

CITY OF SYCAMORE, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2016

CITY OF SYCAMORE, ILLINOIS

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INTRODUCTORY SECTION

CITY OF SYCAMORE, ILLINOIS

**List of Principal Officials
April 30, 2016**

ELECTED OFFICIALS

Ken Mundy, Mayor

Candy Smith, City Clerk

City Council

Alan Bauer, First Ward

Curt Lang, First Ward

Chuck Stowe, Second Ward

Pete Paulsen, Second Ward

Steve Braser, Third Ward

Becky Springer, Third Ward

Rick Kramer, Fourth Ward

Janice Tripp, Fourth Ward

ADMINISTRATION

Brian Gregory, City Manager

Adam Orton, City Treasurer

Maggie Peck, Human Resources Director

Glenn Theriault, Police Chief

Pete Polarek, Fire Chief

Fred Busse, Public Works Director

John Sauter, Building and Engineering Director

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 2, 2016

The Honorable Mayor
Members of the City Council
City of Sycamore, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sycamore, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Library discretely presented component unit. 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 Library discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sycamore, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sycamore, Illinois', basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Matters – Continued

Other Information – Continued

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Lauterbach + Amen LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Sycamore, Illinois

Management's Discussion and Analysis

The City of Sycamore (the "City") Management Discussion and Analysis is a requirement of the guidelines in GASB Statement No. 34 (GASB 34) and is designed to assist the reader in understanding and focusing on significant financial issues, to provide an overview of the City's financial activity for the fiscal year 2016, to identify changes in the City's financial position, to identify deviations from the approved budget, and to identify individual fund issues or concerns.

Please read the Management's Discussion and Analysis (MD&A) in conjunction with the City's financial statements.

Financial Highlights

- Certain key revenue sources continue to grow, notably sales tax and income tax. State sales tax revenues were \$43,540 over its budgeted amount and the home rule sales tax came in \$6,040 over budget expectations. State income tax has continued to bounce back and was \$92,619 over its budgeted expectations.
- The telecommunications tax was above its budgeted amount by \$6,820 while the replacement tax was \$10,291 below its budgeted expectations. The housing market continues to improve and new construction starts continue to increase. Building and permit fees were slightly above their budgeted amounts by \$34,296 but well off from 2006-2007 peaks.
- With revenues exceeding expectations and expenditures coming in under budget, the General Fund experienced a net surplus of \$398,997 which includes an outgoing reserve transfer of \$225,000 to the Employee Benefit Assistance Fund. This surplus is the result of a one-time capital transfer of \$200,000 made from the Capital Assistance Fund. This means that in FY2016 operating revenues exceeded expenditures by \$436,692. The City has reduced its reliance on capital transfers from \$728,000 in FY2012 to \$200,000 in FY2016. Capital transfers in FY2017 have been reduced to \$100,000 and are anticipated to be eliminated in FY2018. General operating expenditures were under budget by \$491,538. This is due primarily to fiscal constraints exercised by City Management.
- As of April 30, 2016, the City's General Fund balance is \$5,828,891 on a modified accrual basis. This represents the cash picture plus any promises to pay or expectations to receive money or service in the future, such as payables, receivables, and prepaid expenses. The City adopted this method of accounting in 1999.
- The City's fund balance as of April 30, 2016 represents 39% of the general operating expenditures budgeted for Fiscal Year 2017. This is consistent with the City's policy to maintain 3-4 months of expenditures in reserves. The City has a higher reliance on sales tax revenues as compared to property tax revenues. Sales taxes have the potential to fluctuate as economic conditions change while property taxes tend to be more consistent. During the recession, the City was able to use its reserves to maintain services without reducing City staff.
- In FY2013, the City Council voted to allow video gaming in local establishments with a Class B, C or E liquor license. The City receives 5% of the overall video gaming proceeds. In FY2016, the City received \$123,552 which was deposited in the Capital Assistance Fund for use for sidewalk repairs.

City of Sycamore, Illinois

Management's Discussion and Analysis

Financial Highlights (Continued)

- Restaurant and bar tax revenues remained strong finishing 103% to budget, or \$29,739 more than expected. This revenue stream continues to grow each year.
- The City's General Fund, Special Funds, Capital Funds and Debt Service Fund are presented on a modified accrual basis while recording capital outlay as expenditures in the current year.
- The City shows the police and fire pension contributions in segregated funds in its budget document.
- The City's Proprietary Funds (Water and Sewer) are presented on a full accrual basis while recording capital outlay as expenditures in the current year for budget purposes.
- The City's street maintenance program included over \$2.4 million of improvements to local streets and roads in FY2016.
- The City's rate-setting equalized assessed valuation increased 5.9% from \$337,661,389 in 2014 to \$357,501,358 in 2015. This is the first increase in EAV since 2008. The City's property tax rate continues to remain low, which in turn helps attract and retain businesses.
- In calendar year 2015, permits were issued for 80 new residential units. This is an increase of 11.1% over 2014.

Using the Financial Section of this Comprehensive Annual Report

The financial statement's focus (implemented beginning fiscal year 2004 in compliance with the GASB 34 is on both the City as a whole and on major individual funds. Both perspectives (government-wide and fund financial statements) allow the user to address relevant questions, broaden a basis for comparison and enhance the City's accountability.

Government-Wide Financial Statements

For general background, in the Statement of Net Position the City is broken down in two kinds of activities:

- *Governmental Activities*-Most of the City's basic services are reported here, including general administration, police, fire, streets, and ambulance. Sales taxes, real estate tax, franchise fees, fines, and state and federal grants finance most of these activities.
- *Proprietary Funds/Business-Type Activities*-The City charges a fee to the customer to help it cover all or a large portion of the services it renders. The City's water and sewer services are reported here.

City of Sycamore, Illinois

Management's Discussion and Analysis

Government-Wide Financial Statements (Continued)

The government-wide financial statements are designed to be corporate-like in that all of the governmental and business-type activities are consolidated into columns that are then added to show a total for the entire government. The Statement of Net Position is designed to demonstrate the bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus similar to what one would find in the private sector.

This helps the user answer the question of whether the City is better off as a result of this year's activities. Please note that all of the fiscal year's revenues and expenses are taken into account regardless of when cash is paid or received. The importance of this statement is that it shows the difference between assets and liabilities - a way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether the City's financial health is improving or deteriorating. Other non-financial factors need to be taken into consideration, such as changes in the City's property tax base and condition of City infrastructure, to assess the overall health of the City.

The Statement of Activities is focused on the cost of various activities (including both governmental and business-type), which are supported by the government's general taxes and other various resources. This statement is designed to demonstrate the cost of governmental services. The intention is to present the numbers in a fashion broken down with sub headings to simplify the user's analysis of the overall government activities.

Fund Financial Statements

The fund financial statements will appear more familiar to those who are used to the traditional presentation on governmental financial statements. This section breaks down each major fund rather than a fund type.

The Governmental Fund presentation is presented on a sources and uses of liquid resources basis. This is similar to the way the annual budget is usually constructed.

The Fund Financial Statements allow the government to address its Fiduciary Funds. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government.

The Business-Type Activities column on the Proprietary Financial Statements uses the accrual basis method of accounting.

City of Sycamore, Illinois

Management's Discussion and Analysis

Capital Assets/Long-Term Debt

In Fiscal Year 2016 governmental capital assets decreased by a net \$4,465,116. This brings the total governmental capital assets net of depreciation to \$30,472,717 which includes \$932,905 of nondepreciable capital assets. A change in the City's capital assets policy accounts for the majority of the decrease.

The Business-Type activity net capital assets increased from \$16,467,412 in FY2015 to \$19,863,916 in FY2016.

See Note 3 for further information on capital assets.

In Fiscal Year 2016, the City retired the Series 2005 Refunding Bonds with its final payment on October 1, 2015.

See Note 3 for further information on long-term debt.

Infrastructure Assets

Prior to GASB 34, a local government's primary group of assets (roads, buildings, storm sewers, etc.) were not reported nor depreciated in governmental financial statements. This statement requires that these assets be valued and reported within the governmental column of the government-wide financial statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate its assets over the useful life.

The City has implemented this portion of the guidelines by using data provided by the City's Geographic Information System (GIS) and the City Engineer. This is a complex portion of the process, but should give a true understanding of what assets the City has and how they compare to other assets internally and externally with other municipalities.

Below is a description of the process used to inventory, assign value and depreciate infrastructure assets.

Began with update of capital asset inventory

- Provided list of additions and deletions with receipts
- Titles and/or proof filed in asset inventory directory

City of Sycamore, Illinois

Management's Discussion and Analysis

Infrastructure Water Main Reporting

- Used GIS mapping system to plot all water main points
- Filled in points with distances and water main sizes
- Added distances and created an identification system
- Charted all main by name, size and length
- Some areas have more than one size main and are listed by each size
- Contacted National Waterworks to establish a replacement value
- Assigned each area a date of construction by working with Engineering and Public Works departments.
- Used a 2.5% cost-of-living factor to establish a historical cost
- From the historical cost was able to depreciate the water main system based on a thirty year useful life
- Assigned a 10% salvage value to all main piping as with all infrastructure

Infrastructure Sewer Main Reporting

- Used GIS mapping system to plot all sewer main points
- Filled in points with distances and sizes
- Added distances and created an identification system
- Established sections to help identify area of sewer
- Charted all main by identifier, proximity, size and length
- Some areas have more than one size main and are listed by each size

Infrastructure Sewer Main Reporting (Continued)

- Contacted National Waterworks to establish a replacement value
- Assigned each area a date of construction by working with Engineering and Public Works
- Used a 2.5% cost-of-living factor to work back a historical cost
- From the historical cost was able to depreciate the sewer main based on a thirty year useful life
- Assigned a 10% salvage value to all main piping as with all infrastructure

Infrastructure Streets and Roadway Reporting

- Used water main mapping to establish a basis of reference
- Compared water main mapping with City streets map
- Where applicable used water main distances to derive at length of roads
- Measured majority of roadways out in the field
- Measurements reviewed by City Engineer and compared against historical records
- City Engineer made any necessary amendments
- The City Engineer assigned a classification to all streets/roads
- Classification includes minor residential, collector, commercial, industrial and other streets.
- City Engineer assigned a value to each of the roadways while taking into account classification, historical data, materials used in construction, curb and gutter, and unique circumstances (i.e. extra wide for parking, turn lane, etc.).

Infrastructure Improvements

Worked with independent auditors to identify improvements to infrastructure.

City of Sycamore, Illinois

Management's Discussion and Analysis

Condensed Financial Information

Net Position is summarized in the table below.

Condensed Statement of Net Position as of April 30, 2016 and 2015

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total Primary Govt.</u> | |
|--|---|--------------------|--|--------------------|-----------------------------------|--------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Assets: | | | | | | |
| Current Assets | \$21,563,385 | \$23,940,741 | \$ 4,765,453 | \$ 3,995,487 | \$26,328,838 | \$27,936,228 |
| Non-current Assets | <u>30,988,687</u> | <u>35,434,089</u> | <u>19,863,916</u> | <u>16,554,986</u> | <u>50,943,655</u> | <u>51,989,075</u> |
| Total Assets | <u>52,552,072</u> | <u>59,374,830</u> | <u>24,720,421</u> | <u>20,550,473</u> | <u>77,272,493</u> | <u>79,925,303</u> |
| | | | | | | |
| Deferred Outflows of Resources: | | | | | | |
| Pension Items | <u>5,743,263</u> | - | <u>528,391</u> | - | <u>6,271,654</u> | - |
| | | | | | | |
| Liabilities: | | | | | | |
| Current Liabilities | 4,950,503 | 6,896,568 | 181,166 | 172,110 | 5,131,669 | 7,068,678 |
| Non-current Liabilities | <u>30,867,393</u> | <u>13,227,632</u> | <u>1,427,186</u> | <u>512,281</u> | <u>32,294,579</u> | <u>13,739,913</u> |
| Total Liabilities | <u>35,817,896</u> | <u>20,124,200</u> | <u>684,391</u> | <u>684,391</u> | <u>37,426,248</u> | <u>20,808,591</u> |

City of Sycamore, Illinois

Management's Discussion and Analysis

Condensed Financial Information (Continued)

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-type</u> <u>Activities</u> | | <u>Total Primary Govt.</u> | |
|---------------------------------------|--|---------------------|---|---------------------|----------------------------|---------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Deferred Inflows of Resources: | | | | | | |
| Property taxes | <u>3,785,744</u> | <u>2,749,711</u> | <u>-</u> | <u>-</u> | <u>3,785,744</u> | <u>2,724,401</u> |
| Net Position: | | | | | | |
| Net investment in capital assets | 19,817,714 | 23,263,663 | 19,863,916 | 16,467,412 | 39,681,630 | 39,731,075 |
| Restricted | 1,267,524 | 2,105,269 | - | - | 1,267,524 | 2,105,269 |
| Unrestricted | <u>(2,393,543)</u> | <u>11,131,987</u> | <u>3,776,544</u> | <u>3,398,670</u> | <u>1,383,001</u> | <u>14,530,657</u> |
| Total Net Position | <u>\$18,691,695</u> | <u>\$36,500,919</u> | <u>\$23,640,460</u> | <u>\$19,866,082</u> | <u>\$42,332,155</u> | <u>\$56,367,001</u> |

GASB 34 calls for a presentation of depreciated capital assets. Given this standard, a yearly comparison will allow the reader to gauge the levels of changes in net position including depreciated capital assets.

Where available, historical costs were used in calculating depreciation. A calculation was used to estimate historical cost by using the replacement cost (from the City's insurance or through independent appraisals) and then multiplying it by a cost of living coefficient. The standard cost of living in this case was three percent (3%) per year. Therefore, an asset that was purchased in 2006 would have its historical cost calculated by multiplying the replacement cost times a factor of .70 (10 years at 3%). Given this example an asset with a \$100,000 replacement cost would have an estimated \$70,000 historical cost.

In calculating depreciation a useful life must be applied to each classification of assets or to any given asset. For the purposes of reporting the City's assets the following useful life schedule was created to determine how much value an asset has left to the City:

| Type of Asset | Useful Life |
|----------------------|--------------------|
| Vehicles | 10 Years |
| Equipment | 10 Years |
| Streets | 30 Years |
| Sewer Main | 30 Years |
| Water Main | 30 Years |
| Buildings | 40 Years |
| Land | N/A |

City of Sycamore, Illinois

Management's Discussion and Analysis

Normal Impacts

There are six transactions that commonly affect the Statement of Net Position and the figures they illustrate.

Net Results of Activities-will impact (either increase or decrease) current assets and unrestricted net position.

Borrowing for Capital-will increase current assets and long-term debt. This happens when the City issues bonds and has capital to finance specific projects. The cash from the bond proceeds shows as a current asset while it also shows as long-term debt.

Spending Borrowed Proceeds on New Capital-will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt. If the bond proceeds are spent on a roadway, the roadway is a capital asset and the cash is no longer available as a current asset.

Spending of Non-borrowed Current Assets on New Capital-will reduce current assets and increase capital assets and reduce unrestricted net position and increase invested in capital assets, net of debt. This is when the City uses reserve funds to purchase capital assets. An example of this is the purchase of the Sycamore Center.

Principal Payment on Debt-will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase invested in capital assets, net of debt. This is when the City pays debt back therefore reducing the liability and reducing cash or current assets.

Reduction of Capital Assets through Depreciation-will reduce capital assets and invested in capital assets, net of debt. Depreciation will be recorded over the useful life of an asset until it reaches a set salvage value.

City of Sycamore, Illinois

Management's Discussion and Analysis

Changes in Net Position

Revenues, expenses, and changes in net position are summarized in the table below.

Condensed Statement of Activities For Fiscal Years Ending April 30, 2016 and 2015

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total Primary Govt.</u> | |
|----------------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|----------------------------|---------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenues: | | | | | | |
| Program: | | | | | | |
| Charges for services | \$ 3,023,119 | \$ 2,777,000 | \$ 4,601,153 | \$ 4,189,177 | \$ 7,624,272 | \$ 6,966,177 |
| Operating grants & contributions | 479,588 | - | - | - | 479,588 | - |
| Capital grants & contributions | 445,284 | 545,581 | - | - | 445,284 | 545,581 |
| General: | | | | | | |
| Property & other taxes | 31,030,027 | 41,302,903 | - | - | 31,030,027 | 41,302,903 |
| Other | <u>627,506</u> | <u>697,434</u> | <u>41,892</u> | <u>41,971</u> | <u>669,398</u> | <u>739,405</u> |
| Total revenues | <u>35,605,524</u> | <u>45,322,918</u> | <u>4,643,045</u> | <u>4,231,148</u> | <u>40,248,569</u> | <u>49,554,066</u> |
| Expenses: | | | | | | |
| General government | 23,770,536 | 32,971,165 | - | - | 23,770,536 | 32,971,165 |
| Public safety | 8,852,437 | 6,619,854 | - | - | 8,852,437 | 6,619,854 |
| Public works | 2,479,943 | 1,872,967 | - | - | 2,479,943 | 1,872,967 |
| Development | 840,219 | 756,452 | - | - | 840,219 | 756,452 |
| Garbage | - | 1,303,219 | - | - | - | 1,303,219 |
| Interest | 316,196 | 349,053 | - | - | 316,196 | 349,053 |
| Other | - | 15,687 | - | - | - | 15,687 |
| Water | - | - | 2,156,082 | 1,966,629 | 2,156,082 | 1,966,629 |
| Sewer | - | - | <u>2,084,251</u> | <u>1,971,728</u> | <u>2,084,251</u> | <u>1,971,728</u> |
| Total expenses | <u>36,259,411</u> | <u>43,888,397</u> | <u>4,240,333</u> | <u>3,938,357</u> | <u>40,499,744</u> | <u>47,826,754</u> |
| Transfers | <u>173,369</u> | <u>2,345,081</u> | <u>(173,369)</u> | <u>(2,369,200)</u> | <u>-</u> | <u>(24,119)</u> |
| Change in net position | <u>(480,518)</u> | <u>3,779,602</u> | <u>229,343</u> | <u>(2,076,409)</u> | <u>(251,175)</u> | <u>1,703,193</u> |
| Net position beginning* | <u>19,172,213</u> | <u>32,721,317</u> | <u>23,411,117</u> | <u>21,942,491</u> | <u>42,483,330</u> | <u>54,663,808</u> |
| Net position ending | <u>\$18,691,695</u> | <u>\$36,500,919</u> | <u>\$23,640,460</u> | <u>\$19,866,082</u> | <u>\$42,332,155</u> | <u>\$56,367,001</u> |

*Beginning net position was restated for the implementation of GASB Statement No. 68 related to the reporting of the City's net pension liabilities and related deferred items for the Illinois Municipal Retirement Fund (IMRF), the Police Pension Fund and the Firefighters' Pension Fund.

City of Sycamore, Illinois

Management's Discussion and Analysis

There are eight basic impacts on revenues and expenses as reflected below:

Revenues

Economic Condition- This can reflect a declining, stable or growing economic environment and has a major impact on state income and sales tax revenues. This can also be seen in spending habits in permits, elected user fees and volumes of consumption.

Increase/Decrease in City Approved Rates- While certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, sewer, fees, home rule sales tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue- Certain recurring revenues (state shared for example) may experience significant changes while one-time revenues (grants for example) are less predictable and often have different impacts from year-to-year.

*Market Impacts-*The City's investment portfolio as maintained by the City Treasurer may see fluctuation in its return on investment. This is more likely to happen in long-term investments than the shorter-term options.

Expenses

New Programs- Individual programs may be added or deleted to meet the community needs.

Change in Personnel- A change in service demand can mean a need for more or less levels of staffing. Staffing costs include the City's employee benefit packages.

Salary Adjustments- Competitive salaries are necessary in order for the City to attract and retain a high level of qualified and competent workforce.

Inflation- Although not a major factor in the short-term, inflation rates can have a major impact over longer periods of time. This is prevalent within the City as it consumes a large amount of commodities (i.e. fuel).

Current Year Impacts

Governmental Activities

Revenues

Operating revenue for the General Fund (net of property tax for fire and police pensions) increased by \$173,175 (1.2%) from FY2015 to FY2016 (\$14,393,037 to \$14,566,212). The increased revenue was in line with budgeted expectations.

City of Sycamore, Illinois

Management's Discussion and Analysis

Expenses

The total FY2016 expenditures exclusive of reserve transfers and fire and police pension contributions increased by \$85,258 (0.6%) over FY2015 (\$14,044,262 to \$14,129,520). Most of the increase in expenditures occurred in the public safety budgets. The City's public safety expenditures include the police and fire departments' salaries, overtime, and equipment.

Proprietary/Business-Type Activities

Revenues

Proprietary fund revenues experienced increases in FY2016. The Water Fund saw its operating revenues increase slightly by \$51,680, resulting in a total of \$1.97 million. The Sewer Fund had an increase in operating revenues of \$360,296 and finished the year at \$2.63 million. In FY2015, the City Council approved sewer rate increases that began in FY2016 and will continue through FY2018 in anticipation of planned wastewater treatment plant improvements. It is important to note that new housing units are added each year as the local housing market continues improve.

Water rates increased in FY2016. This was the third of five scheduled water rate increases passed by the City Council in FY2013. Subsequent water rate increases will take effect for fiscal years 2016 through 2018. In FY2015, the City Council also passed a water rate schedule that will reduce the number of tiers from seven to two over the course of ten years from FY2019 to FY2028.

Expenses

The Water Fund operating expenditures increased by \$53,864 in FY2016. This increase can be attributed to increases in contractual services and equipment. The Sewer Fund operating expenditures increased by \$33,648 in FY2016. The increase can also be attributed to an increase in contractual services.

Financial Analysis of the City's Funds

Governmental Funds

General Fund Budgetary Comparison and other Major Funds

The General Fund is the City's primary operating fund. The General Fund balance for the fiscal year ending April 30, 2016 is \$5.8 million on a modified accrual basis. Prudent fiscal practices have led to a general fund reserve that equates to 39% of its FY2017 General Fund expenditures. In total, the General Fund revenues were \$142,060 more than budgeted. General Fund expenditures were \$491,538 under budget.

The Water Impact Fee Fund revenues were \$84,833 and expenditures were \$0. The Fund had a net increase of \$84,833 for the fiscal year.

The Sewer Impact Fee Fund revenues were \$183,319 and expenditures were \$52,783. The Fund had a net gain of \$130,536 for the fiscal year. Expenditures for upgrades to the City's wastewater treatment plant were budgeted for in FY2016. However, the project has been delayed.

City of Sycamore, Illinois

Management's Discussion and Analysis

General Fund Budgetary Comparison and other Major Funds (Continued)

The Motor Fuel Tax Fund revenues were \$477,122 and expenditures were \$794,605. Not including Inter-Fund Transfers, the Fund had a net loss of \$317,483 for the fiscal year. Including Inter-Fund Transfers, the Fund had a decrease in the fund balance of \$427,483 which was within budget expectations.

The Sales Tax Distribution Fund revenues were \$16,367,510 and expenditures were \$15,759,978. Not including Inter-Fund Transfers, the Fund had a net gain of \$607,532 for the fiscal year. Including Inter-Fund Transfers, the Fund had an increase in the fund balance of \$457,437.

The Tax Increment Financing Fund revenues were \$56,949 and expenditures were \$372,267. The Fund had a net decrease of \$315,318 for the fiscal year.

The Street Maintenance Fund revenues were \$1,274,541 and expenditures were \$1,997,674. The Fund had a net decrease of \$723,133 for the fiscal year. This decrease was within budgeted expectations.

Economic Factors

The local housing market continues to gain traction. New construction in 2015 has increased over 2014 creating optimism regarding the future housing market. Permits for residential units increased 11.1% over the previous year.

In FY2016, construction of a new manufacturing facility was completed in the Sycamore Prairie Business Park.

In FY2017, two underperforming storefronts in Downtown Sycamore are undergoing extensive renovations to create new office and retail space in the downtown area. Additionally, in the fall of 2016, a new bank will break ground and a new medical facility will begin operations in the DeKalb Avenue corridor.

The fiscal year 2017 General Fund Operating Budget Element Revenues are projected to be \$14.951 million. The projected Operating Element Expenditures are \$14.95 million.

Contacting the City's Financial Management

This report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the City Treasurer, City of Sycamore, 308 West State Street, Sycamore, Illinois 60178.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF SYCAMORE, ILLINOIS

**Statement of Net Position
April 30, 2016**

See Following Page

CITY OF SYCAMORE, ILLINOIS

**Statement of Net Position
April 30, 2016**

| | Governmental Activities | Business- Type Activities | Totals | Component Unit <u>Public Library</u> |
|--|----------------------------|---------------------------------|--------------|--|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 12,456,397 | 3,902,984 | 16,359,381 | 446,642 |
| Receivables - Net of Allowances | 9,106,988 | 862,469 | 9,969,457 | 1,035,579 |
| Total Current Assets | 21,563,385 | 4,765,453 | 26,328,838 | 1,482,221 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Nondepreciable | 932,905 | - | 932,905 | 114,391 |
| Depreciable | 52,377,479 | 27,057,530 | 79,435,009 | 7,237,727 |
| Accumulated Depreciation | (22,837,667) | (7,193,614) | (30,031,281) | (3,785,925) |
| | 30,472,717 | 19,863,916 | 50,336,633 | 3,566,193 |
| Net Other Post-Employment Benefit Asset | 515,970 | 91,052 | 607,022 | - |
| Total Noncurrent Assets | 30,988,687 | 19,954,968 | 50,943,655 | 3,566,193 |
| Total Assets | 52,552,072 | 24,720,421 | 77,272,493 | 5,048,414 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 452,852 | 528,391 | 981,243 | 142,191 |
| Deferred Items - Police Pension | 2,753,335 | - | 2,753,335 | - |
| Deferred Items - Firefighters' Pension | 2,537,076 | - | 2,537,076 | - |
| Total Deferred Outflows of Resources | 5,743,263 | 528,391 | 6,271,654 | 142,191 |
| Total Assets and Deferred Outflows of Resources | 58,295,335 | 25,248,812 | 83,544,147 | 5,190,605 |

The notes to the financial statements are an integral part of this statement.

| | Governmental Activities | Business- Type Activities | Totals | Component Unit Public Library |
|--|----------------------------|---------------------------------|------------|--|
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 3,064,069 | 34,542 | 3,098,611 | 27,400 |
| Accrued Payroll | 301,638 | 60,515 | 362,153 | 11,065 |
| Deposits Payable | 352,950 | - | 352,950 | - |
| Interest Payable | 84,503 | - | 84,503 | - |
| Current Portion of Long-Term Liabilities | | | | |
| Compensated Absences Payable | 213,254 | 86,109 | 299,363 | - |
| General Obligation Bonds Payable | 605,000 | - | 605,000 | 29,590 |
| IEPA Loans Payable | 329,089 | - | 329,089 | - |
| Total Current Liabilities | 4,950,503 | 181,166 | 5,131,669 | 68,055 |
| Noncurrent Liabilities | | | | |
| Compensated Absences Payable | 2,410,880 | 449,802 | 2,860,682 | 38,656 |
| Net Pension Liability - IMRF | 837,657 | 977,384 | 1,815,041 | 263,565 |
| Net Pension Liability - Police Pension | 8,382,443 | - | 8,382,443 | - |
| Net Pension Liability - Firefighters' Pension | 9,515,499 | - | 9,515,499 | - |
| IEPA Loans Payable | 4,213,194 | - | 4,213,194 | - |
| General Obligation Bonds Payable - Net | 5,507,720 | - | 5,507,720 | 343,859 |
| Total Noncurrent Liabilities | 30,867,393 | 1,427,186 | 32,294,579 | 646,080 |
| Total Liabilities | 35,817,896 | 1,608,352 | 37,426,248 | 714,135 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Taxes | 2,905,168 | - | 2,905,168 | 1,020,309 |
| Deferred Items - Firefighters' Pension | 880,576 | - | 880,576 | - |
| Total Deferred Inflows of Resources | 3,785,744 | - | 3,785,744 | 1,020,309 |
| Total Liabilities and Deferred Inflows of Resources | 39,603,640 | 1,608,352 | 41,211,992 | 1,734,444 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 19,817,714 | 19,863,916 | 39,681,630 | 3,192,744 |
| Restricted - Highways and Streets | 820,061 | - | 820,061 | - |
| Restricted - Tax Increment Financing | 52,453 | - | 52,453 | - |
| Restricted - Debt Service | 181,815 | - | 181,815 | - |
| Restricted - Other Special Revenues | 213,195 | - | 213,195 | - |
| Restricted - Public Library | - | - | - | 136,484 |
| Unrestricted | (2,393,543) | 3,776,544 | 1,383,001 | 126,933 |
| Total Net Position | 18,691,695 | 23,640,460 | 42,332,155 | 3,456,161 |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended April 30, 2016**

| | Expenses | Program Revenues | | |
|--|-------------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 23,770,536 | 1,832,471 | - | - |
| Public Safety | 8,852,437 | 834,604 | 4,765 | 445,284 |
| Public Works | 2,479,943 | 333,395 | 474,823 | - |
| Development | 840,299 | 22,649 | - | - |
| Interest on Long-Term Debt | 316,196 | - | - | - |
| Total Governmental Activities | 36,259,411 | 3,023,119 | 479,588 | 445,284 |
| Business-Type Activities | | | | |
| Water | 2,156,082 | 1,973,897 | - | - |
| Sewer | 2,084,251 | 2,627,256 | - | - |
| Total Business-Type Activities | 4,240,333 | 4,601,153 | - | - |
| Total Primary Government | 40,499,744 | 7,624,272 | 479,588 | 445,284 |
| Component Unit - Public Library | 1,243,984 | 46,311 | 51,722 | - |

| General Revenues | |
|--------------------------------------|--|
| Taxes | |
| Property | |
| Local Sales | |
| Restaurant/Bar | |
| Simplified Telecommunications | |
| Other | |
| Intergovernmental - Unrestricted | |
| State Sales Taxes | |
| State Income Taxes | |
| Replacement Taxes | |
| Interest | |
| Miscellaneous | |
| Transfers - Internal Activity | |
| Change in Net Position | |
| Net Position - Beginning as Restated | |
| Net Position - Ending | |

The notes to the financial statements are an integral part of this statement.

| Net (Expenses)/Revenues | | | |
|----------------------------|-----------------------------|--------------|-------------------|
| Governmental Activities | Primary Government | | Component Unit |
| | Business-Type Activities | Totals | Public Library |
| (21,938,065) | - | (21,938,065) | - |
| (7,567,784) | - | (7,567,784) | - |
| (1,671,725) | - | (1,671,725) | - |
| (817,650) | - | (817,650) | - |
| (316,196) | - | (316,196) | - |
| (32,311,420) | - | (32,311,420) | - |
| - | (182,185) | (182,185) | - |
| - | 543,005 | 543,005 | - |
| - | 360,820 | 360,820 | - |
| (32,311,420) | 360,820 | (31,950,600) | - |
| - | - | - | (1,145,951) |
| 2,753,060 | - | 2,753,060 | 972,396 |
| 1,969,725 | - | 1,969,725 | - |
| 1,069,119 | - | 1,069,119 | - |
| 463,780 | - | 463,780 | - |
| 925,529 | - | 925,529 | - |
| 21,824,282 | - | 21,824,282 | - |
| 1,791,962 | - | 1,791,962 | - |
| 232,570 | - | 232,570 | 51,735 |
| 139,761 | 41,892 | 181,653 | - |
| 487,745 | - | 487,745 | (3,102) |
| 173,369 | (173,369) | - | - |
| 31,830,902 | (131,477) | 31,699,425 | 1,021,029 |
| (480,518) | 229,343 | (251,175) | (124,922) |
| 19,172,213 | 23,411,117 | 42,583,330 | 3,581,083 |
| 18,691,695 | 23,640,460 | 42,332,155 | 3,456,161 |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2016**

| | Special Revenue | | |
|---|----------------------|---------------------|----------------------|
| | General | Water Impact Fee | Sewer Impact Fee |
| ASSETS | | | |
| Cash and Investments | \$ 3,651,146 | 322,180 | 2,793,784 |
| Receivables - Net of Allowances | | | |
| Property Taxes | 2,779,464 | - | - |
| Other Taxes | 299,921 | - | - |
| Accounts | 575,500 | - | - |
| Other | - | - | - |
| Due from Other Governments | 1,832,893 | - | - |
| Total Assets | <u>9,138,924</u> | <u>322,180</u> | <u>2,793,784</u> |
| LIABILITIES | | | |
| Accounts Payable | 228,931 | - | 3,428 |
| Accrued Payroll | 301,638 | - | - |
| Deposits Payable | - | - | - |
| Total Liabilities | <u>530,569</u> | <u>-</u> | <u>3,428</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 2,779,464 | - | - |
| Total Liabilities and Deferred Inflows of Resources | <u>3,310,033</u> | <u>-</u> | <u>3,428</u> |
| FUND BALANCES | | | |
| Restricted | - | - | - |
| Committed | - | 322,180 | 2,790,356 |
| Assigned | - | - | - |
| Unassigned | 5,828,891 | - | - |
| Total Fund Balances | <u>5,828,891</u> | <u>322,180</u> | <u>2,790,356</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>9,138,924</u> | <u>322,180</u> | <u>2,793,784</u> |

The notes to the financial statements are an integral part of this statement.

| Capital Projects | | | | | |
|------------------|------------------------|-------------------------|--------------------|-----------|------------|
| Motor Fuel Tax | Sales Tax Distribution | Tax Increment Financing | Street Maintenance | Nonmajor | Totals |
| 780,191 | 2,325,918 | 52,453 | 82,482 | 2,448,243 | 12,456,397 |
| - | - | 81,631 | - | 44,073 | 2,905,168 |
| - | - | - | 247,011 | 42,716 | 589,648 |
| - | - | - | - | 1,270 | 576,770 |
| - | - | - | - | 1,332 | 1,332 |
| 39,870 | 3,049,317 | - | - | 111,990 | 5,034,070 |
| 820,061 | 5,375,235 | 134,084 | 329,493 | 2,649,624 | 21,563,385 |
| - | 2,828,298 | - | - | 3,412 | 3,064,069 |
| - | - | - | - | - | 301,638 |
| - | - | - | - | 352,950 | 352,950 |
| - | 2,828,298 | - | - | 356,362 | 3,718,657 |
| - | - | 81,631 | - | 44,073 | 2,905,168 |
| - | 2,828,298 | 81,631 | - | 400,435 | 6,623,825 |
| 820,061 | - | 52,453 | - | 479,513 | 1,352,027 |
| - | 2,546,937 | - | 329,493 | 1,167,847 | 7,156,813 |
| - | - | - | - | 601,829 | 601,829 |
| - | - | - | - | - | 5,828,891 |
| 820,061 | 2,546,937 | 52,453 | 329,493 | 2,249,189 | 14,939,560 |
| 820,061 | 5,375,235 | 134,084 | 329,493 | 2,649,624 | 21,563,385 |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to
Net Position - Governmental Activities**

April 30, 2016

Total Governmental Fund Balances \$ 14,939,560

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. 30,472,717

A net other post-employment benefit asset is not considered to represent a financial
resource and therefore is not reported in the funds. 515,970

Deferred outflows (inflows) of resources related to the pensions not
reported in the funds.

 Deferred Items - IMRF 452,852
 Deferred Items - Police Pension 2,753,335
 Deferred Items - Firefighters' Pension 1,656,500

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

 Compensated Absences Payable (2,624,134)
 Net Pension Liability - IMRF (837,657)
 Net Pension Liability - Police Pension (8,382,443)
 Net Pension Liability - Firefighters' Pension (9,515,499)
 General Obligation Bonds Payable - Net (6,112,720)
 IEPA Loans Payable (4,542,283)
 Accrued Interest Payable (84,503)

Net Position of Governmental Activities 18,691,695

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016**

| | Special Revenue | | |
|--|-----------------|---------------------|---------------------|
| | General | Water Impact Fee | Sewer Impact Fee |
| Revenues | | | |
| Taxes | \$ 6,157,811 | - | - |
| Intergovernmental | 6,207,120 | - | - |
| Licenses and Permits | 93,809 | - | - |
| Charges for Services | 2,522,951 | 81,359 | 150,340 |
| Fines and Forfeitures | 154,111 | - | - |
| Interest | 43,604 | 3,474 | 32,979 |
| Miscellaneous | 108,517 | - | - |
| Total Revenues | 15,287,923 | 84,833 | 183,319 |
| Expenditures | | | |
| Current | | | |
| General Government | 5,850,794 | - | - |
| Public Safety | 7,683,208 | - | - |
| Public Works | 1,410,041 | - | - |
| Development | - | - | - |
| Capital Outlay | - | - | - |
| Debt Service | | | |
| Principal Retirement | - | - | - |
| Interest and Fiscal Charges | - | - | - |
| Total Expenditures | 14,944,043 | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 343,880 | 84,833 | 183,319 |
| Other Financing Sources (Uses) | | | |
| Disposal of Capital Assets | - | - | - |
| Transfers In | 525,000 | - | - |
| Transfers Out | (469,883) | - | (52,783) |
| | 55,117 | - | (52,783) |
| Net Change in Fund Balances | 398,997 | 84,833 | 130,536 |
| Fund Balances - Beginning | 5,429,894 | 237,347 | 2,659,820 |
| Fund Balances - Ending | 5,828,891 | 322,180 | 2,790,356 |

The notes to the financial statements are an integral part of this statement.

| Capital Projects | | | | | |
|------------------|------------------------|-------------------------|--------------------|-----------|-------------|
| Motor Fuel Tax | Sales Tax Distribution | Tax Increment Financing | Street Maintenance | Nonmajor | Totals |
| - | - | 54,726 | 284,216 | 684,460 | 7,181,213 |
| 474,823 | 16,340,752 | - | 984,860 | 937,714 | 24,945,269 |
| - | - | - | - | - | 93,809 |
| - | - | - | - | - | 2,754,650 |
| - | - | - | - | 20,549 | 174,660 |
| 2,299 | 26,758 | 2,223 | 4,602 | 23,822 | 139,761 |
| - | - | - | 863 | 206,782 | 316,162 |
| 477,122 | 16,367,510 | 56,949 | 1,274,541 | 1,873,327 | 35,605,524 |
| - | 15,537,814 | - | - | 270,676 | 21,659,284 |
| - | - | - | - | 31,051 | 7,714,259 |
| 794,605 | - | - | 83,484 | - | 2,288,130 |
| - | - | 650 | - | 852,927 | 853,577 |
| - | 222,164 | - | 1,914,190 | 101,044 | 2,237,398 |
| - | - | - | - | 1,025,667 | 1,025,667 |
| - | - | - | - | 329,930 | 329,930 |
| 794,605 | 15,759,978 | 650 | 1,997,674 | 2,611,295 | 36,108,245 |
| (317,483) | 607,532 | 56,299 | (723,133) | (737,968) | (502,721) |
| - | - | - | - | 4,700 | 4,700 |
| - | - | - | - | 1,375,398 | 1,900,398 |
| (110,000) | (150,095) | (371,617) | - | (572,651) | (1,727,029) |
| (110,000) | (150,095) | (371,617) | - | 807,447 | 178,069 |
| (427,483) | 457,437 | (315,318) | (723,133) | 69,479 | (324,652) |
| 1,247,544 | 2,089,500 | 367,771 | 1,052,626 | 2,179,710 | 15,264,212 |
| 820,061 | 2,546,937 | 52,453 | 329,493 | 2,249,189 | 14,939,560 |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (324,652)

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

| | |
|--------------------------------------|-------------|
| Capital Outlays | 2,531,605 |
| Depreciation Expense | (2,071,195) |
| Disposals - Cost | 61,848 |
| Disposals - Accumulated Depreciation | (61,848) |

The net effect of deferred outflows (inflows) of resources related to the
pensions not reported in the funds.

| | |
|--|-----------|
| Change in Deferred Items - IMRF | 303,202 |
| Change in Deferred Items - Police Pension | 2,731,742 |
| Change in Deferred Items - Firefighters' Pension | 1,817,088 |

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

| | |
|---|-------------|
| (Addition) to Compensated Absences Payable | (39,570) |
| (Addition) to Net Pension Liability - IMRF | (608,437) |
| (Addition) to Net Pension Liability - Police Pension | (3,546,553) |
| (Addition) to Net Pension Liability - Firefighters' Pension | (2,332,863) |
| Additions to Net Other Post-Employment Benefit Asset | 19,714 |
| Retirement of Debt - Net | 1,039,167 |

Changes to accrued interest on long-term debt in the Statement of Activities
do not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

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Changes in Net Position of Governmental Activities

(480,518)

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2016**

| | Business-Type Activities - Enterprise | | |
|---|---------------------------------------|-------------------|-------------------|
| | Water | Sewer | Totals |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 55,540 | 3,847,444 | 3,902,984 |
| Receivables - Net of Allowances | | | |
| Accounts | 310,520 | 551,949 | 862,469 |
| Total Current Assets | <u>366,060</u> | <u>4,399,393</u> | <u>4,765,453</u> |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Depreciable | 13,893,366 | 13,164,164 | 27,057,530 |
| Accumulated Depreciation | (3,983,427) | (3,210,187) | (7,193,614) |
| Total Capital Assets | <u>9,909,939</u> | <u>9,953,977</u> | <u>19,863,916</u> |
| Net Other Post-Employment Benefit Asset | 45,526 | 45,526 | 91,052 |
| Total Noncurrent Assets | <u>9,955,465</u> | <u>9,999,503</u> | <u>19,954,968</u> |
| Total Assets | <u>10,321,525</u> | <u>14,398,896</u> | <u>24,720,421</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 238,827 | 289,564 | 528,391 |
| Total Assets and Deferred Outflows of Resources | <u>10,560,352</u> | <u>14,688,460</u> | <u>25,248,812</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 14,648 | 19,894 | 34,542 |
| Accrued Payroll | 28,038 | 32,477 | 60,515 |
| Current Portion of Long-Term Debt | 35,015 | 51,094 | 86,109 |
| Total Current Liabilities | <u>77,701</u> | <u>103,465</u> | <u>181,166</u> |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 193,309 | 256,493 | 449,802 |
| Net Pension Liability - IMRF | 441,767 | 535,617 | 977,384 |
| Total Noncurrent Liabilities | <u>635,076</u> | <u>792,110</u> | <u>1,427,186</u> |
| Total Liabilities | <u>712,777</u> | <u>895,575</u> | <u>1,608,352</u> |
| NET POSITION | | | |
| Investment in Capital Assets | 9,909,939 | 9,953,977 | 19,863,916 |
| Unrestricted (Deficit) | (62,364) | 3,838,908 | 3,776,544 |
| Total Net Position | <u>9,847,575</u> | <u>13,792,885</u> | <u>23,640,460</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2016**

| | Business-Type Activities - Enterprise | | |
|--|---------------------------------------|--------------------------|--------------------------|
| | Water | Sewer | Totals |
| Operating Revenues | | | |
| Charges for Services | \$ 1,780,077 | 2,619,386 | 4,399,463 |
| Permits and Fees | 160,053 | 7,870 | 167,923 |
| Water Meters | 30,080 | - | 30,080 |
| Miscellaneous | 3,687 | - | 3,687 |
| Total Operating Revenues | <u>1,973,897</u> | <u>2,627,256</u> | <u>4,601,153</u> |
| Operating Expenses | | | |
| Operations | | | |
| Salaries | 766,520 | 929,362 | 1,695,882 |
| Payroll Taxes | 36,671 | 43,294 | 79,965 |
| Payroll Benefits | 270,853 | 250,987 | 521,840 |
| Commodities | 87,903 | 218,576 | 306,479 |
| Contractual Services | 516,024 | 312,617 | 828,641 |
| Equipment | 135,573 | 14,854 | 150,427 |
| Capital Outlay | 12,564 | 3,075 | 15,639 |
| Depreciation | 329,974 | 351,486 | 681,460 |
| Total Operating Expenses | <u>2,156,082</u> | <u>2,124,251</u> | <u>4,280,333</u> |
| Operating Income (Loss) | <u>(182,185)</u> | <u>503,005</u> | <u>320,820</u> |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | 658 | 41,234 | 41,892 |
| Disposal of Capital Assets | - | 40,000 | 40,000 |
| | <u>658</u> | <u>81,234</u> | <u>81,892</u> |
| Income (Loss) Before Transfers and Contributions | (181,527) | 584,239 | 402,712 |
| Capital Contributions | 371,617 | 52,783 | 424,400 |
| Transfers In | - | 41,783 | 41,783 |
| Transfers Out | (353,211) | (286,341) | (639,552) |
| Change in Net Position | (163,121) | 392,464 | 229,343 |
| Net Position - Beginning as Restated | <u>10,010,696</u> | <u>13,400,421</u> | <u>23,411,117</u> |
| Net Position - Ending | <u><u>9,847,575</u></u> | <u><u>13,792,885</u></u> | <u><u>23,640,460</u></u> |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2016**

| | Business-Type Activities - Enterprise | | |
|---|---------------------------------------|------------------|------------------|
| | Water | Sewer | Totals |
| Cash Flows from Operating Activities | | | |
| Receipts from Customers and Users | \$ 1,723,876 | 3,771,287 | 5,495,163 |
| Payments to Suppliers | (836,198) | (537,349) | (1,373,547) |
| Payments to Employees | (605,545) | (734,188) | (1,339,733) |
| | <u>282,133</u> | <u>2,499,750</u> | <u>2,781,883</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers In | - | 41,783 | 41,783 |
| Transfers Out | (353,211) | (286,341) | (639,552) |
| | <u>(353,211)</u> | <u>(244,558)</u> | <u>(597,769)</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Disposal of Capital Assets | - | 40,000 | 40,000 |
| Purchase of Capital Assets | (9,756) | (77,560) | (87,316) |
| | <u>(9,756)</u> | <u>(37,560)</u> | <u>(47,316)</u> |
| Cash Flows from Investing Activities | | | |
| Interest Received | 658 | 41,234 | 41,892 |
| | <u>658</u> | <u>41,234</u> | <u>41,892</u> |
| Net Change in Cash and Cash Equivalents | (80,176) | 2,258,866 | 2,178,690 |
| Cash and Cash Equivalents - Beginning | 135,716 | 1,588,578 | 1,724,294 |
| Cash and Cash Equivalents - Ending | <u>55,540</u> | <u>3,847,444</u> | <u>3,902,984</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | | |
| Operating Income (Loss) | (182,185) | 503,005 | 320,820 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities: | | | |
| Depreciation | 329,974 | 351,486 | 681,460 |
| (Increase) Decrease in Current Assets | (250,021) | 1,144,031 | 894,010 |
| Increase (Decrease) in Current Liabilities | 384,365 | 501,228 | 885,593 |
| | <u>282,133</u> | <u>2,499,750</u> | <u>2,781,883</u> |
| Net Cash Provided by Operating Activities | <u>282,133</u> | <u>2,499,750</u> | <u>2,781,883</u> |
| Noncash Capital and Related Financing Activities | | | |
| Capital Contributions | 371,617 | 52,783 | 424,400 |
| | <u>371,617</u> | <u>52,783</u> | <u>424,400</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2016**

| | <u>Pension Trust</u> |
|--------------------------------------|--------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 2,806,782 |
| Investments | |
| U.S. Government Obligations | 1,239,092 |
| U.S. Agency Obligations | 1,868,888 |
| Municipal Bonds | 461,483 |
| Corporate Bonds | 2,612,557 |
| Common Stock | 7,523,935 |
| Mutual Funds | 6,780,286 |
| Annuities | 575,635 |
| Receivables | |
| Accrued Interest | 54,119 |
| Due from Other Governments | <u>26,213</u> |
| NET POSITION | |
| Net Position Restricted for Pensions | <u><u>23,948,990</u></u> |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2016**

| | Pension Trust |
|--------------------------------------|--------------------------|
| Additions | |
| Contributions - Employer | \$ 970,780 |
| Contributions - Plan Members | 485,399 |
| Total Contributions | <u>1,456,179</u> |
| Investment Earnings | |
| Interest Earned | 292,383 |
| Net Change in Fair Value | (777,416) |
| | <u>(485,033)</u> |
| Less Investment Expenses | (72,185) |
| Net Investment Income | <u>(557,218)</u> |
| Total Additions | <u>898,961</u> |
| Deductions | |
| Administration | 27,648 |
| Benefits and Refunds | 1,451,741 |
| Total Deductions | <u>1,479,389</u> |
| Change in Fiduciary Net Position | (580,428) |
| Net Position Restricted for Pensions | |
| Beginning | <u>24,529,418</u> |
| Ending | <u><u>23,948,990</u></u> |

The notes to the financial statements are an integral part of this statement.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sycamore (City), Illinois, is a municipal corporation and operates under the City Manager form of government. The City's major operations include police and fire protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, water, sewer, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

| | |
|--------------------------------------|---------------------------------|
| Primary Government: | City of Sycamore |
| Discretely Presented Component Unit: | City of Sycamore Public Library |

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City's Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a pension trust fund.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

City of Sycamore Public Library

The City of Sycamore Public Library operates and maintains the public library within the City. The Public Library's Board is appointed by the Mayor of the City. The Library may not issue bonded debt without the City's approval and its annual budget and property tax levy request are subject to the City's approval, as well as the potential financial burden relationship existing. Separate audited financial statements for the Public Library may be obtained from the Public Library's offices at 103 E. State Street, Sycamore, Illinois 60178.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, and general administrative services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains two major special revenue funds, the Water Impact Fee Fund and the Sewer Impact Fee Fund. Financing is provided by Illinois Motor Fuel Tax monies. The Water Impact Fee Fund is used to account for the revenues and expenditures associated with the increasing costs of the City's water system. Financing is provided by user fees assessed for new connections to the City water system. The Sewer Impact Fee Fund is used to account for the revenues and expenditures associated with the increasing costs of the City's sanitary sewer collection system. Financing is provided by user fees assessed for new connections to the City sewer system. The City also maintains five nonmajor special revenue funds, the Hotel/Motel Tax Fund, the Foreign Fire Insurance Tax Fund, the Real Estate Transfer Tax Fund, the Radium Decommission Fund, and the Public Improvements Escrow Fund.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains eleven nonmajor debt service funds for the 1995 EPA Loan, 2003 EPA Loan, 2005 EPA Loan, 2006 EPA Loan, 2009 EPA Loan, 2002 Bond, 2003 Bond, 2005 Refunding Bond, 2007 Bond, 2009 Bond and the 2012 Bond.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains four major capital projects fund, the Motor Fuel Tax Fund, the Sales Tax Distribution Fund, the Tax Increment Financing Fund and the Street Maintenance Fund. The Motor Fuel Tax Fund is used to account for the revenues and expenditures associated with street improvements and maintenance in the City. The Sales Tax Distribution Fund is used to account for the revenues and expenditures associated with sales tax monies. Financing is provided by sales tax money generated. The Tax Increment Financing Fund is used to account for the revenues and expenditures associated with the incremental taxes within the TIF District. Financing is provided by incremental taxes. The Street Maintenance Fund is used to account for the revenues and expenditures associated with home rule sales taxes for annual street and alley repairs, resurfacing, and reconstruction. The City also maintains four nonmajor capital projects funds, the Public Building Fund, the Road and Bridge Fund, the Downtown Development Fund and the Capital Assistance Fund.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains two major enterprise funds, the Water Fund and the Sewer Fund. The Water Fund is used to account for the revenues and costs related to the operation of the City's water system. Funding is provided by water user fees. The Sewer Fund is used to account for revenues and costs related to the operation of the City's sanitary sewer system. Funding is provided by sewer user fees.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study. The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees in the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

The City's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

Prepays

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 to \$50,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|--|---------------|
| Buildings | 50 Years |
| Other Improvements | 20 Years |
| Machinery, Equipment, Furniture and Vehicles | 5 - 7 Years |
| Infrastructure | 10 - 40 Years |

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the City’s personnel rules and union contracts. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. During the year, several supplementary appropriations were necessary.

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net position. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

City – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$14,758,828 and the bank balances totaled \$16,260,253. Additionally, the City has \$1,600,553 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its interest rate risk by matching investment maturities with expected cash flows. The City's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the City's investment policy does not further address credit risk for investments. At year-end, the City's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. In accordance with its investment policy, all City deposits with financial institutions are fully insured and collateralized.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not further limit concentration risk. At year-end, the City's investment in the Illinois Funds is over 5 percent of the total cash and investment portfolio.

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,053,693 and the bank balances totaled \$669,527.

Investments. The Fund assumes any callable securities will not be called. The Fund has the following investment fair values and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-----------------|------------------|----------------------------------|----------------|------------------|----------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasuries | \$ 521,955 | 210,008 | 201,181 | 86,607 | 24,159 |
| U.S. Agencies | 1,038,136 | - | - | 335,090 | 703,046 |
| Municipal Bonds | 241,382 | 50,664 | 154,785 | 35,933 | - |
| Corporate Bonds | 1,070,131 | 71,077 | 382,397 | 589,780 | 26,877 |
| | <u>2,871,604</u> | <u>331,749</u> | <u>738,363</u> | <u>1,047,410</u> | <u>754,082</u> |

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. government agencies were all rated triple A by Standard & Poor’s or by Moody’s Investors Services or were small issues that were unrated. The Fund’s investments in municipal bonds and corporate bonds were unrated.

Custodial Credit Risk. The Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository, since flow-through FDIC is available for the Fund’s deposits with financial institutions. At April 30, 2016, the entire bank balance was insured and collateralized. For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

Concentration Risk. The Fund’s investment policy states that diversification is necessary to meet the Fund’s goal of safety of principal and reasonable return. In addition to the securities and fair values listed in the previous table, the Fund also has \$575,635 invested in annuities, \$3,411,248 invested in mutual funds, and \$3,745,116 invested in common stock. At April 30, 2016, the Fund has no investments that represent over 5% of plan net position.

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| <u>Asset Class</u> | <u>Target</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|-----------------|---|
| Equity | 45.00% - 65.00% | 11.35% |
| Fixed Income | 34.00% - 50.00% | 7.67% |
| Cash and Cash Equivalents | 0.00% | 0.00% |

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in May 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of April 30, 2016 are listed in the previous table.

Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.48%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Pension Fund’s deposits totaled \$1,753,089 and the bank balances totaled \$1,751,287.

Investments. The Pension Fund assumes any callable securities will not be called. The Fund has the following investment fair values and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-----------------|------------|----------------------------------|-----------|-----------|--------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasuries | \$ 717,137 | - | 417,149 | 299,988 | - |
| U.S. Agencies | 830,752 | - | - | 506,477 | 324,275 |
| Municipal Bonds | 220,101 | 35,688 | 144,679 | 39,734 | - |
| Corporate Bonds | 1,542,426 | 60,751 | 558,034 | 789,538 | 134,103 |
| | 3,310,416 | 96,439 | 1,119,862 | 1,635,737 | 458,378 |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Interest Rate Risk. In accordance with the Fund’s investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. government agencies were all rated triple A by Standard & Poor’s or by Moody’s Investors Services or were small issues that were unrated. The Fund’s investments in municipal bonds and corporate bonds were unrated.

Custodial Credit Risk. The Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository, since flow-through FDIC is available for the Fund’s deposits with financial institutions. At April 30, 2016, the entire bank balance was insured and collateralized. For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

Concentration Risk. The Fund’s investment policy states that diversification is necessary to meet the Fund’s goal of safety of principal and reasonable return. In addition to the securities and fair values listed in the previous table, the Fund also has \$3,369,038 invested in mutual funds and \$3,778,819 invested in common stock. At April 30, 2016, the Fund has no investments that represent over 5% of plan net position.

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| <u>Asset Class</u> | <u>Target</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|-----------------|---|
| Equity | 45.00% - 65.00% | 11.35% |
| Fixed Income | 34.00% - 50.00% | 7.67% |
| Cash and Cash Equivalents | 0.00% | 0.00% |

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk – Continued. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the previous table.

Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.85%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1 during the following year.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

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 to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Transfers – Continued

Interfund transfers for the year consisted of the following:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> |
|--------------------------|-------------------------|-------------------------|
| General | Motor Fuel Tax | \$ 110,000 |
| General | Nonmajor Governmental | 325,000 |
| General | Water | 40,000 |
| General | Sewer | 50,000 |
| Nonmajor Governmental | General | 469,883 |
| Nonmajor Governmental | Sales Tax Distribution | 150,095 |
| Nonmajor Governmental | Nonmajor Governmental | 245,868 |
| Nonmajor Governmental | Water | 273,211 |
| Nonmajor Governmental | Sewer | 236,341 |
| Sewer | Nonmajor Governmental | 1,783 |
| Sewer | Water | 40,000 |
| Business-Type Activities | Sewer Impact Fee | 52,783 |
| Business-Type Activities | Tax Increment Financing | <u>371,617</u> |
| | | <u><u>2,366,581</u></u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances as Restated | Increases | Decreases | Ending Balances |
|--------------------------------------|--------------------------------------|------------------|---------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 932,905 | - | - | 932,905 |
| Depreciable Capital Assets | | | | |
| Buildings | 9,362,379 | - | - | 9,362,379 |
| Improvements | 2,378,978 | - | - | 2,378,978 |
| Machinery and Equipment | 1,728,791 | 102,850 | 22,656 | 1,808,985 |
| Vehicles | 3,508,275 | 556,881 | 39,192 | 4,025,964 |
| Infrastructure | 32,929,299 | 1,871,874 | - | 34,801,173 |
| | <u>49,907,722</u> | <u>2,531,605</u> | <u>61,848</u> | <u>52,377,479</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 2,602,893 | 212,797 | - | 2,815,690 |
| Improvements | 643,256 | 61,774 | - | 705,030 |
| Machinery and Equipment | 1,376,348 | 113,583 | 22,656 | 1,467,275 |
| Vehicles | 3,081,573 | 203,262 | 39,192 | 3,245,643 |
| Infrastructure | 13,124,250 | 1,479,779 | - | 14,604,029 |
| | <u>20,828,320</u> | <u>2,071,195</u> | <u>61,848</u> | <u>22,837,667</u> |
| Net Depreciable Capital Assets | <u>29,079,402</u> | <u>460,410</u> | <u>-</u> | <u>29,539,812</u> |
| Net Capital Assets | <u>30,012,307</u> | <u>460,410</u> | <u>-</u> | <u>30,472,717</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|--------------------|-------------------------|
| General Government | \$ 1,568,697 |
| Public Safety | 381,454 |
| Public Works | 110,366 |
| Development | <u>10,678</u> |
| | <u><u>2,071,195</u></u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

| | Beginning Balances as Restated | Increases | Decreases | Ending Balances |
|--------------------------------------|--------------------------------------|----------------------|----------------|-----------------------|
| Depreciable Capital Assets | | | | |
| Buildings | \$ 2,437,203 | - | - | 2,437,203 |
| Machinery and Equipment | 846,804 | 35,175 | 260,230 | 621,749 |
| Vehicles | 917,008 | 52,140 | - | 969,148 |
| Infrastructure | 22,605,029 | 424,401 | - | 23,029,430 |
| | <u>26,806,044</u> | <u>511,716</u> | <u>260,230</u> | <u>27,057,530</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 1,741,536 | 37,567 | - | 1,779,103 |
| Machinery and Equipment | 750,554 | 37,564 | 260,230 | 527,888 |
| Vehicles | 760,587 | 48,378 | - | 808,965 |
| Infrastructure | 3,519,707 | 557,951 | - | 4,077,658 |
| | <u>6,772,384</u> | <u>681,460</u> | <u>260,230</u> | <u>7,193,614</u> |
| Net Capital Assets | <u>20,033,660</u> | <u>(169,744)</u> | <u>-</u> | <u>19,863,916</u> |

Depreciation expense was charged to business-type activities as follows:

| | |
|-------|-----------------------|
| Water | \$ 329,974 |
| Sewer | <u>351,486</u> |
| | <u><u>681,460</u></u> |

LONG-TERM DEBT

Line of Credit

The City has a \$300,540 line of credit with the Illinois Emergency Management Agency through The National Bank & Trust Company maturing on April 8, 2016. Interest on the line of credit is payable at 6.95%. The line of credit is secured by substantially all of the City's assets. At April 30, 2016, the balance on the line of credit is \$0.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for drinking water improvements. IEPA loans currently outstanding are as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-------------------------|-----------------------|-----------|----------------|--------------------|
| IEPA (L17-247300) Loan Payable of 2003 - Due in semi-annual installments of \$24,868 including interest at 2.50% through August 5, 2024. | 2003 EPA Loan | \$ 418,137 | - | 39,396 | 378,741 |
| IEPA (L17-247500) Loan Payable of 2005 - Due in semi-annual installments of \$27,511 including interest at 2.50% through September 15, 2026. | 2005 EPA Loan | 546,968 | - | 41,606 | 505,362 |
| IEPA (L17-169100) Loan Payable of 2006 - Due in semi-annual installments of \$33,348 including interest at 2.50% through December 19, 2026. | 2006 EPA Loan | 687,789 | - | 49,813 | 637,976 |
| IEPA (L17-336300) Loan Payable of 2009 - Due in semi-annual installments of \$97,426 including interest at 0.00% through January 1, 2032. | 2009 EPA Loan | 3,215,056 | - | 194,852 | 3,020,204 |
| | | <u>4,867,950</u> | <u>-</u> | <u>325,667</u> | <u>4,542,283</u> |

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

| Issue | Fund Debt Retired by | Beginning Balances as Restated | Issuances | Retirements | Ending Balances |
|---|-------------------------|--------------------------------------|-----------|----------------|--------------------|
| General Obligation Bonds of 2003 (\$2,005,000), due in annual installments of \$5,000 to \$115,000 plus interest at 4.65% to 7.10% through January 1, 2018. | 2003 Bond | \$ 15,000 | - | 5,000 | 10,000 |
| General Obligation Refunding Bonds of 2005 (\$2,965,000), due in annual installments of \$550,000 to \$360,000 plus interest at 2.70% to 3.90% through October 1, 2015. | 2005 Refunding Bond | 150,000 | - | 150,000 | - |
| General Obligation Bonds of 2007 (\$2,000,000), due in annual installments of \$75,000 to \$185,000 plus interest at 4.25% to 4.50% through January 15, 2021. | 2007 Bond | 935,000 | - | 160,000 | 775,000 |
| Taxable General Obligation Bonds of 2009 (\$3,570,000), due in annual installments of \$30,000 to \$875,000 plus interest at 3.50% to 5.50% through January 1, 2025. | 2009 Bond | 3,380,000 | - | 35,000 | 3,345,000 |
| General Obligation Refunding Bonds of 2012 (\$2,940,000), due in annual installments of \$30,000 to \$355,000 plus interest at 2.00% to 3.00% through January 15, 2023. | 2012 Bond | 2,240,000 | - | 350,000 | 1,890,000 |
| | | <u>6,720,000</u> | <u>-</u> | <u>700,000</u> | <u>6,020,000</u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances as Restated | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--------------------------------------|--------------------------------------|------------------|------------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 2,584,564 | 79,140 | 39,570 | 2,624,134 | 213,254 |
| Net Pension Liability - IMRF | 229,220 | 608,437 | - | 837,657 | - |
| Net Pension Liability - Police | 4,835,890 | 3,546,553 | - | 8,382,443 | - |
| Net Pension Liability - Firefighters | 7,182,636 | 2,332,863 | - | 9,515,499 | - |
| IEPA Loans Payable | 4,867,950 | - | 325,667 | 4,542,283 | 329,089 |
| General Obligation Bonds | 6,720,000 | - | 700,000 | 6,020,000 | 605,000 |
| Plus: Premium on Bonds | 106,220 | - | 13,500 | 92,720 | - |
| | <u>26,526,480</u> | <u>6,566,993</u> | <u>1,078,737</u> | <u>32,014,736</u> | <u>1,147,343</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | 530,905 | 10,014 | 5,008 | 535,911 | 86,109 |
| Net Pension Liability - IMRF | 267,465 | 709,919 | - | 977,384 | - |
| | <u>798,370</u> | <u>719,933</u> | <u>5,008</u> | <u>1,513,295</u> | <u>86,109</u> |

For the governmental activities, payments on the compensated absences and the net pension liabilities are made by the General Fund. Payments on the IEPA loans and general obligation bonds are being liquidated by the debt service funds.

Additionally, for business-type activities, the compensated absences and the net pension liability are being liquidated by the Water and Sewer Funds.

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

| | |
|---|-----------------------|
| Assessed Valuation - 2015 | <u>\$ 357,501,358</u> |
| Legal Debt Limit - 8.625% of Assessed Value | 30,834,492 |
| Amount of Debt Applicable to Limit | <u>6,020,000</u> |
| Legal Debt Margin | <u>24,814,492</u> |

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

| Fiscal Year | Governmental Activities | | | |
|----------------|-------------------------|------------------|------------------|----------------|
| | General Obligation | | IEPA | |
| | Bonds | | Loans Payable | |
| | Principal | Interest | Principal | Interest |
| 2017 | \$ 605,000 | 265,132 | 329,089 | 37,219 |
| 2018 | 630,000 | 243,110 | 332,465 | 33,841 |
| 2019 | 655,000 | 221,176 | 335,927 | 30,380 |
| 2020 | 665,000 | 195,150 | 339,475 | 26,830 |
| 2021 | 715,000 | 168,262 | 343,113 | 23,193 |
| 2022 | 725,000 | 136,676 | 346,845 | 19,462 |
| 2023 | 755,000 | 104,000 | 350,669 | 15,641 |
| 2024 | 875,000 | 69,850 | 354,589 | 11,719 |
| 2025 | 395,000 | 21,726 | 333,736 | 7,701 |
| 2026 | - | - | 312,053 | 4,518 |
| 2027 | - | - | 287,490 | 1,570 |
| 2028 | - | - | 194,852 | - |
| 2029 | - | - | 194,852 | - |
| 2030 | - | - | 194,852 | - |
| 2031 | - | - | 194,852 | - |
| 2032 | - | - | 97,424 | - |
| Totals | <u>6,020,000</u> | <u>1,425,082</u> | <u>4,542,283</u> | <u>212,074</u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2016:

| | |
|--|-------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 30,472,717 |
| Less Capital Related Debt: | |
| IEPA Loans Payable | (4,542,283) |
| General Obligation Bonds Payable | (6,020,000) |
| Unamortized Premium | <u>(92,720)</u> |
| Net Investment in Capital Assets | <u>19,817,714</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 19,863,916 |
| Less Capital Related Debt: | |
| None | <u>-</u> |
| Net Investment in Capital Assets | <u>19,863,916</u> |

Net Position

Net position for governmental and business-type activities was restated due to the implementation of GASB Statement No. 68. In addition, the Water and Sewer Funds were restated due to the implementation of a capital asset threshold policy and the transfer of IEPA Loans Payable from governmental activities to business-type activities. The following is a summary of the net position as originally reported and as restated:

| Net Position | As Reported | As Restated | Increase (Decrease) |
|----------------------------------|---------------|-------------|------------------------|
| Governmental Activities | \$ 36,500,919 | 19,172,213 | (17,328,706) |
| Water - Business-Type Activities | 7,915,206 | 10,010,696 | 2,095,490 |
| Sewer - Business-Type Activities | 11,950,874 | 13,400,421 | 1,449,547 |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

| | Special Revenue | | | Capital Projects | | | | Nonmajor | Totals |
|----------------------------|------------------|------------------|------------------|------------------|------------------------|-------------------------|--------------------|------------------|-------------------|
| | General | Water Impact Fee | Sewer Impact Fee | Motor Fuel Tax | Sales Tax Distribution | Tax Increment Financing | Street Maintenance | | |
| Fund Balances | | | | | | | | | |
| Restricted | | | | | | | | | |
| Highways and Streets | \$ - | - | - | 820,061 | - | - | - | - | 820,061 |
| Tax Increment Financing | - | - | - | - | - | 52,453 | - | - | 52,453 |
| Other Special Revenues | - | - | - | - | - | - | - | 213,195 | 213,195 |
| Debt Service | - | - | - | - | - | - | - | 266,318 | 266,318 |
| | - | - | - | 820,061 | - | 52,453 | - | 479,513 | 1,352,027 |
| Committed | | | | | | | | | |
| Sales Tax Distribution | - | - | - | - | 2,546,937 | - | - | - | 2,546,937 |
| Impact Fees | - | 322,180 | 2,790,356 | - | - | - | - | - | 3,112,536 |
| Street Maintenance | - | - | - | - | - | - | 329,493 | - | 329,493 |
| Hotel/Motel Tax | - | - | - | - | - | - | - | 116,705 | 116,705 |
| Foreign Fire Tax | - | - | - | - | - | - | - | 24,620 | 24,620 |
| Radium Decommission | - | - | - | - | - | - | - | 163,667 | 163,667 |
| Public Building | - | - | - | - | - | - | - | 737,138 | 737,138 |
| Downtown Revolving Loan | - | - | - | - | - | - | - | 125,717 | 125,717 |
| | - | 322,180 | 2,790,356 | - | 2,546,937 | - | 329,493 | 1,167,847 | 7,156,813 |
| Assigned | | | | | | | | | |
| Capital Projects | - | - | - | - | - | - | - | 601,829 | 601,829 |
| Unassigned | 5,828,891 | - | - | - | - | - | - | - | 5,828,891 |
| Total Fund Balances | 5,828,891 | 322,180 | 2,790,356 | 820,061 | 2,546,937 | 52,453 | 329,493 | 2,249,189 | 14,939,560 |

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Committed Fund Balance. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

Assigned Fund Balance. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing Council has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Minimum Fund Balance Policy. The City's policy manual states that the General Fund will be maintained at a level of 25% of annual expenditures.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. These risks, along with medical claims for employees and retirees, are provided for through commercial insurance purchased from independent third parties. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage for any of the past three years.

CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. The Police and Firefighters' Pension Plans do not issue separate audited financial statements. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). The City does not participate in the ECO plan.

IMRF provides two tiers of pension benefits. 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.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|---------------------|
| Retirees and Beneficiaries Currently Receiving Benefits | 55 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 33 |
| Active Plan Members | <u>61</u> |
| Total | <u><u>149</u></u> * |

*The employees in the above table include the Sycamore Public Library.

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2015 was 10.75% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Valuation Date | 12/31/2015 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.50% |
| Salary Increases | 4.40% to 16.00% |
| Cost of Living Adjustments | 3.00% |
| Inflation | 3.00% |

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

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

A Single Discount Rate of 7.48% 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 (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, 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 (6.48%) | Current Discount Rate (7.48%) | 1% Increase (8.48%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | | | |
| City | \$ 3,964,414 | 1,815,041 | 42,489 |
| Library | 575,685 | 263,587 | 6,170 |
| Totals | 4,540,099 | 2,078,628 | 48,659 |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement (IMRF) – Continued

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2014 | \$ 16,772,849 | 16,204,039 | 568,810 |
| Changes for the Year: | | | |
| Service Cost | 355,441 | - | 355,441 |
| Interest on the Total Pension Liability | 1,246,790 | - | 1,246,790 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 93,103 | - | 93,103 |
| Changes of Assumptions | 45,452 | - | 45,452 |
| Contributions - Employer | - | 371,340 | (371,340) |
| Contributions - Employees | - | 155,445 | (155,445) |
| Net Investment Income | - | 80,704 | (80,704) |
| Benefit Payments, including Refunds of Employee Contributions | (653,397) | (653,397) | - |
| Other (Net Transfer) | - | (376,521) | 376,521 |
| Net Changes | 1,087,389 | (422,429) | 1,509,818 |
| Balances at December 31, 2015 | 17,860,238 | 15,781,610 | 2,078,628 |
| Net Pension Liability | | | |
| City | 15,595,560 | 13,780,519 | 1,815,041 |
| Library | 2,264,678 | 2,001,091 | 263,587 |
| Totals | 17,860,238 | 15,781,610 | 2,078,628 |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2016, the City recognized pension expense of \$661,385 and the Library recognized pension expense of \$112,051. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 70,521 | - | 70,521 |
| Change in Assumptions | 34,427 | - | 34,427 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 892,585 | - | 892,585 |
| Employer Contributions Made Subsequent to the Measurement Date | 110,196 | - | 110,196 |
| Total Deferred Amounts Related to IMRF | <u>1,107,729</u> | - | <u>1,107,729</u> |
| Total Deferred Amounts Related to IMRF | | | |
| City | 981,234 | - | 981,234 |
| Library | 126,495 | - | 126,495 |
| Totals | <u>1,107,729</u> | - | <u>1,107,729</u> |

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

| Fiscal Year | City Net Deferred Outflows of Resources | Library Net Deferred Outflows of Resources | Totals |
|----------------|--|---|------------------|
| 2017 | \$ 334,393 | 32,556 | 366,949 |
| 2018 | 224,197 | 32,556 | 256,753 |
| 2019 | 224,197 | 32,556 | 256,753 |
| 2020 | 198,447 | 28,827 | 227,274 |
| 2021 | - | - | - |
| Thereafter | - | - | - |
| Totals | <u>981,234</u> | <u>126,495</u> | <u>1,107,729</u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2016, the measurement date, membership consisted of the following:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 15 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 4 |
| Active Plan Members | <u>30</u> |
| Total | <u><u>49</u></u> |

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the City's contribution was 17.82% of covered payroll.

Concentrations. At year end, the Pension Plan had no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Valuation Date | 4/30/2016 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.50% |
| Salary Increases | 4.50% |
| Cost of Living Adjustments | 2.00% - 3.00% |
| Inflation | 2.50% |

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 11,299,872 | 8,382,443 | 6,005,911 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2015 | \$ 16,774,507 | 11,938,617 | 4,835,890 |
| Changes for the Year: | | | |
| Service Cost | 460,825 | - | 460,825 |
| Interest on the Total Pension Liability | 1,273,021 | - | 1,273,021 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 670,729 | - | 670,729 |
| Changes of Assumptions | 1,593,575 | - | 1,593,575 |
| Contributions - Employer | - | 391,470 | (391,470) |
| Contributions - Employees | - | 258,649 | (258,649) |
| Net Investment Income | - | (187,270) | 187,270 |
| Benefit Payments, including Refunds of Employee Contributions | (696,847) | (696,847) | - |
| Other (Net Transfer) | - | (11,252) | 11,252 |
| Net Changes | 3,301,303 | (245,250) | 3,546,553 |
| Balances at April 30, 2016 | 20,075,810 | 11,693,367 | 8,382,443 |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2016, the City recognized pension expense of \$814,811. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 553,057 | - | 553,057 |
| Change in Assumptions | 1,314,003 | - | 1,314,003 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 886,275 | - | 886,275 |
| Total Deferred Amounts Related to Police Pension | <u>2,753,335</u> | - | <u>2,753,335</u> |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2017 | \$ 618,817 |
| 2018 | 618,817 |
| 2019 | 618,817 |
| 2020 | 618,816 |
| 2021 | 278,068 |
| Thereafter | <u>-</u> |
| Total | <u>2,753,335</u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan

Plan Descriptions – Continued

Plan Administration. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2016, the measurement date, membership consisted of the following:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 19 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | - |
| Active Plan Members | <u>29</u> |
| Total | <u><u>48</u></u> |

Benefits Provided. The following is a summary of the Firefighters’ Pension Plan as provided for in Illinois State Statutes.

The Firefighters’ Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

CITY OF SYCAMORE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the City's contribution was 24.20% of covered payroll.

Significant Investments. At year end, the Pension Plan had no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits:

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Valuation Date | 4/30/2016 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.50% |
| Salary Increases | 4.50% |
| Cost of Living Adjustments | 2.00% - 3.00% |
| Inflation | 2.50% |

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 12,595,652 | \$ 9,515,499 | \$ 6,990,212 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2015 | \$ 19,773,437 | 12,590,801 | 7,182,636 |
| Changes for the Year: | | | |
| Service Cost | 552,428 | - | 552,428 |
| Interest on the Total Pension Liability | 1,503,189 | - | 1,503,189 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (1,060,286) | - | (1,060,286) |
| Changes of Assumptions | 1,757,248 | - | 1,757,248 |
| Contributions - Employer | - | 579,310 | (579,310) |
| Contributions - Employees | - | 226,750 | (226,750) |
| Net Investment Income | - | (369,948) | 369,948 |
| Benefit Payments, including Refunds of Employee Contributions | (754,894) | (754,894) | - |
| Other (Net Transfer) | - | (16,396) | 16,396 |
| Net Changes | 1,997,685 | (335,178) | 2,332,863 |
| Balances at April 30, 2016 | 21,771,122 | 12,255,623 | 9,515,499 |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

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

For the year ended April 30, 2016, the City recognized pension expense of \$515,775. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ - | (880,576) | (880,576) |
| Change in Assumptions | 1,459,409 | - | 1,459,409 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,077,667 | - | 1,077,667 |
| Total Deferred Amounts Related to Firefighters' Pension | <u>2,537,076</u> | <u>(880,576)</u> | <u>1,656,500</u> |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2017 | \$ 387,546 |
| 2018 | 387,546 |
| 2019 | 387,546 |
| 2020 | 387,545 |
| 2021 | 106,317 |
| Thereafter | <u>-</u> |
| Total | <u>1,656,500</u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. 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.

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City’s retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the City’s health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City’s plan becomes secondary.

Retired City employees, after twenty (20) years of service and if hired prior to May 1, 1982, receive insurance benefits at the City’s expense. Employees hired after May 1, 1982 and before May 1, 1986, after twenty (20) years of service and having reached the age of 65, receive insurance benefits at the City’s expense. If the employee has not served said twenty (20) years, coverage is available but at the employee’s expense. For the fiscal year ending April 30, 2016, retirees contributed \$12,309. Active employees do not contribute to the plan until retirement.

At April 30, 2016, membership consisted of:

| | |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them. | 28 |
| Active Employees | <u>101</u> |
| | <u><u>129</u></u> |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB (Asset) (NOPEBA) as of April 30, 2016, was calculated as follows:

| | |
|------------------------------|-------------------------|
| Annual Required Contribution | \$ 553,544 |
| Interest on the NPO | (23,353) |
| Adjustment to the ARC | <u>32,464</u> |
| Annual OPEB Cost | 562,655 |
| Actual Contribution | <u>585,847</u> |
| Change in the (NOPEBA) | (23,192) |
| (NOPEBA) - Beginning | <u>(583,830)</u> |
| (NOPEBA) - Ending | <u><u>(607,022)</u></u> |

Trend Information

The City’s annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB (asset) are as follows:

| Fiscal Year | Annual OPEB Cost | Actual Contributions | Percentage of OPEB Cost Contributed | Net OPEB Obligation/ (Asset) |
|----------------|------------------------|-------------------------|---|---------------------------------------|
| 2014 | \$ 562,806 | \$ 542,190 | 96.34% | \$ (572,898) |
| 2015 | 562,485 | 573,417 | 101.94% | (583,830) |
| 2016 | 562,655 | 585,847 | 104.12% | (607,022) |

CITY OF SYCAMORE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2014, the date of the latest actuarial valuation, was as follows:

| | |
|---|--------------|
| Actuarial Accrued Liability (AAL) | \$ 7,747,923 |
| Actuarial Value of Plan Assets | \$ - |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 7,747,923 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00% |
| Covered Payroll (Active Plan Members) | N/A |
| UAAL as a Percentage of Covered Payroll | N/A |

N/A - Not Available

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2014 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% discount rate, a 3.00% price inflation assumption, a 4.00% wage inflation assumption as well as a healthcare cost trend rate of 6.0% to 8.0% depending on fiscal year. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Police Pension Fund
Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
Police Pension Fund
Firefighters' Pension Fund

- Schedule of Investment Returns
Police Pension Fund
Firefighters' Pension Fund

- Budgetary Comparison Schedules
General Fund
Water Impact Fee - Special Revenue Fund
Sewer Impact Fee - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF SYCAMORE, ILLINOIS

Other Post-Employment Benefits Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2016**

Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--------------------------|---------------------------------------|--|----------------------------------|---|-------------------------------|--|
| April 30 | | | | | | |
| 2011 | \$ - | \$ 8,366,283 | 0.00% | \$ 8,366,283 | \$ N/A | N/A |
| 2012 | - | 11,729,951 | 0.00% | 11,729,951 | N/A | N/A |
| 2013 | - | 11,729,951 | 0.00% | 11,729,951 | N/A | N/A |
| 2014 | - | 7,747,923 | 0.00% | 7,747,923 | N/A | N/A |
| 2015 | - | 7,747,923 | 0.00% | 7,747,923 | N/A | N/A |
| 2016 | - | 7,747,923 | 0.00% | 7,747,923 | N/A | N/A |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------|------------------------|------------------------------|---------------------|
| 2011 | \$ 395,651 | \$ 336,418 | 117.61% |
| 2012 | 395,651 | 336,418 | 117.61% |
| 2013 | 848,934 | 482,146 | 176.07% |
| 2014 | 542,190 | 553,544 | 97.95% |
| 2015 | 573,417 | 553,544 | 103.59% |
| 2016 | 585,847 | 553,544 | 105.84% |

The City is required to have an actuarial valuation performed triennially.

N/A - Not Available

CITY OF SYCAMORE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

| Calendar Year | | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|---------------|---------|-------------------------------------|--|-----------------------------------|--------------------------|---|
| 2015 | City | \$ 324,254 | \$ 324,254 | \$ - | \$ 3,016,311 | 10.75% |
| | Library | 47,086 | 47,086 | - | 438,008 | 10.75% |
| | Totals | 371,340 | 371,340 | - | 3,454,319 | 10.75% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Valuation Date | December 31, 2015 |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 28 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 3.0% |
| Salary Increases | 4.40% - 16.00% |
| Investment Rate of Return | 7.50% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | RP-2000 Combined Healthy Mortality Table |

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|-------------|-------------------------------------|--|-----------------------------------|--------------------------|---|
| 2015 | \$ 410,519 | \$ 370,340 | \$ (40,179) | \$ 2,187,351 | 16.93% |
| 2016 | 422,346 | 391,470 | (30,876) | 2,197,137 | 17.82% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Valuation Date | April 30, 2016 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 25 Years |
| Asset Valuation Method | Market Value |
| Inflation | 2.50% |
| Salary Increases | 4.50% |
| Investment Rate of Return | 7.50% |
| Retirement Age | 50-70 |
| Mortality | RP 2014 Mortality Table (BBCHA) projected to 2016 |

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered- Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|----------------|---|--|---|---------------------------------|--|
| 2015 | \$ 635,352 | \$ 586,295 | \$ (49,057) | \$ 2,346,224 | 24.99% |
| 2016 | 671,845 | 579,310 | (92,535) | 2,394,020 | 24.20% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Valuation Date | April 30, 2016 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 25 Years |
| Asset Valuation Method | Market Value |
| Inflation | 2.50% |
| Salary Increases | 4.50% |
| Investment Rate of Return | 7.50% |
| Retirement Age | 50-70 |
| Mortality | RP 2014 Mortality Table (BBCHA) projected to 2016 |

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

| | 12/31/2015 | | |
|---|--------------|-----------|------------|
| | City | Library | Totals |
| Total Pension Liability | | | |
| Service Cost | \$ 310,371 | 45,070 | 355,441 |
| Interest | 1,088,697 | 158,093 | 1,246,790 |
| Changes in Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | 81,297 | 11,806 | 93,103 |
| Change of Assumptions | 39,689 | 5,763 | 45,452 |
| Benefit Payments, Including | | | |
| Refunds of Member Contributions | (570,546) | (82,851) | (653,397) |
| Net Change in Total Pension Liability | 949,508 | 137,881 | 1,087,389 |
| Total Pension Liability - Beginning | 14,646,052 | 2,126,797 | 16,772,849 |
| Total Pension Liability - Ending | 15,595,560 | 2,264,678 | 17,860,238 |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | 324,254 | 47,086 | 371,340 |
| Contributions - Members | 135,735 | 19,710 | 155,445 |
| Net Investment Income | 70,471 | 10,233 | 80,704 |
| Benefit Payments, Including | | | |
| Refunds of Member Contributions | (570,546) | (82,851) | (653,397) |
| Administrative Expense | (328,778) | (47,743) | (376,521) |
| Net Change in Plan Fiduciary Net Position | (368,864) | (53,565) | (422,429) |
| Plan Net Position - Beginning | 14,149,383 | 2,054,656 | 16,204,039 |
| Plan Net Position - Ending | 13,780,519 | 2,001,091 | 15,781,610 |
| Employer's Net Pension Liability | \$ 1,815,041 | 263,587 | 2,078,628 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 88.36% | 88.36% | 88.36% |
| Covered-Employee Payroll | \$ 3,016,311 | 438,008 | 3,454,319 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 60.17% | 60.18% | 60.17% |

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

| | 4/30/15 | 4/30/16 |
|--|---------------------|-------------------|
| Total Pension Liability | | |
| Service Cost | \$ 446,375 | 460,825 |
| Interest | 1,159,356 | 1,273,021 |
| Differences Between Expected and Actual Experience | (583,996) | 670,729 |
| Change of Assumptions | 1,071,327 | 1,593,575 |
| Benefit Payments, Including Refunds of Member Contributions | (555,963) | (696,847) |
| Net Change in Total Pension Liability | 1,537,099 | 3,301,303 |
| Total Pension Liability - Beginning | 15,237,408 | 16,774,507 |
| Total Pension Liability - Ending | <u>16,774,507</u> | <u>20,075,810</u> |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | \$ 370,340 | 391,470 |
| Contributions - Members | 219,390 | 258,649 |
| Net Investment Income | 692,572 | (187,270) |
| Benefit Payments, Including Refunds of Member Contributions | (555,963) | (696,847) |
| Administrative Expense | (9,312) | (11,252) |
| Net Change in Plan Fiduciary Net Position | 717,027 | (245,250) |
| Plan Net Position - Beginning | 11,221,590 | 11,938,617 |
| Plan Net Position - Ending | <u>11,938,617</u> | <u>11,693,367</u> |
| Employer's Net Pension Liability | <u>\$ 4,835,890</u> | <u>8,382,443</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 71.17% | 58.25% |
| Covered-Employee Payroll | \$ 2,187,542 | 2,197,137 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 221.07% | 381.52% |

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

| | 4/30/15 | 4/30/16 |
|--|---------------------|-------------------|
| Total Pension Liability | | |
| Service Cost | \$ 557,224 | 552,428 |
| Interest | 1,379,867 | 1,503,189 |
| Differences Between Expected and Actual Experience | (287,635) | (1,060,286) |
| Change of Assumptions | 692,805 | 1,757,248 |
| Benefit Payments, Including Refunds of Member Contributions | (747,112) | (754,894) |
| Net Change in Total Pension Liability | 1,595,149 | 1,997,685 |
| Total Pension Liability - Beginning | 18,178,288 | 19,773,437 |
| Total Pension Liability - Ending | <u>19,773,437</u> | <u>21,771,122</u> |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | \$ 586,295 | 579,310 |
| Contributions - Members | 218,754 | 226,750 |
| Net Investment Income | 830,294 | (369,948) |
| Benefit Payments, Including Refunds of Member Contributions | (747,112) | (754,894) |
| Administrative Expense | (7,549) | (16,396) |
| Net Change in Plan Fiduciary Net Position | 880,682 | (335,178) |
| Plan Net Position - Beginning | 11,710,119 | 12,590,801 |
| Plan Net Position - Ending | <u>12,590,801</u> | <u>12,255,623</u> |
| Employer's Net Pension Liability | <u>\$ 7,182,636</u> | <u>9,515,499</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 63.68% | 56.29% |
| Covered-Employee Payroll | \$ 2,346,224 | 2,394,020 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 306.14% | 397.47% |

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2016**

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2015 | 6.26% |
| 2016 | (1.48%) |

Note:
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2016

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2015 | 7.39% |
| 2016 | (2.85%) |

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF SYCAMORE, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-------------------|-------------------|-------------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 5,236,602 | 5,236,602 | 6,157,811 |
| Intergovernmental | 6,007,943 | 6,007,943 | 6,207,120 |
| Licenses and Permits | 122,100 | 122,100 | 93,809 |
| Charges for Services | 2,456,257 | 2,456,257 | 2,522,951 |
| Fines and Forfeitures | 138,500 | 138,500 | 154,111 |
| Interest | 30,600 | 30,600 | 43,604 |
| Miscellaneous | 197,750 | 197,750 | 108,517 |
| Total Revenues | <u>14,189,752</u> | <u>14,189,752</u> | <u>15,287,923</u> |
| Expenditures | | | |
| General Government | 6,134,615 | 6,229,076 | 5,850,794 |
| Public Safety | 6,692,488 | 6,692,488 | 7,683,208 |
| Public Works | 1,512,955 | 1,558,494 | 1,410,041 |
| Total Expenditures | <u>14,340,058</u> | <u>14,480,058</u> | <u>14,944,043</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(150,306)</u> | <u>(290,306)</u> | <u>343,880</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 310,000 | 450,000 | 525,000 |
| Transfers Out | <u>(156,000)</u> | <u>(296,000)</u> | <u>(469,883)</u> |
| | <u>154,000</u> | <u>154,000</u> | <u>55,117</u> |
| Net Change in Fund Balance | <u>3,694</u> | <u>(136,306)</u> | <u>398,997</u> |
| Fund Balance - Beginning | | | <u>5,429,894</u> |
| Fund Balance - Ending | | | <u><u>5,828,891</u></u> |

CITY OF SYCAMORE, ILLINOIS

Water Impact Fee - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------|---------------|---------------|----------------|
| | Original | Final | |
| Revenues | | | |
| Charges for Services | | | |
| Water Impact | \$ 75,000 | 75,000 | 81,359 |
| Interest | 5,000 | 5,000 | 3,474 |
| Total Revenues | <u>80,000</u> | <u>80,000</u> | <u>84,833</u> |
| Expenditures | | | |
| Public Works | | | |
| Contractual Services | 5,000 | 5,000 | - |
| Other Services | 1,000 | 1,000 | - |
| Capital Outlay | 50,000 | 50,000 | - |
| Total Expenditures | <u>56,000</u> | <u>56,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>24,000</u> | <u>24,000</u> | 84,833 |
| Fund Balance - Beginning | | | <u>237,347</u> |
| Fund Balance - Ending | | | <u>322,180</u> |

CITY OF SYCAMORE, ILLINOIS

Sewer Impact Fee - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------------|------------------|-------------------------|
| | Original | Final | |
| Revenues | | | |
| Charges for Services | | | |
| Sewer Impact | \$ 120,000 | 120,000 | 150,340 |
| Interest | 25,000 | 25,000 | 32,979 |
| Total Revenues | <u>145,000</u> | <u>145,000</u> | <u>183,319</u> |
| Expenditures | | | |
| Public Works | | | |
| Contractual Services | 850,000 | 850,000 | - |
| Other Services | 2,000 | 2,000 | - |
| Capital Outlay | 75,000 | 75,000 | - |
| Total Expenditures | <u>927,000</u> | <u>927,000</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (782,000) | (782,000) | 183,319 |
| Other Financing (Uses) | | | |
| Transfers Out | - | - | (52,783) |
| Net Change in Fund Balance | <u>(782,000)</u> | <u>(782,000)</u> | 130,536 |
| Fund Balance - Beginning | | | <u>2,659,820</u> |
| Fund Balance - Ending | | | <u><u>2,790,356</u></u> |

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Schedules – General Subfunds
- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Major Enterprise Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified

Water Impact Fee Fund

The Water Impact Fee Fund is used to account for the revenues and expenditures associated with the increasing costs of the City's water system. Financing is provided by user fees assessed for new connections to the City water system.

Sewer Impact Fee Fund

The Sewer Impact Fee Fund is used to account for the revenues and expenditures associated with the increasing costs of the City's sanitary sewer collection system. Financing is provided by user fees assessed for new connections to the City sewer system.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund is used to account for the revenues and expenditures associated with hotel/motel tax monies. Financing is provided by hotel/motel taxes generated.

Foreign Fire Insurance Tax Fund

The Foreign Fire Insurance Fund is used to account for the revenues and expenditures associated with the foreign fire insurance tax. Financing is provided by foreign fire insurance taxes generated.

Real Estate Transfer Tax Fund

The Real Estate Transfer Tax Fund is used to account for the revenues and expenditures associated with real estate transfer tax revenues. Financing is provided by real estate transfer taxes generated.

Radium Decommission Fund

The Radium Decommission Fund is used to account for the revenues and expenditures associated with the removal, dewatering and packaging of any contaminated zeolite media from the City's well

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – CONTINUED

Public Improvements Escrow Fund

The Public Improvements Escrow Fund is used to account for the revenues and expenditures associated with escrow agreements the City has with specific developments. Financing is provided by developer escrow fees.

1995 EPA LOAN, 2003 EPA LOAN, 2005 EPA LOAN, 2006 EPA LOAN, 2009 EPA LOAN, 2002 BOND, 2003 BOND, 2005 REFUNDING BOND, 2007 BOND, 2009 BOND AND 2012 BOND DEBT SERVICE FUNDS

The City's Debt Service Funds are used to account for monies restricted to pay for principal and interest payments on the City's debt obligations.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the revenues and expenditures associated with street improvements and maintenance in the City. Financing is provided by Illinois Motor Fuel Tax monies.

Sales Tax Distribution Fund

The Sales Tax Distribution Fund is used to account for the revenues and expenditures associated with sales tax monies. Financing is provided by tax money generated.

Tax Increment Financing Fund

The Tax Increment Financing Fund is used to account for the revenues and expenditures associated with the incremental taxes within the TIF District. Financing is provided by incremental taxes.

Street Maintenance Fund

The Street Maintenance Fund is used to account for the revenues and expenditures associated with home rule sales taxes for annual street and alley repairs, resurfacing, and reconstruction.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS – CONTINUED

Public Building Fund

The Public Building Fund is used to account for the revenues and expenditures associated with rental income and related maintenance costs on the City's public buildings.

Road and Bridge Fund

The Road and Bridge Fund is used to account for the revenues and expenditures associated with road and bridge taxes and related bridge maintenance and improvement costs.

Downtown Development Fund

The Downtown Development Fund is used to account for the revenues and expenditures associated with façade grants to local businesses.

Capital Assistance Fund

The Capital Assistance Fund is used to account for the revenues and expenditures associated with home rule sales taxes and related general infrastructure improvements, public building repairs, and vehicles or equipment.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been 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 purpose.

Water Fund

The Water Fund is used to account for the revenues and costs related to the operation of the City's water system. Funding is provided by water user fees.

Sewer Fund

The Sewer Fund is used to account for the revenues and costs related to the operation of the City's sanitary sewer system. Funding is provided by sewer user fees.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees in the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

CITY OF SYCAMORE, ILLINOIS

General Fund

**Combining Balance Sheet
For the Fiscal Year Ended April 30, 2016**

| | Operations Subfund | Employee Benefit Assistance Subfund | Totals |
|---|-----------------------|--|-----------|
| ASSETS | | | |
| Cash and Investments | \$ 3,649,010 | 2,136 | 3,651,146 |
| Receivables - Net of Allowances | | | - |
| Property Taxes | 2,779,464 | - | 2,779,464 |
| Other Taxes | 299,921 | - | 299,921 |
| Accounts | 575,500 | - | 575,500 |
| Due from Other Governments | 1,832,893 | - | 1,832,893 |
| | | | <hr/> |
| Total Assets | 9,136,788 | 2,136 | 9,138,924 |
| LIABILITIES | | | |
| Accounts Payable | 228,931 | - | 228,931 |
| Accrued Payroll | 301,638 | - | 301,638 |
| Total Liabilities | 530,569 | - | 530,569 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 2,779,464 | - | 2,779,464 |
| Total Liabilities and Deferred Inflows of Resources | 3,310,033 | - | 3,310,033 |
| FUND BALANCES | | | |
| Unassigned | 5,826,755 | 2,136 | 5,828,891 |
| | | | <hr/> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 9,136,788 | 2,136 | 9,138,924 |

CITY OF SYCAMORE, ILLINOIS

General Fund

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Operations Subfund | | |
|--|--------------------|-------------------|-------------------|
| | Budget | | Actual |
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 5,236,602 | 5,236,602 | 6,157,811 |
| Intergovernmental | 6,007,943 | 6,007,943 | 6,207,120 |
| Licenses and Permits | 122,100 | 122,100 | 93,809 |
| Charges for Services | 2,456,257 | 2,456,257 | 2,522,951 |
| Fines and Forfeitures | 138,500 | 138,500 | 154,111 |
| Interest | 30,000 | 30,000 | 43,587 |
| Miscellaneous | 197,750 | 197,750 | 108,517 |
| Total Revenues | <u>14,189,152</u> | <u>14,189,152</u> | <u>15,287,906</u> |
| Expenditures | | | |
| General Government | 6,034,615 | 5,989,076 | 5,613,082 |
| Public Safety | 6,692,488 | 6,692,488 | 7,683,208 |
| Public Works | 1,512,955 | 1,558,494 | 1,410,041 |
| Total Expenditures | <u>14,240,058</u> | <u>14,240,058</u> | <u>14,706,331</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(50,906)</u> | <u>(50,906)</u> | <u>581,575</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 435,000 | 435,000 | 525,000 |
| Transfers Out | (381,000) | (521,000) | (694,883) |
| | <u>54,000</u> | <u>(86,000)</u> | <u>(169,883)</u> |
| Net Change in Fund Balance | <u>3,094</u> | <u>(136,906)</u> | 411,692 |
| Fund Balance - Beginning | | | <u>5,415,063</u> |
| Fund Balance - Ending | | | <u>5,826,755</u> |

| Employee Benefit Assistance Subfund | | | Total General Fund | | |
|-------------------------------------|-----------|-----------|--------------------|------------|------------|
| Budget | | Actual | Budget | | Actual |
| Original | Final | | Original | Final | |
| - | - | - | 5,236,602 | 5,236,602 | 6,157,811 |
| - | - | - | 6,007,943 | 6,007,943 | 6,207,120 |
| - | - | - | 122,100 | 122,100 | 93,809 |
| - | - | - | 2,456,257 | 2,456,257 | 2,522,951 |
| - | - | - | 138,500 | 138,500 | 154,111 |
| 600 | 600 | 17 | 30,600 | 30,600 | 43,604 |
| - | - | - | 197,750 | 197,750 | 108,517 |
| 600 | 600 | 17 | 14,189,752 | 14,189,752 | 15,287,923 |
| 100,000 | 240,000 | 237,712 | 6,134,615 | 6,229,076 | 5,850,794 |
| - | - | - | 6,692,488 | 6,692,488 | 7,683,208 |
| - | - | - | 1,512,955 | 1,558,494 | 1,410,041 |
| 100,000 | 240,000 | 237,712 | 14,340,058 | 14,480,058 | 14,944,043 |
| (99,400) | (239,400) | (237,695) | (150,306) | (290,306) | 343,880 |
| 100,000 | 240,000 | 225,000 | 535,000 | 675,000 | 750,000 |
| - | - | - | (381,000) | (521,000) | (694,883) |
| 100,000 | 240,000 | 225,000 | 154,000 | 154,000 | 55,117 |
| 600 | 600 | (12,695) | 3,694 | (136,306) | 398,997 |
| | | 14,831 | | | 5,429,894 |
| | | 2,136 | | | 5,828,891 |

CITY OF SYCAMORE, ILLINOIS

Operations - General Subfund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|---|------------------|------------------|------------------|
| | Original | Final | |
| Taxes | | | |
| Property Taxes | | | |
| General | \$ 1,407,322 | 1,407,322 | 1,409,919 |
| Police Pension | - | - | 356,587 |
| Firefighter Pension | - | - | 531,146 |
| FICA/IMRF | 337,175 | 337,175 | 337,496 |
| Crossing Guards | 20,000 | 20,000 | 20,039 |
| Local Sales Taxes | 1,975,765 | 1,975,765 | 1,969,725 |
| Restaurant/Bar Taxes | 1,039,380 | 1,039,380 | 1,069,119 |
| Simplified Telecommunications Taxes | 456,960 | 456,960 | 463,780 |
| Total Taxes | 5,236,602 | 5,236,602 | 6,157,811 |
| Intergovernmental | | | |
| State Sales Taxes | 3,962,700 | 3,962,700 | 4,006,240 |
| State Income Taxes | 1,699,343 | 1,699,343 | 1,791,962 |
| Personal Property Replacement Taxes - General | 173,900 | 173,900 | 163,609 |
| Personal Property Replacement Taxes - Police | - | - | 27,840 |
| Personal Property Replacement Taxes - Fire | - | - | 41,121 |
| Other Reimbursements | 172,000 | 172,000 | 171,583 |
| State Direct Grants | - | - | 4,765 |
| Total Intergovernmental | 6,007,943 | 6,007,943 | 6,207,120 |
| Licenses and Permits | | | |
| Liquor Licenses | 81,600 | 81,600 | 61,150 |
| Dog Licenses | 10,000 | 10,000 | 8,044 |
| Electrical Licenses | 5,500 | 5,500 | 5,025 |
| Other Licenses | 25,000 | 25,000 | 19,590 |
| Total Licenses and Permits | 122,100 | 122,100 | 93,809 |
| Charges for Services | | | |
| Planning/Zoning | 2,000 | 2,000 | 2,250 |
| Engineering Inspection | 3,000 | 3,000 | 12,187 |
| Building Inspection | 35,000 | 35,000 | 52,333 |
| Electrical Inspection | 11,500 | 11,500 | 11,646 |
| Plumbing Inspection | 7,000 | 7,000 | 11,510 |
| Other Inspection | 9,000 | 9,000 | 11,770 |

CITY OF SYCAMORE, ILLINOIS

Operations - General Subfund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| Charges for Services - Continued | | | |
| Police Contractual Services | \$ 13,500 | 13,500 | 7,530 |
| Police Miscellaneous Services | 2,500 | 2,500 | 2,100 |
| Fire User Fees | 417,800 | 417,800 | 387,004 |
| Fire Protection General | 126,148 | 126,148 | 126,148 |
| Fire Protection Ambulance | 144,309 | 144,309 | 144,309 |
| Fire Trust Funds | 12,000 | 12,000 | 13,402 |
| Trash Removal | 1,390,500 | 1,390,500 | 1,429,346 |
| Franchise Fees | 280,000 | 280,000 | 309,316 |
| Annexations/Developments | 2,000 | 2,000 | 2,100 |
| Total Charges for Services | <u>2,456,257</u> | <u>2,456,257</u> | <u>2,522,951</u> |
| Fines and Forfeitures | | | |
| Circuit Court Fines | 62,500 | 62,500 | 72,536 |
| Parking Fees | 23,000 | 23,000 | 22,927 |
| Parking Fines | 38,000 | 38,000 | 28,403 |
| Other | 15,000 | 15,000 | 30,245 |
| Total Fines and Forfeitures | <u>138,500</u> | <u>138,500</u> | <u>154,111</u> |
| Interest | <u>30,000</u> | <u>30,000</u> | <u>43,587</u> |
| Miscellaneous | | | |
| Refunds/Reimbursements | 185,000 | 185,000 | 74,433 |
| Other | 12,750 | 12,750 | 34,084 |
| Total Miscellaneous | <u>197,750</u> | <u>197,750</u> | <u>108,517</u> |
| Total Revenues | <u>14,189,152</u> | <u>14,189,152</u> | <u>15,287,906</u> |

CITY OF SYCAMORE, ILLINOIS

Operations - General Subfund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|-------------------------------|-----------|-----------|-----------|
| | Original | Final | |
| General Government | | | |
| Mayor and City Council | | | |
| Salaries | \$ 63,400 | 63,400 | 63,400 |
| Payroll Taxes | 3,931 | 3,931 | 3,940 |
| Contractual Services | 105,000 | 105,000 | 117,022 |
| Total Mayor and City Council | 172,331 | 172,331 | 184,362 |
| City Clerk | | | |
| Salaries | 84,998 | 83,071 | 82,461 |
| Payroll Taxes | 5,270 | 5,200 | 5,043 |
| Payroll Benefits | 9,455 | 9,275 | 8,761 |
| Commodities | 7,550 | 7,550 | 7,753 |
| Contractual Services | 14,200 | 14,200 | 7,495 |
| Equipment | 1,550 | 1,550 | 478 |
| Total City Clerk | 123,023 | 120,846 | 111,991 |
| Administration | | | |
| Salaries | 434,293 | 421,315 | 410,064 |
| Payroll Taxes | 26,300 | 25,711 | 23,667 |
| Payroll Benefits | 48,850 | 49,055 | 42,587 |
| Commodities | 6,500 | 6,500 | 5,177 |
| Contractual Services | 21,700 | 21,700 | 15,908 |
| Equipment | 1,100 | 1,100 | - |
| Total Administration | 538,743 | 525,381 | 497,403 |
| General Support | | | |
| Payroll Taxes | 100,708 | 100,708 | 102,060 |
| Payroll Benefits | 7,000 | 7,000 | 9,550 |
| Commodities | 160,000 | 160,000 | 81,203 |
| Contractual Services | 175,000 | 175,000 | 167,787 |
| Other Services | 4,756,310 | 4,726,310 | 4,458,726 |
| Equipment | 1,500 | 1,500 | - |
| Total General Support | 5,200,518 | 5,170,518 | 4,819,326 |
| Total General Government | 6,034,615 | 5,989,076 | 5,613,082 |

CITY OF SYCAMORE, ILLINOIS

Operations - General Subfund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|-----------------------|--------------|-----------|-----------|
| | Original | Final | |
| Public Safety | | | |
| Police | | | |
| Salaries | \$ 2,845,107 | 2,845,107 | 2,765,531 |
| Payroll Taxes | 16,010 | 16,010 | 14,761 |
| Payroll Benefits | 21,303 | 21,303 | 19,891 |
| Pension Contributions | - | - | 384,427 |
| Commodities | 46,000 | 46,000 | 44,413 |
| Contractual Services | 769,500 | 769,500 | 775,625 |
| Equipment | 2,550 | 2,550 | 549 |
| Total Police | 3,700,470 | 3,700,470 | 4,005,197 |
| Fire | | | |
| Salaries | 2,838,632 | 2,838,632 | 2,960,624 |
| Payroll Taxes | 4,396 | 4,396 | 3,541 |
| Payroll Benefits | 5,490 | 5,490 | 5,285 |
| Pension Contributions | - | - | 572,267 |
| Commodities | 60,810 | 60,810 | 52,837 |
| Contractual Services | 74,850 | 74,850 | 75,207 |
| Equipment | 7,840 | 7,840 | 8,250 |
| Total Fire | 2,992,018 | 2,992,018 | 3,678,011 |
| Total Public Safety | 6,692,488 | 6,692,488 | 7,683,208 |
| Public Works | | | |
| Streets | | | |
| Salaries | 444,593 | 444,593 | 435,280 |
| Payroll Taxes | 33,765 | 33,765 | 31,603 |
| Payroll Benefits | 60,575 | 60,575 | 56,850 |
| Commodities | 152,250 | 152,250 | 137,071 |
| Contractual Services | 370,075 | 370,075 | 266,838 |
| Equipment | 7,950 | 7,950 | 5,997 |
| Total Streets | 1,069,208 | 1,069,208 | 933,639 |

CITY OF SYCAMORE, ILLINOIS

Operations - General Subfund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--------------------------------|------------|------------|------------|
| | Original | Final | |
| Public Works - Continued | | | |
| Building and Engineering | | | |
| Salaries | \$ 340,910 | 384,130 | 373,555 |
| Payroll Taxes | 21,136 | 21,955 | 23,088 |
| Payroll Benefits | 37,901 | 39,401 | 38,079 |
| Commodities | 7,150 | 7,150 | 3,270 |
| Contractual Services | 33,950 | 33,950 | 35,662 |
| Equipment | 2,700 | 2,700 | 2,748 |
| Total Building and Engineering | 443,747 | 489,286 | 476,402 |
| | | | |
| Total Public Works | 1,512,955 | 1,558,494 | 1,410,041 |
| | | | |
| Total Expenditures | 14,240,058 | 14,240,058 | 14,706,331 |

CITY OF SYCAMORE, ILLINOIS

Motor Fuel Tax - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-------------------------|-------------------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Motor Fuel Tax | \$ 500,000 | 500,000 | 474,823 |
| Interest | 10,500 | 10,500 | 2,299 |
| Total Revenues | <u>510,500</u> | <u>510,500</u> | <u>477,122</u> |
| Expenditures | | | |
| Public Works | | | |
| Salaries | 100,000 | 100,000 | 100,000 |
| Contractual Services | 616,397 | 699,712 | 694,605 |
| Total Expenditures | <u>716,397</u> | <u>799,712</u> | <u>794,605</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (205,897) | (289,212) | (317,483) |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(110,000)</u> | <u>(110,000)</u> | <u>(110,000)</u> |
| Net Change in Fund Balance | <u><u>(315,897)</u></u> | <u><u>(399,212)</u></u> | <u>(427,483)</u> |
| Fund Balance - Beginning | | | <u>1,247,544</u> |
| Fund Balance - Ending | | | <u><u>820,061</u></u> |

CITY OF SYCAMORE, ILLINOIS

Sales Tax Distribution - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-------------------|-------------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Sales Tax | \$ 30,250,000 | 30,250,000 | 16,340,752 |
| Interest | 27,500 | 27,500 | 26,758 |
| Total Revenues | <u>30,277,500</u> | <u>30,277,500</u> | <u>16,367,510</u> |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 51,000 | 71,000 | 59,183 |
| Other Services | 29,375,179 | 29,375,179 | 15,478,631 |
| Capital Outlay | 226,350 | 226,350 | 222,164 |
| Total Expenditures | <u>29,652,529</u> | <u>29,672,529</u> | <u>15,759,978</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 624,971 | 604,971 | 607,532 |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(150,095)</u> | <u>(150,095)</u> | <u>(150,095)</u> |
| Net Change in Fund Balance | <u>474,876</u> | <u>454,876</u> | 457,437 |
| Fund Balance - Beginning | | | <u>2,089,500</u> |
| Fund Balance - Ending | | | <u>2,546,937</u> |

CITY OF SYCAMORE, ILLINOIS

Tax Increment Financing - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------------|------------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property | \$ 58,000 | 58,000 | 54,726 |
| Interest | 1,500 | 1,500 | 2,223 |
| Total Revenues | <u>59,500</u> | <u>59,500</u> | <u>56,949</u> |
| Expenditures | | | |
| Development | | | |
| Contractual Services | 1,000 | 1,000 | 650 |
| Capital Outlay | 45,000 | 45,000 | - |
| Total Expenditures | <u>46,000</u> | <u>46,000</u> | <u>650</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 13,500 | 13,500 | 56,299 |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(280,000)</u> | <u>(377,810)</u> | <u>(371,617)</u> |
| Net Change in Fund Balance | <u>(266,500)</u> | <u>(364,310)</u> | (315,318) |
| Fund Balance - Beginning | | | <u>367,771</u> |
| Fund Balance - Ending | | | <u><u>52,453</u></u> |

CITY OF SYCAMORE, ILLINOIS

Street Maintenance - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------|------------------|------------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Gas | \$ 270,000 | 270,000 | 284,216 |
| Intergovernmental | | | |
| Sales Tax | 983,000 | 983,000 | 984,860 |
| Interest | 7,500 | 7,500 | 4,602 |
| Miscellaneous | - | - | 863 |
| Total Revenues | <u>1,260,500</u> | <u>1,260,500</u> | <u>1,274,541</u> |
| Expenditures | | | |
| Public Works | | | |
| Contractual Services | 80,000 | 80,000 | 83,484 |
| Capital Outlay | 1,603,000 | 1,981,500 | 1,914,190 |
| Total Expenditures | <u>1,683,000</u> | <u>2,061,500</u> | <u>1,997,674</u> |
| Net Change in Fund Balance | <u>(422,500)</u> | <u>(801,000)</u> | (723,133) |
| Fund Balance - Beginning | | | <u>1,052,626</u> |
| Fund Balance - Ending | | | <u><u>329,493</u></u> |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2016

| | Special Revenue | Debt Service | Capital Projects | Totals |
|---|--------------------|-----------------|---------------------|---------------|
| ASSETS | | | | |
| Cash and Investments | \$ 849,439 | 266,318 | 1,332,486 | 2,448,243 |
| Receivables - Net of Allowances | | | | |
| Property Taxes | - | - | 44,073 | 44,073 |
| Other Taxes | 16,650 | - | 26,066 | 42,716 |
| Accounts | - | - | 1,270 | 1,270 |
| Other | 1,332 | - | - | 1,332 |
| Due from Other Governments | - | - | 111,990 | 111,990 |
| Total Assets | 867,421 | 266,318 | 1,515,885 | 2,649,624 |
| LIABILITES | | | | |
| Accounts Payable | 1,505 | - | 1,907 | 3,412 |
| Deposits Payable | 352,950 | - | - | 352,950 |
| Total Liabilities | 354,455 | - | 1,907 | 356,362 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Taxes | - | - | 44,073 | 44,073 |
| Total Liabilities and Deferred Inflows of Resources | 354,455 | - | 45,980 | 400,435 |
| FUND BALANCES | | | | |
| Restricted | 207,974 | 266,318 | 5,221 | 479,513 |
| Committed | 304,992 | - | 862,855 | 1,167,847 |
| Assigned | - | - | 601,829 | 601,829 |
| Total Fund Balances | 512,966 | 266,318 | 1,469,905 | 2,249,189 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 867,421 | 266,318 | 1,515,885 | 2,649,624 |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

| | Special Revenue | Debt Service | Capital Projects | Totals |
|--|--------------------|-----------------|---------------------|-----------|
| Revenues | | | | |
| Taxes | \$ 517,760 | - | 166,700 | 684,460 |
| Intergovernmental | - | - | 937,714 | 937,714 |
| Fines and Forfeitures | - | - | 20,549 | 20,549 |
| Interest | 4,428 | 3,230 | 16,164 | 23,822 |
| Miscellaneous | 1,643 | 57,355 | 147,784 | 206,782 |
| Total Revenues | 523,831 | 60,585 | 1,288,911 | 1,873,327 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 270,676 | - | - | 270,676 |
| Public Safety | 31,051 | - | - | 31,051 |
| Development | 88,000 | - | 764,927 | 852,927 |
| Capital Outlay | - | - | 101,044 | 101,044 |
| Debt Service | | | | |
| Principal Retirement | - | 1,025,667 | - | 1,025,667 |
| Interest and Fiscal Charges | - | 329,930 | - | 329,930 |
| Total Expenditures | 389,727 | 1,355,597 | 865,971 | 2,611,295 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 134,104 | (1,295,012) | 422,940 | (737,968) |
| Other Financing Sources (Uses) | | | | |
| Disposal of Capital Assets | - | - | 4,700 | 4,700 |
| Transfers In | 60,000 | 1,290,398 | 25,000 | 1,375,398 |
| Transfers Out | (120,000) | (1,851) | (450,800) | (572,651) |
| | (60,000) | 1,288,547 | (421,100) | 807,447 |
| Net Change in Fund Balances | 74,104 | (6,465) | 1,840 | 69,479 |
| Fund Balances - Beginning | 438,862 | 272,783 | 1,468,065 | 2,179,710 |
| Fund Balances - Ending | 512,966 | 266,318 | 1,469,905 | 2,249,189 |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2016

| | Hotel/ Motel Tax | Foreign Fire Insurance Tax | Real Estate Transfer Tax | Radium Decommission | Public Improvements Escrow | Totals |
|--|------------------------|----------------------------------|--------------------------------|------------------------|----------------------------------|----------------|
| ASSETS | | | | | | |
| Cash and Investments | \$ 98,723 | 24,620 | 20,421 | 165,172 | 540,503 | 849,439 |
| Receivables - Net of Allowances | | | | | | |
| Other Taxes | 16,650 | - | - | - | - | 16,650 |
| Other | 1,332 | - | - | - | - | 1,332 |
| Total Assets | <u>116,705</u> | <u>24,620</u> | <u>20,421</u> | <u>165,172</u> | <u>540,503</u> | <u>867,421</u> |
| LIABILITIES | | | | | | |
| Accounts Payable | - | - | - | 1,505 | - | 1,505 |
| Deposits Payable | - | - | - | - | 352,950 | 352,950 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,505</u> | <u>352,950</u> | <u>354,455</u> |
| FUND BALANCES | | | | | | |
| Restricted | - | - | 20,421 | - | 187,553 | 207,974 |
| Committed | 116,705 | 24,620 | - | 163,667 | - | 304,992 |
| Total Fund Balances | <u>116,705</u> | <u>24,620</u> | <u>20,421</u> | <u>163,667</u> | <u>187,553</u> | <u>512,966</u> |
| Total Liabilities and Fund Balances | <u>116,705</u> | <u>24,620</u> | <u>20,421</u> | <u>165,172</u> | <u>540,503</u> | <u>867,421</u> |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

| | Hotel/ Motel Tax | Foreign Fire Insurance Tax | Real Estate Transfer Tax | Radium Decommission | Public Improvements Escrow | Totals |
|--|------------------------|----------------------------------|--------------------------------|------------------------|----------------------------------|-----------|
| Revenues | | | | | | |
| Taxes | \$ 217,649 | 33,591 | 266,520 | - | - | 517,760 |
| Interest | 1,033 | 5 | 31 | 1,597 | 1,762 | 4,428 |
| Miscellaneous | - | 1,639 | - | - | 4 | 1,643 |
| Total Revenues | 218,682 | 35,235 | 266,551 | 1,597 | 1,766 | 523,831 |
| Expenditures | | | | | | |
| Current | | | | | | |
| General Government | - | - | 270,676 | - | - | 270,676 |
| Public Safety | - | 29,546 | - | 1,505 | - | 31,051 |
| Development | 88,000 | - | - | - | - | 88,000 |
| Total Expenditures | 88,000 | 29,546 | 270,676 | 1,505 | - | 389,727 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | | |
| | 130,682 | 5,689 | (4,125) | 92 | 1,766 | 134,104 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | - | - | - | 60,000 | - | 60,000 |
| Transfers Out | (120,000) | - | - | - | - | (120,000) |
| | (120,000) | - | - | 60,000 | - | (60,000) |
| Net Change in Fund Balances | 10,682 | 5,689 | (4,125) | 60,092 | 1,766 | 74,104 |
| Fund Balances - Beginning | 106,023 | 18,931 | 24,546 | 103,575 | 185,787 | 438,862 |
| Fund Balances - Ending | 116,705 | 24,620 | 20,421 | 163,667 | 187,553 | 512,966 |

CITY OF SYCAMORE, ILLINOIS

Hotel/Motel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------------|------------------|------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Hotel/Motel | \$ 225,000 | 225,000 | 217,649 |
| Interest | 600 | 600 | 1,033 |
| Total Revenues | <u>225,600</u> | <u>225,600</u> | <u>218,682</u> |
| Expenditures | | | |
| Development | | | |
| Commodities | 22,500 | 22,500 | 20,000 |
| Contractual Services | 35,000 | 35,000 | 35,000 |
| Other Services | 36,000 | 36,000 | 33,000 |
| Capital Outlay | 10,000 | 10,000 | - |
| Total Expenditures | <u>103,500</u> | <u>103,500</u> | <u>88,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 122,100 | 122,100 | 130,682 |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(120,000)</u> | <u>(120,000)</u> | <u>(120,000)</u> |
| Net Change in Fund Balance | <u>2,100</u> | <u>2,100</u> | 10,682 |
| Fund Balance - Beginning | | | <u>106,023</u> |
| Fund Balance - Ending | | | <u>116,705</u> |

CITY OF SYCAMORE, ILLINOIS

Foreign Fire Insurance Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------|---------------|-----------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Foreign Fire Insurance | \$ 29,500 | 29,500 | 33,591 |
| Interest | 5 | 5 | 5 |
| Miscellaneous | 300 | 300 | 1,639 |
| Total Revenues | <u>29,805</u> | <u>29,805</u> | <u>35,235</u> |
| Expenditures | | | |
| Public Safety | | | |
| Commodities | 11,500 | 11,500 | 1,489 |
| Contractual Services | 11,500 | 22,500 | 27,757 |
| Other Services | 500 | 500 | - |
| Equipment | 6,000 | 6,000 | 300 |
| Total Expenditures | <u>29,500</u> | <u>40,500</u> | <u>29,546</u> |
| Net Change in Fund Balance | <u>305</u> | <u>(10,695)</u> | 5,689 |
| Fund Balance - Beginning | | | <u>18,931</u> |
| Fund Balance - Ending | | | <u><u>24,620</u></u> |

CITY OF SYCAMORE, ILLINOIS

Real Estate Transfer Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------|----------------|----------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Real Estate Transfer | \$ 250,000 | 266,000 | 266,520 |
| Interest | 10 | 10 | 31 |
| Total Revenues | <u>250,010</u> | <u>266,010</u> | <u>266,551</u> |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | 1,500 | 1,500 | - |
| Other Services | 247,500 | 271,500 | 270,676 |
| Total Expenditures | <u>249,000</u> | <u>273,000</u> | <u>270,676</u> |
| Net Change in Fund Balance | <u>1,010</u> | <u>(6,990)</u> | (4,125) |
| Fund Balance - Beginning | | | <u>24,546</u> |
| Fund Balance - Ending | | | <u><u>20,421</u></u> |

CITY OF SYCAMORE, ILLINOIS

Radium Decommission - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|---------------|---------------|----------------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 1,000 | 1,000 | 1,597 |
| Expenditures | | | |
| Public Safety | | | |
| Other Services | 1,700 | 1,700 | 1,505 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (700) | (700) | 92 |
| Other Financing Sources | | | |
| Transfers In | 60,000 | 60,000 | 60,000 |
| Net Change in Fund Balance | <u>59,300</u> | <u>59,300</u> | 60,092 |
| Fund Balance - Beginning | | | <u>103,575</u> |
| Fund Balance - Ending | | | <u>163,667</u> |

CITY OF SYCAMORE, ILLINOIS

Public Improvements Escrow - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------|----------|-------|---------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 1,200 | 1,200 | 1,762 |
| Miscellaneous | - | - | 4 |
| Total Revenues | 1,200 | 1,200 | 1,766 |
| Expenditures | | | |
| General Government | | | |
| Contractual Services | - | - | - |
| Net Change in Fund Balance | 1,200 | 1,200 | 1,766 |
| Fund Balance - Beginning | | | 185,787 |
| Fund Balance - Ending | | | 187,553 |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental - Debt Service Funds

**Combining Balance Sheet
April 30, 2016**

| | 1995 EPA Loan | 2003 EPA Loan | 2005 EPA Loan | 2006 EPA Loan |
|----------------------|---------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash and Investments | \$ - | 7,665 | 5,966 | 825 |
| FUND BALANCES | | | | |
| Restricted | - | 7,665 | 5,966 | 825 |

| 2009 EPA Loan | 2002 Bond | 2003 Bond | 2005 Refunding Bond | 2007 Bond | 2009 Bond | 2012 Bond | Totals |
|---------------------|--------------|--------------|---------------------------|--------------|--------------|--------------|---------|
| 107,632 | - | 25 | - | 6,680 | 130,215 | 7,310 | 266,318 |
| 107,632 | - | 25 | - | 6,680 | 130,215 | 7,310 | 266,318 |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental - Debt Service Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

| | 1995 EPA Loan | 2003 EPA Loan | 2005 EPA Loan | 2006 EPA Loan |
|--|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | |
| Interest | \$ 1 | 95 | 78 | 7 |
| Miscellaneous | - | - | - | - |
| Total Revenues | 1 | 95 | 78 | 7 |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal Retirement | - | 39,396 | 41,606 | 49,813 |
| Interest and Fiscal Charges | - | 10,343 | 13,416 | 16,885 |
| Total Expenditures | - | 49,739 | 55,022 | 66,698 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1 | (49,644) | (54,944) | (66,691) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 50,000 | 55,022 | 66,700 |
| Transfers Out | (1,783) | - | - | - |
| | (1,783) | 50,000 | 55,022 | 66,700 |
| Net Change in Fund Balances | (1,782) | 356 | 78 | 9 |
| Fund Balances - Beginning | 1,782 | 7,309 | 5,888 | 816 |
| Fund Balances - Ending | - | 7,665 | 5,966 | 825 |

| 2009 EPA Loan | 2002 Bond | 2003 Bond | 2005 Refunding Bond | 2007 Bond | 2009 Bond | 2012 Bond | Totals |
|---------------------|--------------|--------------|---------------------------|--------------|--------------|--------------|-------------|
| 818 | 1 | 8 | 72 | 304 | 1,325 | 521 | 3,230 |
| - | - | - | - | - | 57,355 | - | 57,355 |
| 818 | 1 | 8 | 72 | 304 | 58,680 | 521 | 60,585 |
| 194,852 | - | 5,000 | 150,000 | 160,000 | 35,000 | 350,000 | 1,025,667 |
| - | - | 855 | 3,375 | 40,541 | 177,103 | 67,412 | 329,930 |
| 194,852 | - | 5,855 | 153,375 | 200,541 | 212,103 | 417,412 | 1,355,597 |
| (194,034) | 1 | (5,847) | (153,303) | (200,237) | (153,423) | (416,891) | (1,295,012) |
| 194,852 | - | 5,800 | 149,361 | 200,000 | 150,095 | 418,568 | 1,290,398 |
| - | (68) | - | - | - | - | - | (1,851) |
| 194,852 | (68) | 5,800 | 149,361 | 200,000 | 150,095 | 418,568 | 1,288,547 |
| 818 | (67) | (47) | (3,942) | (237) | (3,328) | 1,677 | (6,465) |
| 106,814 | 67 | 72 | 3,942 | 6,917 | 133,543 | 5,633 | 272,783 |
| 107,632 | - | 25 | - | 6,680 | 130,215 | 7,310 | 266,318 |

CITY OF SYCAMORE, ILLINOIS

1995 EPA Loan - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|----------|---------|---------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ - | - | 1 |
| Expenditures | | | |
| Debt Services | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 1 |
| Other Financing (Uses) | | | |
| Transfers Out | (1,771) | (1,783) | (1,783) |
| Net Change in Fund Balance | (1,771) | (1,783) | (1,782) |
| Fund Balance - Beginning | | | 1,782 |
| Fund Balance - Ending | | | - |

CITY OF SYCAMORE, ILLINOIS

2003 EPA Loan - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

| | Budget | | Actual |
|--|----------|----------|----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 25 | 25 | 95 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 39,527 | 39,527 | 39,396 |
| Interest and Fiscal Charges | 10,212 | 10,212 | 10,343 |
| Total Expenditures | 49,739 | 49,739 | 49,739 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (49,714) | (49,714) | (49,644) |
| Other Financing Sources | | | |
| Transfers In | 50,000 | 50,000 | 50,000 |
| Net Change in Fund Balance | 286 | 286 | 356 |
| Fund Balance - Beginning | | | 7,309 |
| Fund Balance - Ending | | | 7,665 |

CITY OF SYCAMORE, ILLINOIS

2005 EPA Loan - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

| | Budget | | Actual |
|--|----------|----------|----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 40 | 40 | 78 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 41,606 | 41,606 | 41,606 |
| Interest and Fiscal Charges | 13,416 | 13,416 | 13,416 |
| Total Expenditures | 55,022 | 55,022 | 55,022 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (54,982) | (54,982) | (54,944) |
| Other Financing Sources | | | |
| Transfers In | 55,022 | 55,022 | 55,022 |
| Net Change in Fund Balance | 40 | 40 | 78 |
| Fund Balance - Beginning | | | 5,888 |
| Fund Balance - Ending | | | 5,966 |

CITY OF SYCAMORE, ILLINOIS

2006 EPA Loan - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|----------|----------|----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 5 | 5 | 7 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 49,812 | 49,812 | 49,813 |
| Interest and Fiscal Charges | 16,886 | 16,886 | 16,885 |
| Total Expenditures | 66,698 | 66,698 | 66,698 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (66,693) | (66,693) | (66,691) |
| Other Financing Sources | | | |
| Transfers In | 66,700 | 66,700 | 66,700 |
| Net Change in Fund Balance | 7 | 7 | 9 |
| Fund Balance - Beginning | | | 816 |
| Fund Balance - Ending | | | 825 |

CITY OF SYCAMORE, ILLINOIS

2009 EPA Loan - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------|------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 400 | 400 | 818 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 194,852 | 194,852 | 194,852 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (194,452) | (194,452) | (194,034) |
| Other Financing Sources | | | |
| Transfers In | 194,852 | 194,852 | 194,852 |
| Net Change in Fund Balance | <u>400</u> | <u>400</u> | 818 |
| Fund Balance - Beginning | | | <u>106,814</u> |
| Fund Balance - Ending | | | <u><u>107,632</u></u> |

CITY OF SYCAMORE, ILLINOIS

2002 Bond - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

| | Budget | | Actual |
|--|----------|-------|--------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ - | - | 1 |
| Expenditures | | | |
| Debt Services | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 1 |
| Other Financing (Uses) | | | |
| Transfers Out | (778) | (68) | (68) |
| Net Change in Fund Balance | (778) | (68) | (67) |
| Fund Balance - Beginning | | | 67 |
| Fund Balance - Ending | | | - |

CITY OF SYCAMORE, ILLINOIS

2003 Bond - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|----------|---------|---------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 10 | 10 | 8 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 5,000 | 5,000 | 5,000 |
| Interest and Fiscal Charges | 855 | 855 | 855 |
| Total Expenditures | 5,855 | 5,855 | 5,855 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,845) | (5,845) | (5,847) |
| Other Financing Sources | | | |
| Transfers In | 5,800 | 5,800 | 5,800 |
| Net Change in Fund Balance | (45) | (45) | (47) |
| Fund Balance - Beginning | | | 72 |
| Fund Balance - Ending | | | 25 |

CITY OF SYCAMORE, ILLINOIS

2005 Refunding Bond - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-----------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 250 | 250 | 72 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 150,000 | 150,000 | 150,000 |
| Interest and Fiscal Charges | 3,375 | 3,375 | 3,375 |
| Total Expenditures | 153,375 | 153,375 | 153,375 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (153,125) | (153,125) | (153,303) |
| Other Financing Sources | | | |
| Transfers In | 154,014 | 154,014 | 149,361 |
| Net Change in Fund Balance | 889 | 889 | (3,942) |
| Fund Balance - Beginning | | | 3,942 |
| Fund Balance - Ending | | | - |

CITY OF SYCAMORE, ILLINOIS

2007 Bond - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-----------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 200 | 200 | 304 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 160,000 | 160,000 | 160,000 |
| Interest and Fiscal Charges | 40,188 | 40,541 | 40,541 |
| Total Expenditures | 200,188 | 200,541 | 200,541 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (199,988) | (200,341) | (200,237) |
| Other Financing Sources | | | |
| Transfers In | 200,000 | 200,000 | 200,000 |
| Net Change in Fund Balance | 12 | (341) | (237) |
| Fund Balance - Beginning | | | 6,917 |
| Fund Balance - Ending | | | 6,680 |

CITY OF SYCAMORE, ILLINOIS

2009 Bond - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-----------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 500 | 500 | 1,325 |
| Miscellaneous | 61,705 | 61,705 | 57,355 |
| Total Revenues | 62,205 | 62,205 | 58,680 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 35,000 | 35,000 | 35,000 |
| Interest and Fiscal Charges | 176,800 | 177,103 | 177,103 |
| Total Expenditures | 211,800 | 212,103 | 212,103 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (149,595) | (149,898) | (153,423) |
| Other Financing Sources | | | |
| Transfers In | 150,095 | 150,095 | 150,095 |
| Net Change in Fund Balance | 500 | 197 | (3,328) |
| Fund Balance - Beginning | | | 133,543 |
| Fund Balance - Ending | | | 130,215 |

CITY OF SYCAMORE, ILLINOIS

2012 Bond - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-----------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 325 | 325 | 521 |
| Expenditures | | | |
| Debt Services | | | |
| Principal Retirement | 350,000 | 350,000 | 350,000 |
| Interest and Fiscal Charges | 67,200 | 67,412 | 67,412 |
| Total Expenditures | 417,200 | 417,412 | 417,412 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (416,875) | (417,087) | (416,891) |
| Other Financing Sources | | | |
| Transfers In | 419,278 | 419,278 | 418,568 |
| Net Change in Fund Balance | 2,403 | 2,191 | 1,677 |
| Fund Balance - Beginning | | | 5,633 |
| Fund Balance - Ending | | | 7,310 |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2016

| | Public Building | Road and Bridge | Downtown Development | Capital Assistance | Totals |
|---|--------------------|--------------------|-------------------------|-----------------------|------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 737,138 | 5,221 | 125,717 | 464,410 | 1,332,486 |
| Receivables - Net of Allowances | | | | | |
| Property Taxes | - | 44,073 | - | - | 44,073 |
| Other Taxes | - | - | - | 26,066 | 26,066 |
| Accounts | - | - | - | 1,270 | 1,270 |
| Due from Other Governments | - | - | - | 111,990 | 111,990 |
| Total Assets | 737,138 | 49,294 | 125,717 | 603,736 | 1,515,885 |
| LIABILITIES | | | | | |
| Accounts Payable | - | - | - | 1,907 | 1,907 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property Taxes | - | 44,073 | - | - | 44,073 |
| Total Liabilities and Deferred Inflows of Resources | - | 44,073 | - | 1,907 | 45,980 |
| FUND BALANCES | | | | | |
| Restricted | - | 5,221 | - | - | 5,221 |
| Committed | 737,138 | - | 125,717 | - | 862,855 |
| Assigned | - | - | - | 601,829 | 601,829 |
| Total Fund Balances | 737,138 | 5,221 | 125,717 | 601,829 | 1,469,905 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 737,138 | 49,294 | 125,717 | 603,736 | 1,515,885 |

CITY OF SYCAMORE, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

| | Public Building | Road and Bridge | Downtown Development | Capital Assistance | Totals |
|--|--------------------|--------------------|-------------------------|-----------------------|------------------|
| Revenues | | | | | |
| Taxes | \$ - | 43,147 | - | 123,553 | 166,700 |
| Intergovernmental | - | - | - | 937,714 | 937,714 |
| Fines and Forfeitures | - | - | - | 20,549 | 20,549 |
| Interest | 8,661 | 236 | 1,561 | 5,706 | 16,164 |
| Miscellaneous | 87,894 | - | - | 59,890 | 147,784 |
| Total Revenues | 96,555 | 43,383 | 1,561 | 1,147,412 | 1,288,911 |
| Expenditures | | | | | |
| Current | | | | | |
| Development | 55,958 | - | 33,111 | 675,858 | 764,927 |
| Capital Outlay | 3,475 | - | - | 97,569 | 101,044 |
| Total Expenditures | 59,433 | - | 33,111 | 773,427 | 865,971 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 37,122 | 43,383 | (31,550) | 373,985 | 422,940 |
| Other Financing Sources (Uses) | | | | | |
| Disposal of Capital Assets | - | - | - | 4,700 | 4,700 |
| Transfers In | - | - | 25,000 | - | 25,000 |
| Transfers Out | - | (45,000) | - | (405,800) | (450,800) |
| | - | (45,000) | 25,000 | (401,100) | (421,100) |
| Net Change in Fund Balances | 37,122 | (1,617) | (6,550) | (27,115) | 1,840 |
| Fund Balances - Beginning | 700,016 | 6,838 | 132,267 | 628,944 | 1,468,065 |
| Fund Balances - Ending | 737,138 | 5,221 | 125,717 | 601,829 | 1,469,905 |

CITY OF SYCAMORE, ILLINOIS

Public Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|----------------------------|-----------------|-----------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 5,000 | 5,000 | 8,661 |
| Miscellaneous | 79,000 | 79,000 | 87,894 |
| Total Revenues | <u>84,000</u> | <u>84,000</u> | <u>96,555</u> |
| Expenditures | | | |
| Development | | | |
| Commodities | 750 | 750 | - |
| Contractual Services | 61,750 | 61,750 | 53,432 |
| Other Services | 2,500 | 2,500 | 1,976 |
| Equipment | 2,500 | 2,500 | 550 |
| Capital Outlay | 55,000 | 55,000 | 3,475 |
| Total Expenditures | <u>122,500</u> | <u>122,500</u> | <u>59,433</u> |
| Net Change in Fund Balance | <u>(38,500)</u> | <u>(38,500)</u> | 37,122 |
| Fund Balance - Beginning | | | <u>700,016</u> |
| Fund Balance - Ending | | | <u><u>737,138</u></u> |

CITY OF SYCAMORE, ILLINOIS

Road and Bridge - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|-----------------|-----------------|---------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Road and Bridge | \$ 41,000 | 41,000 | 43,147 |
| Interest | 175 | 175 | 236 |
| Total Revenues | <u>41,175</u> | <u>41,175</u> | <u>43,383</u> |
| Expenditures | | | |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 41,175 | 41,175 | 43,383 |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(45,000)</u> | <u>(45,000)</u> | <u>(45,000)</u> |
| Net Change in Fund Balance | <u>(3,825)</u> | <u>(3,825)</u> | (1,617) |
| Fund Balance - Beginning | | | <u>6,838</u> |
| Fund Balance - Ending | | | <u><u>5,221</u></u> |

CITY OF SYCAMORE, ILLINOIS

Downtown Development - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|----------|----------|----------|
| | Original | Final | |
| Revenues | | | |
| Interest | \$ 1,000 | 1,000 | 1,561 |
| Expenditures | | | |
| Development | | | |
| Contractual Services | 1,000 | 1,000 | - |
| Other Services | 35,000 | 70,000 | 33,111 |
| Total Expenditures | 36,000 | 71,000 | 33,111 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (35,000) | (70,000) | (31,550) |
| Other Financing Sources | | | |
| Transfers In | 25,000 | 25,000 | 25,000 |
| Net Change in Fund Balance | (10,000) | (45,000) | (6,550) |
| Fund Balance - Beginning | | | 132,267 |
| Fund Balance - Ending | | | 125,717 |

CITY OF SYCAMORE, ILLINOIS

Capital Assistance - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------------|------------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Video Gaming | \$ 85,000 | 115,000 | 123,553 |
| Intergovernmental | | | |
| Sales Tax | 493,941 | 493,941 | 492,430 |
| Grants | - | 485,200 | 445,284 |
| Fines and Forfeitures | 7,500 | 22,925 | 20,549 |
| Interest | 4,000 | 4,000 | 5,706 |
| Miscellaneous | 500 | 24,100 | 59,890 |
| Total Revenues | <u>590,941</u> | <u>1,145,166</u> | <u>1,147,412</u> |
| Expenditures | | | |
| Development | | | |
| Contractual Services | 86,500 | 126,500 | 126,500 |
| Other Services | 30,000 | 34,500 | 33,294 |
| Equipment | 63,000 | 517,525 | 516,064 |
| Capital Outlay | 38,600 | 102,600 | 97,569 |
| Total Expenditures | <u>218,100</u> | <u>781,125</u> | <u>773,427</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>372,841</u> | <u>364,041</u> | <u>373,985</u> |
| Other Financing Sources (Uses) | | | |
| Disposal of Capital Assets | - | - | 4,700 |
| Transfers Out | (405,800) | (405,800) | (405,800) |
| | <u>(405,800)</u> | <u>(405,800)</u> | <u>(401,100)</u> |
| Net Change in Fund Balance | <u>(32,959)</u> | <u>(41,759)</u> | (27,115) |
| Fund Balance - Beginning | | | <u>628,944</u> |
| Fund Balance - Ending | | | <u><u>601,829</u></u> |

CITY OF SYCAMORE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------------|------------------|-----------------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 1,915,000 | 1,915,000 | 1,780,077 |
| Permits and Fees | 5,000 | 5,000 | 160,053 |
| Water Meters | 20,000 | 20,000 | 30,080 |
| Miscellaneous | 3,000 | 3,000 | 3,687 |
| Total Operating Revenues | <u>1,943,000</u> | <u>1,943,000</u> | <u>1,973,897</u> |
| Operating Expenses | | | |
| Operations | | | |
| Salaries | 619,952 | 619,952 | 605,544 |
| Payroll Taxes | 47,427 | 47,427 | 36,671 |
| Payroll Benefits | 281,224 | 281,224 | 283,255 |
| Commodities | 113,000 | 113,000 | 90,659 |
| Contractual Services | 505,950 | 505,950 | 523,024 |
| Equipment | 109,000 | 109,000 | 135,573 |
| Capital Outlay | 12,500 | 12,500 | 12,564 |
| Total Operating Expenses | <u>1,689,053</u> | <u>1,689,053</u> | <u>1,687,290</u> |
| Operating Income (Loss) | 253,947 | 253,947 | 286,607 |
| Nonoperating Revenues | | | |
| Interest Income | <u>1,200</u> | <u>1,200</u> | <u>658</u> |
| Income Before Transfers | 255,147 | 255,147 | 287,265 |
| Transfers Out | <u>(254,979)</u> | <u>(254,979)</u> | <u>(353,211)</u> |
| Income (Loss) Before GAAP Adjustments | <u>168</u> | <u>168</u> | (65,946) |
| Beginning Net Position - Budgetary Basis | | | <u>389,320</u> |
| Ending Net Position - Budgetary Basis | | | <u><u>323,374</u></u> |

CITY OF SYCAMORE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|---------------------------------------|------------|------------|-------------------|
| | Original | Final | |
| Income (Loss) Before GAAP Adjustments | \$ 168 | 168 | (65,946) |
| GAAP Adjustments | | | |
| Capital Contributions | - | - | 371,617 |
| Capitalized Assets | - | - | 9,756 |
| IMRF Pension Liability | - | - | (160,976) |
| Other Postemployment Benefit | - | - | 1,739 |
| Compensated Absences | - | - | 10,663 |
| Depreciation | - | - | (329,974) |
| | - | - | (97,175) |
| Change in Net Position | <u>168</u> | <u>168</u> | (163,121) |
| Net Position - Beginning as Restated | | | <u>10,010,696</u> |
| Net Position - Ending | | | <u>9,847,575</u> |

CITY OF SYCAMORE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--|------------------|------------------|-------------------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 2,449,988 | 2,449,988 | 2,619,386 |
| Permits and Fees | 4,000 | 4,000 | 7,870 |
| Total Operating Revenues | <u>2,453,988</u> | <u>2,453,988</u> | <u>2,627,256</u> |
| Operating Expenses | | | |
| Operations | | | |
| Salaries | 738,949 | 738,949 | 734,188 |
| Payroll Taxes | 56,530 | 56,530 | 43,294 |
| Payroll Benefits | 258,249 | 258,249 | 237,057 |
| Commodities | 221,250 | 221,250 | 224,640 |
| Contractual Services | 352,650 | 352,650 | 331,972 |
| Equipment | 70,050 | 70,050 | 66,995 |
| Capital Outlay | 52,085 | 52,085 | 3,075 |
| Total Operating Expenses | <u>1,749,763</u> | <u>1,749,763</u> | <u>1,641,221</u> |
| Operating Income | <u>704,225</u> | <u>704,225</u> | <u>986,035</u> |
| Nonoperating Revenues | | | |
| Interest Income | 35,000 | 35,000 | 41,234 |
| Disposal of Capital Assets | - | - | 40,000 |
| | <u>35,000</u> | <u>35,000</u> | <u>81,234</u> |
| Income Before Transfers | 739,225 | 739,225 | 1,067,269 |
| Transfers In | 41,771 | 41,771 | 41,783 |
| Transfers Out | <u>(288,109)</u> | <u>(288,109)</u> | <u>(286,341)</u> |
| Income Before GAAP Adjustments | <u>492,887</u> | <u>492,887</u> | 822,711 |
| Beginning Net Position - Budgetary Basis | | | <u>3,524,311</u> |
| Ending Net Position - Budgetary Basis | | | <u><u>4,347,022</u></u> |

CITY OF SYCAMORE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|--------------------------------------|----------------|----------------|-------------------|
| | Original | Final | |
| Income Before GAAP Adjustments | \$ 492,887 | 492,887 | 822,711 |
| GAAP Adjustments | | | |
| Capital Contributions | - | - | 52,783 |
| Capitalized Assets | - | - | 77,560 |
| IMRF Pension Liability | - | - | (195,174) |
| Other Postemployment Benefit | - | - | 1,739 |
| Compensated Absences | - | - | (15,669) |
| Depreciation | - | - | (351,486) |
| | - | - | (430,247) |
| Change in Net Position | <u>492,887</u> | <u>492,887</u> | 392,464 |
| Net Position - Beginning as Restated | | | <u>13,400,421</u> |
| Net Position - Ending | | | <u>13,792,885</u> |

CITY OF SYCAMORE, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
April 30, 2016**

| | Police Pension | Firefighters' Pension | Totals |
|--------------------------------------|-------------------|--------------------------|------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,053,693 | 1,753,089 | 2,806,782 |
| Investments | | | |
| U.S. Government Obligations | 521,955 | 717,137 | 1,239,092 |
| U.S. Agency Obligations | 1,038,136 | 830,752 | 1,868,888 |
| Municipal Bonds | 241,382 | 220,101 | 461,483 |
| Corporate Bonds | 1,070,131 | 1,542,426 | 2,612,557 |
| Common Stock | 3,745,116 | 3,778,819 | 7,523,935 |
| Mutual Funds | 3,411,248 | 3,369,038 | 6,780,286 |
| Annuities | 575,635 | - | 575,635 |
| Receivables - Net of Allowance | | | |
| Accrued Interest | 25,402 | 28,717 | 54,119 |
| Due from Other Governments | 10,669 | 15,544 | 26,213 |
| NET POSITION | | | |
| Net Position Restricted for Pensions | 11,693,367 | 12,255,623 | 23,948,990 |

CITY OF SYCAMORE, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2016**

| | Police Pension | Firefighters' Pension | Totals |
|---|-------------------|--------------------------|------------------|
| Additions | | | |
| Contributions - Employer | \$ 391,470 | 579,310 | 970,780 |
| Contributions - Plan Members | 258,649 | 226,750 | 485,399 |
| Total Contributions | 650,119 | 806,060 | 1,456,179 |
| Investment Earnings | | | |
| Interest Earned | 195,479 | 96,904 | 292,383 |
| Net Change in Fair Value | (350,138) | (427,278) | (777,416) |
| | (154,659) | (330,374) | (485,033) |
| Less Investment Expenses | (32,611) | (39,574) | (72,185) |
| Net Investment Income | (187,270) | (369,948) | (557,218) |
| Total Additions | 462,849 | 436,112 | 898,961 |
| Deductions | | | |
| Administration | 11,252 | 16,396 | 27,648 |
| Benefits and Refunds | 696,847 | 754,894 | 1,451,741 |
| Total Deductions | 708,099 | 771,290 | 1,479,389 |
| Change in Fiduciary Net Position | (245,250) | (335,178) | (580,428) |
| Net Position Restricted for Pensions | | | |
| Beginning | 11,938,617 | 12,590,801 | 24,529,418 |
| Ending | 11,693,367 | 12,255,623 | 23,948,990 |

CITY OF SYCAMORE, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|------------------------------|------------|-----------|------------|
| | Original | Final | |
| Additions | | | |
| Contributions - Employer | \$ 391,534 | 391,534 | 391,470 |
| Contributions - Plan Members | 223,820 | 223,820 | 258,649 |
| Total Contributions | 615,354 | 615,354 | 650,119 |
| Investment Income | | | |
| Interest Earned | 183,000 | 183,000 | 195,479 |
| Net Change in Fair Value | 730,000 | 730,000 | (350,138) |
| | 913,000 | 913,000 | (154,659) |
| Less Investment Expenses | - | - | (32,611) |
| Net Investment Income | 913,000 | 913,000 | (187,270) |
| Total Additions | 1,528,354 | 1,528,354 | 462,849 |
| Deductions | | | |
| Administration | 39,400 | 50,000 | 11,252 |
| Benefits and Refunds | 563,908 | 697,500 | 696,847 |
| Total Deductions | 603,308 | 747,500 | 708,099 |
| Change in Net Position | 925,046 | 780,854 | (245,250) |
| Net Position - Beginning | | | 11,938,617 |
| Net Position - Ending | | | 11,693,367 |

CITY OF SYCAMORE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

| | Budget | | Actual |
|------------------------------|------------|-----------|------------|
| | Original | Final | |
| Additions | | | |
| Contributions - Employer | \$ 580,462 | 580,462 | 579,310 |
| Contributions - Plan Members | 223,670 | 223,670 | 226,750 |
| Total Contributions | 804,132 | 804,132 | 806,060 |
| Investment Income | | | |
| Interest Earned | 194,000 | 194,000 | 96,904 |
| Net Change in Fair Value | 775,000 | 775,000 | (427,278) |
| | 969,000 | 969,000 | (330,374) |
| Less Investment Expenses | - | - | (39,574) |
| Net Investment Income | 969,000 | 969,000 | (369,948) |
| Total Additions | 1,773,132 | 1,773,132 | 436,112 |
| Deductions | | | |
| Administration | 46,400 | 65,000 | 16,396 |
| Benefits and Refunds | 763,077 | 815,041 | 754,894 |
| Total Deductions | 809,477 | 880,041 | 771,290 |
| Change in Net Position | 963,655 | 893,091 | (335,178) |
| Net Position - Beginning | | | 12,590,801 |
| Net Position - Ending | | | 12,255,623 |

SUPPLEMENTAL SCHEDULES

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
IEPA Loan of 2003 Project No. L17-2473**

April 30, 2016

| | |
|--------------------------|--|
| Date of Issue | August 18, 2004 |
| Date of Maturity | August 5, 2024 |
| Authorized Issue | \$780,495 |
| Interest Rate | 2.50% |
| Interest Dates | August 5 and February 5 |
| Principal Maturity Dates | August 5 and February 5 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|----------------|---------------|----------------|-----------------|---------------|--------|---------------|
| | Principal | Interest | Totals | Aug. 5 | Amount | Feb. 5 | Amount |
| 2017 | \$ 40,520 | 9,217 | 49,737 | 2016 | 4,734 | 2017 | 4,483 |
| 2018 | 41,538 | 8,198 | 49,736 | 2017 | 4,228 | 2018 | 3,970 |
| 2019 | 42,584 | 7,153 | 49,737 | 2018 | 3,709 | 2019 | 3,444 |
| 2020 | 43,655 | 6,081 | 49,736 | 2019 | 3,176 | 2020 | 2,905 |
| 2021 | 44,753 | 4,984 | 49,737 | 2020 | 2,631 | 2021 | 2,353 |
| 2022 | 45,880 | 3,857 | 49,737 | 2021 | 2,071 | 2022 | 1,786 |
| 2023 | 47,034 | 2,704 | 49,738 | 2022 | 1,498 | 2023 | 1,206 |
| 2024 | 48,217 | 1,520 | 49,737 | 2023 | 910 | 2024 | 610 |
| 2025 | 24,560 | 307 | 24,867 | 2024 | 307 | 2025 | - |
| | <u>378,741</u> | <u>44,021</u> | <u>422,762</u> | | <u>23,264</u> | | <u>20,757</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
IEPA Loan of 2005 Project No. L17-2475**

April 30, 2016

| | |
|--------------------------|--|
| Date of Issue | December 13, 2006 |
| Date of Maturity | September 15, 2026 |
| Authorized Issue | \$843,614 |
| Interest Rate | 2.50% |
| Interest Dates | September 15 and March 15 |
| Principal Maturity Dates | September 15 and March 15 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|----------------|---------------|----------------|-----------------|---------------|---------|---------------|
| | Principal | Interest | Totals | Sep. 15 | Amount | Mar. 15 | Amount |
| 2017 | \$ 42,652 | 12,369 | 55,021 | 2016 | 6,317 | 2017 | 6,052 |
| 2018 | 43,725 | 11,296 | 55,021 | 2017 | 5,784 | 2018 | 5,512 |
| 2019 | 44,825 | 10,196 | 55,021 | 2018 | 5,237 | 2019 | 4,959 |
| 2020 | 45,952 | 9,069 | 55,021 | 2019 | 4,677 | 2020 | 4,392 |
| 2021 | 47,108 | 7,913 | 55,021 | 2020 | 4,103 | 2021 | 3,810 |
| 2022 | 48,294 | 6,728 | 55,022 | 2021 | 3,514 | 2022 | 3,214 |
| 2023 | 49,509 | 5,513 | 55,022 | 2022 | 2,910 | 2023 | 2,603 |
| 2024 | 50,755 | 4,267 | 55,022 | 2023 | 2,291 | 2024 | 1,976 |
| 2025 | 52,031 | 2,991 | 55,022 | 2024 | 1,657 | 2025 | 1,334 |
| 2026 | 53,340 | 1,681 | 55,021 | 2025 | 1,006 | 2026 | 675 |
| 2027 | 27,171 | 340 | 27,511 | 2026 | 340 | 2027 | - |
| | <u>505,362</u> | <u>72,363</u> | <u>577,725</u> | | <u>37,836</u> | | <u>34,527</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
IEPA Loan of 2006 Project No. L17-1691**

April 30, 2016

| | |
|--------------------------|--|
| Date of Issue | February 14, 2007 |
| Date of Maturity | December 19, 2026 |
| Authorized Issue | \$1,024,417 |
| Interest Rate | 2.50% |
| Interest Dates | June 19 and December 19 |
| Principal Maturity Dates | June 19 and December 19 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|----------------|---------------|----------------|-----------------|---------------|---------|---------------|
| | Principal | Interest | Totals | Jun. 19 | Amount | Dec. 19 | Amount |
| 2017 | \$ 51,065 | 15,633 | 66,698 | 2016 | 7,975 | 2016 | 7,658 |
| 2018 | 52,350 | 14,347 | 66,697 | 2017 | 7,336 | 2017 | 7,011 |
| 2019 | 53,666 | 13,031 | 66,697 | 2018 | 6,682 | 2018 | 6,349 |
| 2020 | 55,016 | 11,680 | 66,696 | 2019 | 6,011 | 2019 | 5,669 |
| 2021 | 56,400 | 10,296 | 66,696 | 2020 | 5,323 | 2020 | 4,973 |
| 2022 | 57,819 | 8,877 | 66,696 | 2021 | 4,618 | 2021 | 4,259 |
| 2023 | 59,274 | 7,424 | 66,698 | 2022 | 3,896 | 2022 | 3,528 |
| 2024 | 60,765 | 5,932 | 66,697 | 2023 | 3,155 | 2023 | 2,777 |
| 2025 | 62,293 | 4,403 | 66,696 | 2024 | 2,395 | 2024 | 2,008 |
| 2026 | 63,861 | 2,837 | 66,698 | 2025 | 1,617 | 2025 | 1,220 |
| 2027 | 65,467 | 1,230 | 66,697 | 2026 | 818 | 2026 | 412 |
| | <u>637,976</u> | <u>95,690</u> | <u>733,666</u> | | <u>49,826</u> | | <u>45,864</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
IEPA Loan of 2009 Project No. L17-3363**

April 30, 2016

| | |
|--------------------------|--|
| Date of Issue | January 1, 2011 |
| Date of Maturity | January 1, 2032 |
| Authorized Issue | \$5,506,532 |
| Interest Rate | Non-Interest Bearing |
| Interest Date | Non-Interest Bearing |
| Principal Maturity Dates | May 1 and November 1 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | |
|----------------|------------------|----------|------------------|
| | Principal | Interest | Totals |
| 2017 | \$ 194,852 | - | 194,852 |
| 2018 | 194,852 | - | 194,852 |
| 2019 | 194,852 | - | 194,852 |
| 2020 | 194,852 | - | 194,852 |
| 2021 | 194,852 | - | 194,852 |
| 2022 | 194,852 | - | 194,852 |
| 2023 | 194,852 | - | 194,852 |
| 2024 | 194,852 | - | 194,852 |
| 2025 | 194,852 | - | 194,852 |
| 2026 | 194,852 | - | 194,852 |
| 2027 | 194,852 | - | 194,852 |
| 2028 | 194,852 | - | 194,852 |
| 2029 | 194,852 | - | 194,852 |
| 2030 | 194,852 | - | 194,852 |
| 2031 | 194,852 | - | 194,852 |
| 2032 | 97,424 | - | 97,424 |
| | <u>3,020,204</u> | <u>-</u> | <u>3,020,204</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2003**

April 30, 2016

| | |
|-------------------------|---|
| Date of Issue | October 1, 2003 |
| Date of Maturity | January 1, 2018 |
| Authorized Issue | \$2,005,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 4.65% to 5.10% |
| Interest Dates | July 1 and January 1 |
| Principal Maturity Date | January 1 |
| Payable at | LaSalle Bank National Association, Chicago IL |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|---------------|------------|---------------|-----------------|--------------|--------|------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2017 | \$ 5,000 | 420 | 5,420 | 2016 | 210 | 2017 | 210 |
| 2018 | 5,000 | (240) | 4,760 | 2017 | (345) | 2018 | 105 |
| | <u>10,000</u> | <u>180</u> | <u>10,180</u> | | <u>(135)</u> | | <u>315</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2007**

April 30, 2016

| | |
|-------------------------|--|
| Date of Issue | May 1, 2007 |
| Date of Maturity | January 15, 2021 |
| Authorized Issue | \$2,000,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 4.25% to 4.50% |
| Interest Dates | July 15 and January 15 |
| Principal Maturity Date | January 15 |
| Payable at | The Bank of New York Trust Company, N.A., Chicago IL |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|----------------|---------------|----------------|-----------------|---------------|---------|---------------|
| | Principal | Interest | Totals | Jul. 15 | Amount | Jan. 15 | Amount |
| 2017 | \$ 165,000 | 32,938 | 197,938 | 2016 | 16,469 | 2017 | 16,469 |
| 2018 | 170,000 | 25,926 | 195,926 | 2017 | 12,963 | 2018 | 12,963 |
| 2019 | 180,000 | 18,700 | 198,700 | 2018 | 9,350 | 2019 | 9,350 |
| 2020 | 185,000 | 11,050 | 196,050 | 2019 | 5,525 | 2020 | 5,525 |
| 2021 | 75,000 | 3,188 | 78,188 | 2020 | 1,594 | 2021 | 1,594 |
| | <u>775,000</u> | <u>91,802</u> | <u>866,802</u> | | <u>45,901</u> | | <u>45,901</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
Taxable General Obligation Bonds of 2009**

April 30, 2016

| | |
|-------------------------|--|
| Date of Issue | September 30 ,2009 |
| Date of Maturity | January 1, 2025 |
| Authorized Issue | \$3,570,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 3.50% to 5.50% |
| Interest Dates | July 1 and January 1 |
| Principal Maturity Date | January 1 |
| Payable at | The Bank of New York Mellon Trust Company, New York NY |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|------------------|------------------|------------------|-----------------|----------------|--------|----------------|
| | Principal | Interest | Totals | Jul. 1 | Amount | Jan. 1 | Amount |
| 2017 | \$ 100,000 | 175,074 | 275,074 | 2016 | 87,537 | 2017 | 87,537 |
| 2018 | 100,000 | 170,774 | 270,774 | 2017 | 85,387 | 2018 | 85,387 |
| 2019 | 250,000 | 166,476 | 416,476 | 2018 | 83,238 | 2019 | 83,238 |
| 2020 | 250,000 | 154,850 | 404,850 | 2019 | 77,425 | 2020 | 77,425 |
| 2021 | 400,000 | 142,724 | 542,724 | 2020 | 71,362 | 2021 | 71,362 |
| 2022 | 475,000 | 121,526 | 596,526 | 2021 | 60,763 | 2022 | 60,763 |
| 2023 | 500,000 | 96,350 | 596,350 | 2022 | 48,175 | 2023 | 48,175 |
| 2024 | 875,000 | 69,850 | 944,850 | 2023 | 34,925 | 2024 | 34,925 |
| 2025 | 395,000 | 21,726 | 416,726 | 2024 | 10,863 | 2025 | 10,863 |
| | <u>3,345,000</u> | <u>1,119,350</u> | <u>4,464,350</u> | | <u>559,675</u> | | <u>559,675</u> |

CITY OF SYCAMORE, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2012**

April 30, 2016

| | |
|-------------------------|---|
| Date of Issue | July 16, 2012 |
| Date of Maturity | January 15, 2023 |
| Authorized Issue | \$2,940,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% to 3.00% |
| Interest Dates | July 15 and January 15 |
| Principal Maturity Date | January 15 |
| Payable at | UMB Bank National Association, Kansas City MO |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|------------------|----------------|------------------|-----------------|----------------|---------|----------------|
| | Principal | Interest | Totals | Jul. 15 | Amount | Jan. 15 | Amount |
| 2017 | \$ 335,000 | 56,700 | 391,700 | 2016 | 28,350 | 2017 | 28,350 |
| 2018 | 355,000 | 46,650 | 401,650 | 2017 | 23,325 | 2018 | 23,325 |
| 2019 | 225,000 | 36,000 | 261,000 | 2018 | 18,000 | 2019 | 18,000 |
| 2020 | 230,000 | 29,250 | 259,250 | 2019 | 14,625 | 2020 | 14,625 |
| 2021 | 240,000 | 22,350 | 262,350 | 2020 | 11,175 | 2021 | 11,175 |
| 2022 | 250,000 | 15,150 | 265,150 | 2021 | 7,575 | 2022 | 7,575 |
| 2023 | 255,000 | 7,650 | 262,650 | 2022 | 3,825 | 2023 | 3,825 |
| | <u>1,890,000</u> | <u>213,750</u> | <u>2,103,750</u> | | <u>106,875</u> | | <u>106,875</u> |

CITY OF SYCAMORE, ILLINOIS

**Schedule of Assessed Valuations, Rates, Extensions, and Collections - Last Four Tax Levy Years
April 30, 2016**

| | 2012 | 2013 | 2014 | 2015 |
|-------------------------------|---------------------|------------------|------------------|------------------|
| Assessed Valuation | \$ 371,610,862 | 343,636,270 | 337,661,389 | 357,501,358 |
| Tax Rates | | | | |
| General | 0.33742 | 0.36444 | 0.37089 | 0.35030 |
| Bonds and Interest | 0.04177 | 0.04557 | 0.04637 | 0.04380 |
| Illinois Municipal Retirement | 0.04208 | 0.04566 | 0.04666 | 0.04369 |
| Road and Bridge | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Firefighters' Pension | 0.13973 | 0.15092 | 0.15719 | 0.16637 |
| Police Pension | 0.09202 | 0.09939 | 0.10553 | 0.11708 |
| Social Security | 0.02456 | 0.02691 | 0.02656 | 0.02606 |
| School Crossing Guard | 0.00539 | 0.00583 | 0.00593 | 0.00560 |
| Medicare | 0.02422 | 0.02567 | 0.02666 | 0.02457 |
| TIF Distinct | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Library | 0.25419 | 0.28278 | 0.28778 | 0.28540 |
| Total Tax Rates | 0.96138 | 0.54630 | 1.07357 | 1.06287 |
| Tax Extensions | | | | |
| General | \$ 1,252,345 | 1,252,346 | 1,252,352 | 1,252,327 |
| Bonds and Interest | 156,590 | 156,595 | 156,574 | 156,586 |
| Illinois Municipal Retirement | 156,181 | 156,904 | 157,553 | 156,192 |
| Road and Bridge | 47,862 | 43,182 | 43,244 | 44,073 |
| Firefighters' Pension | 518,612 | 518,616 | 530,770 | 594,775 |
| Police Pension | 341,535 | 341,540 | 356,334 | 418,563 |
| Social Security | 91,155 | 92,473 | 89,683 | 93,165 |
| School Crossing Guard | 20,005 | 20,034 | 20,023 | 20,020 |
| Medicare | 89,893 | 87,868 | 90,021 | 87,838 |
| TIF Distinct | 45,184 | 56,409 | 54,725 | 81,631 |
| Library | 943,434 | 971,735 | 971,722 | 1,020,309 |
| Total Tax Extensions | 3,662,796 | 3,697,702 | 3,723,001 | 3,925,479 |
| Total Collections | \$ 3,632,866 | 3,697,086 | 3,627,558 | - |

Note: Collections may exceed extensions on the tax rates because mobile home tax which is not based upon assessed valuation as computed above, was collected and is included in the "collections" amounts.