

**CITY OF DECATUR, ILLINOIS**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**



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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 (the City), as of and for the year ended December 31, 2022, 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 the 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, 2022, 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 Decatur Metropolitan Exposition, Auditorium and Office Building Authority (Civic Center Authority) discretely presented component unit, which represent 100%, respectively, of the assets, net position, and revenues of the discretely presented component units as of December 31, 2022. 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.

#### ***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. The financial statements of the Civic Center Authority were not audited in accordance with *Government Auditing Standards*.

## **Emphasis of a Matter**

### *Corrections of Errors*

During fiscal year ended December 31, 2022, the City corrected an error in the beginning balance of capital assets for governmental activities and beginning fund balance for prepaid capital purchases in nonmajor governmental funds that had been reported as expenditures. In addition, the City corrected an error in the beginning balance of unearned revenue in the Mass Transit Fund, a major enterprise fund, and related business-type activities. These corrections resulted in a restatement of beginning net position and fund balance for certain opinion units, as described in Note 19. Our opinions are not modified with respect to these matters.

### *Accounting Standards Update*

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

## **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 firefighter pension plans, and certain budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.


Management 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024 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.



**CliftonLarsonAllen LLP**

Champaign, Illinois  
January 19, 2024

**CITY OF DECATUR, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 62,758,367	\$ 47,534,990	\$ 110,293,357	\$ 96,797
Investments	-	20,174,090	20,174,090	-
Receivables:				
Property Taxes, Net	17,521,339	-	17,521,339	-
Illinois Municipal Sales Tax	8,182,503	-	8,182,503	-
Other Taxes	3,381,877	-	3,381,877	-
Due from Other Governments	1,156,307	-	1,156,307	-
Accounts Receivable	815,285	8,503,585	9,318,870	135,868
Notes Receivable	196,264	-	196,264	-
Other	13,809	87,848	101,657	2,658
Internal Balances	1,486,344	(1,486,344)	-	-
Prepaid Items	979,528	127,397	1,106,925	-
Inventories	305,762	591,007	896,769	2,909
Net Pension Asset	13,775,670	3,332,823	17,108,493	-
Capital Assets Not Being Depreciated/Amortized	27,569,307	25,802,714	53,372,021	3,130,762
Capital Assets Being Depreciated/Amortized, Net	84,055,477	153,691,663	237,747,140	2,426,451
Total Assets	<u>222,197,839</u>	<u>258,359,773</u>	<u>480,557,612</u>	<u>5,795,445</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Amount Related to Pension	47,898,631	516,125	48,414,756	-
Deferred Amount Related to OPEB Liability	2,043,996	508,004	2,552,000	-
Total Deferred Outflows of Resources	<u>49,942,627</u>	<u>1,024,129</u>	<u>50,966,756</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	3,524,436	4,044,786	7,569,222	28,251
Contracts Payable	398,853	1,052,444	1,451,297	-
Interest Payable	206,138	1,659,734	1,865,872	-
Claims Payable	4,074,837	-	4,074,837	-
Other Accrued Liabilities	3,379,140	217,478	3,596,618	44,986
Unearned Revenue	6,656,522	3,524,379	10,180,901	-
Long-Term Obligations, Due Within One Year:				
Bonds Payable	3,198,200	8,845,782	12,043,982	-
Leases Payable	672,486	-	672,486	-
Notes Payable	2,089,952	3,020,057	5,110,009	-
Compensated Absences	2,729,704	108,631	2,838,335	21,702
Long-Term Obligations, Due in More Than One Year:				
Bonds Payable	20,925,147	103,127,196	124,052,343	-
Leases Payable	5,700,013	-	5,700,013	-
Notes Payable	2,536,989	30,422,029	32,959,018	-
Net Pension Liability	196,994,236	-	196,994,236	-
Other Postemployment Benefits	8,785,467	2,242,529	11,027,996	-
Compensated Absences	3,017,042	120,067	3,137,109	-
Total Liabilities	<u>264,889,162</u>	<u>158,385,112</u>	<u>423,274,274</u>	<u>94,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Subsequent Year's Property Taxes	17,521,552	-	17,521,552	-
Deferred Amount Related to Pension	16,114,895	3,490,325	19,605,220	-
Deferred Amount Related to OPEB Liability	2,041,611	499,823	2,541,434	-
Total Deferred Inflows of Resources	<u>35,678,058</u>	<u>3,990,148</u>	<u>39,668,206</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	76,402,360	55,745,943	132,148,303	5,557,213
Restricted for Pension Benefits	13,775,670	3,332,823	17,108,493	-
Restricted for General Government	206,000	-	206,000	-
Restricted for Economic Development	3,727,744	-	3,727,744	-
Restricted for Transportation and Highway	8,130,062	-	8,130,062	-
Restricted for Education	3,182,960	-	3,182,960	-
Restricted for Culture	91,026	-	91,026	-
Restricted for Public Safety	905,071	-	905,071	-
Restricted for Debt Service	1,074,979	-	1,074,979	-
Unrestricted Net Position	<u>(135,922,626)</u>	<u>37,929,876</u>	<u>(97,992,750)</u>	<u>143,293</u>
Total Net Position	<u>\$ (28,426,754)</u>	<u>\$ 97,008,642</u>	<u>\$ 68,581,888</u>	<u>\$ 5,700,506</u>

See accompanying Notes to Financial Statements.



**CITY OF DECATUR, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 8,204,840	\$ 3,602,943	\$ 10,447,312	\$ -	\$ 5,845,415	\$ -	\$ 5,845,415	\$ -
Economic Development	5,300,964	-	3,500,359	-	(1,800,605)	-	(1,800,605)	-
Public Safety	66,100,846	131,354	488,969	-	(65,480,523)	-	(65,480,523)	-
Public Works	13,807,587	-	46,836	1,970,267	(11,790,484)	-	(11,790,484)	-
Culture	65,262	-	-	-	(65,262)	-	(65,262)	-
Education	4,909,291	28,067	104,020	-	(4,777,204)	-	(4,777,204)	-
Transportation	37,399	-	-	-	(37,399)	-	(37,399)	-
Interest and Other Charges	1,033,812	-	-	-	(1,033,812)	-	(1,033,812)	-
<b>Total Governmental Activities</b>	<b>99,460,001</b>	<b>3,762,364</b>	<b>14,587,496</b>	<b>1,970,267</b>	<b>(79,139,874)</b>	<b>-</b>	<b>(79,139,874)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water	26,122,968	36,638,497	6,385,321	-	-	16,900,850	16,900,850	-
Mass Transit	9,739,194	302,015	10,957,563	-	-	1,520,384	1,520,384	-
Fiber Optics	273,533	232,448	-	1,013,476	-	972,391	972,391	-
Waste Removal	664,894	706,407	-	-	-	41,513	41,513	-
Storm Water	1,962,242	1,612,777	-	-	-	(349,465)	(349,465)	-
Sewer	5,174,122	8,599,039	4,224,423	-	-	7,649,340	7,649,340	-
<b>Total Business-Type Activities</b>	<b>43,936,953</b>	<b>48,091,183</b>	<b>21,567,307</b>	<b>1,013,476</b>	<b>-</b>	<b>26,735,013</b>	<b>26,735,013</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 143,396,954</b>	<b>\$ 51,853,547</b>	<b>\$ 36,154,803</b>	<b>\$ 2,983,743</b>	<b>(79,139,874)</b>	<b>26,735,013</b>	<b>(52,404,861)</b>	<b>-</b>
<b>Component Unit</b>								
Civic Center Authority	\$ 1,967,192	\$ 1,355,388	\$ -	\$ 7,452	-	-	-	(604,352)
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes					17,066,850	-	17,066,850	-
Utility Taxes					6,970,074	-	6,970,074	-
Food and Beverage Taxes					3,842,524	-	3,842,524	-
Hotel and Motel Taxes					1,078,590	-	1,078,590	-
Local Sales Tax					13,232,557	-	13,232,557	-
Local Use Tax					2,858,126	-	2,858,126	-
Motor Fuel Tax					1,856,688	-	1,856,688	-
Other Taxes					10,441,542	-	10,441,542	-
Intergovernmental (State Sales and Income Tax)					25,077,268	-	25,077,268	-
Investment Earnings					(54,939)	913,273	858,334	-
Gain on Sale of Capital Assets					239,555	8,769	248,324	-
Other General Revenues					2,298,052	-	2,298,052	466,115
Transfers					2,798,363	(2,798,363)	-	-
<b>Total General Revenues and Transfers</b>					<b>87,705,250</b>	<b>(1,876,321)</b>	<b>85,828,929</b>	<b>466,115</b>
<b>CHANGES IN NET POSITION</b>					<b>8,565,376</b>	<b>24,858,692</b>	<b>33,424,068</b>	<b>(138,237)</b>
Net Position - Beginning of Year, as Restated					<u>(36,992,130)</u>	<u>72,149,950</u>	<u>35,157,820</u>	<u>5,838,743</u>
<b>NET POSITION - END OF YEAR</b>					<b>\$ (28,426,754)</b>	<b>\$ 97,008,642</b>	<b>\$ 68,581,888</b>	<b>\$ 5,700,506</b>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2022**

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>				
Cash and Investments	\$ 24,974,999	\$ 6,233,551	\$ 27,066,792	\$ 58,275,342
Receivables:				
Property Taxes, Net	11,925,582	-	5,595,757	17,521,339
Illinois Municipal Sales Tax	8,099,778	-	82,725	8,182,503
Other Taxes	3,042,146	26,750	312,981	3,381,877
Due from Other Governments	9,451	980,498	166,358	1,156,307
Due from Other Funds	8,502,400	-	1,697,700	10,200,100
Accounts Receivable	787,265	7,778	(334)	794,709
Notes Receivable	-	-	196,264	196,264
Other	13,375	-	434	13,809
Prepaid Items	10,800	-	820,633	831,433
Inventories	37,907	-	-	37,907
	<u>\$ 57,403,703</u>	<u>\$ 7,248,577</u>	<u>\$ 35,939,310</u>	<u>\$ 100,591,590</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 594,644	\$ 111,239	\$ 2,379,083	\$ 3,084,966
Contracts Payable	25,699	100,188	272,966	398,853
Unearned Revenue	-	-	6,641,828	6,641,828
Other Accrued Liabilities	2,803,291	-	544,428	3,347,719
Due to Other Funds	43,870	188,458	9,164,965	9,397,293
Total Liabilities	<u>3,467,504</u>	<u>399,885</u>	<u>19,003,270</u>	<u>22,870,659</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Subsequent Year's Property Taxes	11,925,654	-	5,595,898	17,521,552
Unavailable Taxes and Grants	3,203,426	705,249	78,929	3,987,604
Total Deferred Inflows of Resources	<u>15,129,080</u>	<u>705,249</u>	<u>5,674,827</u>	<u>21,509,156</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items	10,800	-	820,633	831,433
Inventories	37,907	-	-	37,907
Restricted:				
General Government	-	-	206,000	206,000
Transportation and Highway	-	6,143,443	1,115,045	7,258,488
Culture	-	-	91,026	91,026
Economic Development	-	-	3,700,169	3,700,169
Public Safety	-	-	1,218,177	1,218,177
Education	-	-	2,885,187	2,885,187
Debt Service	-	-	1,281,117	1,281,117
Committed:				
Public Safety	-	-	1,191,287	1,191,287
Unassigned	38,758,412	-	(1,247,428)	37,510,984
Total Fund Balances	<u>38,807,119</u>	<u>6,143,443</u>	<u>11,261,213</u>	<u>56,211,775</u>
	<u>\$ 57,403,703</u>	<u>\$ 7,248,577</u>	<u>\$ 35,939,310</u>	<u>\$ 100,591,590</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,403,703</u>	<u>\$ 7,248,577</u>	<u>\$ 35,939,310</u>	<u>\$ 100,591,590</u>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS  
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

Total Fund Balances - Governmental Funds		\$ 56,211,775
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	\$ 256,008,358	
Accumulated Depreciation/Amortization	<u>(144,383,574)</u>	
Net Capital Assets		111,624,784
Deferred inflows of resources related to taxes and grants receivable are not available until future periods; therefore, they are not reported in the funds.		
		3,987,604
Net deferred inflows and outflows of resources related to pensions are applicable to future periods; therefore, they are not reported in the funds.		
		31,783,736
Net deferred inflows and outflows of resources related to OPEB are applicable to future periods; therefore, they are not reported in the funds.		
		2,385
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).		
		1,042,666
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		
		(206,138)
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		13,775,670
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	(5,746,746)	
Net Pension Liability	(196,994,236)	
Other Postemployment Benefits	(8,785,467)	
Lease Payable	(6,372,499)	
Bonds Payable	(24,123,347)	
Notes Payable	<u>(4,626,941)</u>	
Total Long-Term Liabilities		<u>(246,649,236)</u>
Net Position of Governmental Activities		<u>\$ (28,426,754)</u>

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, 2022**

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
<b>REVENUES</b>				
Taxes	\$ 38,568,122	\$ -	\$ 7,723,846	\$ 46,291,968
Charges for Service	597,864	-	-	597,864
Investment Income and Net Increase (Decrease) in Fair Value of Investments	(121,819)	17,336	53,907	(50,576)
Intergovernmental	42,616,246	5,135,823	5,290,092	53,042,161
Licenses and Permits	1,988,420	-	-	1,988,420
Fines and Fees	1,035,040	-	141,040	1,176,080
Other Revenue	1,284,581	24,197	1,158,690	2,467,468
Total Revenues	<u>85,968,454</u>	<u>5,177,356</u>	<u>14,367,575</u>	<u>105,513,385</u>
<b>EXPENDITURES</b>				
Current:				
General Government	8,079,643	-	371,714	8,451,357
Economic Development	-	-	5,318,095	5,318,095
Public Safety	50,811,435	-	2,852,104	53,663,539
Culture	-	-	91,151	91,151
Public Works	7,422,851	2,718,955	2,558,947	12,700,753
Education	-	-	5,368,524	5,368,524
Debt Service:				
Principal Retirement	601,654	-	4,952,689	5,554,343
Interest and Other Charges	105,790	-	977,171	1,082,961
Total Expenditures	<u>67,021,373</u>	<u>2,718,955</u>	<u>22,490,395</u>	<u>92,230,723</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	18,947,081	2,458,401	(8,122,820)	13,282,662
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	36,076	-	203,479	239,555
Loan Proceeds/Issuance of Debt	-	-	616,940	616,940
Transfers In	2,437,533	-	3,764,444	6,201,977
Transfers Out	(2,330,000)	-	(1,073,614)	(3,403,614)
Total Other Financing Sources (Uses)	<u>143,609</u>	<u>-</u>	<u>3,511,249</u>	<u>3,654,858</u>
<b>NET CHANGE IN FUND BALANCES</b>	19,090,690	2,458,401	(4,611,571)	16,937,520
Fund Balances - Beginning of Year, as Restated	<u>19,716,429</u>	<u>3,685,042</u>	<u>15,872,784</u>	<u>39,274,255</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 38,807,119</u>	<u>\$ 6,143,443</u>	<u>\$ 11,261,213</u>	<u>\$ 56,211,775</u>

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, 2022**

Net Change in Total Fund Balances		\$ 16,937,520
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		(171,741)
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	\$ 457,216	
Decrease in Accrued Interest on Debt	18,994	
Total	476,210	476,210
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets.		
Capital Expenditures	6,133,273	
Depreciation and Amortization Expense	(7,441,017)	
Total	(1,307,744)	(1,307,744)
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	(239,555)	
Gain on Disposal of Capital Assets	239,555	
Total	-	-
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.		
		38,794
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.		
Lease Payable	593,137	
Notes and Bonds Payable	4,997,100	
Total	5,590,237	5,590,237
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.		
Lease Payable	(46,959)	
Notes and Bonds Payable	(616,940)	
Total	(663,899)	(663,899)
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.		
		(12,056,949)
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.		
		(355,252)
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		78,200
Total	78,200	78,200
Change in Net Position of Governmental Activities		<u>\$ 8,565,376</u>

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Major Enterprise Funds					
	Water Fund	Sewer Fund	Mass Transit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 30,706,388	\$ 13,245,094	\$ 83,292	\$ 3,500,216	\$ 47,534,990	\$ 4,483,025
Investments	20,174,090	-	-	-	20,174,090	-
Receivables:						
Accounts Receivable	4,429,526	377,672	2,861,380	835,007	8,503,585	20,576
Interest Receivable	56,616	31,232	-	-	87,848	-
Due from Other Funds	2,895,420	-	-	-	2,895,420	-
Inventories	367,047	-	223,960	-	591,007	267,855
Prepaid Expenses	-	-	127,397	-	127,397	148,095
Total Current Assets	<u>58,629,087</u>	<u>13,653,998</u>	<u>3,296,029</u>	<u>4,335,223</u>	<u>79,914,337</u>	<u>4,919,551</u>
Noncurrent Assets:						
Capital Assets:						
Land	3,550,667	-	899,399	-	4,450,066	-
Construction in Progress	14,339,041	5,868,255	300,904	844,448	21,352,648	631,105
Buildings and Improvements	154,660,532	-	4,777,943	-	159,438,475	-
Infrastructure	63,454,758	37,674,649	-	4,978,764	106,108,171	-
Machinery and Equipment	20,148,190	1,753,012	11,728,649	192,609	33,822,460	1,360,328
Subtotal	<u>256,153,188</u>	<u>45,295,916</u>	<u>17,706,895</u>	<u>6,015,821</u>	<u>325,171,820</u>	<u>1,991,433</u>
Less: Accumulated Depreciation	<u>122,606,521</u>	<u>13,163,509</u>	<u>9,171,825</u>	<u>735,588</u>	<u>145,677,443</u>	<u>1,019,584</u>
Net Capital Assets	<u>133,546,667</u>	<u>32,132,407</u>	<u>8,535,070</u>	<u>5,280,233</u>	<u>179,494,377</u>	<u>971,849</u>
Net Pension Asset	<u>3,332,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,332,823</u>	<u>592,502</u>
Total Noncurrent Assets	<u>136,879,490</u>	<u>32,132,407</u>	<u>8,535,070</u>	<u>5,280,233</u>	<u>182,827,200</u>	<u>1,564,351</u>
Total Assets	<u>195,508,577</u>	<u>45,786,405</u>	<u>11,831,099</u>	<u>9,615,456</u>	<u>262,741,537</u>	<u>6,483,902</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Amount Related to OPEB Liability	508,004	-	-	-	508,004	100,674
Deferred Amount Related to Pension	516,125	-	-	-	516,125	91,755
Total Deferred Outflows of Resources	<u>1,024,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,024,129</u>	<u>192,429</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	2,563,659	789,926	600,074	91,127	4,044,786	439,470
Contracts Payable	807,309	244,807	-	328	1,052,444	-
Claims Payable	-	-	-	-	-	4,074,837
Interest Payable	1,546,886	106,448	665	5,735	1,659,734	3,178
Other Accrued Liabilities	203,823	-	13,655	-	217,478	31,421
Compensated Absences	99,796	-	8,835	-	108,631	30,581
Unearned Revenue	2,729,632	775,577	11,261	7,909	3,524,379	14,694
Notes Payable	1,780,146	1,058,702	13,069	168,140	3,020,057	64,323
Bonds Payable	8,845,782	-	-	-	8,845,782	-
Due to Other Funds	894,512	-	2,100,000	703,715	3,698,227	-
Total Current Liabilities	<u>19,471,545</u>	<u>2,975,460</u>	<u>2,747,559</u>	<u>976,954</u>	<u>26,171,518</u>	<u>4,658,504</u>
Noncurrent Liabilities:						
Compensated Absences	110,301	-	9,766	-	120,067	-
Other Postemployment Benefits	2,242,529	-	-	-	2,242,529	437,411
Notes Payable	11,048,681	16,500,337	75,113	2,797,898	30,422,029	369,812
Bonds Payable	103,127,196	-	-	-	103,127,196	-
Total Noncurrent Liabilities	<u>116,528,707</u>	<u>16,500,337</u>	<u>84,879</u>	<u>2,797,898</u>	<u>135,911,821</u>	<u>807,223</u>
Total Liabilities	<u>136,000,252</u>	<u>19,475,797</u>	<u>2,832,438</u>	<u>3,774,852</u>	<u>162,083,339</u>	<u>5,465,727</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Amount Related to OPEB Liability	499,823	-	-	-	499,823	89,207
Deferred Amount Related to Pension	3,490,325	-	-	-	3,490,325	620,502
Total Deferred Inflows of Resources	<u>3,990,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,990,148</u>	<u>709,709</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	31,187,071	13,806,595	8,440,281	2,311,996	55,745,943	537,714
Restricted for Pension Benefits	3,332,823	-	-	-	3,332,823	592,502
Unrestricted	<u>22,022,412</u>	<u>12,504,013</u>	<u>558,380</u>	<u>3,528,608</u>	<u>38,613,413</u>	<u>(629,321)</u>
Total Net Position	<u>\$ 56,542,306</u>	<u>\$ 26,310,608</u>	<u>\$ 8,998,661</u>	<u>\$ 5,840,604</u>	<u>97,692,179</u>	<u>\$ 500,895</u>
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.					(683,537)	
Net Position of Business-Type Activities					<u>\$ 97,008,642</u>	

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, 2022**

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Major Enterprise Funds				Total Enterprise Funds	
	Water Fund	Sewer Fund	Mass Transit Fund	Nonmajor Enterprise Funds		
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 35,879,906	\$ 8,579,075	\$ 285,035	\$ 2,551,632	\$ 47,295,648	\$ 16,214,233
Payroll Deductions/Retiree Contributions	-	-	-	-	-	2,614,240
Other Revenues	758,591	19,964	16,980	-	795,535	218,988
Total Operating Revenues	<u>36,638,497</u>	<u>8,599,039</u>	<u>302,015</u>	<u>2,551,632</u>	<u>48,091,183</u>	<u>19,047,461</u>
<b>OPERATING EXPENSES</b>						
Personnel Services	3,817,250	-	258,554	-	4,075,804	1,113,195
Contractual Services	6,008,863	3,568,189	7,080,101	2,179,452	18,836,605	1,552,560
Supplies	3,485,932	285,006	1,394,949	432,590	5,598,477	1,387,058
Other Charges	880,090	32,084	44,021	-	956,195	14,782,218
Depreciation and Amortization	7,067,190	949,716	957,588	234,869	9,209,363	94,109
Total Operating Expenses	<u>21,259,325</u>	<u>4,834,995</u>	<u>9,735,213</u>	<u>2,846,911</u>	<u>38,676,444</u>	<u>18,929,140</u>
<b>OPERATING INCOME (LOSS)</b>	15,379,172	3,764,044	(9,433,198)	(295,279)	9,414,739	118,321
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment Income and Net Increase in Fair Value of Investments	864,471	36,807	-	11,995	913,273	13,234
Intergovernmental Revenue	6,385,321	4,224,423	10,957,563	1,013,476	22,580,783	-
Interest and Other Charges	(4,904,628)	(339,127)	(1,977)	(53,758)	(5,299,490)	(11,807)
Gain (Loss) on Disposal of Assets	28,663	(29,516)	9,622	-	8,769	-
Total Nonoperating Revenues (Expenses)	<u>2,373,827</u>	<u>3,892,587</u>	<u>10,965,208</u>	<u>971,713</u>	<u>18,203,335</u>	<u>1,427</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	17,752,999	7,656,631	1,532,010	676,434	27,618,074	119,748
<b>TRANSFERS</b>						
Transfers In	27,599,385	-	-	109,656	27,709,041	-
Transfers Out	(29,840,660)	(588,360)	-	(78,384)	(30,507,404)	-
Net Transfers	<u>(2,241,275)</u>	<u>(588,360)</u>	<u>-</u>	<u>31,272</u>	<u>(2,798,363)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	15,511,724	7,068,271	1,532,010	707,706	24,819,711	119,748
Net Position - Beginning of Year, as Restated	<u>41,030,582</u>	<u>19,242,337</u>	<u>7,466,651</u>	<u>5,132,898</u>		<u>381,147</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 56,542,306</u>	<u>\$ 26,310,608</u>	<u>\$ 8,998,661</u>	<u>\$ 5,840,604</u>		<u>\$ 500,895</u>
Reconciliation to Statement of Activities: Certain amounts for the Internal Service Funds are allocated to business-type activities in the statement of activities.					38,981	
Net Business-Type Activities					<u>\$ 24,858,692</u>	

See accompanying Notes to Financial Statements.

**CITY OF DECATUR, ILLINOIS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Major Enterprise Funds			Nonmajor Enterprise Funds	Total Enterprise Funds	
	Water Fund	Sewer Fund	Mass Transit Fund			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Charges for Services	\$ 36,029,796	\$ 8,577,350	\$ 485,984	\$ 2,529,204	\$ 47,622,334	\$ 19,042,673
Cash Paid to Suppliers for Goods and Services	(8,808,782)	(3,733,691)	(9,017,836)	(2,312,491)	(23,872,800)	(16,078,836)
Cash Paid to Employees/Contract Employees	(4,862,818)	-	(240,425)	-	(5,103,243)	(756,248)
Net Cash Provided (Used) by Operating Activities	22,358,196	4,843,659	(8,772,277)	216,713	18,646,291	2,207,589
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental Revenue	3,143,119	1,998,525	10,618,877	173,997	15,934,518	-
Cash Transfers from Other Funds	27,599,385	-	-	109,656	27,709,041	-
Cash Transfers to Other Funds	(29,840,660)	(588,360)	-	(78,384)	(30,507,404)	-
Net Cash Provided by Noncapital Financing Activities	901,844	1,410,165	10,618,877	205,269	13,136,155	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of Capital Assets	(10,899,486)	(5,420,656)	(1,974,601)	(1,075,341)	(19,370,084)	(758,390)
Proceeds from the Issuance of Debt	25,382,055	-	-	-	25,382,055	-
Proceeds from the Sale of Capital Assets	30,204	-	9,622	-	39,826	-
Principal Payment on Debt	(8,970,433)	(1,039,043)	(40,544)	(165,235)	(10,215,255)	(61,140)
Interest Payments and Other Charges	(4,597,282)	(345,192)	(2,719)	(53,758)	(4,998,951)	(12,251)
Net Cash Provided (Used) by Capital and Related Financing Activities	945,058	(6,804,891)	(2,008,242)	(1,294,334)	(9,162,409)	(831,781)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Investments	(20,047,911)	-	-	-	(20,047,911)	-
Investment Income	301,808	36,807	-	11,675	350,290	13,234
Net Cash Provided (Used) by Investing Activities	(19,746,103)	36,807	-	11,675	(19,697,621)	13,234
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,458,995	(514,260)	(161,642)	(860,677)	2,922,416	1,389,042
Cash and Cash Equivalents - Beginning of Year	26,247,393	13,759,354	244,934	4,360,893	44,612,574	3,093,983
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 30,706,388</u>	<u>\$ 13,245,094</u>	<u>\$ 83,292</u>	<u>\$ 3,500,216</u>	<u>\$ 47,534,990</u>	<u>\$ 4,483,025</u>

See accompanying Notes to Financial Statements.



**CITY OF DECATUR, ILLINOIS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Major Enterprise Funds					
	Water Fund	Sewer Fund	Mass Transit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 15,379,172	\$ 3,764,044	\$ (9,433,198)	\$ (295,279)	\$ 9,414,739	\$ 118,321
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	7,067,190	949,716	957,588	234,869	9,209,363	94,109
Unrealized Gain on Investments	(126,179)	-	-	-	(126,179)	-
Effects of Changes in Operating Assets and Liabilities:						
Receivables	(1,340,919)	(21,689)	183,969	(22,428)	(1,201,067)	12,387
Inventories	(16,804)	-	33,012	-	16,208	(3,503)
Prepaid Items	-	-	-	-	-	11,744
Due from Other Funds	858,397	-	-	-	858,397	-
Accounts Payable	1,498,213	(65,502)	18,223	297,216	1,748,150	2,196,167
Contracts Payable	(809,817)	217,090	-	2,335	(590,392)	-
Compensated Absences	21,684	-	18,129	-	39,813	-
OPEB	(486,520)	-	-	-	(486,520)	(86,415)
Other Liabilities	5,651	-	-	-	5,651	4,073
Deferred Outflows - OPEB	124,551	-	-	-	124,551	22,123
Deferred Outflows - Pensions	(148,557)	-	-	-	(148,557)	(18,241)
Net Pension Asset	(2,375,542)	-	-	-	(2,375,542)	(401,046)
Deferred Inflows - Pensions	1,365,251	-	-	-	1,365,251	195,487
Deferred Inflows - OPEB	447,914	-	-	-	447,914	79,558
Due to Other Funds	894,511	-	(550,000)	-	344,511	-
Unearned Revenue	-	-	-	-	-	(17,175)
Net Cash Provided (Used) by Operating Activities	<u>\$ 22,358,196</u>	<u>\$ 4,843,659</u>	<u>\$ (8,772,277)</u>	<u>\$ 216,713</u>	<u>\$ 18,646,291</u>	<u>\$ 2,207,589</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>						
Noncash Transactions	<u>\$ (2,228,453)</u>	<u>\$ (577,745)</u>	<u>\$ (6,607)</u>	<u>\$ 53,308</u>	<u>\$ (2,759,497)</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 \$2,511,066.

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 \$282,613, 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 \$949,822.

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 \$189,028, which was reversed out in the current year.

Capital asset purchases in the Mass Transit Fund for which the cash has not been disbursed but rather is in accounts payable amounted to \$6,607.

Capital asset purchases in the Storm Water Fund for which the cash has not been disbursed but rather is in accounts payable amounted to \$2,199.

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 \$55,507, 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, 2022**

**ASSETS**

Cash and Short-Term Investments	\$ 13,257,777
Consolidated Pooled Investment	<u>195,766,655</u>
Total Assets	<u><u>\$ 209,024,432</u></u>

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts Payable	\$ 22,393
Total Current Liabilities	<u>22,393</u>

**NET POSITION**

Net Position Restricted for Pensions	<u>209,002,039</u>
Total Liabilities and Net Position	<u><u>\$ 209,024,432</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, 2022**

**ADDITIONS**

Contributions:

Employer	\$ 12,737,010
Plan Member	2,294,198
Miscellaneous Revenue	(146)
Total Contributions	15,031,062

Investment Earnings:

Interest and Dividends	1,281,720
Net Decrease in the Fair Value of Investments	(32,902,761)
Total Investment Loss	(31,621,041)
Less: Investment Expense	305,938
Net Investment Loss	(31,926,979)

Total Additions (16,895,917)

**DEDUCTIONS**

Benefits and Refunds	19,693,761
Administrative Expense	201,044
Total Deductions	19,894,805

**CHANGE IN NET POSITION**

(36,790,722)

Net Position - Beginning of Year

245,792,761

**NET POSITION - END OF YEAR**

\$ 209,002,039

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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 and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-of-use (ROU) leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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, 2022**

**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.



**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

Fund Financial Statements (Continued)

**Public Transit Fund**

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

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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

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.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Depreciation/amortization 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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classifications (Continued)**

**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 fund balance.** 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 fund balance.** 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.
- **Committed fund balance.** 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 fund balance.** 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, 2022.
- **Unassigned fund balance.** 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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes (Continued)**

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.

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, 2022 an allowance for uncollectible real property taxes equivalent to 1% of the current year's levy.

Since the 2022 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, firefighters, and police officers, may accumulate up to 240, 200, and 200 days of sick leave, respectively, to be credited to the employee's retirement plan upon death or retirement. The City pays no accumulated sick leave upon termination, except for firefighters and police officers.

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, where applicable, 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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

The accumulated vacation 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”.

**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**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period so will not be recognized as an outflow of resources (expense/expenditure) until then. 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**

In addition to liabilities, the statement of net position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. 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 pensions and OPEB plans and income that will be recognized in future periods related to these.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pensions**

For purposes of measuring the net pension liability (asset), 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.

**Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective January 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of the standard resulted in the City reporting a lease liability and intangible right-to-use lease asset.

**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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Appropriated Budget and Budgetary Accounting (Continued)**

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 schedules 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.
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.

**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.



**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Deposits**

At year-end the carrying value of the City's deposits, including certificates of deposit, was \$113,065,184 and the respective bank balances totaled \$114,809,681, 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.

As of December 31, 2022, 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	\$ 207,807	\$ 207,807	\$ -	\$ -	\$ -
U.S. Treasury Bonds	30,445,818	26,611,296	3,834,522	-	-
Total	<u>\$ 30,653,625</u>	<u>\$ 26,819,103</u>	<u>\$ 3,834,522</u>	<u>\$ -</u>	<u>\$ -</u>

**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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Deposits

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, 2022, the City's bank deposits were fully collateralized.

Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy in relation to the custodial credit risk for investments.

**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, 2022, the City's investments representing greater than five percent of their total fund investments was U.S. Treasury Bonds (\$30,445,818).

**Fair Value of Investments**

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, 2022:

Level 2 Inputs of \$30,445,818 for U.S. Treasury Bonds.

**Investments in The Illinois Funds**

The City has \$248,942 as of December 31, 2022, invested with The Illinois Funds. The Illinois Funds is an investment pool managed by the state of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. The Illinois Funds is a GASB No. 79 qualified external investment pool that measures, for financial reporting purposes, all its investments at amortized cost which approximates fair value. There are no limitations or restrictions on withdrawals from the pool. The fund is rated AAmmf by Fitch.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments in The Illinois Funds (Continued)**

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.

**Pension Investments**

The City's pension plans have \$110,875,198 invested with Illinois Police Officers' Pension Investment Fund (IPOPIF) and \$84,891,457 with the Illinois Firefighters Pension Investment (IFPIF) fund at December 31, 2022. This is a newly created fund based Public Act 101-0610, signed into law on December 18, 2019, providing for the mandatory consolidation of the investment assets of the state of Illinois public safety pension funds. The pension fund assets are combined for investment purposes only. The City transferred its police and firefighters pension investments to IPOPIF and IFPIF in January 2022. The City retained some funds in bank accounts, as is allowed/required, in order to pay pension benefits and other expenses of the police and firefighters pensions. IPOPIF and IFPIF is an external investment pool that measures, for financial reporting purposes, its investments at net asset value. There are no unfunded commitments at December 31, 2022. Both City pension plans may redeem shares with a seven-calendar day notice. Both IPOPIF and IFPIF may, at their sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with both IPOPIF and IFPIF.

**Civic Center Deposits**

At December 31, 2022, cash and cash equivalents for the Civic Center Authority are comprised of cash on hand of \$2,128 and bank deposits of \$101,907 (carrying value of \$96,797).

**Reconciliation to Basic Financial Statements**

Deposits and investments as of December 31, 2022, reconciles from this footnote to the financial statements as follows:

	Primary Government
Carrying Amount of Bank Deposits – per Note Above	\$ 113,065,184
Cash on Hand – per Note Above	6,415
Investments – Consolidated Pooled Investment	195,766,655
Investments – per Note Above (Including Illinois Funds)	30,653,625
Total	\$ 339,491,879
Statement of Net Position:	
Cash and Cash Equivalents	\$ 110,293,357
Investments	20,174,090
Statement of Fiduciary Net Position - Pension Trust	
Funds:	
Cash and Short-Term Investments	13,257,777
Consolidated Pooled Investment	195,766,655
Total	\$ 339,491,879

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables as of December 31, 2022, are summarized below:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Governmental Funds:		
General	\$ 8,502,400	\$ 43,870
Moter Fuel Tax	-	188,458
Nonmajor Governmental Funds	1,697,700	9,164,965
Major Enterprise Funds:		
Water	2,895,420	894,512
Mass Transit	-	2,100,000
Nonmajor Enterprise Funds	-	703,715
Total	<u>\$ 13,095,520</u>	<u>\$ 13,095,520</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.

**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	\$ 2,437,533	\$ 2,330,000
Nonmajor Governmental Funds	3,764,444	1,073,614
Major Enterprise Funds:		
Water	27,599,385	29,840,660
Sewer	-	588,360
Nonmajor Enterprise Funds	109,656	78,384
Total	<u>\$ 33,911,018</u>	<u>\$ 33,911,018</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.

**CITY OF DECATUR, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022 was as follows:

**Primary Government**

	Balance December 31, 2021, as Restated	Increases	Decreases	Balance December 31, 2022
<b>Governmental Activities:*</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 7,842,826	\$ -	\$ -	\$ 7,842,826
Construction in Progress	19,621,979	6,541,426	6,436,924	19,726,481
Total Capital Assets Not Being Depreciated	<u>27,464,805</u>	<u>6,541,426</u>	<u>6,436,924</u>	<u>27,569,307</u>
Capital Assets Being Depreciated:				
Infrastructure	133,283,694	1,491,821	-	134,775,515
Buildings and Improvements	50,830,212	3,310,155	-	54,140,367
Vehicles	14,611,100	1,548,566	1,073,703	15,085,963
Equipment	17,292,619	229,970	38,420	17,484,169
Total Capital Assets Being Depreciated	<u>216,017,625</u>	<u>6,580,512</u>	<u>1,112,123</u>	<u>221,486,014</u>
Less Accumulated Depreciation for:				
Infrastructure	(83,866,569)	(3,467,115)	-	(87,333,684)
Buildings and Improvements	(28,118,950)	(1,387,690)	-	(29,506,640)
Vehicles	(11,671,767)	(813,335)	(1,073,703)	(11,411,399)
Equipment	(14,397,396)	(1,047,122)	(38,420)	(15,406,098)
Total Accumulated Depreciation	<u>(138,054,682)</u>	<u>(6,715,262)</u>	<u>(1,112,123)</u>	<u>(143,657,821)</u>
Total Capital Assets Being Depreciated, Net	<u>77,962,943</u>	<u>(134,750)</u>	<u>-</u>	<u>77,828,193</u>
Right-to-Use Lease Assets:				
Buildings and Improvements	6,522,048	-	-	6,522,048
Vehicles	396,629	46,959	12,599	430,989
Total Right-to-Use Lease Assets	<u>6,918,677</u>	<u>46,959</u>	<u>12,599</u>	<u>6,953,037</u>
Less Accumulated Amortization for:				
Buildings and Improvements	-	(545,230)	-	(545,230)
Vehicles	-	(193,122)	(12,599)	(180,523)
Total Accumulated Amortization	<u>-</u>	<u>(738,352)</u>	<u>(12,599)</u>	<u>(725,753)</u>
Total Right-to-Use Lease Assets, Net	<u>6,918,677</u>	<u>(691,393)</u>	<u>-</u>	<u>6,227,284</u>
Total Capital Assets and Right-to-Use Lease Assets Being Depreciated and Amortized, Net	<u>84,881,620</u>	<u>(826,143)</u>	<u>-</u>	<u>84,055,477</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 112,346,425</u>	<u>\$ 5,715,283</u>	<u>\$ 6,436,924</u>	<u>\$ 111,624,784</u>

\*Includes internal service funds

**CITY OF DECATUR, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Primary Government (Continued)**

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated				
Land	\$ 4,450,066	\$ -	\$ -	\$ 4,450,066
Construction in Progress	6,910,704	18,439,146	3,997,202	21,352,648
Total Capital Assets Not Being Depreciated	11,360,770	18,439,146	3,997,202	25,802,714
Capital Assets Being Depreciated				
Infrastructure	102,527,013	3,581,158	-	106,108,171
Buildings and Improvements	159,411,115	27,360	-	159,438,475
Vehicles	12,530,026	3,223,005	1,113,912	14,639,119
Equipment	19,186,738	9,816	13,213	19,183,341
Total Capital Assets Being Depreciated	293,654,892	6,841,339	1,127,125	299,369,106
Less Accumulated Depreciation for:				
Infrastructure	(26,575,777)	(2,549,954)	-	(29,125,731)
Buildings and Improvements	(96,821,829)	(4,505,450)	-	(101,327,279)
Vehicles	(5,758,008)	(1,121,445)	(1,084,396)	(5,795,057)
Equipment	(8,408,534)	(1,032,514)	(11,672)	(9,429,376)
Total Accumulated Depreciation	(137,564,148)	(9,209,363)	(1,096,068)	(145,677,443)
Total Capital Assets Being Depreciated, Net	156,090,744	(2,368,024)	31,057	153,691,663
Total Business-Type Activities Capital Assets, Net	\$ 167,451,514	\$ 16,071,122	\$ 4,028,259	\$ 179,494,377

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Primary Government (Continued)**

Depreciation and amortization expense was charged to governmental and business-type activities functional expense categories, respectively, as follows:

Governmental Activities:	
General Government	\$ 224,284
Public Safety	1,981,856
Public Works	4,711,937
Culture and Recreation	<u>535,537</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,453,614</u></u>
Business-Type Activities:	
Water	\$ 7,067,190
Mass Transit	957,588
Fiber Optics	40,974
Sewer	949,716
Storm Water	<u>193,895</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 9,209,363</u></u>

**Discretely Presented Component Unit**

Activity for the Civic Center Authority for the year ended December 31, 2022 was as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Capital Assets Not Being Depreciated:				
Land	\$ 3,130,762	\$ -	\$ -	\$ 3,130,762
Capital Assets Being Depreciated:				
Buildings and Equipment	14,402,133	7,452	-	14,409,585
Less Accumulated Depreciation for:				
Buildings and Equipment	<u>(11,814,293)</u>	<u>(168,841)</u>	<u>-</u>	<u>(11,983,134)</u>
Total Capital Assets Being Depreciated, Net	<u>2,587,840</u>	<u>(161,389)</u>	<u>-</u>	<u>2,426,451</u>
Civic Center Authority Capital Assets, Net	<u><u>\$ 5,718,602</u></u>	<u><u>\$ (161,389)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,557,213</u></u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, 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
<b>Other Taxes:</b>						
Hotel and Motel Tax	\$ 71,531	\$ -	\$ -	\$ -	\$ -	\$ 71,531
Food and Beverage Tax	348,013	-	-	-	-	348,013
Cable TV Tax	216,794	-	-	-	-	216,794
Utility Tax	818,208	-	-	-	-	818,208
Motor Fuel Tax	-	154,083	-	-	-	154,083
State Route Maintenance	-	185,648	-	-	-	185,648
State Income Tax	1,049,578	-	-	-	-	1,049,578
State Replacement Tax	538,022	-	-	-	-	538,022
Total Other Taxes	<u>\$ 3,042,146</u>	<u>\$ 339,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,381,877</u>
<b>Due from Other Governments:</b>						
Grants	\$ 9,451	\$ 871,607	\$ -	\$ -	\$ -	\$ 881,058
Allotments	-	275,249	-	-	-	275,249
Total Due from Other Governments	<u>\$ 9,451</u>	<u>\$ 1,146,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156,307</u>
<b>Accounts Receivable:</b>						
General Billings	\$ 412,563	\$ 7,778	\$ -	\$ (334)	\$ 20,576	\$ 440,583
Outstanding Parking Tickets	749,601	-	-	-	-	749,601
Allowance for Uncollectible Portion	(374,899)	-	-	-	-	(374,899)
Total Accounts Receivable	<u>\$ 787,265</u>	<u>\$ 7,778</u>	<u>\$ -</u>	<u>\$ (334)</u>	<u>\$ 20,576</u>	<u>\$ 815,285</u>
<b>Notes Receivable:</b>						
Installment Notes	\$ -	\$ 199,141	\$ -	\$ -	\$ -	\$ 199,141
Home Program Loans	-	76,379	-	-	-	76,379
Allowance for Uncollectible Notes	-	(79,256)	-	-	-	(79,256)
Total Notes Receivable	<u>\$ -</u>	<u>\$ 196,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,264</u>
<b>Other:</b>						
Investment Income	<u>\$ 13,375</u>	<u>\$ -</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,809</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.



**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 RECEIVABLES (CONTINUED)**

**Business-Type Activities**

	Enterprise
Accounts Receivable:	
Water Billings	\$ 2,816,402
Watermain Tapping	(94)
Sanitary District	487,191
Grants	2,855,184
Recycling Fees	49,504
Fiber Optics	551,551
Sewer Billings	377,672
Storm Water	233,952
Mass Transit Operations	6,196
Water Capital	1,126,027
Total Accounts Receivable	\$ 8,503,585

**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, 2021, as Restated	Debt Additions	Debt Retirement	Obligations Outstanding at December 31, 2022	Due Within One Year
<b>Governmental Activities: *</b>					
General Obligation Bonds:					
Series of 2010C	\$ 755,000	\$ -	\$ 240,000	515,000	\$ 250,000
Series of 2012	2,890,000	-	695,000	2,195,000	710,000
Series of 2018	8,940,000	-	345,000	8,595,000	360,000
Series of 2019	5,845,000	-	675,000	5,170,000	900,000
Series of 2019B	1,900,000	-	200,000	1,700,000	200,000
Series of 2020	5,755,000	-	670,000	5,085,000	700,000
(Less) Plus Deferred Amounts for:					
Issuance Premiums	941,547	-	78,200	863,347	78,200
Total General Obligation Bonds	27,026,547	-	2,903,200	24,123,347	3,198,200
Notes Payable (Direct Borrowings):					
2014 Soy Capital Bank	111,687	-	111,687	-	-
2015 Busey Fire Note	67,215	-	67,215	-	-
2016 Busey Street Note	2,142,853	-	1,071,428	1,071,425	1,071,425
2017 Busey Public Works	28,992	-	28,992	-	-
2020 Regions Note	650,418	-	80,288	570,130	84,467
2021 Regions Note	1,488,663	-	361,813	1,126,850	379,724
2021 Hickory Point Fire Pierce Aerial	820,633	-	59,426	761,207	120,641
2021 Hickory Point Fire Pierce Pumper	569,681	-	41,253	528,428	83,748
2021 Hickory Point Sweeper	301,959	-	41,769	260,190	41,236
2022 Police Interceptor Vehicles	-	616,940	308,229	308,711	308,711
Total Notes Payable	6,182,101	616,940	2,172,100	4,626,941	2,089,952
Compensated Absences	6,203,962	1,649,303	2,106,519	5,746,746	2,729,704
Lease Payable	6,918,677	46,959	593,139	6,372,497	672,486
Total Governmental Activities	\$ 46,331,287	\$ 2,313,202	\$ 7,774,958	\$ 40,869,531	\$ 8,690,342

\*Includes internal service funds

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

	Obligations Outstanding at December 31, 2021	Debt Additions	Debt Retirement	Obligations Outstanding December 31, 2022	Due Within One Year
<b>Business-Type Activities:</b>					
<b>General Obligation Bonds:</b>					
Series of 2013	\$ 6,660,000	\$ -	\$ 1,540,000	\$ 5,120,000	\$ 1,625,000
Series of 2014	17,875,000	-	1,035,000	16,840,000	1,075,000
Series of 2015	18,160,000	-	970,000	17,190,000	995,000
Series of 2016	18,755,000	-	890,000	17,865,000	935,000
Series of 2017	2,505,000	-	1,045,000	1,460,000	1,095,000
Series of 2018	14,365,000	-	560,000	13,805,000	585,000
Series of 2020	10,620,000	-	1,100,000	9,520,000	1,150,000
Series of 2022	-	24,840,000	-	24,840,000	825,000
(Less) Plus Deferred Amounts for:					
Issuance Premiums	5,324,902	542,055	533,979	5,332,978	560,782
Total General Obligation Bonds	<u>94,264,902</u>	<u>25,382,055</u>	<u>7,673,979</u>	<u>111,972,978</u>	<u>8,845,782</u>
<b>Notes Payable (Direct Borrowings):</b>					
2001 IEPA Loan	120,463	-	120,463	-	-
2011 IEPA Water Loan	3,616,807	-	361,681	3,255,126	361,681
2013 IEPA Sewer Loan	5,262,997	-	359,848	4,903,149	366,826
2014 IEPA Loan	1,613,976	-	101,005	1,512,971	103,030
2014 Soy Capital Bank	28,158	-	28,158	-	-
2016 IEPA Sewer Loan	7,254,770	-	382,830	6,871,940	389,559
2017 IEPA Storm Sewer Loan	3,131,273	-	165,235	2,966,038	168,140
2019 IEPA Loan Sewer Project	4,466,336	-	195,360	4,270,976	199,287
2020 Regions Note	11,022,582	-	1,360,696	9,661,886	1,431,534
Total Notes Payable	<u>36,517,362</u>	<u>-</u>	<u>3,075,276</u>	<u>33,442,086</u>	<u>3,020,057</u>
Compensated Absences	196,961	125,293	93,556	228,698	108,631
Total Business-Type Activities	<u>\$ 130,979,225</u>	<u>\$ 25,507,348</u>	<u>\$ 10,842,811</u>	<u>\$ 145,643,762</u>	<u>\$ 11,974,470</u>

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

Long-term debt noted above at December 31, 2022 are comprised of the following:

**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>
2023	\$ 250,000	\$ 20,600	\$ 270,600
2024	265,000	10,600	275,600
Total	<u>\$ 515,000</u>	<u>\$ 31,200</u>	<u>\$ 546,200</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (Continued)**

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>
2023	\$ 710,000	\$ 45,556	\$ 755,556
2024	730,000	28,000	758,000
2025	755,000	9,438	764,438
Total	<u>\$ 2,195,000</u>	<u>\$ 82,994</u>	<u>\$ 2,277,994</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>
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>\$ 5,120,000</u>	<u>\$ 385,500</u>	<u>\$ 5,505,500</u>

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>
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	1,305,000	539,188	1,844,188
2028-2032	7,415,000	1,781,606	9,196,606
2033-2034	3,485,000	176,375	3,661,375
Total	<u>\$ 16,840,000</u>	<u>\$ 5,235,946</u>	<u>\$ 22,075,946</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (Continued)**

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>
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	1,185,000	554,750	1,739,750
2028-2032	6,880,000	1,809,825	8,689,825
2033-2035	4,905,000	304,813	5,209,813
Total	<u>\$ 17,190,000</u>	<u>\$ 5,398,788</u>	<u>\$ 22,588,788</u>

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>
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	1,140,000	573,506	1,713,506
2028-2032	6,455,000	2,123,753	8,578,753
2033-2036	6,235,000	584,000	6,819,000
Total	<u>\$ 17,865,000</u>	<u>\$ 6,105,158</u>	<u>\$ 23,970,158</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>
2023	\$ 1,095,000	\$ 58,400	\$ 1,153,400
2024	365,000	14,600	379,600
Total	<u>\$ 1,460,000</u>	<u>\$ 73,000</u>	<u>\$ 1,533,000</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, approximately \$571,289 of the proceeds remains unexpended.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 945,000	\$ 1,096,375	\$ 2,043,100
2024	1,000,000	1,047,750	2,041,375
2025	1,045,000	996,625	2,047,750
2026	1,100,000	943,000	2,041,625
2027	1,155,000	886,625	2,041,625
2028-2032	6,665,000	3,488,625	10,153,625
2033-2037	8,525,000	1,598,125	10,123,125
2038	1,965,000	49,125	2,014,125
Total	<u>\$ 22,400,000</u>	<u>\$ 10,106,250</u>	<u>\$ 32,506,250</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>
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	715,000	57,393	772,393
2028-2030	1,270,000	75,830	1,345,830
Total	<u>\$ 5,170,000</u>	<u>\$ 558,023</u>	<u>\$ 5,728,023</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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>
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	125,000	24,602	149,602
2028-2032	655,000	78,887	733,887
2033-2034	285,000	9,933	294,933
Total	<u>\$ 1,700,000</u>	<u>\$ 244,746</u>	<u>\$ 1,944,746</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>
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	1,790,000	154,350	1,944,350
2028-2030	5,560,000	235,095	5,795,095
Total	<u>\$ 14,605,000</u>	<u>\$ 1,382,325</u>	<u>\$ 15,987,325</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (Continued)**

General Obligation Bonds, Series 2022

\$24,840,000 Series 2022 General Obligation Bonds dated April 28, 2022 due March 1, 2042; interest of 4.00% (principal and interest to be serviced by annual tax levy) to finance Water and Sewer infrastructure improvements. This was a direct placement and there are no default measures. As of December 31, 2022, approximately \$24,953,276 of the proceeds remains unexpended, includes bond premium.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 825,000	\$ 977,100	\$ 2,043,100
2024	860,000	943,400	2,041,375
2025	895,000	908,300	2,047,750
2026	935,000	871,700	2,041,625
2027	970,000	833,600	1,803,600
2028-2032	5,480,000	3,540,600	9,020,600
2033-2037	6,695,000	2,326,900	9,021,900
2038-2042	8,180,000	844,400	9,024,400
Total	<u>\$ 24,840,000</u>	<u>\$ 11,246,000</u>	<u>\$ 36,086,000</u>

**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. This note was paid off in full in 2022.

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>
2023	\$ 361,681	\$ -	\$ 361,681
2024	361,681	-	361,681
2025	361,681	-	361,681
2026	361,681	-	361,681
2027	361,681	-	361,681
2028-2031	1,446,721	-	1,446,721
Total	<u>\$ 3,255,126</u>	<u>\$ -</u>	<u>\$ 3,255,126</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Notes Payable (All Direct Borrowings) (Continued)**

**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.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	396,120	63,575	459,695
2028-2032	2,098,855	199,623	2,298,478
2033-2034	897,632	21,760	919,392
Total	<u>\$ 4,903,149</u>	<u>\$ 613,197</u>	<u>\$ 5,516,346</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>
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	111,544	21,158	132,702
2028-2032	592,178	61,814	653,992
2033-2035	384,570	23,056	407,626
Total	<u>\$ 1,512,971</u>	<u>\$ 212,157</u>	<u>\$ 1,725,128</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. This note was paid off in full in 2022.



**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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. This note was paid off in full in 2022.

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, 2022. 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>
2023	\$ 1,071,425	\$ 23,284	\$ 1,094,709
Total	<u>\$ 1,071,425</u>	<u>\$ 23,284</u>	<u>\$ 1,094,709</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>
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	417,677	90,443	508,120
2028-2032	2,201,122	399,480	2,600,602
2033-2037	2,401,484	139,119	2,540,603
2038	251,857	2,204	254,061
Total	<u>\$ 6,871,940</u>	<u>\$ 1,063,929</u>	<u>\$ 7,935,869</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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. This note was paid off in full in 2022.

**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>
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	180,276	39,037	219,313
2028-2032	950,039	146,525	1,096,564
2033-2037	1,036,518	60,046	1,096,564
2038	108,706	951	109,657
Total	<u>\$ 2,966,038</u>	<u>\$ 433,312</u>	<u>\$ 3,399,350</u>

**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>
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	215,799	67,916	283,715
2028-2032	1,145,830	272,745	1,418,575
2033-2037	1,265,709	152,866	1,418,575
2038-2040	822,132	29,014	851,146
Total	<u>\$ 4,270,976</u>	<u>\$ 835,895</u>	<u>\$ 5,106,871</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Notes Payable (All Direct Borrowings) (Continued)**

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>
2023	\$ 1,516,001	\$ 192,182	\$ 1,708,183
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	1,822,000	63,863	1,885,863
2028	1,906,015	27,905	1,933,920
Total	<u>\$ 10,232,016</u>	<u>\$ 675,383</u>	<u>\$ 10,907,399</u>

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>
2023	\$ 379,724	\$ 22,240	\$ 401,964
2024	159,950	15,437	175,387
2025	163,456	11,931	175,387
2026	167,039	8,348	175,387
2027	170,700	4,687	175,387
2028	85,981	946	86,927
Total	<u>\$ 1,126,850</u>	<u>\$ 63,589</u>	<u>\$ 1,190,439</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Notes Payable (All Direct Borrowings) (Continued)**

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>
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	130,637	4,628	135,265
2028	133,261	2,002	135,263
Total	<u>\$ 761,207</u>	<u>\$ 50,380</u>	<u>\$ 811,587</u>

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>
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	90,688	3,213	93,901
2028	92,510	1,390	93,900
Total	<u>\$ 528,428</u>	<u>\$ 34,975</u>	<u>\$ 563,403</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Notes Payable (All Direct Borrowings) (Continued)**

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>
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	44,653	1,582	46,235
2028	45,552	684	46,236
Total	<u>\$ 260,190</u>	<u>\$ 17,221</u>	<u>\$ 277,411</u>

Busey Bank Police Interceptor Vehicles - 2022

\$616,940 loan with Busey Bank dated March 2, 2022, 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 1.950% with semi-annual principal and interest payments due at March 15 and September 15 of each year.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 308,711	\$ 4,510	\$ 313,221
Total	<u>\$ 308,711</u>	<u>\$ 4,510</u>	<u>\$ 313,221</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, 2022**

**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 or credited to the employee's retirement plan 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 \$5,746,746 for Governmental Activities and \$228,698 for Business Activities. The Governmental Activities costs are substantially paid through the General Fund and the Library Fund.

**Leases Payable**

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements.

A summary of the City's lease terms, and interest rates is as follows:

**Government Activities:**

1. 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. Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 432,124	\$ 99,009	\$ 531,133
2024	455,127	91,497	546,624
2025	474,176	83,514	557,690
2026	482,346	75,344	557,690
2027	490,656	67,034	557,690
2028-2032	2,686,002	202,366	2,888,368
2033-Thereafter	968,857	14,651	983,508
Total	<u>\$ 5,989,288</u>	<u>\$ 633,415</u>	<u>\$ 6,622,703</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Leases Payable (Continued)**

Government Activities (Continued):

2. 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. Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 39,106	\$ 254	\$ 39,360
2024	22,916	44	22,960
Total	<u>\$ 62,022</u>	<u>\$ 298</u>	<u>\$ 62,320</u>

3. The City has entered into various lease agreements as lessee for financing of a fire apparatus and public safety and public works vehicles. Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 201,250	\$ 5,839	\$ 207,089
2024	119,938	1,647	121,585
Total	<u>\$ 321,188</u>	<u>\$ 7,486</u>	<u>\$ 328,674</u>

The right-to-use lease assets and the related accumulated amortization are detailed in Note 6.

**NOTE 9 PENSION PLANS**

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

**CITY OF DECATUR, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**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](http://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.

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.



**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**IMRF (Continued)**

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	407
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	131
Active Plan Members	222
Total	760

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 2021 was 11.98% and for 2022 was 9.05%. For the fiscal year ended December 31, 2022, the City contributed \$1,251,942 to the plan.

The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**IMRF (Continued)**

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- 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.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Nondisabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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	39%	1.90 %
International Equity	15	3.15
Fixed Income	25	(0.60)
Real Estate	10	3.30
Alternative Investments	10	1.70 - 5.50
Cash Equivalents	1	(0.90)
Total	100%	

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**IMRF (Continued)**

**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 1.84%, and the resulting single discount rate is 7.25%.

**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, 2021	\$ 113,622,565	\$ 119,163,433	\$ (5,540,868)
Changes for the Year:			
Service Cost	1,253,892	-	1,253,892
Interest on the Total Pension Liability	8,019,100	-	8,019,100
Differences Between Expected and Actual Experience of the Total Pension Liability	2,158,392	-	2,158,392
Contributions - Employer	-	1,568,822	(1,568,822)
Contributions - Employees	-	712,156	(712,156)
Net Investment Income	-	8,402,582	(8,402,582)
Difference Between Projected and Actual Investment Income	-	12,822,066	(12,822,066)
Benefit Payments, Including Refunds of Employee Contributions	(7,282,471)	(7,296,228)	13,757
Administrative Expenses	-	(71,050)	71,050
Other	-	(421,810)	421,810
Net Changes	<u>4,148,913</u>	<u>15,716,538</u>	<u>(11,567,625)</u>
Balances at December 31, 2022	<u>\$ 117,771,478</u>	<u>\$ 134,879,971</u>	<u>\$ (17,108,493)</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**IMRF (Continued)**

**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)	\$ (4,219,044)	\$ (17,108,493)	\$ (27,541,595)

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

For the year ended December 31, 2022, the City recognized pension benefit of \$4,575,852. At December 31, 2022, 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
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Changes of Assumptions	\$ 1,377,498	\$ 317,766
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	127,929
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	1,377,498	17,471,306
Pension Contributions Made Subsequent to the Measurement Date	1,251,942	-
Total Deferred Amounts Related to Pensions	\$ 2,629,440	\$ 17,917,001

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>
2023	\$ (3,854,576)
2024	(6,006,840)
2025	(4,113,673)
2026	(2,564,414)
Total	\$ (16,539,503)

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Defined Benefit Single-Employer Pension Plans**

The City has two (2) defined benefit single-employer pension plans: Police and Firefighter 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 Firefighter 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	Firefighter Pension Fund	Total
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 11,352,134	\$ 1,905,643	\$ 13,257,777
Consolidated Pooled Investment	<u>110,875,198</u>	<u>84,891,457</u>	<u>195,766,655</u>
Total Assets	<u>\$ 122,227,332</u>	<u>\$ 86,797,100</u>	<u>\$ 209,024,432</u>
<b>LIABILITIES AND NET POSITION</b>			
Accounts Payable	\$ 14,493	\$ 7,900	\$ 22,393
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	<u>122,212,839</u>	<u>86,789,200</u>	<u>209,002,039</u>
Total Liabilities and Net Position	<u>\$ 122,227,332</u>	<u>\$ 86,797,100</u>	<u>\$ 209,024,432</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Defined Benefit Single-Employer Pension Plans (Continued)**

	Police Pension Fund	Firefighter Pension Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 6,087,567	\$ 6,649,443	\$ 12,737,010
Plan Member	1,445,823	848,375	2,294,198
Miscellaneous Revenue	5,267	(5,413)	(146)
Total Contributions	<u>7,538,657</u>	<u>7,492,405</u>	<u>15,031,062</u>
Investment Earnings:			
Interest and Dividends	1,112,052	169,668	1,281,720
Net Decrease in the Fair Value of Investments	<u>(17,578,270)</u>	<u>(15,324,491)</u>	<u>(32,902,761)</u>
Total Investment Loss	<u>(16,466,218)</u>	<u>(15,154,823)</u>	<u>(31,621,041)</u>
Less: Investment Expense	249,526	56,412	305,938
Net Investment Loss	<u>(16,715,744)</u>	<u>(15,211,235)</u>	<u>(31,926,979)</u>
Total Additions	(9,177,087)	(7,718,830)	(16,895,917)
<b>DEDUCTIONS</b>			
Benefits and Refunds	10,341,711	9,352,050	19,693,761
Administrative Expense	<u>156,564</u>	<u>44,480</u>	<u>201,044</u>
Total Deductions	<u>10,498,275</u>	<u>9,396,530</u>	<u>19,894,805</u>
<b>CHANGE IN NET POSITION</b>	(19,675,362)	(17,115,360)	(36,790,722)
Net Position - Beginning of Year	<u>141,888,201</u>	<u>103,904,560</u>	<u>245,792,761</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 122,212,839</u>	<u>\$ 86,789,200</u>	<u>\$ 209,002,039</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, 2022**

**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, 2022, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to But Not Yet Receiving Benefits	194
Current Employees:	
Vested and Nonvested	162
Total	356

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, 2022**

**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.

Concentration of credit risk

Plan investments are in the state investment pool, as per state statute.

Investment rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on Police Plan investments, net of investment expense, was (11.84)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2022, are as follows:

Total Pension Liability	\$ 219,559,656
Plan Fiduciary Net Position	<u>122,212,839</u>
Net Pension Liability	<u>\$ 97,346,817</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 55.66%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022 using the following actuarial assumptions applied to all measurement periods:

Valuation Date	January 1, 2022
Measurement Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Projected Salary Increases	3.00%
Investment Rate of Return	7.125%
Mortality Rate	PubS-2010 Mortality with Generational Projection per the MP-2021 Ultimate Scale

Each Board of Trustees (the 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, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Police Pension Plan (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 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1 %	0.59 %
US Core Fixed Income	3	2.13
US Treasury Bonds	3	1.26
US Short Gov/Credit Bonds	3	1.26
US TIPS	3	1.43
US High Yield Bonds	3	3.84
US Bank/Leveraged Loans	3	3.43
Private Credit	5	6.19
Emerging Markets Bonds	3	3.98
US Large Cap Equity	23	4.09
US Small Cap Equity	5	4.67
Foreign Developed Equity	18	5.15
Non-US Small Cap Equity	5	5.31
Emerging Markets Equity	7	6.20
Private Equity	7	6.54
Infrastructure – Public	8	4.12
Total	<u>100 %</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.125% 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 23 years from January 1, 2022. 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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Police Pension Plan (Continued)**

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	6.125%	7.125%	8.125%
Net Pension Liability	\$ 129,820,167	\$ 97,332,324	\$ 71,132,252

Changes in Net Pension Liability

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

Total Pension Liability:	
Service Cost	\$ 2,194,102
Interest	15,140,964
Changes of Assumptions/Methods	201,143
Effect of Economic/Geographic Gains or Losses	637,984
Benefit Payments	<u>(10,341,711)</u>
Net Change in Total Pension Liability	7,832,482
Total Pension Liability - Beginning	<u>211,727,174</u>
Total Pension Liability - Ending (A)	219,559,656
Plan Fiduciary Net Position:	
Contributions - Employer	6,087,567
Contributions - Employee	1,445,823
Net Investment Income	(16,519,701)
Benefit Payments	(10,341,711)
Administrative Expense	<u>(152,444)</u>
Net Change in Plan Fiduciary Net Position	(19,480,466)
Plan Fiduciary Net Position - Beginning	<u>141,707,798</u>
Plan Fiduciary Net Position - Ending (B)	<u>122,227,332</u>
Net Pension Liability (A) - (B)	<u>\$ 97,332,324</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.67%
Covered Payroll	\$ 13,099,398
Net Pension Liability as a Percentage of Covered Payroll	743.03%

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, the City recognized pension expense of \$15,849,714. On December 31, 2022, 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	\$ 3,775,897	\$ (170,998)
Changes of assumptions	7,469,717	-
Net Difference Between Projected and Actual Earnings	13,154,231	-
Total Deferred Amounts Related to Pensions	\$ 24,399,845	\$ (170,998)

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
2023	\$ 7,305,779
2024	6,990,825
2025	4,574,426
2026	5,357,817
Total	\$ 24,228,847

**Firefighter Pension Plan**

Plan Description

The Firefighter 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 Firefighter 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, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Firefighter 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, 2022, the Firefighter Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to But Not Yet Receiving Benefits	106
Current Employees:	
Vested and Nonvested	141
Total	247

The Firefighter 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.

Concentration of credit risk

Plan investments are in the state investment pool, as per state statute.

Investment rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on Fire Plan investments, net of investment expense, was (14.76)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Firefighter Pension Plan (Continued)**

Net Pension Liability

The components of the net pension liability of the Firefighter Pension Plan as of December 31, 2022, are as follows:

Total Pension Liability	\$ 186,459,012
Plan Fiduciary Net Position	<u>86,789,200</u>
Net Pension Liability	<u>\$ 99,669,812</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.55%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022 using the following actuarial assumptions applied to all measurement periods:

Valuation Date	January 1, 2022
Measurement Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Projected Salary Increases	3.00%
Investment Rate of Return	6.625%
Mortality Rate	PubS-2010 Mortality with Generational Projection per the MP-2021 Ultimate Scale

Each Board of Trustees (the 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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Firefighter Pension Plan (Continued)**

Actuarial Assumptions (Continued)

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	18 %	2.13 %
U.S. Short Treasury Bonds	3	0.94
U.S. Credit Bonds	3	2.68
Private Credit	7	6.19
U.S. Broad Equity Market	25	4.10
Foreign Developed Equity	13	5.15
Emerging Markets Equity	7	6.20
Private Real Estate Property	10	3.70
Private Equity	10	6.54
Infrastructure - Public	4	4.12
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.625% for the Firefighter Pension Plan. The projection of cash flow used to determine the discount rate assumed that the funding policy is to amortize the unfunded liability over 23 years from January 1, 2022. 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 Firefighter 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	5.625%	6.625%	7.625%
Net Pension Liability	\$ 125,352,988	\$ 99,661,912	\$ 78,726,756

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Firefighter Pension Plan (Continued)**

Change in Net Pension Liability

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

Total Pension Liability:	
Service Cost	\$ 2,477,343
Interest	12,210,571
Changes of Assumptions/Methods	(268,754)
Effect of Economic/Demographic Gain (Loss)	(1,627,772)
Benefit Payments	<u>(9,352,050)</u>
Net Change in Total Pension Liability	3,439,338
Total Pension Liability - Beginning	<u>183,019,674</u>
Total Pension Liability - Ending (A)	186,459,012
Plan Fiduciary Net Position:	
Contributions - Employer	6,649,443
Contributions - Employee	848,375
Net Investment Income	(15,063,771)
Benefit Payments	(9,352,050)
Administrative Expense	<u>(42,561)</u>
Net Change in Plan Fiduciary Net Position	(16,960,564)
Plan Fiduciary Net Position - Beginning	<u>103,757,664</u>
Plan Fiduciary Net Position - Ending (B)	<u>86,797,100</u>
Net Pension Liability (A) - (B)	<u>\$ 99,661,912</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.55%
Covered Payroll	\$ 9,204,736
Net Pension Liability as a Percentage of Covered Payroll	1,082.72%

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Firefighter Pension Plan (Continued)**

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

For the year ended December 31, 2022, the City recognized pension expense of \$13,967,550. On December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,703,138	\$ (1,302,218)
Changes of assumptions	8,395,200	(215,003)
Net Difference Between Projected and Actual Earnings	11,267,133	-
Total	<u>\$ 21,365,471</u>	<u>\$ (1,517,221)</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 Outflows of Resources</u>
2023	\$ 5,060,844
2024	6,575,607
2025	4,190,221
2026	4,021,578
Total	<u>\$ 19,848,250</u>

**Pension Summary**

For the year ended December 31, 2022, aggregate data for the City's three pension plans is summarized by the following table.

	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighter Pension</u>	<u>Total</u>
Net Pension Asset	\$ 17,108,493	\$ -	\$ -	\$ 17,108,493
Net Pension Liability	-	97,346,817	99,669,812	197,016,629
Deferred Outflows of Resources	2,649,440	24,399,845	21,365,471	48,414,756
Deferred Inflows of Resources	(17,917,001)	(170,998)	(1,517,221)	(19,605,220)
Pension Expense (Revenue)	(4,575,852)	15,849,714	13,967,550	25,241,412



**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, 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.

**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:

At December 31, 2022, the City had contractual commitments of approximately \$30.7 million for capital improvement programs.

The City's labor agreement with Illinois Association of Firefighter's expired at the end of 2019. An agreement was reached and ratified in July 2023. The City accrued retroactive wages in the amount of \$1,175,915 to the firefighters from January 1, 2020 through December 31, 2022.

**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 \$12,527,870 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 - \$300,000 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.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 13 RISK MANAGEMENT (CONTINUED)**

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.

The claims liability for group health of \$2,394,794 and the nonmedical claims liability of \$1,680,043 at December 31, 2022 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, 2022 and 2021 were:

	2022	2021
Nonmedical Claims Liability:		
Beginning of Fiscal Year Liability	\$ 904,143	\$ 1,380,881
Current Year Claims and Changes in Estimates	2,557,048	1,624,965
Claims Payments	<u>(1,781,148)</u>	<u>(2,101,703)</u>
Total	<u>\$ 1,680,043</u>	<u>\$ 904,143</u>
Medical Claims Liability:		
Beginning of Fiscal Year Liability	\$ 1,261,444	\$ 1,403,238
Current Year Claims and Changes in Estimates	9,108,624	9,647,844
Claims Payments	<u>(7,975,274)</u>	<u>(9,789,638)</u>
Total	<u>\$ 2,394,794</u>	<u>\$ 1,261,444</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. This was 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 agreement for office space. The agreement requires the City to pay only utility and maintenance costs based on square footage occupied by the City within the building, which is 41.4% of the space. During 2022, the City paid \$948,000 in occupancy payments.

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. During 2022, the City contributed \$466,115 to the Authority for fiscal 2022 to assist with operations.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 15 FUND EQUITY**

The following funds had a deficit net position or deficit fund balance at December 31, 2022:

Capital Projects Fund	\$ 773,669
Community Grants Fund	13,101
Building Fund	58,270
Employee Benefit Insurance Fund	1,243,160

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

**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, 2022, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	91
Spouses of Retirees	23
Active Employees	458
Total	<u><u>572</u></u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**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.

**Total OPEB Liability**

The City's total OPEB liability was determined for fiscal year ending December 31, 2022, using December 31, 2022 as the measurement date, by an actuarial valuation as of January 1, 2022.

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2022 (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	2.30% per Year
Salary	3.50% Including Inflation
Healthcare Cost Trend Rates	5.50% - 3.70% Over 51 Years

Mortality rates for Police and Fire were based on PubS-2010 Mortality Table with generational projection per MP-2021 ultimate scale, with employee rates before benefit commencement and healthy and disabled annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date. All other City Employees were based on PubS-2010 Mortality Table with generational projection per MP-2021 ultimate scale, with employee rates before benefit commencement and healthy and disabled annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date. Disabled mortality rates for Police and Fire were based on PubS-2010 Mortality Table for disabled retirees with generational projections per MP-2021 ultimate scale, with employee rates before benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date. Disabled mortality rates for All other City Employees is not applicable.

**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 3.72% as of December 31, 2022, for accounting disclosure purposes.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Total OPEB Liability at December 31, 2021	\$ 13,525,532
Changes for the Year:	
Service Cost	834,207
Interest	286,915
Difference in Expected and Actual Experiences	(829,734)
Changes in Assumptions	(1,920,805)
Benefit Payments	(868,119)
Net Changes	(2,497,536)
Total OPEB Liability at December 31, 2022	\$ 11,027,996

**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 3.72%, 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 (2.72%) or 1-percentage-point higher (4.72%) than the current rate.

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability of the City	\$ 11,850,076	\$ 11,027,996	\$ 10,268,488

**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.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability of the City	\$ 9,890,938	\$ 11,027,996	\$ 12,356,478

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, the City recognized OPEB expense of \$1,309,319. At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in Expected and Actual Experiences	\$ 1,625,003	\$ (714,493)
Changes in Assumptions	926,997	(1,826,941)
Total	<u>\$ 2,552,000</u>	<u>\$ (2,541,434)</u>

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB (income) expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 188,197
2024	188,197
2025	153,814
2026	84,933
2027	(146,148)
Thereafter	<u>(458,427)</u>
Total	<u>\$ 10,566</u>

**NOTE 17 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, 2022 was \$319,396.

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 17 TAX ABATEMENTS (CONTINUED)**

**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.

The City's estimated net reduced tax revenue resulting from the TIFs for the year ending December 31, 2022 are as follows:

	<u>Sales Tax</u>	<u>Property Tax</u>	<u>Total</u>
Pines Shopping Center Save-A-Lot	\$ 40,646	\$ 72,875	\$ 113,521
Eastgate Commons Rural King Strip Phase I	226,948	238,609	465,557
Near North TIF Tax Agreement	-	264,237	264,237
Slumberland Store	49,058	-	49,058
Jackson Ford	19,027	13,590	32,617
Evergreen Hospitality, LLC	14,280	-	14,280
Pace Hospitality, LLC	57,331	-	57,331
Grand & Oakland TIF	42,158	128,297	170,455
Liaison Home Automation, LLC	9,185	-	9,185
Total	<u>\$ 458,633</u>	<u>\$ 717,608</u>	<u>\$ 1,176,241</u>

**NOTE 18 RESTATEMENT OF NET POSITION**

The City recorded a correction to capital assets for governmental activities related to previous year purchases that were not capitalized and some related disposals. In the nonmajor governmental funds, specifically the Equipment Replacement Fund, a correction was made for prepaid capital outlay purchases in the prior year that were recorded as expenditures in error. Additionally, unearned revenue was recorded in the Mass Transit enterprise fund in error in the prior year. The required restatement of governmental activities, the Mass Transit Fund, and business-type activities beginning net position for these items are shown below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Mass Transit Fund</u>	<u>Nonmajor Governmental Funds</u>
Net Position, December 31, 2021, as Previously Reported	\$ (43,356,839)	\$ 70,531,985	\$ 5,848,686	\$ 14,482,470
Correction of Capital Assets	4,974,395	-	-	-
Correction of Prepaid Items	1,390,314	-	-	1,390,314
Correction of Unearned Revenue	-	1,617,965	1,617,965	-
Net Position, December 31, 2021, as Restated	<u>\$ (36,992,130)</u>	<u>\$ 72,149,950</u>	<u>\$ 7,466,651</u>	<u>\$ 15,872,784</u>

**CITY OF DECATUR, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 19 SUBSEQUENT EVENTS**

In September 2023, the City issued \$3 million of debt to finance MSC and Library roofs and Library HVAC improvements, with a 4.35% interest rate, to be repaid beginning in 2023 until final maturity in 2028.





## **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
2022	\$ 1,251,624	\$ 1,251,624	\$ -	\$ 13,830,098	9.05 %
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
2022	\$ 6,132,086	\$ 6,087,567	\$ 44,519	\$ 13,099,398	46.47 %
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

See accompanying Notes to Required Supplementary Information.

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

Firefighter Pension Plan					
Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 6,861,888	\$ 6,649,443	\$ 212,445	\$ 9,204,736	72.24 %
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)**

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service Cost	\$ 834,207	\$ 784,346	\$ 669,364	\$ 318,843	\$ 350,092
Interest	286,915	289,912	279,000	365,180	330,246
Difference in Expected and Actual Experiences	(829,734)	-	2,708,339	-	-
Changes of Assumptions	(1,920,805)	80,308	703,902	1,138,041	(518,742)
Benefit Payments	(868,120)	(1,034,184)	(930,853)	(860,710)	(788,548)
Net Change in Total OPEB Liability	(2,497,537)	120,382	3,429,752	961,354	(626,952)
Total OPEB Liability - Beginning	13,525,533	13,405,151	9,975,399	9,014,045	9,640,997
Total OPEB Liability - Ending	<u>\$ 11,027,996</u>	<u>\$ 13,525,533</u>	<u>\$ 13,405,151</u>	<u>\$ 9,975,399</u>	<u>\$ 9,014,045</u>
Covered Payroll	\$ 36,134,232	\$ 34,744,460	\$ 34,776,960	\$ 34,261,677	\$ 34,029,625
Total OPEB Liability as a Percentage of Covered Payroll	30.5%	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.

*See accompanying Notes to Required Supplementary Information.*

**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,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 2,194,102	\$ 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	15,140,964	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	637,984	691,691	8,727,737	-	-	-	-	-	57,370
Changes of Assumptions/Methods	201,143	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	(10,341,711)	(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	<u>7,832,482</u>	<u>11,916,676</u>	<u>30,454,689</u>	<u>5,922,041</u>	<u>3,903,605</u>	<u>8,981,787</u>	<u>4,631,511</u>	<u>5,708,921</u>	<u>12,321,172</u>
Total Pension Liability – Beginning	<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>	<u>127,886,772</u>
Total Pension Liability – Ending (A)	219,559,656	211,727,174	199,810,498	169,355,809	163,433,768	159,530,163	150,548,376	145,916,865	140,207,944
Plan Fiduciary Net Position:									
Contributions – Employer	6,087,567	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	1,445,823	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	(16,519,701)	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	(10,341,711)	(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	(152,444)	(98,188)	(77,992)	(95,556)	(238,726)	(415,135)	(351,980)	(264,895)	(64,986)
Net Change in Plan Fiduciary Net Position	<u>(19,480,466)</u>	<u>14,128,925</u>	<u>10,051,870</u>	<u>16,382,662</u>	<u>(8,063,046)</u>	<u>10,989,105</u>	<u>6,219,158</u>	<u>(1,595,886)</u>	<u>5,085,765</u>
Plan Fiduciary Net Position – Beginning	<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>	<u>88,509,245</u>
Plan Fiduciary Net Position – Ending (B)	<u>122,227,332</u>	<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>\$ 97,332,324</u>	<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	55.67%	66.93%	63.85%	69.40%	61.89%	68.46%	65.24%	63.05%	66.75%
Covered Payroll	\$ 13,099,398	\$ 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	743%	570%	588%	405%	487%	405%	436%	435%	381%

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

See accompanying Notes to Required Supplementary Information.

**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,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 2,477,343	\$ 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	12,210,571	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	(1,627,772)	2,147,881	996,006	-	-	(1,483,822)	-	-	2,180,908
Changes of Assumptions/Methods	(268,754)	2,799,953	16,788,074	-	-	-	-	-	9,131,603
Effect of Liability Gain or Losses	-	-	-	-	816,311	-	147,773	2,865,795	-
Benefit Payments	(9,352,050)	(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	3,439,338	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	183,019,674	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)	186,459,012	183,019,674	173,055,161	151,141,344	146,978,285	141,978,454	139,104,225	134,895,684	127,664,616
Plan Fiduciary Net Position:									
Contributions – Employer	6,649,443	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	848,375	844,332	848,059	885,836	905,768	854,500	833,972	847,728	809,470
Net Investment Income	(15,063,771)	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	(9,352,050)	(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	(42,561)	(65,655)	(66,111)	(68,000)	(81,141)	(214,760)	(319,375)	(264,992)	(252,605)
Net Change in Plan Fiduciary Net Position	(16,960,564)	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	103,757,664	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)	86,797,100	103,757,664	95,315,419	85,397,892	74,300,324	79,118,735	72,310,307	69,122,038	70,843,446
Net Pension Liability (A) – (B)	<u>\$ 99,661,912</u>	<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	46.55%	56.69%	55.08%	56.50%	50.55%	55.73%	51.98%	51.24%	55.49%
Covered Payroll	\$ 9,204,736	\$ 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	1,083%	846%	830%	755%	834%	720%	750%	749%	689%

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

See accompanying Notes to Required Supplementary Information.

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

Police Pension

	Fiscal Year Ended							
	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	(11.84%)	13.24%	10.97%	18.74%	(5.40%)	13.78%	9.02%	0.02%

Firefighter Pension

	Fiscal Year Ended							
	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	(14.76%)	11.32%	14.08%	17.60%	(4.64%)	11.84%	7.36%	0.57%

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

*See accompanying Notes to Required Supplementary Information.*

**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:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability:							
Service Cost	\$ 1,253,892	\$ 1,346,216	\$ 1,250,712	\$ 1,389,375	\$ 1,476,556	\$ 1,558,483	\$ 1,484,366
Interest on the Total Pension Liability	8,019,100	7,971,666	7,720,891	7,691,811	7,570,759	7,425,184	7,126,789
Differences Between Expected and Actual Experience of the Total Pension Liability	2,158,392	(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	(7,282,471)	(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	<u>4,148,913</u>	<u>1,003,514</u>	<u>3,367,476</u>	<u>4,263,641</u>	<u>1,810,738</u>	<u>1,852,152</u>	<u>4,110,315</u>
Total Pension Liability – Beginning	<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>	<u>97,214,729</u>
Total Pension Liability – Ending (A)	117,771,478	113,622,565	112,619,051	109,251,575	104,987,934	103,177,196	101,325,044
Plan Fiduciary Net Position:							
Contributions – Employer	1,568,822	1,440,124	1,271,124	1,503,344	1,788,392	1,795,318	1,787,566
Contributions – Employees	712,156	651,014	634,843	626,199	665,845	665,417	717,309
Net Investment Income	21,224,648	15,375,007	19,120,098	(4,447,060)	14,727,616	6,686,921	753,618
Benefit Payments	(7,296,228)	(6,739,299)	(6,821,841)	(6,291,267)	(5,968,010)	(5,429,754)	(5,622,441)
Other (Net Transfer)	(145,242)	(419,821)	(97,899)	(86,552)	(79,418)	(93,500)	(106,040)
Net Change in Plan Fiduciary Net Position	<u>16,064,156</u>	<u>10,307,025</u>	<u>14,106,325</u>	<u>(8,695,336)</u>	<u>11,134,425</u>	<u>3,624,402</u>	<u>(2,469,988)</u>
Plan Fiduciary Net Position – Beginning	<u>118,815,815</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>	<u>90,808,962</u>
Plan Fiduciary Net Position – Ending (B)	<u>134,879,971</u>	<u>118,815,815</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>\$ (17,108,493)</u>	<u>\$ (5,193,250)</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	114.53%	104.57%	96.35%	86.41%	98.20%	89.13%	87.18%
Covered Payroll	\$ 13,095,342	\$ 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	(130.65%)	(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.

See accompanying Notes to Required Supplementary Information.



**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, 2022**  
**(UNAUDITED)**

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ 25,393,500	\$ 25,393,500	\$ 25,501,266	\$ 107,766
Charges for Service	7,019,656	7,019,656	7,261,981	242,325
Investment Income and Net Increase in Fair Value of Investments	18,000	18,000	135,241	117,241
Intergovernmental	39,938,688	39,938,688	44,360,233	4,421,545
Licenses and Permits	1,603,250	1,603,250	1,988,420	385,170
Fines and Fees	1,173,600	1,173,600	1,034,234	(139,366)
Other Revenue	1,072,386	1,072,386	1,086,322	13,936
Total Revenues	<u>76,219,080</u>	<u>76,219,080</u>	<u>81,367,697</u>	<u>5,148,617</u>
<b>EXPENDITURES</b>				
Current:				
Legislative	61,687	61,687	41,642	20,045
Executive	868,399	868,399	794,737	73,662
Management Services	1,852,668	1,877,668	1,832,878	44,790
Legal	1,006,159	1,071,159	1,068,181	2,978
Financial Management	4,032,828	3,842,828	3,649,129	193,699
Police	31,296,162	31,296,162	29,800,498	1,495,664
Fire	21,099,943	21,099,943	20,264,096	835,847
Planning and Neighborhood Services	4,171,895	4,271,895	3,976,467	295,428
Public Works	10,666,824	10,666,824	9,847,200	819,624
Other Nondepartmental Charges	602,304	602,304	570,097	32,207
Debt Services:				
Principal Retirement	130,500	130,500	130,916	(416)
Interest and Other Charges	5,631	5,631	6,035	(404)
Total Expenditures	<u>75,795,000</u>	<u>75,795,000</u>	<u>71,981,876</u>	<u>3,813,124</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	424,080	424,080	9,385,821	8,961,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Asset	5,000	5,000	36,076	31,076
Transfers In	1,975,920	1,975,920	2,037,424	61,504
Transfers Out	(2,405,000)	(2,405,000)	(2,330,000)	75,000
Total Other Financing Sources (Uses)	<u>(424,080)</u>	<u>(424,080)</u>	<u>(256,500)</u>	<u>167,580</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	9,129,321	<u>\$ 9,129,321</u>
<b>NET CHANGE IN BUDGETARY BASIS TO GAAP BASIS</b>			<u>9,961,369</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			19,090,690	
Fund Balance - Beginning of Year			<u>19,716,429</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 38,807,119</u>	

See accompanying Notes to Required Supplementary Information.

**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, 2022**  
**(UNAUDITED)**

	Original and Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>			
Intergovernmental:			
Motor Fuel Tax	\$ 4,657,246	\$ 2,992,307	\$ (1,664,939)
Other	3,780,000	2,938,296	(841,704)
Investment Income	4,000	17,336	13,336
Other Revenue	16,000	24,197	8,197
Total Revenues	8,457,246	5,972,136	(2,485,110)
<b>EXPENDITURES</b>			
Public Works:			
Street Repair and Maintenance	8,030,490	4,752,160	3,278,330
<b>NET CHANGE IN FUND BALANCE</b>	\$ 426,756	1,219,976	\$ 793,220
<b>NET CHANGE IN BUDGETARY BASIS TO GAAP BASIS</b>		1,238,425	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>		2,458,401	
Fund Balance - Beginning of Year		3,685,042	
<b>FUND BALANCE - END OF YEAR</b>		\$ 6,143,443	

See accompanying Notes to Required Supplementary Information.

**CITY OF DECATUR, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**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 schedules 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, 2022**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 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.

Methods and Assumptions Used to Determine 2022 Contribution Rates

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
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	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were 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.

\* Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation.

**CITY OF DECATUR, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE  
CALCULATION OF THE 2022 CONTRIBUTION RATE (CONTINUED)**

**Police Pension Plan**

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, closed
Remaining Amortization Period	23 Years as of January 1, 2022
Amortization Growth Rate	3.00%
Asset Valuation Method	5 years, non-asymptotic
Inflation	2.50% per year
Salary Increases	3.00% per year until the assumed retirement age
Investment Rate of Return	7.125% 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-2021 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		

**CITY OF DECATUR, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 3 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE  
CALCULATION OF THE 2022 CONTRIBUTION RATE (CONTINUED)**

**Firefighter Pension Plan**

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, closed
Remaining Amortization Period	23 Years as of January 1, 2022
Amortization Growth Rate	3.00%
Asset Valuation Method	5 years, non-asymptotic
Inflation	2.50% per year
Salary Increases	3.00% per year until the assumed retirement age
Investment Rate of Return	6.625% 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-2021 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



## **Supplementary Information**

### **Governmental Funds**

**CITY OF DECATUR, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

**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 six (6) 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, 2022**

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, 2022**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
<b>ASSETS</b>				
Cash and Investments	\$ 24,190,364	\$ 1,595,671	\$ 1,280,757	\$ 27,066,792
Receivables:				
Property Taxes, Net	4,947,715	-	648,042	5,595,757
Illinois Municipal Sales Tax	82,725	-	-	82,725
Other Taxes	312,981	-	-	312,981
Due from Other Governments	166,358	-	-	166,358
Due from Other Funds	1,697,700	-	-	1,697,700
Accounts Receivable	-	(334)	-	(334)
Notes Receivable	196,264	-	-	196,264
Other Receivables	-	-	434	434
Prepaid Expenses	-	820,633	-	820,633
Total Assets	<u>\$ 31,594,107</u>	<u>\$ 2,415,970</u>	<u>\$ 1,929,233</u>	<u>\$ 35,939,310</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,203,435	\$ 175,648	\$ -	\$ 2,379,083
Contracts Payable	14,783	258,183	-	272,966
Other Accrued Liabilities	544,428	-	-	544,428
Unearned Revenue	6,641,828	-	-	6,641,828
Due to Other Funds	8,383,149	781,816	-	9,164,965
Total Liabilities	<u>17,787,623</u>	<u>1,215,647</u>	<u>-</u>	<u>19,003,270</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Taxes and Grants	27,575	51,354	-	78,929
Subsequent Year's Property Taxes	4,947,782	-	648,116	5,595,898
Total Deferred Inflows of Resources	<u>4,975,357</u>	<u>51,354</u>	<u>648,116</u>	<u>5,674,827</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items	-	820,633	-	820,633
Restricted:				
General Government	206,000	-	-	206,000
Transportation and Highway	1,115,045	-	-	1,115,045
Culture	91,026	-	-	91,026
Economic Development	3,700,169	-	-	3,700,169
Public Safety	905,071	313,106	-	1,218,177
Education	2,885,187	-	-	2,885,187
Debt Service	-	-	1,281,117	1,281,117
Committed:				
Public Safety	-	1,191,287	-	1,191,287
Unassigned	(71,371)	(1,176,057)	-	(1,247,428)
Total Fund Balances	<u>8,831,127</u>	<u>1,148,969</u>	<u>1,281,117</u>	<u>11,261,213</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,594,107</u>	<u>\$ 2,415,970</u>	<u>\$ 1,929,233</u>	<u>\$ 35,939,310</u>

**CITY OF DECATUR, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
<b>REVENUES</b>				
Taxes	\$ 6,652,204	\$ -	\$ 1,071,642	\$ 7,723,846
Investment Income	41,578	8,211	4,118	53,907
Intergovernmental	5,243,256	46,836	-	5,290,092
Fines and Fees	141,040	-	-	141,040
Other Revenues	1,135,470	23,220	-	1,158,690
<b>Total Revenues</b>	<b>13,213,548</b>	<b>78,267</b>	<b>1,075,760</b>	<b>14,367,575</b>
<b>EXPENDITURES</b>				
Current:				
Economic Development	5,318,095	-	-	5,318,095
Public Safety	228,592	2,623,512	-	2,852,104
Culture	91,151	-	-	91,151
Public Works	584,311	1,974,636	-	2,558,947
Education	5,368,524	-	-	5,368,524
General Government	371,714	-	-	371,714
Debt Service:				
Principal Retirement	1,861,428	1,256,261	1,835,000	4,952,689
Interest and Other Charges	219,854	88,058	669,259	977,171
<b>Total Expenditures</b>	<b>14,043,669</b>	<b>5,942,467</b>	<b>2,504,259</b>	<b>22,490,395</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(830,121)</b>	<b>(5,864,200)</b>	<b>(1,428,499)</b>	<b>(8,122,820)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	17,805	185,674	-	203,479
Loan Proceeds/Issuance of Debt	-	616,940	-	616,940
Transfers In	1,173,696	1,330,000	1,260,748	3,764,444
Transfers Out	(1,073,614)	-	-	(1,073,614)
<b>Total Other Financing Sources (Uses)</b>	<b>117,887</b>	<b>2,132,614</b>	<b>1,260,748</b>	<b>3,511,249</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(712,234)</b>	<b>(3,731,586)</b>	<b>(167,751)</b>	<b>(4,611,571)</b>
Fund Balances - Beginning of Year, as Restated	9,543,361	4,880,555	1,448,868	15,872,784
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 8,831,127</b>	<b>\$ 1,148,969</b>	<b>\$ 1,281,117</b>	<b>\$ 11,261,213</b>

**CITY OF DECATUR, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022**

	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
<b>ASSETS</b>										
Cash and Investments	\$ 162,130	\$ 2,734,802	\$ 1,899	\$ 11,276	\$ 15,216	\$ 2,988,141	\$ 38,621	\$ 404,854	\$ 400,129	\$ 91,052
Receivables:										
Property Taxes, Net	-	-	-	-	-	1,935,869	-	-	-	66,099
Illinois Municipal Sales Tax	-	-	-	-	-	82,725	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	36,758	32,926	-	96,674	-	-	-
Due from Other Funds	43,870	470,240	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	24,123	3,633	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 206,000</b>	<b>\$ 3,205,042</b>	<b>\$ 1,899</b>	<b>\$ 72,157</b>	<b>\$ 51,775</b>	<b>\$ 5,006,735</b>	<b>\$ 135,295</b>	<b>\$ 404,854</b>	<b>\$ 400,129</b>	<b>\$ 157,151</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts Payable	\$ -	\$ 19,501	\$ -	\$ 35,308	\$ 14,866	\$ 1,609,797	\$ 9,555	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	2,671,595	15,000	-	-	-	-	-	-	-
Unearned Revenue	-	513,946	-	-	-	-	-	-	-	-
Other Accrued Liabilities	-	-	-	-	-	-	-	274,155	164,135	-
<b>Total Liabilities</b>	<b>-</b>	<b>3,205,042</b>	<b>15,000</b>	<b>35,308</b>	<b>14,866</b>	<b>1,609,797</b>	<b>9,555</b>	<b>274,155</b>	<b>164,135</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable Taxes and Grants	-	-	-	-	-	27,575	-	-	-	-
Subsequent Year's Property Taxes	-	-	-	-	-	1,935,870	-	-	-	66,125
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,963,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,125</b>
<b>FUND BALANCES (DEFICIT)</b>										
Restricted:										
General Government	206,000	-	-	-	-	-	-	-	-	-
Transportation and Highway	-	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-	91,026
Economic Development	-	-	-	36,849	36,909	1,433,493	125,740	-	-	-
Public Safety	-	-	-	-	-	-	-	130,699	235,994	-
Education	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(13,101)	-	-	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>206,000</b>	<b>-</b>	<b>(13,101)</b>	<b>36,849</b>	<b>36,909</b>	<b>1,433,493</b>	<b>125,740</b>	<b>130,699</b>	<b>235,994</b>	<b>91,026</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 206,000</b>	<b>\$ 3,205,042</b>	<b>\$ 1,899</b>	<b>\$ 72,157</b>	<b>\$ 51,775</b>	<b>\$ 5,006,735</b>	<b>\$ 135,295</b>	<b>\$ 404,854</b>	<b>\$ 400,129</b>	<b>\$ 157,151</b>

**CITY OF DECATUR, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2022**

	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
<b>ASSETS</b>									
Cash and Investments	\$ 248,430	\$ 294,664	\$ 117,077	\$ 160,059	\$ 945,438	\$ 11,060,330	\$ 2,893,703	\$ 1,622,543	\$ 24,190,364
Receivables:									
Property Taxes, Net	-	-	-	-	-	-	2,945,747	-	4,947,715
Illinois Municipal Sales Tax	-	-	-	-	-	-	-	-	82,725
Other Taxes	-	-	-	-	-	-	158,898	154,083	312,981
Due from Other Governments	-	-	-	-	-	-	-	-	166,358
Due from Other Funds	-	-	-	-	-	1,183,590	-	-	1,697,700
Notes Receivable	-	-	-	168,508	-	-	-	-	196,264
	<u>\$ 248,430</u>	<u>\$ 294,664</u>	<u>\$ 117,077</u>	<u>\$ 328,567</u>	<u>\$ 945,438</u>	<u>\$ 12,243,920</u>	<u>\$ 5,998,348</u>	<u>\$ 1,776,626</u>	<u>\$ 31,594,107</u>
Total Assets									
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ -	\$ 4,716	\$ -	\$ 1	\$ 215,033	\$ 108,910	\$ 178,588	\$ 7,160	\$ 2,203,435
Contracts Payable	-	-	-	-	-	-	-	14,783	14,783
Due to Other Funds	-	-	-	-	646,114	4,410,802	-	639,638	8,383,149
Unearned Revenue	-	-	-	-	142,286	5,985,596	-	-	6,641,828
Other Accrued Liabilities	-	-	-	-	275	-	105,863	-	544,428
Total Liabilities	-	4,716	-	1	1,003,708	10,505,308	284,451	661,581	17,787,623
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Taxes and Grants	-	-	-	-	-	-	-	-	27,575
Subsequent Year's Property Taxes	-	-	-	-	-	-	2,945,787	-	4,947,782
Total Deferred Inflows of Resources	-	-	-	-	-	-	2,945,787	-	4,975,357
<b>FUND BALANCES (DEFICIT)</b>									
Restricted:									
General Government	-	-	-	-	-	-	-	-	206,000
Transportation and Highway	-	-	-	-	-	-	-	1,115,045	1,115,045
Culture	-	-	-	-	-	-	-	-	91,026
Economic Development	-	-	-	328,566	-	1,738,612	-	-	3,700,169
Public Safety	248,430	289,948	-	-	-	-	-	-	905,071
Education	-	-	117,077	-	-	-	2,768,110	-	2,885,187
Unassigned	-	-	-	-	(58,270)	-	-	-	(71,371)
Total Fund Balances (Deficits)	<u>248,430</u>	<u>289,948</u>	<u>117,077</u>	<u>328,566</u>	<u>(58,270)</u>	<u>1,738,612</u>	<u>2,768,110</u>	<u>1,115,045</u>	<u>8,831,127</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 248,430</u>	<u>\$ 294,664</u>	<u>\$ 117,077</u>	<u>\$ 328,567</u>	<u>\$ 945,438</u>	<u>\$ 12,243,920</u>	<u>\$ 5,998,348</u>	<u>\$ 1,776,626</u>	<u>\$ 31,594,107</u>

**CITY OF DECATUR, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)  
YEAR ENDED DECEMBER 31, 2022**

	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
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,864,866	\$ -	\$ -	\$ -	\$ 64,366
Investment Income and Net Increase in Fair Value of Investments	652	-	-	1,159	-	9,239	170	300	1,131	256
Intergovernmental	22,820	1,075,158	21,804	180,668	600,104	148,160	401,161	-	-	-
Fines and Fees	-	-	-	-	-	-	-	98,388	14,585	-
Other Revenue	-	-	-	-	4,450	-	-	-	2,250	2,060
Total Revenues	<u>23,472</u>	<u>1,075,158</u>	<u>21,804</u>	<u>181,827</u>	<u>604,554</u>	<u>2,022,265</u>	<u>401,331</u>	<u>98,688</u>	<u>17,966</u>	<u>66,682</u>
<b>EXPENDITURES</b>										
Current:										
Economic Development	-	1,075,158	7,652	282,165	170,355	790,968	348,847	-	-	-
Public Safety	-	-	-	-	-	-	-	85,189	28,113	-
Culture	-	-	-	-	-	-	-	-	-	91,151
Public Works	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
General Government	120,900	-	-	-	-	-	-	-	-	-
Debt Services:										
Principal Retirement	-	-	-	-	-	790,000	-	-	-	-
Interest and Other Charges	-	-	-	-	-	135,955	-	-	-	-
Total Expenditures	<u>120,900</u>	<u>1,075,158</u>	<u>7,652</u>	<u>282,165</u>	<u>170,355</u>	<u>1,716,923</u>	<u>348,847</u>	<u>85,189</u>	<u>28,113</u>	<u>91,151</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(97,428)	-	14,152	(100,338)	434,199	305,342	52,484	13,499	(10,147)	(24,469)
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of Capital Assets	-	-	-	-	-	-	-	4,305	3,500	-
Transfers In	-	-	-	-	-	-	-	-	-	12,576
Transfers Out	-	-	(5,095)	(61,095)	(407,424)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(5,095)	(61,095)	(407,424)	-	-	4,305	3,500	12,576
<b>NET CHANGE IN FUND BALANCES</b>	(97,428)	-	9,057	(161,433)	26,775	305,342	52,484	17,804	(6,647)	(11,893)
Fund Balances (Deficit) - Beginning of Year	303,428	-	(22,158)	198,282	10,134	1,128,151	73,256	112,895	242,641	102,919
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 206,000</u>	<u>\$ -</u>	<u>\$ (13,101)</u>	<u>\$ 36,849</u>	<u>\$ 36,909</u>	<u>\$ 1,433,493</u>	<u>\$ 125,740</u>	<u>\$ 130,699</u>	<u>\$ 235,994</u>	<u>\$ 91,026</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, 2022**

	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
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,866,284	\$ 1,856,688	\$ 6,652,204
Investment Income and Net Increase in Fair Value of Investments	-	643	321	7,851	753	11,417	7,550	136	41,578
Intergovernmental	(78)	-	-	-	295,600	1,221,464	1,276,395	-	5,243,256
Fines and Fees	-	-	-	-	-	-	28,067	-	141,040
Other Revenue	751	207,903	59,819	-	589,380	31,758	111,317	125,782	1,135,470
Total Revenues	673	208,546	60,140	7,851	885,733	1,264,639	4,289,613	1,982,606	13,213,548
<b>EXPENDITURES</b>									
Current:									
Economic Development	-	-	-	638	1,277	2,641,035	-	-	5,318,095
Public Safety	17,473	97,817	-	-	-	-	-	-	228,592
Culture	-	-	-	-	-	-	-	-	91,151
Public Works	-	-	-	-	-	-	-	584,311	584,311
Education	-	-	50,079	-	1,075,212	-	4,243,233	-	5,368,524
General Government	-	-	-	-	-	250,814	-	-	371,714
Debt Services:									
Principal Retirement	-	-	-	-	-	-	-	1,071,428	1,861,428
Interest and Other Charges	-	-	-	-	29,613	-	-	54,286	219,854
Total Expenditures	17,473	97,817	50,079	638	1,106,102	2,891,849	4,243,233	1,710,025	14,043,669
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(16,800)	110,729	10,061	7,213	(220,369)	(1,627,210)	46,380	272,581	(830,121)
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of Capital Assets	-	-	-	-	-	10,000	-	-	17,805
Transfers In	-	-	-	-	-	-	1,161,120	-	1,173,696
Transfers Out	-	-	-	-	-	-	(600,000)	-	(1,073,614)
Total Other Financing Sources (Uses)	-	-	-	-	-	10,000	561,120	-	117,887
<b>NET CHANGE IN FUND BALANCES</b>	(16,800)	110,729	10,061	7,213	(220,369)	(1,617,210)	607,500	272,581	(712,234)
Fund Balances - Beginning of Year	265,230	179,219	107,016	321,353	162,099	3,355,822	2,160,610	842,464	9,543,361
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 248,430	\$ 289,948	\$ 117,077	\$ 328,566	\$ (58,270)	\$ 1,738,612	\$ 2,768,110	\$ 1,115,045	\$ 8,831,127

**CITY OF DECATUR, ILLINOIS  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022**

	Capital Projects Fund	2018 Project Fund	Equipment Replacement Fund	Total
<b>ASSETS</b>				
Cash and Investments	\$ 59,835	\$ 571,289	\$ 964,547	\$ 1,595,671
Prepaid Expenses	-	-	820,633	820,633
Receivables:				
Accounts Receivable	(334)	-	-	(334)
Total Assets	\$ 59,501	\$ 571,289	\$ 1,785,180	\$ 2,415,970
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 175,648	\$ 175,648
Contracts Payable	-	258,183	-	258,183
Due to Other Funds	781,816	-	-	781,816
Total Liabilities	781,816	258,183	175,648	1,215,647
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Taxes and Grants	51,354	-	-	51,354
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items			820,633	820,633
Restricted:				
Public Safety	-	313,106	-	313,106
Committed:				
Public Safety	-	-	1,191,287	1,191,287
Unassigned	(773,669)	-	(402,388)	(1,176,057)
Total Fund Balances	(773,669)	313,106	1,609,532	1,148,969
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,501	\$ 571,289	\$ 1,785,180	\$ 2,415,970



**CITY OF DECATUR, ILLINOIS  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (DEFICITS)  
YEAR ENDED DECEMBER 31, 2022**

	Capital Projects Fund	2018 Project Fund	Equipment Replacement Fund	Total
<b>REVENUES</b>				
Investment Income	\$ 132	\$ 4,648	\$ 3,431	\$ 8,211
Intergovernmental Revenues	46,836	-	-	46,836
Other Revenues	(2,444)	-	25,664	23,220
Total Revenues	<u>44,524</u>	<u>4,648</u>	<u>29,095</u>	<u>78,267</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	2,623,512	-	2,623,512
Public Works	103,007	-	1,871,629	1,974,636
Debt Service:				
Principal Retirement	-	-	1,256,261	1,256,261
Interest and Other Charges	-	-	88,058	88,058
Total Expenditures	<u>103,007</u>	<u>2,623,512</u>	<u>3,215,948</u>	<u>5,942,467</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(58,483)	(2,618,864)	(3,186,853)	(5,864,200)
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets	-	115,000	70,674	185,674
Transfers In	330,000	-	1,000,000	1,330,000
Loan Proceeds/Issuance of Debt	-	-	616,940	616,940
Total Other Financing Sources	<u>330,000</u>	<u>115,000</u>	<u>1,687,614</u>	<u>2,132,614</u>
<b>NET CHANGES IN FUND BALANCES</b>	271,517	(2,503,864)	(1,499,239)	(3,731,586)
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>(1,045,186)</u>	<u>2,816,970</u>	<u>3,108,771</u>	<u>4,880,555</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ (773,669)</u>	<u>\$ 313,106</u>	<u>\$ 1,609,532</u>	<u>\$ 1,148,969</u>



**Supplementary Information**  
**Nonmajor Enterprise Funds**

**CITY OF DECATUR, ILLINOIS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2022**

**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, 2022**

<b>ASSETS</b>	Recycling Fund	Storm Water Fund	Fiber Optics Fund	Total
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 307,108	\$ 2,935,113	\$ 257,995	\$ 3,500,216
Receivables:				
Accounts Receivable	49,504	233,952	551,551	835,007
Total Current Assets	<u>356,612</u>	<u>3,169,065</u>	<u>809,546</u>	<u>4,335,223</u>
Capital Assets:				
Improvements Other Than Buildings	-	4,159,291	819,473	4,978,764
Construction in Progress	-	(24,407)	868,855	844,448
Machinery and Equipment	-	178,964	13,645	192,609
Less: Accumulated Depreciation	-	533,377	202,211	735,588
Net Capital Assets	<u>-</u>	<u>3,780,471</u>	<u>1,499,762</u>	<u>5,280,233</u>
 Total Assets	 <u>\$ 356,612</u>	 <u>\$ 6,949,536</u>	 <u>\$ 2,309,308</u>	 <u>\$ 9,615,456</u>
 <b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 71,462	\$ 16,665	\$ 3,000	\$ 91,127
Contracts Payable	-	328	-	328
Unearned Revenue	-	-	7,909	7,909
Interest Payable	-	5,735	-	5,735
Due to Other Funds	-	-	703,715	703,715
Notes Payable	-	168,140	-	168,140
Total Current Liabilities	<u>71,462</u>	<u>190,868</u>	<u>714,624</u>	<u>976,954</u>
Noncurrent Liabilities:				
Notes Payable	-	2,797,898	-	2,797,898
 Total Liabilities	 71,462	 2,988,766	 714,624	 3,774,852
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	812,234	1,499,762	2,311,996
Unrestricted	285,150	3,148,536	94,922	3,528,608
Total Net Position	<u>285,150</u>	<u>3,960,770</u>	<u>1,594,684</u>	<u>5,840,604</u>
 Total Liabilities and Net Position	 <u>\$ 356,612</u>	 <u>\$ 6,949,536</u>	 <u>\$ 2,309,308</u>	 <u>\$ 9,615,456</u>

**CITY OF DECATUR, ILLINOIS  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2022**

	Recycling Fund	Storm Water Fund	Fiber Optics Fund	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 706,407	\$ 1,612,777	\$ 232,448	\$ 2,551,632
<b>OPERATING EXPENSES</b>				
Contractual Services	652,537	1,294,356	232,559	2,179,452
Supplies	12,357	420,233	-	432,590
Depreciation	-	193,895	40,974	234,869
Total Operating Expenses	<u>664,894</u>	<u>1,908,484</u>	<u>273,533</u>	<u>2,846,911</u>
<b>OPERATING INCOME (LOSS)</b>	41,513	(295,707)	(41,085)	(295,279)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	933	9,080	1,982	11,995
Interest and Other Charges	-	(53,758)	-	(53,758)
Intergovernmental Revenue	-	-	1,013,476	1,013,476
Total Nonoperating Revenues (Expenses)	<u>933</u>	<u>(44,678)</u>	<u>1,015,458</u>	<u>971,713</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	42,446	(340,385)	974,373	676,434
<b>TRANSFERS</b>				
Transfers In	-	109,656	-	109,656
Transfers Out	-	(78,384)	-	(78,384)
Total Transfers	<u>-</u>	<u>31,272</u>	<u>-</u>	<u>31,272</u>
<b>CHANGE IN NET POSITION</b>	42,446	(309,113)	974,373	707,706
Net Position - Beginning of Year	<u>242,704</u>	<u>4,269,883</u>	<u>620,311</u>	<u>5,132,898</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 285,150</u>	<u>\$ 3,960,770</u>	<u>\$ 1,594,684</u>	<u>\$ 5,840,604</u>

**CITY OF DECATUR, ILLINOIS  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

	Recycling Fund	Storm Water Fund	Fiber Optics Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Charges for Services	\$ 718,174	\$ 1,578,582	\$ 232,448	\$ 2,529,204
Cash Paid to Suppliers for Goods and Services	(642,931)	(1,491,862)	(229,559)	(2,364,352)
Net Cash Provided (Used) by Operating Activities	<u>75,243</u>	<u>86,720</u>	<u>2,889</u>	<u>164,852</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental Revenue	-	-	173,997	173,997
Cash Transfers from Other Funds	-	109,656	-	109,656
Cash Transfers to Other Funds	-	(78,384)	-	(78,384)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>31,272</u>	<u>173,997</u>	<u>205,269</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	-	(154,625)	(868,855)	(1,023,480)
Principal Payment on Debt	-	(165,235)	-	(165,235)
Interest Payments and Other Charges	-	(53,758)	-	(53,758)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(373,618)</u>	<u>(868,855)</u>	<u>(1,242,473)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	<u>933</u>	<u>8,760</u>	<u>1,982</u>	<u>11,675</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	76,176	(246,866)	(689,987)	(860,677)
Cash and Cash Equivalents - Beginning of Year	<u>230,932</u>	<u>3,181,979</u>	<u>947,982</u>	<u>4,360,893</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 307,108</u>	<u>\$ 2,935,113</u>	<u>\$ 257,995</u>	<u>\$ 3,500,216</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 41,513	\$ (295,707)	\$ (41,085)	\$ (295,279)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	193,895	40,974	234,869
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable	11,767	(34,195)	-	(22,428)
Accounts Payable	21,963	235,584	3,000	260,547
Contracts Payable	-	(12,857)	-	(12,857)
Net Cash Provided (Used) by Operating Activities	<u>\$ 75,243</u>	<u>\$ 86,720</u>	<u>\$ 2,889</u>	<u>\$ 164,852</u>
<b>SUPPLEMENTARY DISCLOSURE OF NONCASH ACTIVITIES</b>				
Noncash Transactions	<u>\$ -</u>	<u>\$ 53,308</u>	<u>\$ -</u>	<u>\$ 53,308</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 \$2,199.

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 \$55,507, which was reversed out in the current year.



## **Supplementary Information**

### **Internal Service Funds**

**CITY OF DECATUR, ILLINOIS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2022**

**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, 2022**

	Fleet Maintenance Fund	Risk Management Fund	Employee Benefit Insurance Fund	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 365,229	\$ 3,379,883	\$ 737,913	\$ 4,483,025
Receivables:				
Accounts Receivable	5,882	-	14,694	20,576
Inventories	267,855	-	-	267,855
Prepaid	-	148,095	-	148,095
Total Current Assets	<u>638,966</u>	<u>3,527,978</u>	<u>752,607</u>	<u>4,919,551</u>
<b>CAPITAL ASSETS</b>				
Construction in Progress	45,000	-	586,105	631,105
Machinery and Equipment	1,360,328	-	-	1,360,328
Less: Accumulated Depreciation	<u>1,019,584</u>	<u>-</u>	<u>-</u>	<u>1,019,584</u>
Total Capital Assets	385,744	-	586,105	971,849
Net Pension Asset	<u>592,502</u>	<u>-</u>	<u>-</u>	<u>592,502</u>
Total Assets	1,617,212	3,527,978	1,338,712	6,483,902
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amount Related to OPEB	100,674	-	-	100,674
Deferred Amount Related to Pension	<u>91,755</u>	<u>-</u>	<u>-</u>	<u>91,755</u>
Total Deferred Outflows of Resources	<u>192,429</u>	<u>-</u>	<u>-</u>	<u>192,429</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,809,641</u>	<u>\$ 3,527,978</u>	<u>\$ 1,338,712</u>	<u>\$ 6,676,331</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 9,082	\$ 258,004	\$ 172,384	\$ 439,470
Interest Payable	3,178	-	-	3,178
Other Accrued Liabilities	31,421	-	-	31,421
Compensated Absences	30,581	-	-	30,581
Claims Payable	-	1,680,043	2,394,794	4,074,837
Unearned Revenue	-	-	14,694	14,694
Notes Payable	<u>64,323</u>	<u>-</u>	<u>-</u>	<u>64,323</u>
Total Current Liabilities	138,585	1,938,047	2,581,872	4,658,504
<b>NONCURRENT LIABILITIES</b>				
Other Postemployment Benefits	437,411	-	-	437,411
Notes Payable	<u>369,812</u>	<u>-</u>	<u>-</u>	<u>369,812</u>
Total Noncurrent Liabilities	<u>807,223</u>	<u>-</u>	<u>-</u>	<u>807,223</u>
Total Liabilities	945,808	1,938,047	2,581,872	5,465,727
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Amount Related to OPEB	89,207	-	-	89,207
Deferred Amount Related to Pension	<u>620,502</u>	<u>-</u>	<u>-</u>	<u>620,502</u>
Total Deferred Inflows of Resources	709,709	-	-	709,709
<b>NET POSITION</b>				
Net Investment in Capital Assets	(48,391)	-	586,105	537,714
Restricted for Pension Benefits	592,502	-	-	592,502
Unrestricted	<u>(389,987)</u>	<u>1,589,931</u>	<u>(1,829,265)</u>	<u>(629,321)</u>
Total Net Position	<u>154,124</u>	<u>1,589,931</u>	<u>(1,243,160)</u>	<u>500,895</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 1,809,641</u>	<u>\$ 3,527,978</u>	<u>\$ 1,338,712</u>	<u>\$ 6,676,331</u>

**CITY OF DECATUR, ILLINOIS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION (DEFICITS)  
YEAR ENDED DECEMBER 31, 2022**

	Fleet Maintenance Fund	Risk Management Fund	Employee Benefit Insurance Fund	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 3,272,800	\$ 4,199,987	\$ 8,741,446	\$ 16,214,233
Payroll Deductions/Retiree Contributions	-	-	2,614,240	2,614,240
Other Revenue	10,354	10,450	198,184	218,988
Total Operating Revenues	<u>3,283,154</u>	<u>4,210,437</u>	<u>11,553,870</u>	<u>19,047,461</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	551,787	-	561,408	1,113,195
Contractual Services	333,953	451,264	767,343	1,552,560
Supplies	1,375,420	11,638	-	1,387,058
Insurance and Other Charges	436,456	3,179,436	11,166,326	14,782,218
Depreciation	94,109	-	-	94,109
Total Operating Expenses	<u>2,791,725</u>	<u>3,642,338</u>	<u>12,495,077</u>	<u>18,929,140</u>
<b>OPERATING INCOME (LOSS)</b>	491,429	568,099	(941,207)	118,321
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and Other Charges	(11,807)	-	-	(11,807)
Investment Income	1,045	8,494	3,695	13,234
Total Nonoperating Revenues (Expenses)	<u>(10,762)</u>	<u>8,494</u>	<u>3,695</u>	<u>1,427</u>
<b>NET INCOME (LOSS)</b>	480,667	576,593	(937,512)	119,748
Net Position (Deficits) - Beginning of Year	<u>(326,543)</u>	<u>1,013,338</u>	<u>(305,648)</u>	<u>381,147</u>
<b>NET POSITION (DEFICITS) - END OF YEAR</b>	<u>\$ 154,124</u>	<u>\$ 1,589,931</u>	<u>\$ (1,243,160)</u>	<u>\$ 500,895</u>

**CITY OF DECATUR, ILLINOIS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

	Fleet Maintenance Fund	Risk Management Fund	Employee Benefit Insurance Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Charges for Services	\$ 3,278,366	\$ 4,210,437	\$ 11,553,870	\$ 19,042,673
Cash Paid to Suppliers for Goods and Services	(2,174,236)	(2,701,132)	(11,203,468)	(16,078,836)
Cash Paid to Employees	(756,248)	-	-	(756,248)
Net Cash Provided (Used) by Operating Activities	<u>347,882</u>	<u>1,509,305</u>	<u>350,402</u>	<u>2,207,589</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(172,285)	-	(586,105)	(758,390)
Principal Payment on Debt	(61,140)	-	-	(61,140)
Interest Payments and Other Charges	(12,251)	-	-	(12,251)
Net Cash Used by Capital and Related Financing Activities	<u>(245,676)</u>	<u>-</u>	<u>(586,105)</u>	<u>(831,781)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	<u>1,045</u>	<u>8,494</u>	<u>3,695</u>	<u>13,234</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	103,251	1,517,799	(232,008)	1,389,042
Cash - Beginning of Year	<u>261,978</u>	<u>1,862,084</u>	<u>969,921</u>	<u>3,093,983</u>
<b>CASH - END OF YEAR</b>	<u>\$ 365,229</u>	<u>\$ 3,379,883</u>	<u>\$ 737,913</u>	<u>\$ 4,483,025</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 491,429	\$ 568,099	\$ (941,207)	\$ 118,321
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	94,109	-	-	94,109
Effects of Changes in Operating Assets and Liabilities:				
Receivables	(2,307)	-	14,694	12,387
Prepays	-	11,744	-	11,744
Inventories	(3,503)	-	-	(3,503)
Accounts Payable	(24,904)	929,462	1,291,609	2,196,167
Other Current Liabilities	4,073	-	-	4,073
Unearned Revenue	(2,481)	-	(14,694)	(17,175)
Other Postemployment Benefits (OPEB)	(86,415)	-	-	(86,415)
Deferred Outflows - Pension	(18,241)	-	-	(18,241)
Deferred Outflows - OPEB	22,123	-	-	22,123
Net Pension Asset	(401,046)	-	-	(401,046)
Deferred Inflows - Pension	195,487	-	-	195,487
Deferred Inflows - OPEB	79,558	-	-	79,558
Net Cash Provided (Used) by Operating Activities	<u>\$ 347,882</u>	<u>\$ 1,509,305</u>	<u>\$ 350,402</u>	<u>\$ 2,207,589</u>



## **Supplementary Information**

### **Fiduciary Funds**

**CITY OF DECATUR, ILLINOIS  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

**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 Firefighter 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, 2022**

	Police Pension Fund	Fire Pension Fund	Total
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 11,352,134	\$ 1,905,643	\$ 13,257,777
Consolidated Pooled Investment	110,875,198	84,891,457	195,766,655
Total Assets	\$ 122,227,332	\$ 86,797,100	\$ 209,024,432
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 14,493	\$ 7,900	\$ 22,393
<b>NET POSITION</b>			
Net Position Restricted for Pensions	122,212,839	86,789,200	209,002,039
Total Liabilities and Net Position	\$ 122,227,332	\$ 86,797,100	\$ 209,024,432

**CITY OF DECATUR, ILLINOIS  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2022**

	Police Pension Fund	Fire Pension Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 6,087,567	\$ 6,649,443	\$ 12,737,010
Plan Member	1,445,823	848,375	2,294,198
Miscellaneous Revenue	5,267	(5,413)	(146)
Total Contributions	<u>7,538,657</u>	<u>7,492,405</u>	<u>15,031,062</u>
Investment Earnings:			
Interest and Dividends	1,112,052	169,668	1,281,720
Net Decrease in the Pooled Investments	<u>(17,578,270)</u>	<u>(15,324,491)</u>	<u>(32,902,761)</u>
Total Investment Income (Loss)	(16,466,218)	(15,154,823)	(31,621,041)
Less: Investment Expense	<u>249,526</u>	<u>56,412</u>	<u>305,938</u>
Net Investment Loss	<u>(16,715,744)</u>	<u>(15,211,235)</u>	<u>(31,926,979)</u>
Total Additions	(9,177,087)	(7,718,830)	(16,895,917)
<b>DEDUCTIONS</b>			
Benefits and Refunds	10,341,711	9,352,050	19,693,761
Administrative Expense	<u>156,564</u>	<u>44,480</u>	<u>201,044</u>
Total Deductions	<u>10,498,275</u>	<u>9,396,530</u>	<u>19,894,805</u>
<b>CHANGE IN NET POSITION</b>	(19,675,362)	(17,115,360)	(36,790,722)
Net Position - Beginning of Year	<u>141,888,201</u>	<u>103,904,560</u>	<u>245,792,761</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 122,212,839</u>	<u>\$ 86,789,200</u>	<u>\$ 209,002,039</u>



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