash basis which is not in accordance with generally Accepted Accounting Principles (GAAP). The Budget to Actual schedule included in Required Supplementary Information include the amounts of timing differences necessary to reconcile the non-GAAP actual to GAAP actual fund balance for the general fund and major special revenue fund.

The level of budgetary control is by Fund. Therefore, expenditures cannot legally exceed appropriations beyond this level.

Supplemental appropriation ordinances may be passed by the City Council, as required to appropriate new spending for expenditures not contemplated in the Council adopted budget, with funding provided by a new revenue source or from fund balance reserves.

NOTE 2 EXPENDITURES OVER BUDGET

No major funds had an excess of actual expenditures over legally enacted budget.

CITY OF DECATUR, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE*

IMRF

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.
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Methods and Assumptions Used to Determine 2021 Contribution Rates

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	23-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50% approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	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-2015 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

CITY OF DECATUR, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2021 CONTRIBUTION RATE (CONTINUED)**

Police Pension Plan

Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, closed
Remaining Amortization Period	25 Years as of January 1, 2021
Amortization Growth Rate	3.0%
Asset Valuation Method	Market value
Inflation	2.5% per year
Salary Increases	3.0% per year until the assumed retirement age
Investment Rate of Return	7.25% per year
Retirement Age	Rates of retirement for age 50 to 65 were used.

<u>Age</u>	<u>Rate of Retirement</u>
50	.20
55	.25
60	.33
65	.50
70	1.0

Mortality	PubS-2010 Mortality with generational projection per the MP-2019 Ultimate Scale
Termination Rates	See table below
Disability Rates	See table below. It is assumed that 100% of disability retirements and pre-retirement deaths are service related.

<u>Age</u>	<u>Rate of Termination</u>	<u>Age</u>	<u>Rate of Disability</u>
25	.075	25	.0005
30	.050	35	.0026
35	.030	45	.0065
40	.020	55	.0130
45	.020	65	.0200
50 and Over	.035		

Other Information

Changes in Actuarial Methods and Assumptions:

The mortality assumption was updated from the RP-2000 table projected to the valuation date per scale AA to the PubS-2010 table with generational projection per the Ultimate MP scale. The impact on the Accrued Liability as a result of this mortality assumption update will be recognized over three years with 50% of the liability increase recognized as of January 1, 2020, 75% of the liability increase recognized as of January 1, 2021, and the balance recognized as of the January 1, 2022, valuation. The interest rate assumption was lowered from 7.375% to 7.250%.

CITY OF DECATUR, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2021 CONTRIBUTION RATE (CONTINUED)**

Fire Pension Plan

Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, closed
Remaining Amortization Period	24 Years as of January 1, 2021
Amortization Growth Rate	3.0%
Asset Valuation Method	Market value
Inflation	2.5% per year
Salary Increases	3.0% per year until the assumed retirement age
Investment Rate of Return	6.75% per year
Retirement Age	Rates of retirement for age 50 to 65 were used

<u>Age</u>	<u>Rate of Retirement</u>
50	.14
55	.20
60	.25
65	.50
70	1.0

Mortality	PubS-2010 Mortality with generational projection per the MP-2019 Ultimate Scale
Termination Rates	See table below
Disability Rates	See table below

<u>Age</u>	<u>Rate of Termination</u>	<u>Age</u>	<u>Rate of Disability</u>
25	.050	25	.0010
30	.025	35	.0035
35	.020	45	.0065
40 and Over	.010	55	.0150
		65	.0425

Other Information

Changes in Actuarial Methods and Assumptions:

The mortality assumption was updated from the RP-2000 table projected to the valuation date per scale AA to the PubS-2010 table with generational projection per the Ultimate MP scale. The impact on the Accrued Liability as a result of this mortality assumption update will be recognized over three years with 50% of the liability increase recognized as of January 1, 2020, 75% of the liability increase recognized as of January 1, 2021, and the balance recognized as of the January 1, 2022, valuation. The interest rate assumption was lowered from 6.875% to 6.750%.



Supplementary Information

Governmental Funds

**CITY OF DECATUR, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which, by statute, charter provision, or local ordinance, are designated to finance particular functions or activities of the government as follows:

The Grant Fund accounts for federal and State of Illinois grant revenue received and expenditures of the monies for the grant purpose intended.

The American Rescue Plan Fund accounts for federal fund revenues received from the American Rescue Plan Act of 2021.

The Community Grants Fund accounts for revenues received through the State of Illinois to provided short term assistance to business during the pandemic.

The HOME Fund accounts for federal funds used in a revolving loan program for subsidizing the purchase by first time buyers of homes within designated areas of the City.

Community Development Block Grant (CDBG) Fund accounts for entitlement revenues from the U.S. Department of Housing and Urban Development (HUD) and designated expenditures for housing and neighborhood revitalization, public facilities improvement, and economic development.

The TIF Fund accounts for the tax increment financing project activities for capital improvement in the City's seven (7) TIF Districts.

The DUATS Fund accounts for State of Illinois grant revenues for the purposes of conducting ongoing urban area transit studies in the greater Decatur and Macon County area of public transit services.

The State Drug Enforcement Fund accounts for revenues received through State of Illinois qualified drug enforcement asset seizures and expenditures to enhance law enforcement efforts.

The Public Safety Fund accounts for the revenue received from fines, fees, and grants used to defray the cost of certain expenditures benefiting the public safety operations of the City.

The Municipal Band Fund accounts for revenues, including property taxes levied for this activity, and expenditures for the City's Municipal Band.

The Federal Drug Enforcement Fund accounts for revenues received through Federal Government qualified drug enforcement asset seizures and expenditures to enhance law enforcement efforts.

The Foreign Fire Tax Fund accounts for the monies received from the foreign fire insurance gross receipts tax and expenditures for certain qualified fire department expenses.

The PEG Fund accounts for revenues received for franchise rights granted allowing the installation and operation of cable communication networks and expenditures for the operation of the Public Education and Governmental television station.

The DCDF fund accounts for the nonprofit corporation which finances and subsidizes housing rehabilitation activities in the City.

**CITY OF DECATUR, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

The Building Fund accounts for revenues received from lease and rental agreements and expenditures for the operation and maintenance of City owned facilities.

The Community Revitalization Fund accounts for cash receipts and expenditures incurred from monies received related to the City's Community Revitalization programs.

The Decatur Public Library Fund accounts for revenues designated to finance the City's Public Library and expenditures of such fund. The Library's primary source of revenue is property taxes.

The Local Streets and Roads Fund accounts for revenues received from the City's local motor fuel tax and expenditures for street and road improvements.

Capital Projects Funds account for the financial resources used for the acquisition or construction of capital investment in City infrastructure (other than those financed by proprietary funds or trust funds).

The Capital Projects Fund accounts for the financial resources used for capital projects, financed from intergovernmental revenues, charges for services, investment income, and other sources.

2018 Project Fund accounts for capital improvement projects financed by the proceeds from the 2018 Series General Obligation Bonds.

The Equipment Replacement Fund accounts for the financial resources available for governmental activity capital outlay for City Fleet vehicles and other machinery and equipment.

The **Debt Service Fund** accounts for the accumulation of resources for the payment of long-term debt obligations not funded by other funds of the City.

**CITY OF DECATUR, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
ASSETS				
Cash and Investments	\$ 15,714,190	\$ 4,765,977	\$ 1,449,278	\$ 21,929,445
Receivables:				
Property Taxes, Net	4,658,815	-	1,075,480	5,734,295
Illinois Municipal Sales Tax	77,891	-	-	77,891
Other Taxes	264,756	-	-	264,756
Due from Other Governments	340,187	-	-	340,187
Due from Other Funds	21,050	-	-	21,050
Accounts Receivable	78	1,054	-	1,132
Notes Receivable	189,562	-	-	189,562
Other Receivable	-	188	434	622
Prepaid Expenses	2,460	-	-	2,460
Total Assets	<u>\$ 21,268,989</u>	<u>\$ 4,767,219</u>	<u>\$ 2,525,192</u>	<u>\$ 28,561,400</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,799,500	\$ -	\$ 751	\$ 1,800,251
Contracts Payable	431,109	144,864	-	575,973
Other Accrued Liabilities	461,092	-	-	461,092
Unearned Revenue	4,230,435	-	-	4,230,435
Due to Other Funds	22,000	1,081,816	-	1,103,816
Total Liabilities	<u>6,944,136</u>	<u>1,226,680</u>	<u>751</u>	<u>8,171,567</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Taxes and Grants	137,255	50,298	-	187,553
Subsequent Year's Property Taxes	4,644,237	-	1,075,573	5,719,810
Total Deferred Inflows of Resources	<u>4,781,492</u>	<u>50,298</u>	<u>1,075,573</u>	<u>5,907,363</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	2,460	-	-	2,460
Restricted:				
General Government	303,428	-	-	303,428
Transportation and Highway	842,464	-	-	842,464
Culture	102,919	-	-	102,919
Economic Development	5,086,998	-	-	5,086,998
Public Safety	797,525	2,816,970	-	3,614,495
Education	2,267,626	-	-	2,267,626
Debt Service	-	-	1,448,868	1,448,868
Committed:				
Education	162,099	-	-	162,099
Public Safety	-	1,191,287	-	1,191,287
Public Works	-	527,170	-	527,170
Unassigned	(22,158)	(1,045,186)	-	(1,067,344)
Total Fund Balances	<u>9,543,361</u>	<u>3,490,241</u>	<u>1,448,868</u>	<u>14,482,470</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,268,989</u>	<u>\$ 4,767,219</u>	<u>\$ 2,525,192</u>	<u>\$ 28,561,400</u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICIT)
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
REVENUES				
Taxes	\$ 6,818,020	\$ -	\$ 1,335,510	\$ 8,153,530
Investment Income	31,836	4,276	1,100	37,212
Intergovernmental	7,872,674	-	-	7,872,674
Fines and Fees	251,077	-	-	251,077
Other Revenues	1,353,106	4,228	-	1,357,334
Total Revenues	16,326,713	8,504	1,336,610	17,671,827
EXPENDITURES				
Current:				
Economic Development	4,179,663	-	-	4,179,663
Public Safety	712,368	2,779,705	-	3,492,073
Culture	77,202	-	-	77,202
Public Works	1,020,354	3,489,028	-	4,509,382
Education	4,686,361	-	-	4,686,361
General Government	1,210,745	-	-	1,210,745
Debt Service:				
Principal Retirement	2,238,929	482,294	1,777,500	4,498,723
Interest and Other Charges	285,002	25,564	717,536	1,028,102
Bond Issuance Costs	-	-	-	-
Total Expenditures	14,410,624	6,776,591	2,495,036	23,682,251
Excess (Deficiency) of Revenues Over Expenditures	1,916,089	(6,768,087)	(1,158,426)	(6,010,424)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	23,687	78,617	-	102,304
Loan Proceeds/Issuance of Debt	-	3,293,115	-	3,293,115
Transfers In	2,878,395	1,627,000	1,229,560	5,734,955
Transfers Out	(2,463,192)	-	-	(2,463,192)
Total Other Financing Sources (Uses)	438,890	4,998,732	1,229,560	6,667,182
Net Change in Fund Balances	2,354,979	(1,769,355)	71,134	656,758
Fund Balances - Beginning of Year	7,188,382	5,259,596	1,377,734	13,825,712
FUND BALANCES - END OF YEAR	<u>\$ 9,543,361</u>	<u>\$ 3,490,241</u>	<u>\$ 1,448,868</u>	<u>\$ 14,482,470</u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Grant Fund	American Rescue Plan Fund	Community Grants Fund	HOME Fund	CDBG Fund	TIF Fund	DUATS Funds	State Drug Enforcement Fund	Public Safety Fund	Municipal Band Fund
ASSETS										
Cash and Investments	\$ 81,587	\$ 1,998,097	\$ 592	\$ 181,040	\$ 10,948	\$ 2,685,074	\$ 73,256	\$ 295,565	\$ 421,072	\$ 103,384
Receivables:										
Account Receivable, Net	-	-	-	-	-	-	-	-	-	-
Property Taxes, Net	-	-	-	-	-	1,717,536	-	-	-	64,479
Illinois Municipal Sales Tax	-	-	-	-	-	77,891	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	200,791	-	-	10,014	18,527	-	110,855	-	-	-
Due from Other Funds	21,050	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	16,673	3,675	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	2,460	-	-
Total Assets	<u>\$ 303,428</u>	<u>\$ 1,998,097</u>	<u>\$ 592</u>	<u>\$ 207,727</u>	<u>\$ 33,150</u>	<u>\$ 4,480,501</u>	<u>\$ 184,111</u>	<u>\$ 298,025</u>	<u>\$ 421,072</u>	<u>\$ 167,863</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ -	\$ -	\$ 750	\$ 9,445	\$ 23,016	\$ 1,623,115	\$ -	\$ 2,305	\$ 14,296	\$ 390
Contracts Payable	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	22,000	-	-	-	-	-	-	-
Unearned Revenue	-	1,998,097	-	-	-	-	-	-	-	-
Other Accrued Liabilities	-	-	-	-	-	-	-	182,825	164,135	-
Total Liabilities	-	1,998,097	22,750	9,445	23,016	1,623,115	-	185,130	178,431	390
DEFERRED INFLOWS OF RESOURCES										
Unavailable Taxes and Grants	-	-	-	-	-	26,400	110,855	-	-	-
Subsequent Year's Property Taxes	-	-	-	-	-	1,702,835	-	-	-	64,554
Total Deferred Inflows of Resources	-	-	-	-	-	1,729,235	110,855	-	-	64,554
FUND BALANCES (DEFICIT)										
Nonspendable:										
Prepaid Items	-	-	-	-	-	-	-	2,460	-	-
Restricted:										
General Government	303,428	-	-	-	-	-	-	-	-	-
Transportation and Highway	-	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-	102,919
Economic Development	-	-	-	198,282	10,134	1,128,151	73,256	-	-	-
Public Safety	-	-	-	-	-	-	-	110,435	242,641	-
Education	-	-	-	-	-	-	-	-	-	-
Committed:										
Education	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(22,158)	-	-	-	-	-	-	-
Total Fund Balance (Deficits)	<u>303,428</u>	<u>-</u>	<u>(22,158)</u>	<u>198,282</u>	<u>10,134</u>	<u>1,128,151</u>	<u>73,256</u>	<u>112,895</u>	<u>242,641</u>	<u>102,919</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 303,428</u>	<u>\$ 1,998,097</u>	<u>\$ 592</u>	<u>\$ 207,727</u>	<u>\$ 33,150</u>	<u>\$ 4,480,501</u>	<u>\$ 184,111</u>	<u>\$ 298,025</u>	<u>\$ 421,072</u>	<u>\$ 167,863</u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Federal Drug Enforcement Fund	Foreign Fire Tax Fund	PEG Fund	DCDF Fund	Building Fund	Community Revitalization Fund	Library Fund	Local Streets and Roads Fund	Total
ASSETS									
Cash and Investments	\$ 265,152	\$ 184,140	\$ 107,649	\$ 152,140	\$ 199,313	\$ 5,373,022	\$ 2,229,987	\$ 1,352,172	\$ 15,714,190
Receivables:									
Account Receivable, Net	78	-	-	-	-	-	-	-	78
Property Taxes, Net	-	-	-	-	-	-	2,876,800	-	4,658,815
Illinois Municipal Sales Tax	-	-	-	-	-	-	-	-	77,891
Other Taxes	-	-	-	-	-	-	109,422	155,334	264,756
Due from Other Governments	-	-	-	-	-	-	-	-	340,187
Due from Other Funds	-	-	-	-	-	-	-	-	21,050
Notes Receivable	-	-	-	169,214	-	-	-	-	189,562
Prepaid Expenses	-	-	-	-	-	-	-	-	2,460
Total Assets	<u>\$ 265,230</u>	<u>\$ 184,140</u>	<u>\$ 107,649</u>	<u>\$ 321,354</u>	<u>\$ 199,313</u>	<u>\$ 5,373,022</u>	<u>\$ 5,216,209</u>	<u>\$ 1,507,506</u>	<u>\$ 21,268,989</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ 4,921	\$ 633	\$ 1	\$ 37,214	\$ 17,200	\$ 64,619	\$ 1,595	\$ 1,799,500
Contracts Payable	-	-	-	-	-	-	-	431,109	431,109
Due to Other Funds	-	-	-	-	-	-	-	-	22,000
Unearned Revenue	-	-	-	-	-	2,000,000	-	232,338	4,230,435
Other Accrued Liabilities	-	-	-	-	-	-	114,132	-	461,092
Total Liabilities	-	4,921	633	1	37,214	2,017,200	178,751	665,042	6,944,136
DEFERRED INFLOWS OF RESOURCES									
Unavailable Taxes and Grants	-	-	-	-	-	-	-	-	137,255
Subsequent Year's Property Taxes	-	-	-	-	-	-	2,876,848	-	4,644,237
Total Deferred Inflows of Resources	-	-	-	-	-	-	2,876,848	-	4,781,492
FUND BALANCES (DEFICIT)									
Nonspendable:									
Prepaid Items	-	-	-	-	-	-	-	-	2,460
Restricted:									
General Government	-	-	-	-	-	-	-	-	303,428
Transportation and Highway	-	-	-	-	-	-	-	842,464	842,464
Culture	-	-	-	-	-	-	-	-	102,919
Economic Development	-	-	-	321,353	-	3,355,822	-	-	5,086,998
Public Safety	265,230	179,219	-	-	-	-	-	-	797,525
Education	-	-	107,016	-	-	-	2,160,610	-	2,267,626
Committed:									
Education	-	-	-	-	162,099	-	-	-	162,099
Unassigned	-	-	-	-	-	-	-	-	(22,158)
Total Fund Balance (Deficits)	<u>265,230</u>	<u>179,219</u>	<u>107,016</u>	<u>321,353</u>	<u>162,099</u>	<u>3,355,822</u>	<u>2,160,610</u>	<u>842,464</u>	<u>9,543,361</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 265,230</u>	<u>\$ 184,140</u>	<u>\$ 107,649</u>	<u>\$ 321,354</u>	<u>\$ 199,313</u>	<u>\$ 5,373,022</u>	<u>\$ 5,216,209</u>	<u>\$ 1,507,506</u>	<u>\$ 21,268,989</u>

CITY OF DECATUR, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
YEAR ENDED DECEMBER 31, 2021

	Grant Fund	American Rescue Plan Fund	Community Grants Fund	HOME Fund	CDBG Fund	TIF Fund	DUATS Fund	State Drug Enforcement Fund	Public Safety Fund	Municipal Band Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,151,198	\$ -	\$ -	\$ -	\$ 64,353
Investment Income and Net Increase in Fair Value of Investments	-	-	-	14,207	-	3,088	72	-	781	134
Intergovernmental	3,538,739	417,566	-	237,931	2,135,239	138,265	307,663	-	55,000	-
Fines and Fees	-	-	-	-	-	-	-	161,859	66,035	-
Other Revenue	-	-	-	-	1,000	53,569	-	2,747	308,387	2,297
Total Revenues	<u>3,538,739</u>	<u>417,566</u>	<u>-</u>	<u>252,138</u>	<u>2,136,239</u>	<u>2,346,120</u>	<u>307,735</u>	<u>164,606</u>	<u>430,203</u>	<u>66,784</u>
EXPENDITURES										
Current:										
Economic Development	-	417,566	16,676	187,031	1,303,984	1,248,727	286,252	-	-	-
Public Safety	-	-	-	-	-	-	-	120,868	404,128	-
Culture	-	-	-	-	-	-	-	-	-	77,202
Public Works	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
General Government	1,210,745	-	-	-	-	-	-	-	-	-
Debt Services:										
Principal Retirement	-	-	-	-	415,000	752,500	-	-	-	-
Interest and Other Charges	-	-	-	-	15,966	153,990	-	-	-	-
Total Expenditures	<u>1,210,745</u>	<u>417,566</u>	<u>16,676</u>	<u>187,031</u>	<u>1,734,950</u>	<u>2,155,217</u>	<u>286,252</u>	<u>120,868</u>	<u>404,128</u>	<u>77,202</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,327,994</u>	<u>-</u>	<u>(16,676)</u>	<u>65,107</u>	<u>401,289</u>	<u>190,903</u>	<u>21,483</u>	<u>43,738</u>	<u>26,075</u>	<u>(10,418)</u>
OTHER FINANCING SOURCES (USES)										
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	12,636
Transfers Out	(1,702,537)	-	(5,482)	(41,932)	(355,922)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,702,537)</u>	<u>-</u>	<u>(5,482)</u>	<u>(41,932)</u>	<u>(355,922)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,636</u>
Net Change in Fund Balances	625,457	-	(22,158)	23,175	45,367	190,903	21,483	43,738	26,075	2,218
Fund Balances (Deficit) - Beginning of Year	<u>(322,029)</u>	<u>-</u>	<u>-</u>	<u>175,107</u>	<u>(35,233)</u>	<u>937,248</u>	<u>51,773</u>	<u>69,157</u>	<u>216,566</u>	<u>100,701</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 303,428</u>	<u>\$ -</u>	<u>\$ (22,158)</u>	<u>\$ 198,282</u>	<u>\$ 10,134</u>	<u>\$ 1,128,151</u>	<u>\$ 73,256</u>	<u>\$ 112,895</u>	<u>\$ 242,641</u>	<u>\$ 102,919</u>

CITY OF DECATUR, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Federal Drug Enforcement Fund	Foreign Fire Tax Fund	PEG Fund	DCDF Fund	Building Fund	Community Revitalization Fund	Library Fund	Local Streets and Roads Fund	Total
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,874,207	\$ 1,728,262	\$ 6,818,020
Investment Income and Net Increase in Fair Value of Investments	-	14	143	8,127	330	3,032	1,871	37	31,836
Intergovernmental	-	-	-	-	-	320,000	722,271	-	7,872,674
Fines and Fees	-	-	-	-	-	-	23,183	-	251,077
Other Revenue	20,843	173,058	66,967	-	584,588	85,793	53,857	-	1,353,106
Total Revenues	20,843	173,072	67,110	8,127	584,918	408,825	3,675,389	1,728,299	16,326,713
EXPENDITURES									
Current:									
Economic Development	-	-	-	19,840	-	699,587	-	-	4,179,663
Public Safety	30,690	156,682	-	-	-	-	-	-	712,368
Culture	-	-	-	-	-	-	-	-	77,202
Public Works	-	-	-	-	-	-	-	1,020,354	1,020,354
Education	-	-	56,783	-	577,668	-	4,051,910	-	4,686,361
General Government	-	-	-	-	-	0	-	-	1,210,745
Debt Services:									
Principal Retirement	-	-	-	-	-	-	-	1,071,429	2,238,929
Interest and Other Charges	-	-	-	-	29,716	-	-	85,330	285,002
Total Expenditures	30,690	156,682	56,783	19,840	607,384	699,587	4,051,910	2,177,113	14,410,624
Excess (Deficiency) of Revenues Over Expenditures	(9,847)	16,390	10,327	(11,713)	(22,466)	(290,762)	(376,521)	(448,814)	1,916,089
OTHER FINANCING SOURCES (USES)									
Sale of Capital Assets	-	-	-	-	-	23,687	-	-	23,687
Transfers In	-	-	-	-	-	2,074,608	791,151	-	2,878,395
Transfers Out	-	-	-	-	-	-	(227,319)	(130,000)	(2,463,192)
Total Other Financing Sources (Uses)	-	-	-	-	-	2,098,295	563,832	(130,000)	438,890
Net Change in Fund Balances	(9,847)	16,390	10,327	(11,713)	(22,466)	1,807,533	187,311	(578,814)	2,354,979
Fund Balances - Beginning of Year	275,077	162,829	96,689	333,066	184,565	1,548,289	1,973,299	1,421,278	7,188,382
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 265,230</u>	<u>\$ 179,219</u>	<u>\$ 107,016</u>	<u>\$ 321,353</u>	<u>\$ 162,099</u>	<u>\$ 3,355,822</u>	<u>\$ 2,160,610</u>	<u>\$ 842,464</u>	<u>\$ 9,543,361</u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Capital Projects Fund	2018 Project Fund	Equipment Replacement Fund	Total
ASSETS				
Cash and Investments	\$ 85,874	\$ 2,961,646	\$ 1,718,457	\$ 4,765,977
Receivables:				
Accounts Receivable	1,054	-	-	1,054
Other	-	188	-	188
	<u>-</u>	<u>188</u>	<u>-</u>	<u>188</u>
Total Assets	<u>\$ 86,928</u>	<u>\$ 2,961,834</u>	<u>\$ 1,718,457</u>	<u>\$ 4,767,219</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	144,864	-	144,864
Due to Other Funds	1,081,816	-	-	1,081,816
Total Liabilities	<u>1,081,816</u>	<u>144,864</u>	<u>-</u>	<u>1,226,680</u>
Deferred Inflows of Resources:				
Unavailable Taxes and Grants	<u>50,298</u>	<u>-</u>	<u>-</u>	<u>50,298</u>
Fund Balances				
Restricted:				
Public Safety	-	2,816,970	-	2,816,970
Committed:				
Public Safety	-	-	1,191,287	1,191,287
Public Works	-	-	527,170	527,170
Unassigned	(1,045,186)	-	-	(1,045,186)
Total Fund Balances	<u>(1,045,186)</u>	<u>2,816,970</u>	<u>1,718,457</u>	<u>3,490,241</u>
Total Liabilities and Fund Balances	<u>\$ 86,928</u>	<u>\$ 2,961,834</u>	<u>\$ 1,718,457</u>	<u>\$ 4,767,219</u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS)
YEAR ENDED DECEMBER 31, 2021**

	Capital Projects Fund	2018 Project Fund	Equipment Replacement Fund	Total
REVENUES				
Investment Income	\$ 114	\$ 2,860	\$ 1,302	\$ 4,276
Other Revenues	-	-	4,228	4,228
Total Revenues	<u>114</u>	<u>2,860</u>	<u>5,530</u>	<u>8,504</u>
EXPENDITURES				
Current:				
Public Safety	-	2,779,705	-	2,779,705
Public Works	30,000	-	3,459,028	3,489,028
Debt Service:				
Principal Retirement	-	-	482,294	482,294
Interest and Other Charges	-	-	25,564	25,564
Total Expenditures	<u>30,000</u>	<u>2,779,705</u>	<u>3,966,886</u>	<u>6,776,591</u>
Deficiency of Revenues Over Expenditures	(29,886)	(2,776,845)	(3,961,356)	(6,768,087)
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	78,617	78,617
Transfers In	330,000	480,000	817,000	1,627,000
Loan Proceeds/Issuance of Debt	-	-	3,293,115	3,293,115
Total Other Financing Sources	<u>330,000</u>	<u>480,000</u>	<u>4,188,732</u>	<u>4,998,732</u>
NET CHANGE IN FUND BALANCE	300,114	(2,296,845)	227,376	(1,769,355)
Fund Balances - Beginning of Year (Deficits)	<u>(1,345,300)</u>	<u>5,113,815</u>	<u>1,491,081</u>	<u>5,259,596</u>
FUND BALANCES - END OF YEAR (DEFICITS)	<u><u>\$ (1,045,186)</u></u>	<u><u>\$ 2,816,970</u></u>	<u><u>\$ 1,718,457</u></u>	<u><u>\$ 3,490,241</u></u>



Supplementary Information

Nonmajor Enterprise Funds

**CITY OF DECATUR, ILLINOIS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2021**

Enterprise Funds are established to account for operations: A) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or B) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Recycling Fund accounts for the operation of the City-wide residential recycling program.

The Storm Water Fund accounts for the construction, operation, and maintenance of the City owned storm water sewer system. Revenues are generated through charges to property owners based on property size.

The Fiber Optics Fund accounts for the construction, operation, and maintenance of the City owned fiber optic network. Revenues are generated through user fees charged for bandwidth access on the City owned fiber optic network.

**CITY OF DECATUR, ILLINOIS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Recycling Fund	Storm Water Fund	Fiber Optics Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 230,932	\$ 3,181,979	\$ 947,982	\$ 4,360,893
Receivables:				
Accounts Receivable	61,271	199,757	(450)	260,578
Total Current Assets	<u>292,203</u>	<u>3,381,736</u>	<u>947,532</u>	<u>4,621,471</u>
Capital Assets:				
Improvements Other Than Buildings	-	3,869,289	819,472	4,688,761
Construction in Progress	-	610,487	-	610,487
Machinery and Equipment	-	27,985	13,645	41,630
Less: Accumulated Depreciation	<u>-</u>	<u>339,482</u>	<u>161,238</u>	<u>500,720</u>
Net Capital Assets	<u>-</u>	<u>4,168,279</u>	<u>671,879</u>	<u>4,840,158</u>
 Total Assets	 <u><u>\$ 292,203</u></u>	 <u><u>\$ 7,550,015</u></u>	 <u><u>\$ 1,619,411</u></u>	 <u><u>\$ 9,461,629</u></u>
 LIABILITIES AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 49,499	\$ 127,612	\$ -	\$ 177,111
Contracts Payable	-	15,192	-	15,192
Unearned Revenue	-	-	999,100	999,100
Interest Payable	-	6,055	-	6,055
Notes Payable	<u>-</u>	<u>165,235</u>	<u>-</u>	<u>165,235</u>
Total Current Liabilities	49,499	314,094	999,100	1,362,693
Noncurrent Liabilities:				
Notes Payable	<u>-</u>	<u>2,966,038</u>	<u>-</u>	<u>2,966,038</u>
 Total Liabilities	49,499	3,280,132	999,100	4,328,731
 NET POSITION				
Net Investment in Capital Assets	-	981,499	671,879	1,653,378
Unrestricted	<u>242,704</u>	<u>3,288,384</u>	<u>(51,568)</u>	<u>3,479,520</u>
Total Net Position	<u>242,704</u>	<u>4,269,883</u>	<u>620,311</u>	<u>5,132,898</u>
 Total Liabilities and Net Position	 <u><u>\$ 292,203</u></u>	 <u><u>\$ 7,550,015</u></u>	 <u><u>\$ 1,619,411</u></u>	 <u><u>\$ 9,461,629</u></u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Recycling Fund	Storm Water Fund	Fiber Optics Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 731,594	\$ 1,721,129	\$ 54,500	\$ 2,507,223
OPERATING EXPENSES				
Contractual Services	621,893	814,024	169,830	1,605,747
Supplies	19,461	539,349	20,000	578,810
Depreciation	-	109,735	43,247	152,982
Total Operating Expenses	<u>641,354</u>	<u>1,463,108</u>	<u>233,077</u>	<u>2,337,539</u>
OPERATING INCOME (LOSS)	90,240	258,021	(178,577)	169,684
NONOPERATING REVENUES (EXPENSES)				
Investment Income	222	4,283	334	4,839
Interest and Other Charges	-	(56,618)	-	(56,618)
Total Nonoperating Revenues (Expenses)	<u>222</u>	<u>(52,335)</u>	<u>334</u>	<u>(51,779)</u>
Income (Loss) Before Transfers	90,462	205,686	(178,243)	117,905
TRANSFERS				
Transfers In	-	109,656	-	109,656
Transfers Out	<u>-</u>	<u>(71,376)</u>	<u>-</u>	<u>(71,376)</u>
Total Transfers	<u>-</u>	<u>38,280</u>	<u>-</u>	<u>38,280</u>
Change in Net Position	90,462	243,966	(178,243)	156,185
Net Position - Beginning of Year	<u>152,242</u>	<u>4,025,917</u>	<u>798,554</u>	<u>4,976,713</u>
NET POSITION - END OF YEAR	<u><u>\$ 242,704</u></u>	<u><u>\$ 4,269,883</u></u>	<u><u>\$ 620,311</u></u>	<u><u>\$ 5,132,898</u></u>

**CITY OF DECATUR, ILLINOIS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Recycling Fund	Storm Water Fund	Fiber Optics Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Charges for Services	\$ 736,899	\$ 1,608,839	\$ 1,054,500	\$ 3,400,238
Cash Paid to Suppliers for Goods and Services	(649,995)	(1,275,781)	(195,330)	(2,121,106)
Net Cash Provided (Used) by Operating Activities	86,904	333,058	859,170	1,279,132
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Transfers from Other Funds	-	109,656	-	109,656
Cash Transfers to Other Funds	-	(71,376)	-	(71,376)
Net Cash Provided (Used) by Noncapital Financing Activities	-	38,280	-	38,280
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	-	(18,470)	-	(18,470)
Principal Payment on Debt	-	(162,381)	-	(162,381)
Interest Payments and Other Charges	-	(56,618)	-	(56,618)
Net Cash Used by Capital and Related Financing Activities	-	(237,469)	-	(237,469)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	222	4,283	334	4,839
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	87,126	138,152	859,504	1,084,782
Cash and Cash Equivalents - Beginning of Year	143,806	3,043,827	88,478	3,276,111
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 230,932</u>	<u>\$ 3,181,979</u>	<u>\$ 947,982</u>	<u>\$ 4,360,893</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 90,240	\$ 258,021	\$ (178,577)	\$ 169,684
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	109,735	43,247	152,982
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable	5,305	(112,290)	900	(106,085)
Accounts Payable	(8,641)	76,112	(5,500)	61,971
Unearned Revenue	-	-	999,100	999,100
Contracts Payable	-	1,480	-	1,480
Net Cash Provided (Used) by Operating Activities	<u>\$ 86,904</u>	<u>\$ 333,058</u>	<u>\$ 859,170</u>	<u>\$ 1,279,132</u>
NONCASH ACTIVITIES				
Noncash Transactions	<u>\$ -</u>	<u>\$ 339,522</u>	<u>\$ -</u>	<u>\$ 339,522</u>

Capital asset purchases in the Storm Water Fund for which the cash has not been disbursed but rather is in accounts payable amounted to \$55,507.

Capital asset purchases in the Storm Water Fund for the prior year which the cash had not been disbursed but rather was in accounts payable amounted to \$395,029, which was reversed out in the current year.



Supplementary Information

Internal Service Funds

**CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021**

Internal Service Funds are established to finance and account for services and commodities furnished by a designated department or agency to other departments and agencies within a single governmental unit on a cost reimbursement basis. Amounts expended by the fund are restored thereto, either from operating earnings or by transfers from other funds, so that the original fund capital is left intact.

The Fleet Maintenance accounts for services provided by the Fleet Maintenance garage for repair and maintenance of motorized vehicles and equipment and for funds transferred from operating departments for the expenses to service and maintain City fleet equipment.

The Risk Management Fund accounts for the financial resources collected from other City funds to defray the cost of business insurance, including workers' compensation, property and casualty, and general liability coverage for City operations.

The Self Insurance (Employee Benefit Insurance) Fund accounts for financial resources, including payroll deductions and the City's contribution, and expenditures made for payment of medical, nonmedical, unemployment claims, flexible spending program, and the related costs for the programs.

**CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2021**

ASSETS	Fleet Maintenance Fund	Risk Management Fund	Employee Benefit Insurance Fund	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 261,978	\$ 1,862,084	\$ 969,921	\$ 3,093,983
Receivables:				
Accounts Receivable	3,575	-	-	3,575
Inventories	264,352	-	-	264,352
Prepaid	-	159,839	-	159,839
Total Current Assets	<u>529,905</u>	<u>2,021,923</u>	<u>969,921</u>	<u>3,521,749</u>
CAPITAL ASSETS				
Construction in Progress	45,000	-	-	45,000
Machinery and Equipment	1,273,556	-	-	1,273,556
Less: Accumulated Depreciation	<u>1,010,988</u>	<u>-</u>	<u>-</u>	<u>1,010,988</u>
Total Capital Assets	<u>307,568</u>	<u>-</u>	<u>-</u>	<u>307,568</u>
Net Pension Asset	191,456	-	-	191,456
Total Assets	1,028,929	2,021,923	969,921	4,020,773
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount Related to OPEB	122,797	-	-	122,797
Deferred Amount Related to Pension	<u>73,514</u>	<u>-</u>	<u>-</u>	<u>73,514</u>
Total Deferred Outflows of Resources	<u>196,311</u>	<u>-</u>	<u>-</u>	<u>196,311</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,225,240</u>	<u>\$ 2,021,923</u>	<u>\$ 969,921</u>	<u>\$ 4,217,084</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	\$ 33,986	\$ 104,442	\$ 14,124	\$ 152,552
Interest Payable	3,622	-	-	3,622
Other Accrued Liabilities	34,536	-	-	34,536
Compensated Absences	23,393	-	-	23,393
Claims Payable	-	904,143	1,261,445	2,165,588
Notes Payable	<u>61,141</u>	<u>-</u>	<u>-</u>	<u>61,141</u>
Total Current Liabilities	<u>159,159</u>	<u>1,008,585</u>	<u>1,275,569</u>	<u>2,443,313</u>
NONCURRENT LIABILITIES				
Other Post-Employment Benefits	523,826	-	-	523,826
Notes Payable	<u>434,134</u>	<u>-</u>	<u>-</u>	<u>434,134</u>
Total Noncurrent Liabilities	<u>957,960</u>	<u>-</u>	<u>-</u>	<u>957,960</u>
Total Liabilities	<u>1,117,119</u>	<u>1,008,585</u>	<u>1,275,569</u>	<u>3,401,273</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount Related to OPEB	9,649	-	-	9,649
Deferred Amount Related to Pension	<u>425,015</u>	<u>-</u>	<u>-</u>	<u>425,015</u>
Total Deferred Inflows of Resources	<u>434,664</u>	<u>-</u>	<u>-</u>	<u>434,664</u>
NET POSITION				
Net Investment in Capital Assets	(187,707)	-	-	(187,707)
Unrestricted	<u>(138,836)</u>	<u>1,013,338</u>	<u>(305,648)</u>	<u>568,854</u>
Total Net Position	<u>(326,543)</u>	<u>1,013,338</u>	<u>(305,648)</u>	<u>381,147</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 1,225,240</u>	<u>\$ 2,021,923</u>	<u>\$ 969,921</u>	<u>\$ 4,217,084</u>

**CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Fleet Maintenance Fund	Risk Management Fund	Employee Benefit Insurance Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 2,807,653	\$ 3,040,478	\$ 7,794,795	\$ 13,642,926
Payroll Deductions/Retiree Contributions	-	-	2,512,976	2,512,976
Other Revenue	-	56,168	121,003	177,171
Total Operating Revenues	2,807,653	3,096,646	10,428,774	16,333,073
OPERATING EXPENSES				
Personnel Services	586,362	-	187,537	773,899
Contractual Services	421,894	503,605	826,928	1,752,427
Supplies	1,032,415	11,488	-	1,043,903
Insurance and Other Charges	406,519	2,738,232	11,150,817	14,295,568
Depreciation	97,153	-	-	97,153
Total Operating Expenses	2,544,343	3,253,325	12,165,282	17,962,950
OPERATING INCOME (LOSS)	263,310	(156,679)	(1,736,508)	(1,629,877)
NONOPERATING REVENUES (EXPENSES)				
Interest and Other Charges	(21,849)	-	-	(21,849)
Investment Income	310	3,426	2,832	6,568
Total Nonoperating Revenues (Expenses)	(21,539)	3,426	2,832	(15,281)
NET INCOME (LOSS)	241,771	(153,253)	(1,733,676)	(1,645,158)
Net Position - Beginning of Year	(568,314)	1,166,591	1,428,028	2,026,305
NET POSITION - END OF YEAR	<u>\$ (326,543)</u>	<u>\$ 1,013,338</u>	<u>\$ (305,648)</u>	<u>\$ 381,147</u>

**CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Fleet Maintenance Fund	Risk Management Fund	Employee Benefit Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Charges for Services	\$ 2,807,653	\$ 3,096,646	\$ 10,428,774	\$ 16,333,073
Cash Paid to Suppliers for Goods and Services	(1,889,416)	(3,626,299)	(12,387,683)	(17,903,398)
Cash Paid to Employees	(684,183)	-	-	(684,183)
Net Cash Provided by (Used in) Operating Activities	234,054	(529,653)	(1,958,909)	(2,254,508)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Property, Plant, and Equipment	(45,000)	-	-	(45,000)
Principal Payment on Debt	(58,255)	-	-	(58,255)
Interest Payments and Other Charges	(21,849)	-	-	(21,849)
Net Cash Used by Capital and Related Financing Activities	(125,104)	-	-	(125,104)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	310	3,426	2,832	6,568
NET INCREASE (DECREASE) IN CASH	109,260	(526,227)	(1,956,077)	(2,373,044)
Cash - Beginning of Year	152,718	2,388,311	2,925,998	5,467,027
CASH - END OF YEAR	<u>\$ 261,978</u>	<u>\$ 1,862,084</u>	<u>\$ 969,921</u>	<u>\$ 3,093,983</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 263,310	\$ (156,679)	\$ (1,736,508)	\$ (1,629,877)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	97,153	-	-	97,153
Effects of Changes in Operating Assets and Liabilities:				
Receivables	(2,481)	-	-	(2,481)
Prepays	-	56,034	-	56,034
Inventories	(7,019)	-	-	(7,019)
Accounts Payable	(21,569)	(429,008)	(222,401)	(672,978)
Other Current Liabilities	(2,303)	-	-	(2,303)
Unearned Revenue	2,481	-	-	2,481
Other Post-Employment Benefits (OPEB)	4,454	-	-	4,454
Deferred Outflows-Pension	50,160	-	-	50,160
Deferred Outflows-OPEB	20,686	-	-	20,686
Net Pension Liability (Asset)	(346,560)	-	-	(346,560)
Deferred Inflows-Pension	178,301	-	-	178,301
Deferred Inflows-OPEB	(2,559)	-	-	(2,559)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 234,054</u>	<u>\$ (529,653)</u>	<u>\$ (1,958,909)</u>	<u>\$ (2,254,508)</u>



Supplementary Information

Fiduciary Funds

**CITY OF DECATUR, ILLINOIS
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

Fiduciary Funds are used to account for resources received and held by a governmental unit as agent or trustee for individuals, private organizations, or other governments.

The City has one type of Fiduciary Fund: Pension Trust Fund.

The Fire Pension Fund and the Police Pension Fund account for activities as prescribed by the statutes of the State of Illinois.

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021**

	Police Pension Fund	Fire Pension Fund	Total
ASSETS			
Cash and Short-Term Investments	\$ 5,168,602	\$ 3,581,622	\$ 8,750,224
Accrued Interest	215,915	152,878	368,793
Long-Term Investments, at Fair Value:			
U.S. Government Obligations	28,741,752	10,716,603	39,458,355
Mutual Funds	64,506,277	60,089,158	124,595,435
Common Stock	26,468,424	13,200,375	39,668,799
Annuities	-	808,660	808,660
Municipal Bonds	266,860	631,834	898,694
Corporate Bonds	16,555,883	14,532,981	31,088,864
Notes	-	196,430	196,430
Total Long-Term Investments	<u>136,539,196</u>	<u>100,176,041</u>	<u>236,715,237</u>
Total Assets	<u><u>\$ 141,923,713</u></u>	<u><u>\$ 103,910,541</u></u>	<u><u>\$ 245,834,254</u></u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 35,512	\$ 5,981	\$ 41,493
NET POSITION			
Net Position Restricted for Pensions	<u>141,888,201</u>	<u>103,904,560</u>	<u>245,792,761</u>
Total Liabilities and Net Position	<u><u>\$ 141,923,713</u></u>	<u><u>\$ 103,910,541</u></u>	<u><u>\$ 245,834,254</u></u>

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Police Pension Fund	Fire Pension Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 5,634,213	\$ 6,194,930	\$ 11,829,143
Plan Member	1,376,741	844,332	2,221,073
Miscellaneous Revenue	5,072	50	5,122
Total Contributions	<u>7,016,026</u>	<u>7,039,312</u>	<u>14,055,338</u>
Investment Earnings:			
Interest and Dividends	1,008,709	666,329	1,675,038
Net Increase in the Fair Value of Investments	<u>16,110,233</u>	<u>10,291,724</u>	<u>26,401,957</u>
Total Investment Income	17,118,942	10,958,053	28,076,995
Less: Investment Expense	<u>300,578</u>	<u>220,111</u>	<u>520,689</u>
Net Investment Income	<u>16,818,364</u>	<u>10,737,942</u>	<u>27,556,306</u>
Total Additions	23,834,390	17,777,254	41,611,644
DEDUCTIONS			
Benefits and Refunds	9,417,153	9,116,478	18,533,631
Administrative Expense	<u>107,908</u>	<u>71,636</u>	<u>179,544</u>
Total Deductions	<u>9,525,061</u>	<u>9,188,114</u>	<u>18,713,175</u>
Change in Net Position	14,309,329	8,589,140	22,898,469
Net Position - Beginning of Year	<u>127,578,872</u>	<u>95,315,420</u>	<u>222,894,292</u>
NET POSITION - END OF YEAR	<u><u>\$ 141,888,201</u></u>	<u><u>\$ 103,904,560</u></u>	<u><u>\$ 245,792,761</u></u>



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