

City of Freeport, Illinois

Annual Financial Report

For the year ended
April 30, 2018

CITY OF FREEPORT, ILLINOIS
Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis.....	3-13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14-15
Statement of Activities	16-17
Fund Financial Statements	
Governmental Funds	
Balance Sheet	18
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities Governmental Activities.....	21
Proprietary Funds	
Statement of Net Position.....	22-23
Statement of Revenues, Expenses and Changes in Net Position	24
Statement of Cash Flows	25-26
Fiduciary Funds	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position – Trust Funds	28
Notes to the Financial Statements.....	29-73
Required Supplementary Information	
Schedule of Funding Progress and Employer Contributions	
Other Post-Employment Benefits Plan	74
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund.....	75
Police Pension Fund.....	76

	<u>Page(s)</u>
Required Supplementary Information (Continued)	
Firefighters' Pension Fund.....	77
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	78
Police Pension Fund.....	79
Firefighters' Pension Fund.....	80
Schedule of Investment Returns	
Police Pension Fund.....	81
Firefighters' Pension Fund.....	82
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	83
Notes to Required Supplementary Information.....	84
Supplementary Information	
General Fund	
Schedule of Revenues – Budget and Actual.....	85-86
Schedule of Expenditures – Budget and Actual.....	87-92
Nonmajor Governmental Funds	
Combining Balance Sheet.....	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	94
Nonmajor Special Revenue Funds	
Combining Balance Sheet.....	95-96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	97-98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Motor Fuel Tax.....	99
Tourism Promotion.....	100
Grant Fund.....	101
Drug Forfeiture.....	102
Fire Public Safety.....	103

CITY OF FREEPORT, ILLINOIS
Table of Contents

	<u>Page(s)</u>
Supplementary Information (Continued)	
Downtown T.I.F. District	104
Lamm Road T.I.F. District.....	105
West Ave. T.I.F. District.....	106
Burchard Hills T.I.F. District.....	107
Meadows T.I.F. District.....	108
Public Library	109
Nonmajor Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	110
Nonmajor Capital Projects Funds	
Combining Balance Sheet	111
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	112
Schedule of Revenues, Expenditure and Changes in Fund Balances – Budget and Actual	
Fire Capital Improvements	113
Equipment Capital Projects	114
Cemetery Care – Permanent Fund	115
Enterprise Funds	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water Department	116
Sewer Department.....	117
Storm Sewer	118
Landfill Closure	119
Health and Environmental	120
Private Purpose Trust Fund	
Schedule of Changes in Net Position – Budget and Actual – Foreign Fire Insurance	121
Pension Trust Funds	
Combining Statement of Fiduciary Net Position	122
Combining Statement of Changes in Fiduciary Net Position.....	123

Supplementary Information (Continued)

Schedule of Changes in Fiduciary Net Position- Budget and Actual

Police Pension- Pension Trust Fund.....	124
---	-----

Firefighters' Pension- Pension Trust Fund.....	125
--	-----

Schedule of Changes in Assets and Liabilities - Revolving- Agency Fund.....	126
---	-----

Other Information

Long-Term Debt Requirements

General Obligation Bonds of 2013A.....	127
--	-----

General Obligation Bonds of 2014A.....	128
--	-----

General Obligation Bonds of 2014B.....	129
--	-----

General Obligation Bonds of 2015A.....	130
--	-----

General Obligation Bonds of 2016.....	131
---------------------------------------	-----

Installment Note Payable of 2001.....	132
---------------------------------------	-----

Installment Note Payable of 2002.....	133
---------------------------------------	-----

Installment Note Payable of 2010.....	134
---------------------------------------	-----

Installment Note Payable of 2014.....	135
---------------------------------------	-----

Installment Note Payable of 2017.....	136
---------------------------------------	-----

Installment Note Payable of 2018.....	137
---------------------------------------	-----

IEPA Clean Water SRF Loan Payable of 2011.....	138
--	-----

IEPA Drinking Water SRF Loan Payable of 2011.....	139
---	-----

IEPA Water Distribution System Loan Payable of 2016.....	140
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Independent Auditor's Report

The Honorable Mayor
Members of the City Council
City of Freeport, 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 Freeport, Illinois (the City), as of and for the year ended April 30, 2018, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Freeport, Illinois, as of April 30, 2018, and the respective changes in financial position 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 and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information listed in the table of contents 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein, Hall CPAs
Aurora, Illinois
October 10, 2018

Our discussion and analysis of the City of Freeport's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2018. Please read it in conjunction with the City's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The City of Freeport's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$7,395,431, or 42.0 percent, and net position of business-type activities increased by \$2,321,968, or 6.9 percent.
 - During the year, government-wide revenues for the primary government totaled \$39,245,500 while expenses totaled \$44,318,963, resulting in a decrease to net position of \$5,073,463.
 - The City's net position totaled \$10,897,756 on April 30, 2018, which includes \$46,938,360 net investment in capital assets, \$6,052,432 subject to external restrictions, and (\$42,093,036) unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
 - The General Fund reported a surplus this year of \$501,359 resulting in ending fund balance of \$7,414,959, an increase of 7.3 percent.
-

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14-17) provide information about the activities of the City of Freeport as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 18. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements provide readers with a broad overview of the City of Freeport's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 14-17 of this report.

The Statement of Net Position reports information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

USING THIS ANNUAL REPORT (Continued)

GOVERNMENT-WIDE STATEMENTS (Continued)

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Freeport that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water, sewer, landfill closure, and health and environment.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

USING THIS ANNUAL REPORT (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

The City of Freeport maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds

The City maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes an enterprise fund to account for its water and sewer operations. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Department Fund, Sewer Department Fund, and Storm Sewer Department Fund, which are considered to be major funds of the City. Data for the other two nonmajor proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 22-26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-73 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's IMRF, police and firefighter employee pension obligations, other post-employment benefit obligations and a budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 74-84 of this report.

The combining statements and schedules referred to earlier in connection with all Fund types are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 85-123 of this report.

CITY OF FREEPORT, ILLINOIS
Management's Discussion and Analysis
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of Freeport, assets and deferred outflows exceeded liabilities and deferred inflows by \$10,897,756.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 16,688,021	\$ 14,387,457	\$ 10,420,090	\$ 7,714,218	\$ 27,108,111	\$ 22,101,675
Capital assets	18,781,430	18,770,828	68,060,786	68,165,751	86,842,216	86,936,579
Total Assets	35,469,451	33,158,285	78,480,876	75,879,969	113,950,327	109,038,254
Deferred outflow s of resources	26,975,560	4,744,871	386,072	683,372	27,361,632	5,428,243
Total Assets and Deferred Outflow s	62,445,011	37,903,156	78,866,948	76,563,341	141,311,959	114,466,497
Current liabilities	1,643,892	2,515,068	3,470,161	3,761,083	5,114,053	6,276,151
Noncurrent liabilities	76,734,166	47,493,683	38,070,450	38,888,860	114,804,616	86,382,543
Total liabilities	78,378,058	50,008,751	41,540,611	42,649,943	119,918,669	92,658,694
Deferred inflow s of resources	9,072,145	5,504,166	1,423,389	332,418	10,495,534	5,836,584
Total Liabilities and Deferred Inflow s	87,450,203	55,512,917	42,964,000	42,982,361	130,414,203	98,495,278
Net Position						
Net investment in capital assets	14,443,883	13,073,358	32,494,477	32,478,222	46,938,360	45,551,580
Restricted	2,294,833	1,881,382	3,757,599	3,112,954	6,052,432	4,994,336
Unrestricted	(41,743,908)	(32,564,501)	(349,128)	(2,010,196)	(42,093,036)	(34,574,697)
Total Net Position	<u>\$ (25,005,192)</u>	<u>\$ (17,609,761)</u>	<u>\$ 35,902,948</u>	<u>\$ 33,580,980</u>	<u>\$ 10,897,756</u>	<u>\$ 15,971,219</u>

A large portion of the City's net position, \$46,938,360, reflects its net investment in capital assets (for example, land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$6,052,432, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$42,093,036) represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors. At year-end, the City is able to report positive balances in all categories of net position for both the governmental and business-type activities, and was able to do so in the prior fiscal year as well.

CITY OF FREEPORT, ILLINOIS
Management's Discussion and Analysis
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 4,941,271	\$ 2,708,872	\$ 11,369,153	\$ 9,718,365	\$ 16,310,424	\$ 12,427,237
Operating grants and contributions	2,878,143	2,502,404	-	-	2,878,143	2,502,404
Capital grants and contributions	1,094,583	411,019	-	98,202	1,094,583	509,221
General Revenues						
Property Taxes	4,621,908	4,483,497	-	-	4,621,908	4,483,497
Retailers Occupation Tax	7,761,988	7,573,731	-	-	7,761,988	7,573,731
Income Taxes	2,332,827	2,417,429	-	-	2,332,827	2,417,429
State Sales and Use Taxes	671,143	626,495	-	-	671,143	626,495
Replacement Taxes	450,484	540,059	-	-	450,484	540,059
Other Taxes	2,545,480	2,539,894	-	-	2,545,480	2,539,894
Investment Income	72,602	35,740	18,099	9,182	90,701	44,922
Miscellaneous Income	222,437	431,948	265,382	2,710,949	487,819	3,142,897
Total revenues	27,592,866	24,271,088	11,652,634	12,536,698	39,245,500	36,807,786
Expenses:						
General Government	8,571,662	6,387,767	-	-	8,571,662	6,387,767
Public Safety	20,592,398	14,485,021	-	-	20,592,398	14,485,021
Public Works	4,104,460	5,921,421	-	-	4,104,460	5,921,421
Culture and Recreation	1,560,190	1,661,309	-	-	1,560,190	1,661,309
Interest on long-term debt	159,587	146,687	-	-	159,587	146,687
Water Department	-	-	2,779,700	2,513,361	2,779,700	2,513,361
Sewer Department	-	-	4,317,264	4,017,074	4,317,264	4,017,074
Storm Sewer	-	-	591,539	661,787	591,539	661,787
Landfill Closure	-	-	217,703	(1,201,212)	217,703	(1,201,212)
Nonmajor	-	-	1,424,460	1,400,943	1,424,460	1,400,943
Total Expenses	34,988,297	28,602,205	9,330,666	7,391,953	44,318,963	35,994,158
Change in Net Position	(7,395,431)	(4,331,117)	2,321,968	5,144,745	(5,073,463)	813,628
Beginning Net Position	(17,609,761)	(13,278,644)	33,580,980	28,436,235	15,971,219	15,157,591
Ending Net Position	<u>\$ (25,005,192)</u>	<u>\$ (17,609,761)</u>	<u>\$ 35,902,948</u>	<u>\$ 33,580,980</u>	<u>\$ 10,897,756</u>	<u>\$ 15,971,219</u>

Net position of the City of Freeport's governmental activities decreased by 42.0 percent ((\$25,005,192) balance in 2018 compared to (\$17,609,761) in 2017). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled (\$41,743,908) at April 30, 2018.

Net position of the business-type activities increased by 6.9 percent (\$35,902,948 in 2018 compared to \$33,580,980 in 2017).

CITY OF FREEPORT, ILLINOIS

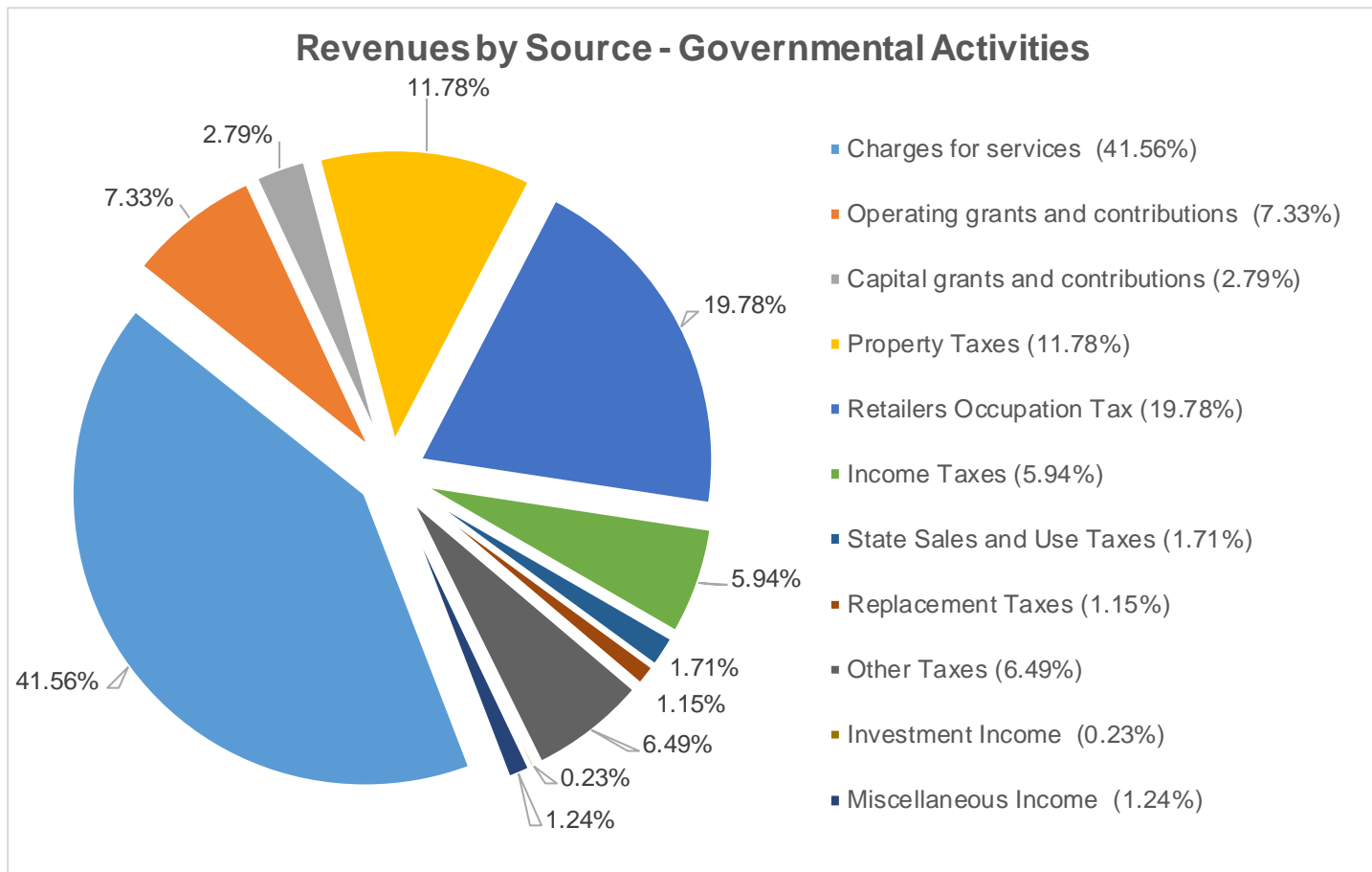
Management's Discussion and Analysis
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Revenues for governmental activities totaled \$27,592,866, while the cost of all governmental functions totaled \$34,988,297. This resulted in a deficit of \$7,395,431. In 2017, revenues of \$24,271,088 fell short of expenses of \$28,602,205, resulting in a deficit of \$4,331,117.

The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of retailers occupation taxes, property taxes, and charges for services to fund governmental activities.



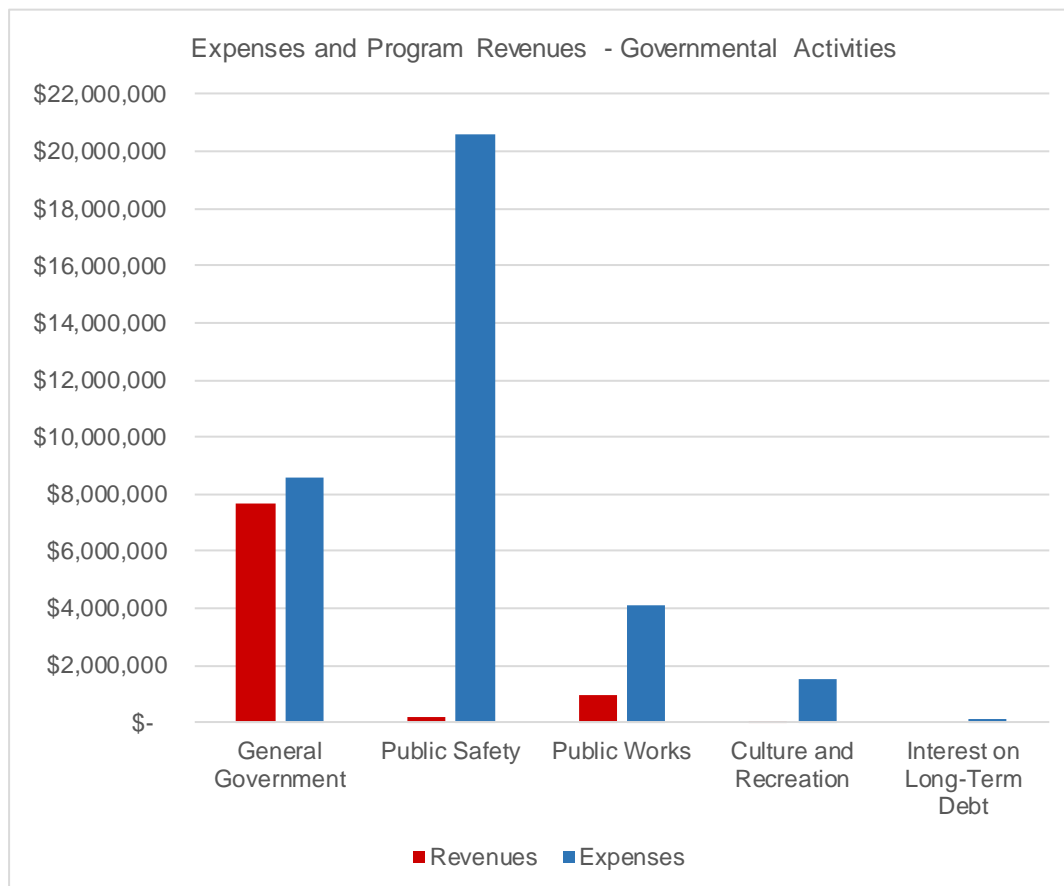
CITY OF FREEPORT, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed program revenues.

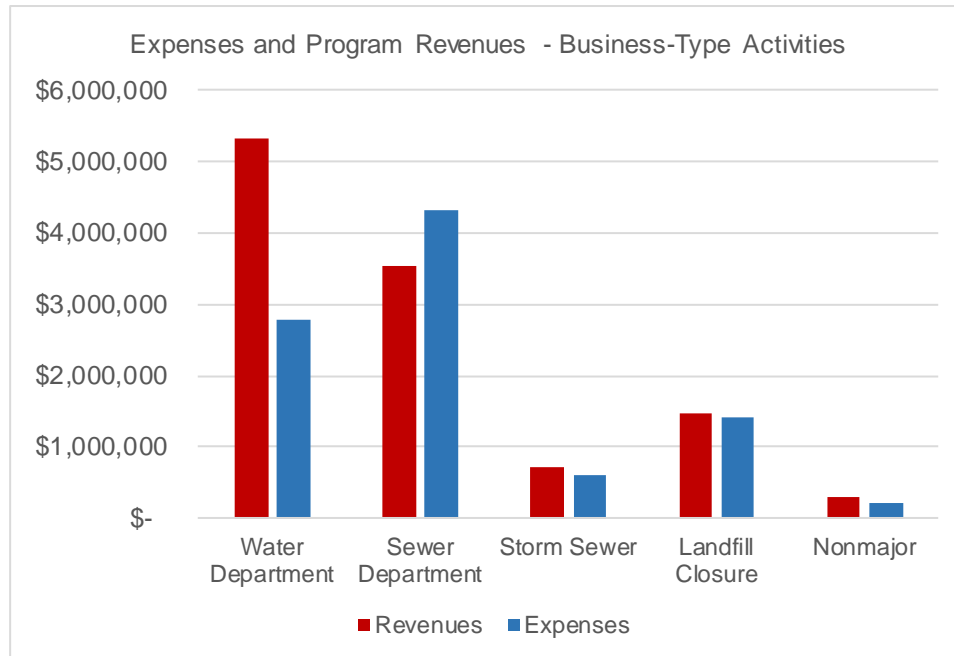


Business-Type Activities

Business-type activities posted total revenues of \$11,652,634, while the cost of all business-type activities totaled \$9,330,666. This results in a surplus of \$2,321,968. In 2017, revenues of \$12,536,698 were more than expenses of \$7,391,953, resulting in a surplus of \$5,144,745.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities (Continued)



The above graph compares program revenues to expenses for water and sewer operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Freeport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Freeport's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combining ending balances of \$10,216,066, which is \$985,552, or 10.7 percent, higher than last year's total of \$9,230,514. Of the \$10,216,066 total, \$7,115,874, or approximately 69.7 percent, of the fund balance constitutes unassigned fund balance.

The City's General Fund reported a positive change in fund balance for the year of \$501,359, an increase of 7.3 percent. The increase was primarily due to the fact that sales tax, home rule sales tax, food and beverage tax, and the cable television franchise fee collections were better than anticipated. In addition, personnel costs were lower than anticipated and the City deferred a major software upgrade to the next fiscal year.

The General Fund is the chief operating fund of the City. At April 30, 2018, unassigned fund balance in the General Fund was \$7,115,874 which represents 96.0 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 33.5 percent of total General Fund expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City reports the Water Department Fund, Sewer Department Fund, Storm Sewer Fund, and Landfill Closure Fund as major proprietary funds. The Water Department Fund accounts for all of the operations of the municipal water and the Sewer Department Fund accounts for all of the operations of the sewer system. Water is sold to all municipal customers at a rate of \$0.00179 per gallon and a rate of \$0.0042 per gallon for sewer. Monthly rates also include a meter fee along with additional debt service and capital improvement fees.

The net position in the Water Department Fund during the current fiscal year was \$26,438,860, while the previous fiscal year reported a net position of \$25,412,189. Unrestricted net position in the Water Department Fund totaled \$7,233,324 at April 30, 2018.

The net position in the Sewer Fund during the current fiscal year was \$11,287,316, while the previous fiscal year reported a net position of \$10,754,909. Unrestricted net position in the Sewer Department Fund totaled (\$4,815,400) at April 30, 2018.

The net position in the Storm Sewer Fund during the current fiscal year was \$1,949,705, while the previous fiscal year reported a net position of \$1,329,870. Unrestricted net position in the Storm Sewer Department Fund totaled \$1,005,881 at April 30, 2018.

The net position in the Landfill Closure Fund during the current fiscal year was (\$4,391,457), while the previous fiscal year reported a net position of (\$4,473,607). Unrestricted net position in the Landfill Closure Fund totaled (\$4,391,457) at April 30, 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$21,607,653, compared to budgeted revenues of \$21,257,365, which is 1.6 percent higher than budgeted revenues. The variance is due primarily to the tax, licenses, permits and fees, and fines and forfeits revenues being over budget by \$518,267, \$94,726, and \$34,578, respectively.

The General Fund actual expenditures for the year were \$21,254,357, compared to budgeted expenditures of \$21,917,186, which is 3.0 percent lower than budgeted expenditures. The general government, public safety, public works, and culture and recreation functions' actual expenditures were lower than budgeted expenditures by \$198,009, \$340,314, \$116,214, and \$20,175, respectively.

CITY OF FREEPORT, ILLINOIS
Management's Discussion and Analysis
April 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2018 was \$86,842,216 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, equipment, vehicles, and infrastructure.

	Capital Assets, Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ -	\$ -	\$ 83,809	\$ 53,809	\$ 83,809	\$ 53,809
Construction in Progress	-	-	39,235	8,309,832	39,235	8,309,832
Buildings	10,514,652	10,764,116	11,433,406	11,838,793	21,948,058	22,602,909
Equipment	442,901	423,348	9,338,294	8,061,840	9,781,195	8,485,188
Vehicles	2,273,989	1,827,085	-	-	2,273,989	1,827,085
Infrastructure	5,549,888	5,756,279	47,166,042	39,901,477	52,715,930	45,657,756
Total	\$ 18,781,430	\$ 18,770,828	\$ 68,060,786	\$ 68,165,751	\$ 86,842,216	\$ 86,936,579

This year's major additions included:

Governmental Activities		Business-Type Activities	
Building	\$ 37,796	Land	\$ 30,000
Vehicles	97,635	Construction in Progress	39,235
Infrastructure	839,346	Equipment	1,908,140
		Infrastructure	480
	<u>\$ 974,777</u>		<u>\$ 1,977,855</u>

Additional information on the City of Freeport's capital assets can be found in Note 5 on pages 44-45 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

At year-end, the City of Freeport had total outstanding debt of \$42,247,802 as compared to \$42,442,021 the previous year, a decrease of 0.5 percent. The following is a comparative statement of outstanding debt:

	Long Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 4,849,650	\$ 5,069,650	\$ 17,180,350	\$ 18,255,350	\$ 22,030,000	\$ 23,325,000
Installment Notes Payable	819,029	627,820	994,384	107,022	1,813,413	734,842
TIF Revenue Note	948,804	950,000	-	-	948,804	950,000
IEPA Loans Payable	-	-	17,455,585	17,432,179	17,455,585	17,432,179
Total	\$ 6,617,483	\$ 6,647,470	\$ 35,630,319	\$ 35,794,551	\$ 42,247,802	\$ 42,442,021

Additional information on the City of Freeport's capital assets can be found in Note 6 on pages 46-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City is faced with a multitude of challenges. The City's population continues to decline, which contributes to the declining property and income tax base. The City's unemployment rate is higher than the national rate, but the same or lower than the state rate. With economic challenges, the City has placed increased focus on expense management and organizational review resulting in increases in the efficiency and productivity from continued organizational structure changes.

Although challenges still exist, the City is cognizant of the need to continue investing in its infrastructure. The City is committed to improving roadways, water, and sewer utilities and investing in economic development programs that will provide the stimulus the City needs. On May 2, 2018, the City borrowed \$1,045,000 over a 15 year period for business development in the downtown area. The City plans to use money from the Downtown T.I.F. District to repay the loan.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Freeport's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Office of the Finance Director, City of Freeport, 314 W. Stephenson Street, Freeport, Illinois 61032.

CITY OF FREEPORT, ILLINOIS

Statement of Net Position

April 30, 2018

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 7,815,575	\$ 4,450,819	\$ 12,266,394
Restricted Cash and Investments	-	3,757,599	3,757,599
Receivables - Net of Allowances			
Property Taxes	4,337,672	-	4,337,672
Accounts	1,964,903	1,404,368	3,369,271
Due from Other Governments	1,161,718	-	1,161,718
Internal Balances	3,358	(3,358)	-
Prepays/Inventories	315,867	193,130	508,997
Total Current Assets	15,599,093	9,802,558	25,401,651
Noncurrent Assets			
Net Pension Asset - IMRF	1,088,928	617,532	1,706,460
Capital Assets			
Nondepreciable	-	123,044	123,044
Depreciable	35,937,628	100,881,206	136,818,834
Accumulated Depreciation	(17,156,198)	(32,943,464)	(50,099,662)
Total Noncurrent Assets	19,870,358	68,678,318	88,548,676
Total Assets	35,469,451	78,480,876	113,950,327
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - IMRF	680,785	386,072	1,066,857
Deferred Outflows - Police Pension	10,788,128	-	10,788,128
Deferred Outflows - Firefighters' Pension	15,506,647	-	15,506,647
Total Deferred Outflows of Resources	26,975,560	386,072	27,361,632
Total Assets and Deferred Outflows of Resources	\$ 62,445,011	\$ 78,866,948	\$ 141,311,959

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 592,059	\$ 723,613	\$ 1,315,672
Accrued Payroll	448,689	80,107	528,796
Deposits Payable	-	327,134	327,134
Accrued Interest	53,393	259,436	312,829
Unearned Revenues	-	41,901	41,901
Other Payables	4,607	-	4,607
Due to Other Funds	-	-	-
Current Portion of Long-Term Debt	545,144	2,037,970	2,583,114
Total Current Liabilities	1,643,892	3,470,161	5,114,053
Noncurrent Liabilities			
Compensated Absences Payable	487,153	113,101	600,254
Net Pension Liability - Police Pension	34,135,166	-	34,135,166
Net Pension Liability - Fire Pension	28,580,761	-	28,580,761
Net Other Post-Employment			
Benefits Obligation Payable	7,458,747	-	7,458,747
General Obligation Bonds Payable	4,574,650	16,090,350	20,665,000
Installment Notes Payable	548,885	-	548,885
TIF Revenue Note	948,804	-	948,804
IEPA Loans Payable	-	16,678,062	16,678,062
Notes Payable	-	823,937	823,937
Landfill Closure Liability	-	4,365,000	4,365,000
Total Noncurrent Liabilities	76,734,166	38,070,450	114,804,616
Total Liabilities	78,378,058	41,540,611	119,918,669
DEFERRED INFLOWS OF RESOURCES			
Property taxes	4,337,672	-	4,337,672
Deferred Inflows - IMRF	2,509,930	1,423,389	3,933,319
Deferred Inflows - Police Pension	1,232,557	-	1,232,557
Deferred Inflows - Firefighters' Pension	991,986	-	991,986
Total Deferred Inflows of Resources	9,072,145	1,423,389	10,495,534
Total Liabilities and Deferred Inflows of Resources	87,450,203	42,964,000	130,414,203
NET POSITION			
Net Investment in Capital Assets	14,443,883	32,494,477	46,938,360
Restricted:			
Property Taxes - Special Revenues	1,740,460	-	1,740,460
Capital Projects	423,153	-	423,153
Cemetery Care	131,220	-	131,220
Bond Ordinance	-	3,757,599	3,757,599
Unrestricted	(41,743,908)	(349,128)	(42,093,036)
Total Net Position	\$ (25,005,192)	\$ 35,902,948	\$ 10,897,756

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

CITY OF FREEPORT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 8,571,662	\$ 4,821,888	\$ 2,628,411	\$ 239,354
Public Safety	20,592,398	102,000	106,399	-
Public Works	4,104,460	-	143,333	855,229
Culture and Recreation	1,560,190	17,383	-	-
Interest on Long-Term Debt	159,587	-	-	-
Total Governmental Activities	34,988,297	4,941,271	2,878,143	1,094,583
Business Type Activities				
Water Department	2,779,700	5,325,463	-	-
Sewer Department	4,317,264	3,551,841	-	-
Storm Sewer	591,539	711,292	-	-
Landfill Closure	217,703	297,748	-	-
Health and Environment	1,424,460	1,482,809	-	-
Total Business-Type Activities	9,330,666	11,369,153	-	-
Total Primary Government	\$ 44,318,963	\$ 16,310,424	\$ 2,878,143	\$ 1,094,583

General Revenues

Taxes

Property

Retailers Occupation Tax

Other

Intergovernmental - Unrestricted

Income Taxes

State Sales and Use

Replacement Taxes

Interest

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (882,009)	\$ -	\$ (882,009)
(20,383,999)	-	(20,383,999)
(3,105,898)	-	(3,105,898)
(1,542,807)	-	(1,542,807)
(159,587)	-	(159,587)
(26,074,300)	-	(26,074,300)
-	2,545,763	2,545,763
-	(765,423)	(765,423)
-	119,753	119,753
-	80,045	80,045
-	58,349	58,349
-	2,038,487	2,038,487
(26,074,300)	2,038,487	(24,035,813)
4,621,908	-	4,621,908
7,761,988	-	7,761,988
2,545,480	-	2,545,480
2,332,827	-	2,332,827
671,143	-	671,143
450,484	-	450,484
72,602	18,099	90,701
222,437	265,382	487,819
18,678,869	283,481	18,962,350
(7,395,431)	2,321,968	(5,073,463)
(17,609,761)	33,580,980	15,971,219
\$ (25,005,192)	\$ 35,902,948	\$ 10,897,756

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

CITY OF FREEPORT, ILLINOIS
Balance Sheet - Governmental Funds
April 30, 2018

	General Fund	Nonmajor Funds	Total
ASSETS			
Cash and investments	\$ 5,301,533	\$ 2,514,042	\$ 7,815,575
Receivables - Net of Allowances			
Property Taxes	2,423,594	1,914,078	4,337,672
Accounts	408,742	1,556,161	1,964,903
Due from Other Governments	1,161,718	-	1,161,718
Due from Other Funds	1,124,284	9,643	1,133,927
Prepays	299,085	16,782	315,867
Total Assets	<u>\$ 10,718,956</u>	<u>\$ 6,010,706</u>	<u>\$ 16,729,662</u>
LIABILITIES			
Accounts Payable	\$ 317,241	\$ 274,818	\$ 592,059
Accrued Payroll	415,341	33,348	448,689
Due to Other Funds	143,214	987,355	1,130,569
Other Payables	4,607	-	4,607
Total Liabilities	<u>880,403</u>	<u>1,295,521</u>	<u>2,175,924</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,423,594	1,914,078	4,337,672
Total Liabilities and Deferred Inflows of Resources	<u>3,303,997</u>	<u>3,209,599</u>	<u>6,513,596</u>
FUND BALANCES			
Nonspendable	299,085	16,145	315,230
Restricted	-	2,294,833	2,294,833
Committed	-	488,169	488,169
Assigned	-	1,960	1,960
Unassigned	7,115,874	-	7,115,874
Total Fund Balances	<u>7,414,959</u>	<u>2,801,107</u>	<u>10,216,066</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,718,956</u>	<u>\$ 6,010,706</u>	<u>\$ 16,729,662</u>

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

CITY OF FREEPORT, ILLINOIS

Reconciliation of Governmental Fund Balances to

Net Position - Governmental Activities

April 30, 2018

Total Governmental Fund Balances	\$ 10,216,066
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	18,781,430
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The net pension asset is not an available resource and, therefore, is not reported in the fund.	
Net Pension Asset - IMRF	1,088,928

Deferred outflows (inflows) of resources related to the pensions are not reported in the funds.	
Deferred Items - IMRF	(1,829,145)
Deferred Items - Police Pension	9,555,571
Deferred Items - Firefighters' Pension	14,514,661

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	
Compensated Absences Payable	(487,153)
Net Pension Liability - Police Pension	(34,135,166)
Net Pension Liability - Firefighters' Pension	(28,580,761)
Net Other Post-Employment Benefit Obligation	(7,458,747)
General Obligation Bonds Payable	(4,849,650)
Installment Notes Payable	(819,029)
TIF Revenue Payable	(948,804)
Accrued Interest Payable	<u>(53,393)</u>

Net Position of Governmental Activities	<u>\$ (25,005,192)</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF FREEPORT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended April 30, 2018

	General Fund	Nonmajor Funds	Total
Revenues			
Taxes	\$ 12,760,492	\$ 2,168,884	\$ 14,929,376
Licenses, Permits and Fees	825,386	889,818	1,715,204
Intergovernmental	3,704,186	2,867,765	6,571,951
Charges for Services	3,789,611	-	3,789,611
Fines and Forfeits	291,508	-	291,508
Interest	47,122	25,480	72,602
Miscellaneous	189,348	33,266	222,614
Total Revenues	21,607,653	5,985,213	27,592,866
Expenditures			
Current Operating			
General Government	5,951,335	1,854,906	7,806,241
Public Safety	12,382,069	52,290	12,434,359
Public Works	2,561,370	1,308,711	3,870,081
Culture and Recreation	347,700	1,118,771	1,466,471
Capital Outlay	-	795,522	795,522
Debt Service			
Principal	11,883	606,145	618,028
Interest and Fiscal Charges	-	217,190	217,190
Total Expenditures	21,254,357	5,953,535	27,207,892
Excess of Revenues Over Expenditures	353,296	31,678	384,974
Other Financing Sources (Uses)			
Disposal of Capital Assets	6,397	6,140	12,537
Debt Issuance	34,961	553,080	588,041
Transfers In	430,000	564,377	994,377
Transfers Out	(323,295)	(671,082)	(994,377)
Total Other Financing Sources (Uses)	148,063	452,515	600,578
Net Change in Fund Balances	501,359	484,193	985,552
Fund Balances - Beginning	6,913,600	2,316,914	9,230,514
Fund Balances - Ending	\$ 7,414,959	\$ 2,801,107	\$ 10,216,066

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

CITY OF FREEPORT, 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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 985,552

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

Governmental funds report capital outlay 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	974,777
Depreciation Expense	(802,258)
Disposals - Cost	(149,380)
Disposals - Accumulated Depreciation	(12,537)

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

Change in Deferred Items - IMRF	(2,448,002)
Change in Deferred Items - Police Pension	8,551,107
Change in Deferred Items - Firefighters' Pension	13,523,547

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

Additions to Compensated Absences Payable	(41,162)
Deductions to Net Pension Liability - IMRF	2,268,817
Additions to Net Pension Liability - Police Pension	(12,115,805)
Additions to Net Pension Liability - Firefighters' Pension	(17,239,650)
Additions to Net Other Post-Employment Benefit Obligations	(978,027)
Retirement of Debt	616,832
Debt Issuance	(588,041)

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.

57,603

Changes in Net Position of Governmental Activities \$ (7,396,627)

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

CITY OF FREEPORT, ILLINOIS
Statement of Net Position - Proprietary Funds
April 30, 2018

	Water Department
ASSETS	
Current Assets	
Cash and Investments	\$ 3,257,708
Restricted Cash and Investments	2,564,989
Receivables - Net of Allowances	
Accounts	863,902
Due from Other Funds	4,597,571
Prepaid expense	13,039
Inventories	10,667
Total Current Assets	<u>11,307,876</u>
Noncurrent Assets	
Net Pension Asset - IMRF	241,530
Capital Assets	
Nondepreciable	46,548
Depreciable	37,599,058
Accumulated Depreciation	(9,519,044)
Total Noncurrent Assets	<u>28,368,092</u>
Total Assets	<u>39,675,968</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - IMRF	<u>151,001</u>
Total Assets/ Deferred Outflows of Resources	<u>39,826,969</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	410,811
Accrued Payroll	31,350
Deposits Payable	320,249
Accrued Interest	23,196
Due to Other Funds	510,400
Unearned revenue	-
Current Portion of Long-Term Debt	455,397
Total Current Liabilities	<u>1,751,403</u>
Noncurrent Liabilities	
Compensated Absences Payable	49,369
General Obligation Bonds Payable	-
IEPA Loans Payable	10,993,574
Notes Payable	37,044
Landfill Closure Liability	-
Total Noncurrent Liabilities	<u>11,079,987</u>
Total Liabilities	<u>12,831,390</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - IMRF	556,719
Total Liabilities and Deferred Inflows of Resources	<u>13,388,109</u>
NET POSITION	
Net Investment in Capital Assets	16,640,547
Restricted - Bond Ordinance	2,564,989
Unrestricted (Deficit)	7,233,324
Total Net Position	<u>\$ 26,438,860</u>

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

Business-Type Activities - Enterprise					
Sewer Department	Storm Sewer	Landfill Closure	Nonmajor Health and Environment	Totals	
\$ -	\$ 841,261	\$ 124,851	\$ 226,999	\$ 4,450,819	
1,192,610	-	-	-	3,757,599	
280,305	260,161	-	-	1,404,368	
-	-	-	509,036	5,106,607	
35,353	410	-	-	48,802	
133,661	-	-	-	144,328	
1,641,929	1,101,832	124,851	736,035	14,912,523	
357,792	18,210	-	-	617,532	
76,496	-	-	-	123,044	
53,035,511	10,246,637	-	-	100,881,206	
(20,760,207)	(2,664,213)	-	-	(32,943,464)	
32,709,592	7,600,634	-	-	68,678,318	
34,351,521	8,702,466	124,851	736,035	83,590,841	
223,687	11,384	-	-	386,072	
34,575,208	8,713,850	124,851	736,035	83,976,913	
149,840	54	45,397	117,511	723,613	
46,380	2,377	-	-	80,107	
6,885	-	-	-	327,134	
159,018	77,222	-	-	259,436	
4,599,454	111	-	-	5,109,965	
-	-	41,901	-	41,901	
1,166,135	380,000	36,438	-	2,037,970	
6,127,712	459,764	123,736	117,511	8,580,126	
59,927	3,805	-	-	113,101	
9,831,750	6,258,600	-	-	16,090,350	
5,684,488	-	-	-	16,678,062	
759,321	-	27,572	-	823,937	
-	-	4,365,000	-	4,365,000	
16,335,486	6,262,405	4,392,572	-	38,070,450	
22,463,198	6,722,169	4,516,308	117,511	46,650,576	
824,694	41,976	-	-	1,423,389	
23,287,892	6,764,145	4,516,308	117,511	48,073,965	
14,910,106	943,824	-	-	32,494,477	
1,192,610	-	-	-	3,757,599	
(4,815,400)	1,005,881	(4,391,457)	618,524	(349,128)	
\$ 11,287,316	\$ 1,949,705	\$ (4,391,457)	\$ 618,524	\$ 35,902,948	

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

CITY OF FREEPORT, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

For the Fiscal Year Ended April 30, 2018

	Business-Type Activities - Enterprise					Totals
	Water Department	Sewer Department	Storm Sewer	Landfill Closure	Nonmajor Health and Environment	
Operating Revenues						
Charges for Services	\$ 5,325,463	\$ 3,551,841	\$ 711,292	\$ 297,748	\$ 1,482,809	\$ 11,369,153
Operating Expenses						
Operations	1,794,352	2,733,743	134,093	216,061	1,424,460	6,302,709
Depreciation	719,758	1,142,347	220,713	-	-	2,082,818
Total Operating Expenses	2,514,110	3,876,090	354,806	216,061	1,424,460	8,385,527
Operating Income (Loss)	2,811,353	(324,249)	356,486	81,687	58,349	2,983,626
Nonoperating Revenues (Expenses)						
Interest Income	904	12,452	82	2,105	2,556	18,099
Connection Fees	-	3,485	-	-	-	3,485
Other Income	180,004	81,893	-	-	-	261,897
Interest Expense	(265,590)	(441,174)	(236,733)	(1,642)	-	(945,139)
	(84,682)	(343,344)	(236,651)	463	2,556	(661,658)
Income Before Transfers	2,726,671	(667,593)	119,835	82,150	60,905	2,321,968
Transfers In	-	1,200,000	500,000	-	-	1,700,000
Transfers Out	(1,700,000)	-	-	-	-	(1,700,000)
Total transfers	(1,700,000)	1,200,000	500,000	-	-	-
Change in Net Position	1,026,671	532,407	619,835	82,150	60,905	2,321,968
Net Position - Beginning	25,412,189	10,754,909	1,329,870	(4,473,607)	557,619	33,580,980
Net Position - Ending	\$ 26,438,860	\$ 11,287,316	\$ 1,949,705	\$ (4,391,457)	\$ 618,524	\$ 35,902,948

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

CITY OF FREEPORT, ILLINOIS

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended April 30, 2018

	Water Department
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,303,670
Payments to Suppliers	(858,287)
Payments to Employees	(890,515)
Net Cash Provided by Operating Activities	<u>3,554,868</u>
Cash Flows from Capital and Related Financing Activities	
Payments to Other Funds	1,305,885
Payment of Debt Principal	(434,512)
Purchase of Capital Assets	(1,043,416)
Transfers from Other Funds	(1,700,000)
Proceeds of Debt Issuance	829,545
Interest and Fiscal Charges	(276,149)
	<u>(1,318,647)</u>
Cash Flows from Investing Activities	
Interest Received	<u>904</u>
Net Change in Cash and Cash Equivalents	2,237,125
Cash and Cash Equivalents - Beginning	<u>3,585,572</u>
Cash and Cash Equivalents - Ending	<u>\$ 5,822,697</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 2,811,353
Adjustments to Reconcile Operating Income	
Income to Net Cash Provided by	
(Used in) Operating Activities:	
Depreciation	719,758
Other Income	180,004
(Increase) Decrease in Current Assets	(418,209)
Increase (Decrease) in Current Liabilities	<u>261,962</u>
Net Cash Provided by Operating Activities	<u>\$ 3,554,868</u>

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

Business-Type Activities - Enterprise					
Sewer Department	Storm Sewer	Landfill Closure	Nonmajor Health and Environment	Totals	
\$ 3,879,936	\$ 690,314	\$ 298,650	\$ 1,421,449	\$	11,594,019
(1,593,251)	(44,993)	(211,200)	(1,425,256)		(4,132,987)
(1,464,130)	(85,097)	-	-		(2,439,742)
822,555	560,224	87,450	(3,807)		5,021,290
(483,621)	(289,562)	-	-		532,702
(1,050,019)	(380,000)	(43,012)	-		(1,907,543)
(934,439)	-	-	-		(1,977,855)
1,200,000	500,000	-	-		-
913,766	-	-	-		1,743,311
(459,564)	(239,951)	(1,642)	-		(977,306)
(813,877)	(409,513)	(44,654)	-		(2,586,691)
12,452	82	2,105	2,556		18,099
21,130	150,793	44,901	(1,251)		2,452,698
1,171,480	690,468	79,950	228,250		5,755,720
\$ 1,192,610	\$ 841,261	\$ 124,851	\$ 226,999	\$	8,208,418
\$ (324,249)	\$ 356,486	\$ 81,687	\$ 58,349	\$	2,983,626
1,142,347	220,713	-	-		2,082,818
85,378	-	-	-		265,382
21,825	(30,830)	-	(61,360)		(488,574)
(102,746)	13,855	5,763	(796)		178,038
\$ 822,555	\$ 560,224	\$ 87,450	\$ (3,807)	\$	5,021,290

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

CITY OF FREEPORT, ILLINOIS
Fiduciary Funds
Statement of Fiduciary Net Position
April 30, 2018

	Private Purpose Trust	Pension Trust	Agency
ASSETS			
Cash and Cash Equivalents	\$ 45,895	\$ 1,307,597	\$ 326,399
Investments			
U.S. Government and Agency Obligations	-	7,412,199	-
State and Local Obligations	-	1,196,996	-
Corporate Obligations	-	10,840,350	-
Common Stocks	-	5,366,899	-
Mutual Funds	-	31,744,886	-
Receivables - Net of Allowances			
Accrued Interest	-	143,852	-
Loans	-	-	151,769
Total Assets	<u>\$ 45,895</u>	<u>\$ 58,012,779</u>	<u>\$ 478,168</u>
LIABILITIES			
Accounts Payable	\$ 1,283	\$ -	\$ -
Due to Others	-	-	478,168
Total Liabilities	<u>1,283</u>	<u>-</u>	<u>\$ 478,168</u>
NET POSITION			
Net Position Restricted for Pensions	<u>\$ 44,612</u>	<u>\$ 58,012,779</u>	

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

CITY OF FREEPORT, ILLINOIS

Fiduciary Funds - Trust Funds

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended April 30, 2018

	Private Purpose Trust	Pension Trust
Additions		
Foreign Fire Insurance	\$ 32,232	\$ -
Contributions - Employer	-	2,324,621
Contributions - Plan Members	-	609,758
Other Income	300	8,807
Total Contributions	32,532	2,943,186
Investment Income		
Interest Earned	630	6,998
Net Change in Fair Value	-	4,249,966
	630	4,256,964
Less Investment Expenses	-	(156,624)
Net Investment Income	630	4,100,340
Total Additions	33,162	7,043,526
Deductions		
Administration	-	52,454
Benefits and Refunds	-	5,350,069
Other Charges and Services	44,279	-
Total Deductions	44,279	5,402,523
Change in Fiduciary Net Position	(11,117)	1,641,003
Net Position - Beginning	55,729	56,371,776
Net Position - Ending	\$ 44,612	\$ 58,012,779

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Freeport (City) is governed by an elected eight-member City Council. The City's major operations include public works, finance, police, fire, and culture and recreation.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the City.

a. Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government

City of Freeport

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. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

b. 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's contributions levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary City because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

c. Firefighters' Pension Employees Retirement System

The City's sworn full-time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these 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 the City's 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 full-time firefighters. The FPERS is reported as a pension trust fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues, has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or establishes fees and charges based on a pricing policy designed to recover similar costs.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

e. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following nonmajor governmental funds:

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 eleven nonmajor special revenue funds.

Debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a nonmajor fund.

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 two nonmajor capital projects funds.

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs, that is, for the benefit of the City or its citizenry. The City maintains one nonmajor permanent fund.

The City reports the following proprietary funds:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues, has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains five enterprise funds. The Water Department Fund, a major fund, is used to account for the costs related to the operation of the City's water system. Funding is provided by user fees. The Sewer Department Fund, also a major fund, is used to account for the costs related to the operation of the City's sewer system. Funding is provided by user fees. The Storm Sewer System Fund, treated as a major fund, is used to account for the costs related to the operation of the City's storm sewer system. Funding is provided by user fees. The Landfill Closure Fund, treated as a major fund, is used to account for the long-term maintenance of landfill #2, 3, 4 and all associated expenditures related to laboratory testing for said landfills. The Health and Environment Fund, treated as a nonmajor fund, is used to account for the revenues and expenses related to garbage collection and recycling programs.

Fiduciary funds are used to report assets held in a trustee or agency capacity by the City 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.

The City reports the following fiduciary funds:

Private purpose trust funds are used to account for assets held in a trustee capacity by the City for foreign fire insurance. The Foreign Fire Fund is used to account for the activities of the foreign fire insurance amounts held by the City to be spent for qualified fire activities.

Pension trust funds are used to account for assets held in a trustee capacity by the City for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency funds are used to account for assets held by the City in a purely custodial capacity. The Revolving Loan Fund is used to account for the activities of the revolving loan amounts held by the City to be spent for qualified economic development loans.

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

f. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due unless payment is due shortly after year end.

Property taxes, sales and use taxes (owed to the state at year end), franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports deferred/unearned revenue and unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred/unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Deferred/unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability and deferred inflows of resources for deferred/unearned and unavailable revenue are removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Cash and Cash Equivalents

The City considers liquid deposits or investments with a maturity of three months or less when purchased to be cash equivalents.

h. Investments

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

i. Restricted Cash and Investments

Certain proceeds of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by bond covenants.

j. Receivables

In the government-wide financial statements, receivables consist of all revenue 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, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

k. Prepaid Items/Inventories

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

l. Capital Assets

Capital assets are recorded as expenditures at the time of purchase. Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., storm sewers and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$15,000 to \$100,000 or more and an estimated useful life in excess of one year. 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Equipment	5 - 20
Vehicles	5 - 15
Infrastructure	50

m. 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 accumulates sick leave that is estimated to be taken as "terminal leave" prior to retirement. 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 results of employee resignations and retirements.

n. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds 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 expenditures.

o. Net Position/Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Board, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Administrator. Any residual fund balance of the General Fund is reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. Unrestricted net position includes all other net position balances that do not meet the definition or "restricted" or "net investment in capital assets."

p. Interfund Transactions

Interfund services are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

q. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, if any, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

r. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

s. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

a. Permitted 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. The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiles Statutes.

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 the Illinois Funds.

The Illinois Funds is investment pool created and regulated by the Illinois General Assembly. The fair value of the City's investment in Illinois Funds has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of Illinois Funds is determined as of the close of business on each Illinois banking day. Illinois Funds invests in high-quality short-term debt instruments (U.S. Treasuries, U.S. agencies, and commercial paper), and shares may be redeemed on demand. There were no known restrictions on redemption of the City's investments as of April 30, 2018.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

b. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral for all funds on deposit, including checking accounts and certificates of deposit, that are in excess of FDIC. The collateral must be in the name of the City and held at an independent third party institution and must be evidenced by a written agreement.

At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$10,617,430 and the bank balances totaled \$10,665,035. Additionally, the City has \$5,363,463 invested in the Illinois Funds, with an average maturity of less than one year and is measured at net asset value per share determined by the pool and \$41,875 invested in Savings Bonds, with average maturities of one to five years and are valued using other observable inputs (Level 2 inputs). Additionally, the City keeps petty cash of \$1,225 for a total carrying amount of cash and cash equivalents of \$16,023,993.

c. City Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has no specific investment policy on interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. At year-end, the City's investment in the Illinois Funds has a rating of AAAm by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy does not address custodial credit risk for deposits however, the City does have collateral, federal depository or equivalent insurance with its depository institutions. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of 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 policy does not address custodial credit risk for investments. At year-end, the City's investments in U.S. Governmental Agencies are all insured or registered with the City or its agent in the City's name. At year-end, the City's investment in Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City's total investments. At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

d. Police Pension Fund Investments

Illinois Compiled Statutes (ILCS) limit the Police Pension Plan's (the Plan) investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts (not to exceed 45% of the total assets of the Police Pension Plan). The pension fund specifically prohibits the investments in futures, options, derivations and other leveraged investments.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

The pension fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The pension fund has the following fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 2,459,026	\$ 303,552	\$ 1,355,519	\$ 483,076	\$ 316,879
U.S. Agencies	387,686	-	133,926	-	253,760
State and Local Obligations	483,048	-	143,938	101,674	237,436
Corporate Obligations	4,342,216	127,891	2,886,602	1,327,723	-
	<u>\$ 7,671,976</u>	<u>\$ 431,443</u>	<u>\$ 4,519,985</u>	<u>\$ 1,912,473</u>	<u>\$ 808,075</u>

The pension fund has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level	Fair Value Measurements Using			
	April 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 2,459,026	\$ 2,459,026	\$ -	\$ -
U.S. Agencies	387,686	-	387,686	-
State and Local Obligations	483,048	-	483,048	-
Corporate Bonds	4,342,216	-	4,342,216	-
Equity Securities				
Common Stock	2,018,260	2,018,260	-	-
Mutual Funds	12,877,633	12,877,633	-	-
Total Investments by Fair Value Level	<u>\$22,567,869</u>	<u>\$ 17,354,919</u>	<u>\$ 5,212,950</u>	<u>\$ -</u>

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

Deposits with Financial Institutions

The Police Pension Plan's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

At year-end, the carrying amount of the Fund's deposits totaled \$586,513 and the bank balances totaled \$650,881.

Interest Rate Risk

Other than considering cash flow requirements when selecting investment instruments, the Fund's formal investment policy does not further mitigate interest rate risk.

Credit Risk

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring quarterly review of the returns of the equity portion of investments to address any standard deviations and by targeting 52% investment in secure fixed income investments, primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. Agency Securities are rated AA+. The Corporate Debt Securities have ratings ranging from BBB- to AAA.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's policy requires securities to be held by a third party custodian in a custodial trust account designated by the Treasurer or authorized depository. To additionally limit its exposure, the Police Pension Fund prepares all transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund's agent separate from where the investment was purchased in the Police Pension Fund's name.

Concentration Risk

The Fund's investment policy does not address concentration risk. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). In addition to the securities and fair values listed above, the Fund also has \$12,877,633 invested in mutual funds and \$2,018,260 invested in common stock.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Intermediate Fixed Income	35%	0.2%
U.S. All-Cap Core Equity	17%	5.1%
U.S. Mid-Cap Growth Equity	8%	5.2%
U.S. Small-Cap Value Equity	5%	5.8%
Non-U.S. Large-Cap Core Equity	16%	5.1%
Non-U.S. Large-Cap Growth Equity	4%	0.0%
Non-U.S. Small-Cap Core Equity	5%	5.9%
Global Tactic Asset Allocation	5%	2.8%
Core Real Estate	5%	5.4%
Cash and Cash Equivalents	0%	0.0%

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

e. Firefighters' Pension Fund

The pension fund has the following fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 3,929,507	\$ 153,962	\$ 2,655,895	\$ 1,052,400	\$ 67,250
U.S. Agencies	635,980	200,188	175,729	251	259,812
State and Local Obligations	713,948	-	245,846	149,195	318,907
Corporate Obligations	6,498,134	163,700	4,839,146	1,380,811	114,477
	<u>\$ 11,777,569</u>	<u>\$ 517,850</u>	<u>\$ 7,916,616</u>	<u>\$ 2,582,657</u>	<u>\$ 760,446</u>

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

The pension fund has the following recurring fair value measurements as of April 30, 2018:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	April 30, 2018			
Debt Securities				
U.S. Treasuries	\$ 3,929,507	\$ 3,929,507	\$ -	\$ -
U.S. Agencies	635,980	-	635,980	-
State and Local Obligations	713,948	-	713,948	-
Corporate Bonds	6,498,134	-	6,498,134	-
Equity Securities				
Common Stock	3,348,639	3,348,639	-	-
Mutual Funds	18,867,253	18,867,253	-	-
Total Investments by Fair Value Level	\$33,993,461	\$ 26,145,399	\$ 7,848,062	\$ -

Deposits with Financial Institutions

The Firefighters' Pension Plan's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

At year-end, the carrying amount of the Fund's deposits totaled \$721,084 and the bank balances totaled \$736,035.

Interest Rate Risk.

Other than considering cash flow requirements when selecting investment instruments, the Fund's formal investment policy does not further mitigate interest rate risk.

Credit Risk.

The Fund's investment policy states that each investment transaction shall seek to first ensure that capital losses are minimized, whether they be from securities default or erosion of market value.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

The Fund's investment policy 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. At year-end, the Fund's investments in state and local obligations and corporate obligations were either not rated or rated Aaa to Baa3 by Moody's and the U.S. Agencies were either not rated or rated Aaa by Moody's.

Custodial Credit Risk

The Firefighters' Pension Fund's policy states that all investments of the Fund shall be clearly held and accounted for to indicate ownership by the fund. The fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's investment in the U.S. Government and Agency securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Custodial Credit Risk

The Fund's investment policy states that all investments of the Fund shall be clearly held and accounted for to indicate ownership by the Fund. The fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's investment in the U.S. Government and Agency securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Concentration Risk

The Fund's investment policy does not address concentration risk. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). In addition to the securities and fair values listed above, the Fund also has \$18,867,253 invested in mutual funds and \$3,348,639 invested in common stock.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

2. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Intermediate Fixed Income	35%	0.2%
U.S. All-Cap Core Equity	17%	5.1%
U.S. Mid-Cap Growth Equity	8%	5.2%
U.S. Small-Cap Value Equity	5%	5.8%
Non-U.S. Large-Cap Core Equity	16%	5.1%
Non-U.S. Large-Cap Growth Equity	4%	0.0%
Non-U.S. Small-Cap Core Equity	5%	5.9%
Global Tactic Asset Allocation	5%	2.8%
Core Real Estate	5%	5.4%
Cash and Cash Equivalents	0%	0.0%

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3. RECEIVABLES

The following receivables are due from other governments on the statement of net position at April 30, 2018:

Income tax receivable	\$ 351,627
Personal property replacement tax receivable	96,426
Sales and use tax receivable	599,438
Fines and fees receivable	42,864
Grants receivable	34,490
Municipal automobile rent receivable	528
Video gaming revenue receivable	<u>36,345</u>
Total	<u><u>\$ 1,161,718</u></u>

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

4. PROPERTY TAXES

Property taxes are levied in December of each year on all taxable real property in the City and attach as an enforceable lien on the property as of the preceding January 1. Property taxes receivable represent the balance due on the 2017 levy. Tax bills are prepared by the Stephenson County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

5. CAPITAL ASSETS*Governmental activities*

Governmental capital asset activity for the year ended April 30, 2018 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
Governmental Activities				
Capital assets being depreciated				
Buildings and building improvements	\$ 16,353,559	\$ 37,796	\$ -	\$ 16,391,355
Equipment	2,309,322	97,635	-	2,406,957
Vehicles	6,142,322	839,346	161,917	6,819,751
Infrastructure	10,319,565	-	-	10,319,565
Total capital assets being depreciated	35,124,768	974,777	161,917	35,937,628
Less accumulated depreciation for				
Buildings and building improvements	5,589,443	287,260	-	5,876,703
Equipment	1,885,974	78,082	-	1,964,056
Vehicles	4,315,237	386,683	156,158	4,545,762
Infrastructure	4,563,286	206,391	-	4,769,677
Total accumulated depreciation	16,353,940	958,416	156,158	17,156,198
Total capital assets being depreciated, net	18,770,828	16,361	5,759	18,781,430
Governmental Activities, Net	\$ 18,770,828	\$ 16,361	\$ 5,759	\$ 18,781,430

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities	
General Government	\$ 117,257
Public Safety	335,700
Public Works	361,376
Culture and Recreation	144,083
Total	\$ 958,416

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

5. CAPITAL ASSETS (Continued)*Business-Type Activities*

Business-type capital asset activity for the year ended April 30, 2018 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 53,809	\$ 30,000	\$ -	\$ 83,809
Construction in Progress	8,309,832	39,235	8,309,832	39,235
Total capital assets not being depreciated	8,363,641	69,235	8,309,832	123,044
Capital assets being depreciated				
Buildings	18,051,212	-	-	18,051,212
Equipment	15,026,830	1,908,140	-	16,934,970
Infrastructure	57,584,712	8,310,312	-	65,895,024
Total capital assets being depreciated	90,662,754	10,218,452	-	100,881,206
Less accumulated depreciation for				
Buildings	6,212,419	405,387	-	6,617,806
Equipment	6,964,990	631,686	-	7,596,676
Infrastructure	17,683,235	1,045,747	-	18,728,982
Total accumulated depreciation	30,860,644	2,082,820	-	32,943,464
Total capital assets being depreciated, net	59,802,110	8,135,632	-	67,937,742
Business-Type Activities, Net	\$ 68,165,751	\$ 8,204,867	\$ 8,309,832	\$ 68,060,786

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

Business-Type Activities	
Water Department	\$ 719,758
Sewer Department	1,142,347
Storm Sewer	220,715
Total	\$ 2,082,820

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT**a. General Obligation Bonds**

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

b. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2018:

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	\$ 445,991	\$ 487,153	\$ 445,991	\$ 487,153	\$ -
Net Pension Liabilities (Assets)					
IMRF	1,179,889	-	2,268,817	(1,088,928)	-
Police Pension	22,019,361	12,115,805	-	34,135,166	-
Firefighters' Pension	11,341,111	17,239,650	-	28,580,761	-
Net Other Post-Employment Benefits Obligations	6,480,720	978,027	-	7,458,747	-
General Obligation Bonds	5,069,650	-	220,000	4,849,650	275,000
Installment Notes Payable	627,820	588,041	396,832	819,029	270,144
TIF Revenue Note	950,000	-	1,196	948,804	-
Total Governmental Activities	\$48,114,542	\$31,408,676	\$ 3,332,836	\$76,190,382	\$ 545,144
Business-Type Activities					
Compensated Absences	\$ 131,660	\$ 113,101	\$ 131,660	\$ 113,101	\$ -
Net Pension Liability (Asset) - IMRF	669,116	-	1,286,648	(617,532)	-
General Obligation Bonds	18,255,350	-	1,075,000	17,180,350	1,090,000
Installment Notes Payable	107,022	961,060	73,698	994,384	170,447
IEPA Loans Payable	17,432,179	782,251	758,845	17,455,585	777,523
Landfill Closure Liability	4,365,000	-	-	4,365,000	-
Total Business-Type Activities	\$40,960,327	\$ 1,856,412	\$ 3,325,851	\$39,490,888	\$ 2,037,970

For governmental-type activities, payments on the compensated absences, the net pension liabilities and the net other post-employment benefits obligation are made by the General Fund. The Debt Service Fund makes payments on the general obligation bonds. The installment notes payable are being liquidated by the Debt Service and the Lamm Road T.I.F. District Funds.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)**c. Installment Notes Payable**

The City enters into installment notes payable to provide funds for acquisition of capital assets and landfill costs. Installments notes payable have been issued for the governmental activities. Installment notes payable are direct obligations and pledge the full faith and credit of the City. Installment notes payable currently outstanding as of April 30, 2018 are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$135,000 Installment Note Payable of 2001, due in monthly installments of \$951 including interest at 5.71% through March 31, 2022.	Debt Service	\$ 46,025	\$ -	\$ 9,050	\$ 36,975
\$73,850 Installment Note Payable of 2002, due in monthly installments of \$506 including interest at 5.37% through January 31, 2022.	Debt Service	24,361	-	4,911	19,450
\$325,000 Installment Note Payable of 2010, due in semi- annual installments of \$14,215 to \$18,460 plus interest at 2.77% through April 28, 2020.	Landfill Closure	107,022	-	43,012	64,010
\$1,230,724 Installment Note Payable of 2012, due in semi- annual installments of \$84,999 including interest at 6.00% through January 15, 2018.	Lamm Road TIF	157,842	-	157,842	-
Payable of 2014, due in quarterly installments of \$28,192 including interest at 1.66% through August 22, 2019.	Debt Service	275,592	-	108,868	166,724
\$155,000 Installment Note Payable of 2017, due in annual installments of \$31,000, with no interest, through March 31, 2021.	Debt Service	124,000	-	31,000	93,000

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$34,961 Installment Note Payable of 2017, due in annual installments of \$11,883 including interest at 1.98% through September 1, 2019.	General Fund	-	34,961	11,883	23,078
\$199,812 Installment Note Payable of 2017, due in annual installments of \$33,459 including interest at 5.65% through August 15, 2023.	Equipment Capital Projects Fund	-	199,812	33,459	166,353
\$106,245 Installment Note Payable of 2017, due in annual installments of \$35,623, with no interest, through September 1, 2019.	Downtown T.I.F. Fund	-	106,245	35,000	71,245
\$437,229 Installment Note Payable of 2018, due in annual installments of \$16,863 including interest of 2.15% through December 18, 2024.	Sewer Department	-	437,229	14,511	422,718
\$396,431 Installment Note Payable of 2018, due in annual installments of \$15,374 including interest of 2.31% through December 20, 2024.	Sewer Department	-	396,431	13,085	383,346
\$19,553 Installment Note Payable of 2018, due in annual installments of \$5,196 including interest at 7.50% through March 15, 2023.	Equipment Capital Projects Fund	-	19,553	270	19,283

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$17,633 Installment Note Payable of 2018, due in annual installments of \$4,737 including interest at 7.86% through January 15, 2023.	Equipment Capital Projects Fund	-	17,633	727	16,906
\$15,717 Installment Note Payable of 2018, due in annual installments of \$4,238 including interest at 7.96% through January 15, 2023.	Equipment Capital Projects Fund	-	15,717	647	15,070
\$20,070 Installment Note Payable of 2018, due in annual installments of \$5,303 including interest at 7.37% through February 15, 2023.	Equipment Capital Projects Fund	-	20,070	557	19,513
\$50,505 Installment Note Payable of 2018, due in annual installments of \$12,583 including interest at 7.55% through March 15, 2023.	Equipment Capital Projects Fund	-	50,505	695	49,810
\$51,670 Installment Note Payable of 2018, due in annual installments of \$12,872 including interest at 7.55% through March 15, 2023.	Equipment Capital Projects Fund	-	51,670	711	50,959
\$35,271 Installment Note Payable of 2018, due in annual installments of \$8,795 including interest at 7.58% through March 15, 2023.	Equipment Capital Projects Fund	-	35,271	485	34,786

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$17,633 Installment Note Payable of 2018, due in annual installments of \$4,737 including interest at 7.86% through January 15, 2023.	Equipment Capital Projects Fund	-	17,633	727	16,906
\$16,056 Installment Note Payable of 2018, due in annual installments of \$4,326 including interest at 7.94% through January 15, 2023.	Water Department	-	16,056	661	15,395
\$21,807 Installment Note Payable of 2018, due in annual installments of \$5,704 including interest at 7.06% through January 15, 2023.	Water Department	-	21,807	918	20,889
\$18,862 Installment Note Payable of 2018, due in annual installments of \$4,935 including interest at 7.08% through January 15, 2023.	Water and Sewer Departments	-	18,862	793	18,069
\$52,128 Installment Note Payable of 2018, due in annual installments of \$12,985 including interest at 7.55% through March 15, 2023.	Sewer Department	-	52,128	718	51,410
\$18,971 Installment Note Payable of 2018, due in annual installments of \$5,032 including interest at 7.48% through April 15, 2023.	Equipment Capital Projects Fund	-	18,971	-	18,971
\$18,547 Installment Note Payable of 2018, due in annual installments of \$4,920 including interest at 7.47% through April 15, 2023.	Sewer Department	-	18,547	-	18,547
		<u>\$ 734,842</u>	<u>\$ 1,549,101</u>	<u>\$ 470,530</u>	<u>\$ 1,813,413</u>

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)**d. IEPA Loans Payable**

The City has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. Final repayment schedule for the IEPA Water Distribution System Loan Payable of 2016 is not available at the time of the issuance of this report. IEPA loans currently outstanding as of April 30, 2018 are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Clean Water SRF Loan Payable of 2011, due in semi- annual installments of \$202,279, plus interest at 1.25% through April 21, 2034.	Sewer Department	\$ 6,341,197	\$ -	\$ 326,309	\$ 6,014,888
Illinois Environmental Protection Agency (IEPA) Drinking Water SRF Loan Payable of 2011, due in semi- annual installments of \$202,949, plus interest at 1.25% through July 15, 2034.	Water Department	6,362,221	-	327,391	6,034,830
Illinois Environmental Protection Agency (IEPA) Water Distribution System Loan Payable of 2016, due in semi-annual installments, plus interest at 1.86% through November 1, 2037.	Water Department	4,728,761	782,251	105,145	5,405,867
		<u>\$ 17,432,179</u>	<u>\$ 782,251</u>	<u>\$ 758,845</u>	<u>\$ 17,455,585</u>

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)**e. Tax Increment Revenue Note**

The City issued a tax incremental revenue note to JJ Freeport Venture, LLC to reimburse them for the construction and development of a shopping center. The note will be repaid only from 75% of the tax increment generally by the development. Tax increment notes currently outstanding as of April 30, 2018 are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Meadows TIF Revenue Note, Series 2017 due in annual installments through February 1, 2028.	Meadows T.I.F. District	\$ 950,000	\$ -	\$ 1,196	\$ 948,804

f. Solid Waste Landfill Closure and Post-Closure Care Costs

The City owns and operated a landfill site that was closed in 2003. State and federal laws require the City to close the landfill and to monitor and maintain the site for thirty subsequent years. The City recognized a portion of the closure and post-closure care costs in each operating period even though actual payouts will occur as the landfill is capped and monitored. As of April 30, 2018, the city incurred a liability of \$4,365,000 which represents the estimated costs of capping and monitoring the landfill. The estimated costs of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws and other variables.

The City has established an enterprise fund to accumulate assets needed for the actual payout of closure and post-closure care costs. As of April 30, 2018, assets reported on the combined balance sheet which total \$124,851 are held for this purpose.

The City was required by state and federal laws and regulations to make annual contributions to finance the closure and post-closure care costs while the landfill was in operation. The City complied with these requirements until the landfill was closed in 2003. The City expects that inflation costs will be paid from interest earnings on these annual contributions and transfer station rents with the difference being funded by general fund contributions. The amount of future general fund contributions cannot be determined at this time. The amount will depend on the amount of actual interest earnings and the timing of monitoring costs over the thirty-year monitoring period.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)**g. Debt Service Requirements to Maturity**

The annual debt service requirements to amortize the governmental activities outstanding debt as of April 30, 2018 are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds Payable		Installment Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 275,000	\$ 152,306	\$ 270,144	\$ 35,578
2020	276,900	146,331	221,273	28,065
2021	283,800	140,309	123,897	21,551
2022	286,650	133,537	91,456	15,272
2023	301,400	126,680	80,590	8,763
2024	303,300	118,749	31,669	1,790
2025	307,600	110,759	-	-
2026	310,450	102,420	-	-
2027	324,250	92,557	-	-
2028	329,950	81,870	-	-
2029	253,750	70,954	-	-
2030	232,150	62,154	-	-
2031	236,900	54,268	-	-
2032	250,700	44,792	-	-
2033	258,550	34,764	-	-
2034	273,300	24,732	-	-
2035	170,000	13,800	-	-
2036	175,000	7,000	-	-
Total	\$ 4,849,650	\$ 1,517,982	\$ 819,029	\$ 111,019

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

6. LONG-TERM DEBT (Continued)

Fiscal Year	Business-Type Activities				IEPA Loans	
	General Obligation Bonds Payable		Installment Notes Payable		Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,090,000	\$ 833,774	\$ 170,447	\$ 28,804	\$ 894,225	\$ 248,033
2020	1,108,100	554,941	165,794	23,929	906,866	235,392
2021	1,141,200	527,358	142,625	19,193	919,694	222,566
2022	1,163,350	496,842	147,224	14,594	932,708	209,552
2023	1,213,600	462,262	147,568	9,427	945,913	196,347
2024	1,236,700	425,934	125,073	3,875	959,312	182,948
2025	1,247,400	388,913	95,653	1,072	972,907	169,352
2026	1,359,550	352,018	-	-	986,703	155,557
2027	1,415,750	297,636	-	-	1,000,701	141,559
2028	1,475,050	241,006	-	-	1,014,905	127,355
2029	1,526,250	182,004	-	-	1,029,318	112,942
2030	1,457,850	120,954	-	-	1,043,944	98,316
2031	413,100	68,498	-	-	1,058,784	83,475
2032	429,300	51,974	-	-	1,073,844	68,416
2033	441,450	34,802	-	-	1,089,126	53,134
2034	461,700	18,468	-	-	1,104,633	37,626
2035	-	-	-	-	715,142	21,890
2036	-	-	-	-	318,270	13,534
2037	-	-	-	-	324,217	7,587
2038	-	-	-	-	164,373	1,529
Total	\$ 17,180,350	\$ 5,057,384	\$ 994,384	\$ 100,894	\$ 17,455,585	\$ 2,387,110

h. Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum ...shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

7. 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; injuries to employees; employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The deductible in effect through these policies as of April 30, 2018 was \$500 for "normal" claims and \$25,000 for catastrophes. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the five prior fiscal years.

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer most of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonpublic public service entities.

IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a board of directors comprised of one appointed representative from each member. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

8. CONTINGENT LIABILITIES

a. 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.

b. Grants

Amounts received 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.

9. 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 a single-employer pension plan. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained online at www.imrf.org. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

a. Illinois Municipal Retirement Fund*Plan Description*

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. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Plan Membership

At December 31, 2017 the measurement date, membership in the plan was as follows:

Inactive employees or beneficiaries currently receiving benefits	135
Inactive employees entitled to but not yet receiving benefits	48
Active employees	92
Total	<u>275</u>

9. DEFINED BENEFIT PENSION PLANS (Continued)*Contributions*

As set by statute, City employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's actuarially determined contribution rate for calendar year 2017 was 10.93% percent of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset).

The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies.

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liability for the plan was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Investment Rate of Return	7.50%
Price inflation	2.50%
Salary increases	3.39% to 14.25%, including inflation

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)*Long-Term Expected Real Rate of Return.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.0%	8.30%	6.85%
International equities	18.0%	8.45%	6.75%
Fixed income	28.0%	305.00%	3.00%
Real estate	9.0%	6.90%	5.75%
Alternatives	7.0%		
Private equity		12.45%	7.35%
Hedge funds		5.35%	5.05%
Commodities		4.25%	2.65%
Cash	1.0%	2.25%	2.25%
	<u>100.0%</u>		

Discount Rate

A Single Discount Rate of 7.50% 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 3.78%, and the resulting single discount rate is 7.50%.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)*Discount Rate Sensitivity.*

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 1,948,271	\$ (1,706,460)	\$ (4,705,742)

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the plan for the calendar year ended December 31, 2017 was as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2016	\$ 32,049,698	\$ 30,200,693	\$ 1,849,005
Changes for the year:			
Service Cost	461,312	-	461,312
Interest on the Total Pension Liability	2,353,470	-	2,353,470
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(109,188)	-	(109,188)
Changes of Assumptions	(977,085)	-	(977,085)
Contributions - Employer	-	474,176	(474,176)
Contributions - Employees	-	195,224	(195,224)
Net Investment Income	-	5,438,435	(5,438,435)
Benefit Payments, including Refunds of Employee Contributions	(1,801,496)	(1,801,496)	-
Other (Net Transfer)	-	(823,861)	823,861
Net Changes	(72,987)	3,482,478	(3,555,465)
Balances at December 31, 2017	\$ 31,976,711	\$ 33,683,171	\$ (1,706,460)

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2017, the City recognized pension expense of \$614,837. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 152,349	\$ 610,975
Changes in assumptions	13,626	724,959
Net difference between projected and actual earnings on pension plan investments	900,882	2,597,385
Total deferred amounts related to pensions	<u>\$ 1,066,857</u>	<u>\$ 3,933,319</u>

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (716,464)
2019	(741,686)
2020	(758,965)
2021	(649,347)
2022	-
Thereafter	-
Total	<u>\$ (2,866,462)</u>

b. Police Pension Plan*Plan Description*

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At April 30, 2018, the Police Pension Plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	16
Active employees	45
Total	<u>117</u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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% of the original pension and 3% compounded annually thereafter.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ 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% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year. The City is required to finance the Police Pension Plan.

Contributions

Employees are required by Illinois Compiled Statutes 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. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Police Pension Plan are financed through investment earnings. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2018, the City's contribution was 46.75% of covered payroll.

Net Pension Liability/(Asset).

The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)

The Plan's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30.00%	
All Cap		5.10%
Mid Cap		5.20%
Small Cap		5.80%
International Equity	25.00%	
Large Cap		5.10%
Small Cap		5.90%
Intermediate Fixed Income	35.00%	0.20%
Global Tactic Asset Allocation	5.00%	2.80%
Core Real Estate	5.00%	5.40%
Cash and Cash Equivalents	0.00%	0.00%
	<u>100.00%</u>	

ILCS limits the Plan's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant 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 assets 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 expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Plan's target asset allocation as of April 30, 2018 are listed in the table above.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions.

Actuarial cost method	Entry-age normal
Inflation	2.50%
Salary increases	3.00% to 7.50%
Interest rate	6.75%
Cost of living adjustments	2.00%
Asset valuation method	Market

Mortality rates were based on the RP-2014 Mortality Table with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)*Discount Rate*

The discount rate used to measure the total pension liability was 5.49%, a decrease of 1.51% compared to 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 periods of projected benefit payments to determine the total pension liability.

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 of 5.49% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.49%) or 1 percentage point higher (6.49%) than the current rate:

	1% Decrease (4.49%)	Current Discount Rate (5.49%)	1% Increase (6.49%)
Net pension liability (asset)	\$ 43,629,032	\$ 34,135,166	\$ 26,590,924

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)*Changes in net pension liability/(asset).*

The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2018 was as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 44,556,019	\$ 22,536,658	\$ 22,019,361
Changes for the year:			
Service Cost	643,968	-	643,968
Interest on the Total Pension Liability	3,029,159	-	3,029,159
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,054,342)	-	(1,054,342)
Changes of Assumptions	12,792,204	-	12,792,204
Contributions - Employer	-	1,392,228	(1,392,228)
Contributions - Employees	-	314,723	(314,723)
Contributions - Other	-	-	-
Net Investment Income	-	1,613,463	(1,613,463)
Benefit Payments, including Refunds of Employee Contributions	(2,564,649)	(2,564,649)	-
Other (Administrative Expense)	-	(25,230)	25,230
Net Changes	12,846,340	730,535	12,115,805
Balances at April 30, 2018	\$ 57,402,359	\$ 23,267,193	\$ 34,135,166

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

For the year ended April 30, 2018 the City recognized pension expense of \$1,836,970. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 941,058	\$ 736,769
Changes in assumptions	8,939,130	-
Net difference between projected and actual earnings on pension plan investments	907,940	495,788
Total deferred amounts related to pensions	\$ 10,788,128	\$ 1,232,557

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30	Net Deferred Outflows of Resources
2019	\$ 4,181,489
2020	4,181,487
2021	1,105,955
2022	19,730
2023	33,089
Thereafter	33,821
Total	<u>\$ 9,555,571</u>

c. Firefighters' Pension Plan*Plan Description*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan 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 President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At April 30, 2018, the Firefighters' Pension Plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	3
Active employees	49
Total	<u>112</u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ 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% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year. The City is required to finance the Police Pension Plan.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)*Contributions*

Employees are required by Illinois Compiled Statutes 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. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Firefighter's Pension Plan are financed through investment earnings. The City is required to contribute the remaining amounts necessary to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. For the year ended April 20, 2018, the City's contribution was 30.11% of covered payroll.

Net Pension Liability/(Asset).

The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Significant Investments

At year end, the Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions.

Actuarial cost method	Entry-age normal
Inflation	2.50%
Salary increases	3.00% to 7.50%
Interest rate	6.75%
Cost of living adjustments	2.00%
Asset valuation method	Market

Mortality rates were based on the RP-2014 Mortality Table with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Discount Rate

The discount rate used to measure the total pension liability was 5.30%, a decrease of 1.70% compared to 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 periods of projected benefit payments to determine the total pension liability.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (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 of 5.30% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.30%) or 1 percentage point higher (6.30%) than the current rate:

	1% Decrease (4.30%)	Current Discount Rate (5.30%)	1% Increase (6.30%)
Net pension liability (asset)	\$ 38,023,098	\$ 28,580,761	\$ 20,951,106

Changes in the Net Pension Liability

The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2018 was as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 45,176,229	\$ 33,835,118	\$ 11,341,111
Changes for the year:			
Service Cost	805,989	-	805,989
Interest on the Total Pension Liability	3,064,846	-	3,064,846
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	206,317	-	206,317
Changes of Assumptions	17,000,813	-	17,000,813
Contributions - Employer	-	932,393	(932,393)
Contributions - Employees	-	295,035	(295,035)
Contributions - Other	-	-	-
Net Investment Income	-	2,638,363	(2,638,363)
Benefit Payments, including Refunds of Employee Contributions	(2,785,420)	(2,785,420)	-
Other (Administrative Expense)	-	(27,476)	27,476
Net Changes	18,292,545	1,052,895	17,239,650
Balances at April 30, 2018	\$ 63,468,774	\$ 34,888,013	\$ 28,580,761

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

9. DEFINED BENEFIT PENSION PLANS (Continued)

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

For the year ended April 30, 2018 the City recognized pension expense of \$1,794,688. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 382,607	\$ 279,513
Changes in assumptions	13,997,134	-
Net difference between projected and actual earnings on pension plan investments	1,126,906	712,473
Total deferred amounts related to pensions	<u>\$ 15,506,647</u>	<u>\$ 991,986</u>

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30	Net Deferred Outflows of Resources
2019	\$ 3,358,187
2020	3,358,183
2021	2,794,732
2022	2,954,254
2023	2,048,959
Thereafter	<u>346</u>
Total	<u>\$ 14,514,661</u>

10. OTHER POSTEMPLOYMENT BENEFITS

In addition to providing the pension benefits described, the City provides post-employment health care insurance benefits (OPEB) for its eligible 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 plan is reported in the City's governmental and business-type activities.

The City provides pre and post Medicare post-employment health insurance to retirees, their spouses and dependents who were enrolled in one of the City's healthcare plans at the time of the employees' retirement. To be eligible for benefits, the employee must qualify for retirement under one of the City's three retirement plans.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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. Benefit include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care, and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 70% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2018, retirees contributed \$178,087.

At April 30, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	29
Active Employees	<u>157</u>
Total	<u>186</u>
Participating Employers	<u>1</u>

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

Annual OPEB costs and Net OPEB Obligation

The net OPEB obligations (NOPEBO) as of April 30, 2018, was calculated as follows:

Annual Required Contribution	\$ 1,539,071
Interest on the NPO	259,229
Adjustments to the ARC	<u>(360,365)</u>
Annual OPEB Cost	1,437,935
Actual Contribution	<u>459,908</u>
Increase in the NPO	978,027
NOPEBO - Beginning	<u>6,480,720</u>
NOPEBO - Ending	<u>\$ 7,458,747</u>

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)*Trend Information*

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 1,358,127	\$ 675,602	49.75%	\$ 5,608,680
2017	1,408,472	423,878	30.09%	6,480,720
2018	1,437,934	459,908	31.98%	7,458,747

Funded Statuses and Funding Progress

The funded statuses of the plan as of April 30, 2017, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 14,826,200
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 14,826,200</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 7,845,697
UAAL as a Percentage of Covered Payroll	188.97%

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 liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantial 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 the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

CITY OF FREEPORT, ILLINOIS

Notes to Financial Statements

April 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

In the April 30, 2018 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% discount rate and an initial healthcare trend rate of 8.50% with an ultimate healthcare inflation rate of 4.50%, a 2.5% price inflation assumption, a 3.00% wage inflation assumption. 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, 2018, was 30 years.

11. INTERFUND BALANCES

The composition of interfund balances as of April 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 1,120,926
General	Water Department	1,364
General	Sewer Department	1,883
General	Storm Sewer Department	111
Water Department	Sewer Department	4,597,571
Nonmajor Business-Type	Water Department	509,036
Nonmajor Governmental	General	9,643
Total		<u>\$ 6,240,534</u>

Interfund balances are advances in anticipation of receipts.

12. INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 430,000
Nonmajor Governmental	General	323,295
Nonmajor Governmental	Nonmajor Governmental	241,082
Total		<u>\$ 994,377</u>

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, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

13. SUBSEQUENT EVENT

On May 2, 2018, the City issued \$1,045,000 in Taxable General Obligation Bonds, Series 2018, to fund economic development projects. The bonds bear interest ranging from 2.750% to 4.125% and mature in amounts ranging from \$65,000 to \$255,000 through January 1, 2033.

CITY OF FREEPORT, ILLINOIS

Other Post-Employment Benefits Plan
 Schedule of Funding Progress and Employer Contributions
 Last Seven Fiscal Years

Funding Progress

Actuarial Valuation Date Apr. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	14,793,816	0.00%	14,793,816	10,359,107	142.81%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	13,898,662	0.00%	13,898,662	8,457,416	164.34%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	-	14,826,200	0.00%	14,826,200	7,845,697	188.97%
2018	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2012	\$ 304,595	\$ 618,068	49.28%
2013	300,720	571,442	52.62%
2014	462,506	993,950	46.53%
2015	625,557	1,328,706	47.08%
2016	675,302	1,435,002	47.06%
2017	423,878	1,494,244	28.37%
2018	459,908	1,539,071	29.88%

The City is required to have the actuarial valuation performed biennially.

N/A - Not Available

CITY OF FREEPORT, ILLINOISSchedule of Changes in the Employer's Net Pension Liability
and Related RatiosIllinois Municipal Retirement Fund
Last Three Calendar Years

	2017	2016	2015
TOTAL PENSION LIABILITY			
Service cost	\$ 461,312	\$ 502,838	\$ 488,728
Interest	2,353,470	2,361,936	2,222,934
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(109,188)	(1,199,861)	828,549
Changes of assumptions	(977,085)	(71,839)	74,109
Benefit payments, including refunds of member contributions	(1,801,496)	(1,737,278)	(1,630,359)
Net Change in Total Pension Liability	(72,987)	(144,204)	1,983,961
Total Pension Liability - Beginning	32,049,698	32,193,902	30,209,941
TOTAL PENSION LIABILITY - ENDING	\$31,976,711	\$32,049,698	\$32,193,902
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 474,176	\$ 814,899	\$ 523,016
Contributions - member	195,224	195,240	211,676
Net investment income	5,438,435	2,000,789	143,432
Benefit payments, including refunds of member contributions	(1,801,496)	(1,737,278)	(1,630,359)
Administrative expense	(823,861)	(122,771)	667,825
Net Change in Plan Fiduciary Net Position	3,482,478	1,150,879	(84,410)
Plan Net Position - Beginning	30,200,693	29,049,814	29,134,224
PLAN NET POSITION - ENDING	\$33,683,171	\$30,200,693	\$29,049,814
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (1,706,460)	\$ 1,849,005	\$ 3,144,088
Plan fiduciary net position as a percentage of the total pension liability	105.34%	94.23%	90.23%
Covered-employee payroll	\$ 4,338,302	\$ 4,207,073	\$ 4,640,775
Employer's net pension liability as a percentage of covered - employee payroll	-39.33%	43.95%	67.75%

CITY OF FREEPORT, ILLINOIS

Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios
Police Pension Fund
Last Four Fiscal Years

	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	\$ 643,968	\$ 601,839	\$ 596,733	\$ 589,828
Interest	3,029,159	2,956,927	2,860,656	2,565,871
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,054,342)	56,949	234,995	574,525
Changes of assumptions	12,792,204	-	-	2,748,812
Benefit payments, including refunds of member contributions	(2,564,649)	(2,402,773)	(2,244,595)	(2,287,447)
Net Change in Total Pension Liability	12,846,340	1,212,942	1,447,789	4,191,589
Total Pension Liability - Beginning	44,556,019	43,343,077	41,895,288	37,703,699
TOTAL PENSION LIABILITY - ENDING	\$ 57,402,359	\$ 44,556,019	\$ 43,343,077	\$ 41,895,288
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 1,392,228	\$ 1,397,742	\$ 1,605,261	\$ 1,434,033
Contributions - member	314,723	281,209	275,215	274,072
Contributions - other	-	188	-	-
Net investment income	1,613,463	2,125,176	(786,689)	1,312,951
Benefit payments, including refunds of member contributions	(2,564,649)	(2,402,773)	(2,244,595)	(2,287,447)
Administrative expense	(25,230)	(25,081)	(27,163)	(29,617)
Net Change in Plan Fiduciary Net Position	730,535	1,376,461	(1,177,971)	703,992
Plan Net Position - Beginning	22,536,658	21,160,197	22,338,168	21,634,176
PLAN NET POSITION - ENDING	\$ 23,267,193	\$ 22,536,658	\$ 21,160,197	\$ 22,338,168
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 34,135,166	\$ 22,019,361	\$ 22,182,880	\$ 19,557,120
Plan fiduciary net position as a percentage of the total pension liability	40.53%	50.58%	48.82%	53.32%
Covered-employee payroll	\$ 2,977,814	\$ 2,863,010	\$ 2,791,060	\$ 2,739,339
Employer's net pension liability as a percentage of covered - employee payroll	1146.32%	769.10%	794.78%	713.94%

CITY OF FREEPORT, ILLINOISSchedule of Changes in the Employer's Net Pension Liability
and Related Ratios
Firefighters' Pension Fund
Last Four Fiscal Years

	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	\$ 805,989	\$ 753,261	\$ 737,347	\$ 749,011
Interest	3,064,846	2,975,058	2,923,551	2,648,793
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	206,317	297,699	(495,747)	(554,147)
Changes of assumptions	17,000,813	-	-	3,414,039
Benefit payments, including refunds of member contributions	(2,785,420)	(2,493,400)	(2,375,172)	(2,296,564)
Net Change in Total Pension Liability	18,292,545	1,532,618	789,979	3,961,132
Total Pension Liability - Beginning	45,176,229	43,643,611	42,853,632	38,892,500
TOTAL PENSION LIABILITY - ENDING	\$ 63,468,774	\$ 45,176,229	\$ 43,643,611	\$ 42,853,632
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 932,393	\$ 934,937	\$ 717,781	\$ 725,710
Contributions - member	295,035	281,560	281,865	277,963
Contributions - other	-	168	-	-
Net investment income	2,638,363	2,864,977	(578,247)	1,878,396
Benefit payments, including refunds of member contributions	(2,785,420)	(2,493,400)	(2,375,172)	(2,296,564)
Administrative expense	(27,476)	(25,492)	(26,868)	(24,449)
Net Change in Plan Fiduciary Net Position	1,052,895	1,562,750	(1,980,641)	561,056
Plan Net Position - Beginning	33,835,118	32,272,368	34,253,009	33,691,953
PLAN NET POSITION - ENDING	\$ 34,888,013	\$ 33,835,118	\$ 32,272,368	\$ 34,253,009
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 28,580,761	\$ 11,341,111	\$ 11,371,243	\$ 8,600,623
Plan fiduciary net position as a percentage of the total pension liability	54.97%	74.90%	73.95%	79.93%
Covered-employee payroll	\$ 3,096,308	\$ 3,073,292	\$ 2,980,504	\$ 2,987,121
Employer's net pension liability as a percentage of covered - employee payroll	923.06%	369.02%	381.52%	287.92%

CITY OF FREEPORT, ILLINOIS
Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Last Three Calendar Years

Calendar Year Ending December 1,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	523,016	523,016	-	4,640,775	11.27%
2016	480,027	814,899	(334,872)	4,207,073	19.37%
2017	474,176	474,176	-	4,338,302	10.93%

Notes to Schedule

Valuation date Actuarially determined contribution rates are calculated as of December 31 of each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	26 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.75%
Salary increases	3.75% - 14.50%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF FREEPORT, ILLINOIS
Schedule of Employer Contributions
Police Pension Fund
Last Four Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	1,287,282	1,434,033	(146,751)	2,739,339	52.35%
2016	1,591,398	1,605,261	(13,863)	2,791,060	57.51%
2017	2,195,150	1,397,742	797,408	2,863,010	48.82%
2018	2,249,443	1,392,228	857,215	2,977,814	46.75%

Notes to Schedule

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	24 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00% - 7.50%
Investment rate of return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Mortality Table, improved generationally using MP-2016 Improvement Rates

CITY OF FREEPORT, ILLINOIS
Schedule of Employer Contributions
Firefighters' Pension Fund
Last Four Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	801,877	725,710	76,167	2,987,121	24.29%
2016	711,579	717,781	(6,202)	2,980,504	24.08%
2017	1,311,166	934,937	376,229	3,073,292	30.42%
2018	1,343,021	932,393	410,628	3,096,308	30.11%

Notes to Schedule

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	24 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00% - 7.50%
Investment rate of return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Mortality Table, improved generationally using MP-2016 Improvement Rates

CITY OF FREEPORT, ILLINOIS
Schedule of Investment Returns
Police Pension Fund
Last Four Fiscal Years

<u>Fiscal Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2015	6.47%
2016	-3.30%
2017	10.40%
2018	7.20%

CITY OF FREEPORT, ILLINOIS
Schedule of Investment Returns
Firefighters' Pension Fund
Last Four Fiscal Years

<u>Fiscal Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2015	5.98%
2016	-1.60%
2017	9.20%
2018	7.90%

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 12,242,225	\$ 12,760,492
Licenses, Permits and Fees	730,660	825,386
Intergovernmental	3,799,250	3,704,186
Charges for Services	3,768,880	3,789,611
Fines and Forfeits	256,930	291,508
Interest	38,800	47,122
Miscellaneous	420,620	189,348
Total Revenues	<u>21,257,365</u>	<u>21,607,653</u>
Expenditures		
General Government	6,149,344	5,951,335
Public Safety	12,722,383	12,382,069
Public Works	2,677,584	2,561,370
Culture and Recreation	367,875	347,700
Debt Service		
Principal Retirement	-	11,883
Total Expenditures	<u>21,917,186</u>	<u>21,254,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(659,821)</u>	<u>353,296</u>
Other Financing Sources (Uses)		
Disposal of Capital Assets	300	6,397
Debt Issuance	-	34,961
Transfers In	643,700	430,000
Transfers Out	(530,675)	(323,295)
Total Other Financing Sources (Uses)	<u>113,325</u>	<u>148,063</u>
Net Change in Fund Balance	<u>\$ (546,496)</u>	501,359
Fund Balance - Beginning		<u>6,913,600</u>
Fund Balance - Ending		<u>\$ 7,414,959</u>

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with the following modified accrual basis of accounting.

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 City's Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the funds 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 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.

The term "budget" used throughout the financial statements represents the estimated revenues and appropriations as set forth in the City's annual appropriations ordinance adopted for the fiscal year ended April 30, 2018. Budgets are adopted on a basis consistent with generally accepted accounting principles.

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

- At least 15 days prior to the enactment of the budget, the committee on Finance Procurement submits to the City Council a proposed means of financing expenditure appropriations for the fiscal year commencing the following April 1.
- Normally on the last Wednesday in April, but no later than April 30, the budget is legally enacted through passage of the appropriation ordinance.
- Budgeted amounts are as originally reported or as amended by the City Council. Individual amendments were not material in relation to the original appropriations.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

DEFICIT NET POSITION

The following fund had deficit net position for the fiscal year:

Fund	Deficit
Landfill Closure	\$4,391,457

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Taxes		
Property Taxes	\$ 2,453,025	\$ 2,453,024
Property Transfer Taxes	200,000	212,656
Retailer Occupation Taxes	7,520,500	7,761,988
Food and Beverage Tax	621,700	687,344
Video Gaming Tax	305,000	347,063
Telecommunications Tax	420,000	461,505
Utility Tax	408,000	451,378
Natural Gas Tax	308,000	377,873
Municipal Automobile Renting Tax	6,000	7,661
Total Taxes	12,242,225	12,760,492
Licenses, Permits and Fees		
Building Permit Fees	185,000	183,931
Liquor Licenses	130,000	146,359
Business Licenses and Permits	15,000	27,567
Landlord Registration Fees	55,900	55,880
Cable TV Franchise Fees	275,000	340,211
911 Dispatching Fees	68,260	70,000
Vacant Property Registration Fees	1,500	1,438
Total Licenses, Permits and Fees	730,660	825,386
Intergovernmental		
State Income Tax	2,500,000	2,332,827
Special Use Tax	624,000	671,143
Replacement Taxes	410,000	450,484
Grant - SLANT Officer	51,850	66,914
School Resource Officer Reimbursements	22,000	30,715
Sustained Traffic Enforcement PR	6,000	8,770
Grant - Airport	140,400	78,401
IDOT Reimbursement	45,000	64,932
Total Intergovernmental	3,799,250	3,704,186

(Continued)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Charges for Services		
Water and Sewer Service Charge	\$ 102,000	\$ 102,000
Airport Hanger Rent	85,000	89,024
Airport Farm Leases	7,000	6,993
Fuel Sales	12,200	13,840
Interfund Services	3,546,580	3,559,848
Other Charges for Services	16,100	17,906
Total Charges for Services	3,768,880	3,789,611
Fines and Forfeitures		
Fines - Circuit Court	256,930	291,508
Interest	38,800	47,122
Miscellaneous		
Reimbursement - Traffic Signal Maintenance	10,000	9,318
Reimbursement - Other Sources	267,630	16,421
Reimbursement - Police Training	500	454
Miscellaneous Local Sources	142,490	163,155
Total Miscellaneous	420,620	189,348
Total Revenues	\$ 21,257,365	\$ 21,607,653

(Concluded)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
General Government		
City Council		
Personal Services	\$ 32,805	\$ 32,781
Contractual Services	1,670	1,667
Commodities	1,780	1,770
	<u>36,255</u>	<u>36,218</u>
Commissions		
Personal Services	4,710	4,580
Contractual Services	17,870	17,779
	<u>22,580</u>	<u>22,359</u>
City Clerk		
Personal Services	125,296	122,653
Contractual Services	4,225	3,693
Commodities	1,900	1,932
Equipment, Furniture and Fixtures	950	944
	<u>132,371</u>	<u>129,222</u>
Mayor		
Personal Services	272,808	266,223
Contractual Services	37,550	40,414
Commodities	4,450	3,872
Equipment, Furniture and Fixtures	1,050	1,033
	<u>315,858</u>	<u>311,542</u>
Office of Management and Budget		
Personal Services	318,770	286,086
Contractual Services	9,900	9,229
Commodities	3,150	2,960
	<u>331,820</u>	<u>298,275</u>

(Continued)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
General Government - Continued		
Treasurer		
Personal Services	\$ 78,050	\$ 77,141
Contractual Services	2,540	1,507
Commodities	915	875
	<u>81,505</u>	<u>79,523</u>
 Hearing Administration		
Contractual Services	<u>7,900</u>	<u>6,975</u>
 General Government Building		
Contractual Services	121,600	122,774
Commodities	15,550	11,228
Capital Outlay	49,630	45,806
	<u>186,780</u>	<u>179,808</u>
 Management Information Systems		
Personal Services	-	154
Contractual Services	11,400	10,321
Equipment, Furniture and Fixtures	52,960	75,442
	<u>64,360</u>	<u>85,917</u>
 Community Development		
Personal Services	192,645	186,565
Contractual Services	48,905	42,163
Commodities	1,650	1,484
Equipment, Furniture and Fixtures	4,950	5,312
	<u>248,150</u>	<u>235,524</u>
 Neighborhood Housing Development		
Contractual Services	<u>450,780</u>	<u>434,413</u>

(Continued)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
General Government - Continued		
Human Resources		
Personal Services	\$ 83,700	\$ 81,461
Contractual Services	20,430	18,162
Commodities	1,550	960
Equipment, Furniture and Fixtures	300	-
	<u>105,980</u>	<u>100,583</u>
Interdepartmental Revenues		
Personal Services	166,275	132,923
Contractual Services	385,860	369,525
Commodities	6,250	6,300
Equipment, Furniture and Fixtures	2,215	2,214
	<u>560,600</u>	<u>510,962</u>
Health Care		
Personal Services	559,955	510,185
Contractual Services	2,776,450	2,748,277
	<u>3,336,405</u>	<u>3,258,462</u>
Judiciary and Legal		
Contractual Services	268,000	261,552
	<u>268,000</u>	<u>261,552</u>
Total General Government	<u>6,149,344</u>	<u>5,951,335</u>

(Continued)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Public Safety		
Buildings		
Personal Services	\$ 135,145	\$ 124,687
Contractual Services	42,440	39,965
Commodities	2,605	2,468
Equipment, Furniture and Fixtures	4,600	4,600
	<u>184,790</u>	<u>171,720</u>
Police Department		
Personal Services	6,749,933	6,545,394
Contractual Services	169,445	169,518
Commodities	139,090	127,945
Equipment, Furniture and Fixtures	18,900	22,890
	<u>7,077,368</u>	<u>6,865,747</u>
Fire Department		
Personal Services	5,292,800	5,179,207
Contractual Services	75,470	74,987
Commodities	88,870	87,169
Equipment, Furniture and Fixtures	3,085	3,239
	<u>5,460,225</u>	<u>5,344,602</u>
Total Public Safety	<u>12,722,383</u>	<u>12,382,069</u>
Public Works		
Department of Public Works		
Personal Services	170,830	170,848
Contractual Services	24,280	22,421
Commodities	560	557
	<u>195,670</u>	<u>193,826</u>
Street Department		
Personal Services	1,036,329	979,476
Contractual Services	135,770	146,660
Commodities	434,805	416,225
Equipment, Furniture and Fixtures	-	1,016
	<u>1,606,904</u>	<u>1,543,377</u>

(Continued)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Public Works - Continued		
Traffic Engineering		
Contractual Services	\$ 30,880	\$ 30,615
Commodities	1,700	1,649
	<u>32,580</u>	<u>32,264</u>
Street Lights		
Contractual Services	10,000	8,910
Commodities	255,700	255,933
	<u>265,700</u>	<u>264,843</u>
Airport Authority		
Contractual Services	131,690	120,367
Commodities	21,150	22,462
Other Charges	44,360	44,357
Capital Outlay	86,900	79,992
	<u>284,100</u>	<u>267,178</u>
Capital Improvements		
Bike Trails		
Contractual Services	267,630	246,066
Sidewalk Program		
Contractual Services	25,000	13,816
	<u>292,630</u>	<u>259,882</u>
Total Public Works	<u>2,677,584</u>	<u>2,561,370</u>
Culture and Recreation		
Social Services		
Personal Services	65,175	64,435
Contractual Services	4,275	3,990
Commodities	2,355	2,176
Equipment, Furniture and Fixtures	525	524
	<u>72,330</u>	<u>71,125</u>

(Continued)

CITY OF FREEPORT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Culture and Recreation - Continued		
City Cemetery		
Personal Services	\$ 87,160	\$ 84,041
Contractual Services	5,825	5,142
Commodities	2,350	1,328
	<u>95,335</u>	<u>90,511</u>
Forestry		
Personal Services	169,155	164,353
Contractual Services	27,000	17,385
Commodities	4,055	4,326
	<u>200,210</u>	<u>186,064</u>
Total Culture and Recreation	<u>367,875</u>	<u>347,700</u>
Debt Service		
Principal Retirement	-	11,883
Total Expenditures	<u>\$ 21,917,186</u>	<u>\$ 21,254,357</u>

(Concluded)

CITY OF FREEPORT, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2018

	Special Revenue	Debt Service	Capital Projects	Permanent Cemetery Care	Totals
ASSETS					
Cash and Investments	\$ 1,733,127	\$ -	\$ 649,695	\$ 131,220	\$ 2,514,042
Receivables - Net of Allowances					
Property Taxes	1,914,078	-	-	-	1,914,078
Accounts	1,273,510	-	282,651	-	1,556,161
Due from Other Funds	9,643	-	-	-	9,643
Prepays	16,145	-	637	-	16,782
Total Assets	<u>\$ 4,946,503</u>	<u>\$ -</u>	<u>\$ 932,983</u>	<u>\$ 131,220</u>	<u>\$ 6,010,706</u>
LIABILITIES					
Accounts Payable	\$ 253,157	\$ -	\$ 21,661	\$ -	\$ 274,818
Accrued Payroll	33,348	-	-	-	33,348
Due to Other Funds	987,355	-	-	-	987,355
Total Liabilities	<u>1,273,860</u>	<u>-</u>	<u>21,661</u>	<u>-</u>	<u>1,295,521</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	1,914,078	-	-	-	1,914,078
Total Liabilities and Deferred Inflows of Resources	<u>3,187,938</u>	<u>-</u>	<u>21,661</u>	<u>-</u>	<u>3,209,599</u>
FUND BALANCES					
Nonspendable	16,145	-	-	-	16,145
Restricted	1,740,460	-	423,153	131,220	2,294,833
Committed	-	-	488,169	-	488,169
Assigned	1,960	-	-	-	1,960
Total Fund Balances	<u>1,758,565</u>	<u>-</u>	<u>911,322</u>	<u>131,220</u>	<u>2,801,107</u>
Total Liabilities and Fund Balances	<u>\$ 4,946,503</u>	<u>\$ -</u>	<u>\$ 932,983</u>	<u>\$ 131,220</u>	<u>\$ 6,010,706</u>

CITY OF FREEPORT, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended April 30, 2018

	Special Revenue	Debt Service	Capital Projects	Permanent Cemetery Care	Totals
Revenues					
Taxes	\$ 2,168,884	\$ -	\$ -	\$ -	\$ 2,168,884
Licenses, Permits and Fees	17,383	-	867,335	5,100	889,818
Intergovernmental	2,628,411	-	239,354	-	2,867,765
Interest	17,816	182	6,807	675	25,480
Miscellaneous	33,266	-	-	-	33,266
Total Revenues	4,865,760	182	1,113,496	5,775	5,985,213
Expenditures					
General Government	1,854,906	-	-	-	1,854,906
Public Safety	52,290	-	-	-	52,290
Public Works	1,308,711	-	-	-	1,308,711
Culture and Recreation	1,118,771	-	-	-	1,118,771
Capital Outlay	7,012	-	788,510	-	795,522
Debt Service					
Principal	225,038	342,829	38,278	-	606,145
Interest and Fiscal Charges	7,063	207,347	2,780	-	217,190
Total Expenditures	4,573,791	550,176	829,568	-	5,953,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	291,969	(549,994)	283,928	5,775	31,678
Other Financing Sources (Uses)					
Disposal of Capital Assets	-	-	6,140	-	6,140
Debt Issuance	106,245	-	446,835	-	553,080
Transfers In	47,440	516,937	-	-	564,377
Transfers Out	(66,929)	-	(604,153)	-	(671,082)
Total Other Financing Sources (Uses)	86,756	516,937	(151,178)	-	452,515
Net Change in Fund Balances	378,725	(33,057)	132,750	5,775	484,193
Fund Balances - Beginning	1,379,840	33,057	778,572	125,445	2,316,914
Fund Balances - Ending	\$ 1,758,565	\$ -	\$ 911,322	\$ 131,220	\$ 2,801,107

CITY OF FREEPORT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2018

	Motor Fuel Tax	Tourism Promotion	Grant Funds	Drug Forfeiture	Fire Public Safety
ASSETS					
Cash and Investments	\$ 213,239	\$ 93,893	\$ 23,635	\$ 32,272	\$ 1,960
Receivables - Net of Allowances					
Property Taxes	-	-	-	-	-
Accounts	58,692	20,000	1,194,818	-	-
Due from Other Funds	-	-	-	-	-
Prepays	-	-	9	-	-
Total Assets	<u>\$ 271,931</u>	<u>\$ 113,893</u>	<u>\$ 1,218,462</u>	<u>\$ 32,272</u>	<u>\$ 1,960</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 137,079	\$ -	\$ -
Accrued Payroll	-	-	4,647	-	-
Due to Other Funds	-	-	987,355	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,129,081</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,129,081</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	9	-	-
Restricted	271,931	113,893	89,372	32,272	-
Assigned	-	-	-	-	1,960
Total Fund Balances	<u>271,931</u>	<u>113,893</u>	<u>89,381</u>	<u>32,272</u>	<u>1,960</u>
Total Liabilities and Fund Balances	<u>\$ 271,931</u>	<u>\$ 113,893</u>	<u>\$ 1,218,462</u>	<u>\$ 32,272</u>	<u>\$ 1,960</u>

Downtown T.I.F. District	Lamm Road T.I.F. District	West Ave. T.I.F. District	Burchard Hills T.I.F. District	Meadows T.I.F. District	Public Library	Totals
\$ 48,951	\$ 379,159	\$ 60,108	\$ 10,700	\$ 6,071	\$ 863,139	\$ 1,733,127
202,559	660,523	70,495	2,031	35,423	943,047	1,914,078
-	-	-	-	-	-	1,273,510
-	-	-	-	-	9,643	9,643
-	-	-	-	-	16,136	16,145
<u>\$251,510</u>	<u>\$ 1,039,682</u>	<u>\$ 130,603</u>	<u>\$ 12,731</u>	<u>\$ 41,494</u>	<u>\$ 1,831,965</u>	<u>\$ 4,946,503</u>
\$ 8,939	\$ 71,960	\$ -	\$ -	\$ -	\$ 35,179	\$ 253,157
-	-	-	-	-	28,701	33,348
-	-	-	-	-	-	987,355
<u>8,939</u>	<u>71,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,880</u>	<u>1,273,860</u>
202,559	660,523	70,495	2,031	35,423	943,047	1,914,078
211,498	732,483	70,495	2,031	35,423	1,006,927	3,187,938
-	-	-	-	-	16,136	16,145
40,012	307,199	60,108	10,700	6,071	808,902	1,740,460
-	-	-	-	-	-	1,960
<u>40,012</u>	<u>307,199</u>	<u>60,108</u>	<u>10,700</u>	<u>6,071</u>	<u>825,038</u>	<u>1,758,565</u>
<u>\$251,510</u>	<u>\$ 1,039,682</u>	<u>\$ 130,603</u>	<u>\$ 12,731</u>	<u>\$ 41,494</u>	<u>\$ 1,831,965</u>	<u>\$ 4,946,503</u>

CITY OF FREEPORT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2018

	Motor Fuel Tax	Tourism Promotion	Grant Fund	Drug Forfeiture	Fire Public Safety
Revenues					
Taxes	\$ -	\$ 262,911	\$ -	\$ -	\$ -
Licenses, Permits and Fees	-	-	-	-	-
Intergovernmental	654,615	-	1,938,466	15,424	-
Interest	1,705	684	-	-	38
Miscellaneous	9,049	-	-	-	-
Total Revenues	665,369	263,595	1,938,466	15,424	38
Expenditures					
Current					
General Government	-	238,780	1,616,126	-	-
Public Safety	-	-	37,153	13,518	1,619
Public Works	486,036	-	219,728	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	1,155	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	487,191	238,780	1,873,007	13,518	1,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	178,178	24,815	65,459	1,906	(1,581)
Other Financing Sources (Uses)					
Debt Issuance	-	-	-	-	-
Transfers In	1,155	-	1,237	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	1,155	-	1,237	-	-
Net Change in Fund Balances	179,333	24,815	66,696	1,906	(1,581)
Fund Balances - Beginning	92,598	89,078	22,685	30,366	3,541
Fund Balances - Ending	\$ 271,931	\$ 113,893	\$ 89,381	\$ 32,272	\$ 1,960

Downtown T.I.F. District	Lamm Road T.I.F. District	West Ave. T.I.F. District	Burchard Hills T.I.F. District	Meadows T.I.F. District	Public Library	Totals
\$ 216,870	\$ 655,159	\$ 62,019	\$ 2,029	\$ 8,311	\$ 961,585	\$ 2,168,884
-	-	-	-	-	17,383	17,383
-	-	-	-	-	19,906	2,628,411
1,659	5,604	746	125	82	7,173	17,816
-	-	-	-	-	24,217	33,266
218,529	660,763	62,765	2,154	8,393	1,030,264	4,865,760
-	-	-	-	-	-	1,854,906
-	-	-	-	-	-	52,290
254,472	326,151	19,739	507	2,078	-	1,308,711
-	-	-	-	-	1,118,771	1,118,771
-	-	-	-	-	5,857	7,012
66,000	157,842	-	-	1,196	-	225,038
-	7,063	-	-	-	-	7,063
320,472	491,056	19,739	507	3,274	1,124,628	4,573,791
(101,943)	169,707	43,026	1,647	5,119	(94,364)	291,969
106,245	-	-	-	-	-	106,245
-	-	-	-	-	45,048	47,440
(41,929)	-	-	-	-	(25,000)	(66,929)
64,316	-	-	-	-	20,048	86,756
(37,627)	169,707	43,026	1,647	5,119	(74,316)	378,725
77,639	137,492	17,082	9,053	952	899,354	1,379,840
\$ 40,012	\$ 307,199	\$ 60,108	\$ 10,700	\$ 6,071	\$ 825,038	\$ 1,758,565

CITY OF FREEPORT, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Intergovernmental	\$ 595,150	\$ 654,615
Interest	1,300	1,705
Miscellaneous	9,500	9,049
Total Revenues	<u>605,950</u>	<u>665,369</u>
Expenditures		
Current		
Public Works	527,000	486,036
Capital Outlay	1,200	1,155
Total Expenditures	<u>528,200</u>	<u>487,191</u>
Excess of Revenues Over Expenditures	<u>77,750</u>	<u>178,178</u>
Other Financing Sources		
Transfers In	-	1,155
Net Change in Fund Balance	<u>\$ 77,750</u>	179,333
Fund Balance - Beginning		<u>92,598</u>
Fund Balance - Ending		<u>\$ 271,931</u>

CITY OF FREEPORT, ILLINOIS

Tourism Promotion - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 250,000	\$ 262,911
Interest	600	684
Total Revenues	<u>250,600</u>	<u>263,595</u>
Expenditures		
General Government	<u>238,780</u>	<u>238,780</u>
Net Change in Fund Balance	<u><u>\$ 11,820</u></u>	24,815
Fund Balance - Beginning		<u>89,078</u>
Fund Balance - Ending		<u><u>\$ 113,893</u></u>

CITY OF FREEPORT, ILLINOIS

Grant Fund - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Intergovernmental	\$ 2,310,115	\$ 1,938,466
Expenditures		
General Government	1,910,686	1,616,126
Public Safety	63,056	37,153
Public Works	222,493	219,728
Total Expenditures	2,196,235	1,873,007
Excess of Revenues Over Expenditures	113,880	65,459
Other Financing Sources		
Transfers In	50,801	1,237
Net Change in Fund Balance	\$ 164,681	66,696
Fund Balance - Beginning		22,685
Fund Balance - Ending		\$ 89,381

CITY OF FREEPORT, ILLINOIS

Drug Forfeiture - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Intergovernmental	\$ 20,000	\$ 15,424
Expenditures		
Public Safety	20,000	13,518
Net Change in Fund Balance	<u>\$ -</u>	1,906
Fund Balance - Beginning		<u>30,366</u>
Fund Balance - Ending		<u>\$ 32,272</u>

CITY OF FREEPORT, ILLINOIS

Fire Public Safety - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Interest	\$ 30	\$ 38
Expenditures		
Public Safety		
Contractual Services	1,620	1,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,590)	(1,581)
Other Financing Sources		
Transfers In	1,590	-
Net Change in Fund Balance	\$ -	(1,581)
Fund Balance - Beginning		3,541
Fund Balance - Ending		\$ 1,960

CITY OF FREEPORT, ILLINOIS

Downtown T.I.F. District - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 216,870	\$ 216,870
Interest	1,500	1,659
Total Revenues	<u>218,370</u>	<u>218,529</u>
Expenditures		
Public Works		
Contractual Services	215,030	254,472
Debt Service		
Principal	-	66,000
Total Expenditures	<u>215,030</u>	<u>320,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,340</u>	<u>(101,943)</u>
Other Financing Sources (Uses)		
Debt Proceeds	-	106,245
Transfers In	69,000	-
Transfers Out	(41,929)	(41,929)
Total Other Financing Sources (Uses)	<u>27,071</u>	<u>64,316</u>
Net Change in Fund Balance	<u>\$ 30,411</u>	<u>(37,627)</u>
Fund Balance - Beginning		<u>77,639</u>
Fund Balance - Ending		<u>\$ 40,012</u>

CITY OF FREEPORT, ILLINOIS

Lamm Road T.I.F. District - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 655,160	\$ 655,159
Interest	4,600	5,604
Total Revenues	659,760	660,763
Expenditures		
Public Works		
Contractual Services	297,545	326,151
Debt Service		
Principal	157,842	157,842
Interest and Fiscal Charges	7,063	7,063
Total Expenditures	462,450	491,056
Net Change in Fund Balance	\$ 197,310	169,707
Fund Balance - Beginning		137,492
Fund Balance - Ending		\$ 307,199

CITY OF FREEPORT, ILLINOIS

West Ave. T.I.F. District - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 62,020	\$ 62,019
Interest	590	746
Total Revenues	<u> 62,610</u>	<u> 62,765</u>
Expenditures		
Public Works		
Contractual Services	<u> 20,605</u>	<u> 19,739</u>
Net Change in Fund Balance	<u><u> \$ 42,005</u></u>	43,026
Fund Balance - Beginning		<u> 17,082</u>
Fund Balance - Ending		<u><u> \$ 60,108</u></u>

CITY OF FREEPORT, ILLINOIS

Burchard Hills T.I.F. District - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 2,030	\$ 2,029
Interest	100	125
Total Revenues	<u>2,130</u>	<u>2,154</u>
Expenditures		
Public Works		
Contractual Services	<u>510</u>	<u>507</u>
Net Change in Fund Balance	<u><u>\$ 1,620</u></u>	1,647
Fund Balance - Beginning		<u>9,053</u>
Fund Balance - Ending		<u><u>\$ 10,700</u></u>

CITY OF FREEPORT, ILLINOIS

Meadows T.I.F. District - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 8,315	\$ 8,311
Interest	65	82
Total Revenues	<u>8,380</u>	<u>8,393</u>
Expenditures		
Public Works		
Contractual Services	2,080	2,078
Debt Service		
Principal	1,200	1,196
Total Expenditures	<u>3,280</u>	<u>3,274</u>
Net Change in Fund Balance	<u>\$ 5,100</u>	5,119
Fund Balance - Beginning		<u>952</u>
Fund Balance - Ending		<u>\$ 6,071</u>

CITY OF FREEPORT, ILLINOIS

Public Library - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 961,585	\$ 961,585
Licenses, Permits and Fees	16,500	17,383
Intergovernmental	19,906	19,906
Interest	5,030	7,173
Miscellaneous	30,285	24,217
Total Revenues	<u>1,033,306</u>	<u>1,030,264</u>
Expenditures		
Culture and Recreation		
Personnel	719,480	742,851
Contractual Services	215,610	223,937
Commodities	168,731	151,983
Capital Outlay	7,700	5,857
Total Expenditures	<u>1,111,521</u>	<u>1,124,628</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(78,215)</u>	<u>(94,364)</u>
Other Financing Sources (Uses)		
Transfers In	109,700	45,048
Transfers Out	(25,000)	(25,000)
Total Other Financing Sources (Uses)	<u>84,700</u>	<u>20,048</u>
Net Change in Fund Balance	<u>\$ 6,485</u>	(74,316)
Fund Balance - Beginning		<u>899,354</u>
Fund Balance - Ending		<u>\$ 825,038</u>

CITY OF FREEPORT, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Interest	\$ 200	\$ 182
Expenditures		
Debt Service		
Principal	377,524	342,829
Interest and Fiscal Charges	210,230	207,347
Total Expenditures	587,754	550,176
Excess (Deficiency) of Revenues Over (Under) Expenditures	(587,554)	(549,994)
Other Financing Sources		
Transfers In	552,942	516,937
Net Change in Fund Balance	<u>\$ (34,612)</u>	(33,057)
Fund Balance - Beginning		<u>33,057</u>
Fund Balance - Ending		<u>\$ -</u>

CITY OF FREEPORT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2018

	Fire Capital Improvements	Equipment Capital Projects	Totals
ASSETS			
Cash and investments	\$ 248,487	\$ 401,208	\$ 649,695
Receivables - Net of Allowances Accounts	261,343	21,308	282,651
Prepaid items		637	637
Due from Other Funds	-	-	-
	<hr/>		
Total Assets	\$ 509,830	\$ 423,153	\$ 932,983
<hr/>			
LIABILITIES			
Accounts Payable	\$ 21,661	\$ -	\$ 21,661
<hr/>			
FUND BALANCES			
Restricted	-	423,153	423,153
Committed	488,169	-	488,169
Total Fund Balances	488,169	423,153	911,322
<hr/>			
Total Liabilities and Fund Balances	\$ 509,830	\$ 423,153	\$ 932,983
<hr/>			

CITY OF FREEPORT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2018

	Fire Capital Improvements	Equipment Capital Projects	Totals
Revenues			
Licenses, Permits and Fees	\$ 855,229	\$ 12,106	\$ 867,335
Intergovernmental	-	239,354	239,354
Interest	2,407	4,400	6,807
Total Revenues	857,636	255,860	1,113,496
Expenditures			
Capital Outlay	155,004	633,506	788,510
Debt Service			
Principal		38,278	38,278
Interest and Fiscal Charges	-	2,780	2,780
Total Expenditures	155,004	674,564	829,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	702,632	(418,704)	283,928
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	6,140	6,140
Transfers Out	(604,153)	-	(604,153)
Debt Issuance	-	446,835	446,835
Total Other Financing Sources (Uses)	(604,153)	452,975	(151,178)
Net Change in Fund Balances	98,479	34,271	132,750
Fund Balances - Beginning	389,690	388,882	778,572
Fund Balances - Ending	\$ 488,169	\$ 423,153	\$ 911,322

CITY OF FREEPORT, ILLINOIS

Fire Capital Improvements - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Licenses, Permits and Fees	\$ 682,000	\$ 855,229
Interest	1,000	2,407
Total Revenues	<u>683,000</u>	<u>857,636</u>
Expenditures		
Capital Outlay		
Contractual Services	62,350	62,980
Buildings	20,000	11,034
Machinery and Equipment	60,000	58,774
Vehicles	33,000	22,216
Total Expenditures	<u>175,350</u>	<u>155,004</u>
Excess of Revenues Over Expenditures	<u>507,650</u>	<u>702,632</u>
Other Financing Sources (Uses)		
Transfers In	15,650	-
Transfers Out	(665,152)	(604,153)
Total Other Financing Sources (Uses)	<u>(649,502)</u>	<u>(604,153)</u>
Net Change in Fund Balance	<u>\$ (141,852)</u>	98,479
Fund Balance - Beginning		<u>389,690</u>
Fund Balance - Ending		<u>\$ 488,169</u>

CITY OF FREEPORT, ILLINOIS

Equipment Capital Projects - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Licenses, Permits and Fees	\$ 9,500	\$ 12,106
Intergovernmental	214,000	239,354
Interest	2,500	4,400
Total Revenues	<u>226,000</u>	<u>255,860</u>
Expenditures		
Capital Outlay	239,150	633,506
Debt Service		
Principal	-	38,278
Interest and Fiscal Charges	-	2,780
Total Expenditures	<u>239,150</u>	<u>674,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,150)</u>	<u>(418,704)</u>
Other Financing Sources		
Disposal of Capital Assets	-	6,140
Debt Issuance	-	446,835
Total Other Financing Sources	<u>-</u>	<u>452,975</u>
Net Change in Fund Balance	<u>\$ (13,150)</u>	34,271
Fund Balance - Beginning		<u>388,882</u>
Fund Balance - Ending		<u>\$ 423,153</u>

CITY OF FREEPORT, ILLINOIS

Cemetery Care - Permanent Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Revenues		
Licenses, Permits and Fees	\$ 2,800	\$ 5,100
Interest	400	675
Total Revenues	<u>3,200</u>	<u>5,775</u>
Net Change in Fund Balance	<u>\$ 3,200</u>	5,775
Fund Balance - Beginning		<u>125,445</u>
Fund Balance - Ending		<u>\$ 131,220</u>

CITY OF FREEPORT, ILLINOIS

Water Department - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 4,972,900	\$ 5,325,463
Operating Expenses		
Operations		
Personnel	1,134,300	942,885
Contractual Services	299,100	335,332
Commodities	581,000	490,415
Miscellaneous	22,000	7,500
Capital Outlay	53,500	18,220
Depreciation	433,240	719,758
Total Operating Expenses	2,523,140	2,514,110
Operating Income	2,449,760	2,811,353
Nonoperating Revenues (Expenses)		
Interest Income	900	904
Other Income	126,500	180,004
Interest Expense	(203,878)	(265,590)
Total Nonoperating Revenues (Expenses)	(76,478)	(84,682)
Income Before Transfers	2,373,282	2,726,671
Transfers Out	(1,776,500)	(1,700,000)
Change in Net Position	\$ 596,782	1,026,671
Net Position - Beginning		25,412,189
Net Position - Ending		\$ 26,438,860

CITY OF FREEPORT, ILLINOIS

Sewer Department - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 3,700,000	\$ 3,551,841
Operating Expenses		
Operations		
Personnel	1,492,100	1,524,965
Contractual Services	414,400	511,220
Commodities	696,000	684,239
Miscellaneous	27,500	7,500
Capital Outlay	11,000	5,819
Depreciation	471,170	1,142,347
Total Operating Expenses	3,112,170	3,876,090
Operating Income	587,830	(324,249)
Nonoperating Revenues (Expenses)		
Interest Income	12,000	12,452
Connection Fees	4,500	3,485
Other Income	79,700	81,893
Interest Expense	(401,649)	(441,174)
Total Nonoperating Revenues (Expenses)	(305,449)	(343,344)
Income Before Transfers	282,381	(667,593)
Transfers In	1,200,000	1,200,000
Change in Net Position	\$ 1,482,381	532,407
Net Position - Beginning		10,754,909
Net Position - Ending		\$ 11,287,316

CITY OF FREEPORT, ILLINOIS

Storm Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 666,000	\$ 711,292
Operating Expenses		
Operations		
Personnel	85,660	89,509
Contractual Services	35,500	40,908
Commodities	10,500	3,676
Miscellaneous	500	-
Depreciation	231,594	220,713
Total Operating Expenses	363,754	354,806
Operating Income	302,246	356,486
Nonoperating Revenues (Expenses)		
Interest Income	60	82
Interest Expense	(239,267)	(236,733)
Total Nonoperating Revenues (Expenses)	(239,207)	(236,651)
Income Before Transfers	63,039	119,835
Transfers In	500,000	500,000
Change in Net Position	\$ 563,039	619,835
Net Position - Beginning		1,329,870
Net Position - Ending		\$ 1,949,705

CITY OF FREEPORT, ILLINOIS

Landfill Closure - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 301,000	\$ 297,748
Operating Expenses		
Operations		
Commodities	220,000	216,061
Operating Income	81,000	81,687
Nonoperating Revenues (Expenses)		
Interest Income	1,700	2,105
Interest Expense	(2,727)	(1,642)
Principal on Debt	(34,705)	-
Total Nonoperating Revenues (Expenses)	(35,732)	463
Change in Net Position	\$ 45,268	82,150
Net Position - Beginning		(4,473,607)
Net Position - Ending		\$ (4,391,457)

CITY OF FREEPORT, ILLINOIS

Health and Environmental - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,435,080	\$ 1,482,809
Operating Expenses		
Operations		
Contractual Services	1,428,495	1,424,460
Operating Income	6,585	58,349
Nonoperating Revenues		
Interest Income	1,800	2,556
Change in Net Position	<u>\$ 8,385</u>	60,905
Net Position - Beginning		<u>557,619</u>
Net Position - Ending		<u>\$ 618,524</u>

CITY OF FREEPORT, ILLINOIS

Foreign Fire Insurance - Private Purpose Trust Fund

Schedule of Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Additions		
Foreign Fire Insurance	\$ 38,000	\$ 32,232
Other Income	-	300
	<u>38,000</u>	<u>32,532</u>
Investment Income		
Interest Earned	<u>100</u>	<u>630</u>
Total Additions	<u>38,100</u>	<u>33,162</u>
Deductions		
Other Charges and Services		
Contractual Services	11,000	5,671
Supplies	16,800	11,800
Capital Outlay	<u>26,567</u>	<u>26,808</u>
Total Deductions	<u>54,367</u>	<u>44,279</u>
Change in Net Position	<u><u>\$ (16,267)</u></u>	(11,117)
Net Position - Beginning		<u>55,729</u>
Net Position - Ending		<u><u>\$ 44,612</u></u>

CITY OF FREEPORT, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

April 30, 2018

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 586,513	\$ 721,084	\$ 1,307,597
Investments			
U.S. Government and Agency Obligations	2,846,712	4,565,487	7,412,199
State and Local Obligations	483,048	713,948	1,196,996
Corporate Obligations	4,342,216	6,498,134	10,840,350
Common Stock	2,018,260	3,348,639	5,366,899
Mutual Funds	12,877,633	18,867,253	31,744,886
Receivables - Net of Allowances			
Accrued Interest	59,630	84,222	143,852
Total Assets	<u>\$ 23,214,012</u>	<u>\$ 34,798,767</u>	<u>\$ 58,012,779</u>
NET POSITION			
Net Position Restricted for Pensions	<u>\$ 23,214,012</u>	<u>\$ 34,798,767</u>	<u>\$ 58,012,779</u>

CITY OF FREEPORT, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended April 30, 2018

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,392,228	\$ 932,393	\$ 2,324,621
Contributions - Plan Members	314,723	295,035	609,758
Other Income	8,807	-	8,807
Total Contributions	1,715,758	1,227,428	2,943,186
Investment Income			
Interest Earned	4,387	2,611	6,998
Net Change in Fair Value	1,610,458	2,639,508	4,249,966
	1,614,845	2,642,119	4,256,964
Less Investment Expenses	(63,425)	(93,199)	(156,624)
Net Investment Income	1,551,420	2,548,920	4,100,340
Total Additions	3,267,178	3,776,348	7,043,526
Deductions			
Administration	25,175	27,279	52,454
Benefits and Refunds	2,564,649	2,785,420	5,350,069
Total Deductions	2,589,824	2,812,699	5,402,523
Change in Fiduciary Net Position	677,354	963,649	1,641,003
Net Position Restricted for Pensions			
Beginning	22,536,658	33,835,118	56,371,776
Ending	\$ 23,214,012	\$ 34,798,767	\$ 58,012,779

CITY OF FREEPORT, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,392,228	\$ 1,392,228
Contributions - Plan Members	283,999	314,723
Other Income	-	8,807
Total Contributions	1,676,227	1,715,758
Investment Income		
Interest Earned	1,500	4,387
Net Change in Fair Value	1,100,000	1,610,458
	1,101,500	1,614,845
Less Investment Expenses	(90,100)	(63,425)
Net Investment Income	1,011,400	1,551,420
Total Additions	2,687,627	3,267,178
Deductions		
Administration	55,000	25,175
Benefits and Refunds	2,690,000	2,564,649
Total Deductions	2,745,000	2,589,824
Change in Fiduciary Net Position	\$ (57,373)	677,354
Net Position Restricted for Pensions		
Beginning		22,536,658
Ending		\$ 23,214,012

CITY OF FREEPORT, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2018

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 932,393	\$ 932,393
Contributions - Plan Members	276,272	295,035
Other Income	-	-
Total Contributions	1,208,665	1,227,428
Investment Income		
Interest Earned	1,641,000	2,611
Net Change in Fair Value	-	2,639,508
	1,641,000	2,642,119
Less Investment Expenses	(110,100)	(93,199)
Net Investment Income	1,530,900	2,548,920
Total Additions	2,739,565	3,776,348
Deductions		
Administration	58,900	27,279
Benefits and Refunds	2,797,000	2,785,420
Total Deductions	2,855,900	2,812,699
Change in Fiduciary Net Position	\$ (116,335)	963,649
Net Position Restricted for Pensions		
Beginning		33,835,118
Ending		\$ 34,798,767

CITY OF FREEPORT, ILLINOIS

Revolving Loan - Agency Fund

Schedule of Changes in Assets and Liabilities

For the Fiscal Year Ended April 30, 2018

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 300,442	\$ 25,957	\$ -	\$ 326,399
Receivables - Net of Allowances				
Loans	168,948	-	17,179	151,769
Total Assets	<u>\$ 469,390</u>	<u>\$ 25,957</u>	<u>\$ 17,179</u>	<u>\$ 478,168</u>
LIABILITIES				
Due to Others	<u>\$ 469,390</u>	<u>\$ 10,162</u>	<u>\$ 1,384</u>	<u>\$ 478,168</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2013A

April 30, 2018

Date of Issue	April 23, 2013
Date of Maturity	January 1, 2028
Authorized Issue	\$ 1,020,000
Denomination of Bonds	\$ 5,000
Interest Rates	1.00% to 3.15%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	U.S. Bank National Association

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2019	\$ 70,000	\$ 20,475	\$ 90,475	2017	\$ 10,238	2018	\$ 10,237
2020	70,000	19,075	89,075	2018	9,538	2019	9,537
2021	70,000	17,675	87,675	2019	8,838	2020	8,837
2022	70,000	15,995	85,995	2020	7,998	2021	7,997
2023	75,000	14,315	89,315	2021	7,158	2022	7,157
2024	75,000	12,215	87,215	2022	6,108	2023	6,107
2025	80,000	10,115	90,115	2023	5,058	2024	5,057
2026	80,000	7,875	87,875	2024	3,938	2025	3,937
2027	85,000	5,355	90,355	2025	2,678	2026	2,677
2028	85,000	2,678	87,678	2026	1,339	2027	1,339
	<u>\$ 760,000</u>	<u>\$ 125,773</u>	<u>\$ 885,773</u>		<u>\$ 62,891</u>		<u>\$ 62,882</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2014A

April 30, 2018

Date of Issue	September 25, 2014
Date of Maturity	December 1, 2024
Authorized Issue	\$6,760,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank National Association

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2019	\$ 650,000	\$ 133,675	\$ 783,675	2018	\$ 66,838	2018	\$ 66,837
2020	655,000	120,675	775,675	2019	60,338	2019	60,337
2021	680,000	104,300	784,300	2020	52,150	2020	52,150
2022	690,000	87,300	777,300	2021	43,650	2021	43,650
2023	720,000	66,600	786,600	2022	33,300	2022	33,300
2024	735,000	45,000	780,000	2023	22,500	2023	22,500
2025	765,000	22,950	787,950	2024	11,475	2024	11,475
	<u>\$ 4,895,000</u>	<u>\$ 580,500</u>	<u>\$ 5,475,500</u>		<u>\$ 290,251</u>		<u>\$ 290,249</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2014B

April 30, 2018

Date of Issue	November 4, 2014
Date of Maturity	December 1, 2029
Authorized Issue	\$ 6,760,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank National Association

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2019	\$ 35,000	\$ 198,182	\$ 233,182	2018	\$ 99,091	2018	\$ 99,091
2020	40,000	197,482	237,482	2019	98,741	2019	98,741
2021	40,000	196,602	236,602	2020	98,301	2020	98,301
2022	40,000	195,722	235,722	2021	97,861	2021	97,861
2023	40,000	194,842	234,842	2022	97,421	2022	97,421
2024	40,000	193,723	233,723	2023	96,861	2023	96,862
2025	45,000	192,603	237,603	2024	96,301	2024	96,302
2026	910,000	191,343	1,101,343	2025	95,671	2025	95,672
2027	950,000	154,943	1,104,943	2026	77,471	2026	77,472
2028	985,000	116,943	1,101,943	2027	58,471	2027	58,472
2029	1,020,000	77,543	1,097,543	2028	38,771	2028	38,772
2030	1,065,000	36,743	1,101,743	2029	18,371	2029	18,372
	<u>\$ 5,210,000</u>	<u>\$ 1,946,671</u>	<u>\$ 7,156,671</u>		<u>\$ 973,332</u>		<u>\$ 973,339</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2015A

April 30, 2018

Date of Issue	November 12, 2015
Date of Maturity	January 1, 2034
Authorized Issue	\$ 9,530,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% to 4.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	U.S. Bank National Association

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2019	\$ 500,000	\$ 304,825	\$ 804,825	2018	\$ 152,413	2018	\$ 152,412
2020	510,000	292,325	802,325	2019	146,163	2019	146,162
2021	520,000	279,575	799,575	2020	139,788	2020	139,787
2022	535,000	263,975	798,975	2021	131,988	2021	131,987
2023	560,000	247,925	807,925	2022	123,963	2022	123,962
2024	570,000	231,125	801,125	2023	115,563	2023	115,562
2025	540,000	214,025	754,025	2024	107,013	2024	107,012
2026	555,000	198,365	753,365	2025	99,183	2025	99,182
2027	575,000	176,165	751,165	2026	88,083	2026	88,082
2028	605,000	153,165	758,165	2027	76,583	2027	76,582
2029	625,000	128,965	753,965	2028	64,483	2028	64,482
2030	485,000	103,965	588,965	2029	51,983	2029	51,982
2031	510,000	84,565	594,565	2030	42,283	2030	42,282
2032	530,000	64,166	594,166	2031	32,083	2031	32,083
2033	545,000	42,965	587,965	2032	21,483	2032	21,482
2034	570,000	22,800	592,800	2033	11,400	2033	11,400
	<u>\$ 8,735,000</u>	<u>\$ 2,808,896</u>	<u>\$ 11,543,896</u>		<u>\$ 1,404,455</u>		<u>\$ 1,404,441</u>
	\$ 1,659,650	\$ 533,690	\$ 2,193,340	Debt Service			
	436,750	140,445	577,195	Sewer Department			
	<u>6,638,600</u>	<u>2,134,761</u>	<u>8,773,361</u>	Storm Sewer			
	<u>\$ 8,735,000</u>	<u>\$ 2,808,896</u>	<u>\$ 11,543,896</u>	Total			

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2016

April 30, 2018

Date of Issue	June 2, 2016
Date of Maturity	January 1, 2036
Authorized Issue	\$ 2,490,000
Denomination of Bonds	\$ 5,000
Interest Rates	1.85% to 4.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	U.S. Bank National Association

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2019	\$ 110,000	\$ 73,915	\$ 183,915	2018	\$ 36,958	2019	\$ 36,957
2020	110,000	71,715	181,715	2019	35,858	2020	35,857
2021	115,000	69,515	184,515	2020	34,758	2021	34,757
2022	115,000	67,387	182,387	2021	33,694	2022	33,693
2023	120,000	65,260	185,260	2022	32,630	2023	32,630
2024	120,000	62,620	182,620	2023	31,310	2024	31,310
2025	125,000	59,980	184,980	2024	29,990	2025	29,990
2026	125,000	56,855	181,855	2025	28,428	2026	28,427
2027	130,000	53,730	183,730	2026	26,865	2027	26,865
2028	130,000	50,090	180,090	2027	25,045	2028	25,045
2029	135,000	46,450	181,450	2028	23,225	2029	23,225
2030	140,000	42,400	182,400	2029	21,200	2030	21,200
2031	140,000	38,200	178,200	2030	19,100	2031	19,100
2032	150,000	32,600	182,600	2031	16,300	2032	16,300
2033	155,000	26,600	181,600	2032	13,300	2033	13,300
2034	165,000	20,400	185,400	2033	10,200	2034	10,200
2035	170,000	13,800	183,800	2034	6,900	2035	6,900
2036	175,000	7,000	182,000	2035	3,500	2036	3,500
	<u>\$ 2,430,000</u>	<u>\$ 858,517</u>	<u>\$ 3,288,517</u>		<u>\$ 429,261</u>		<u>\$ 429,256</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2001

April 30, 2018

Date of Issue	November 6, 2001
Date of Maturity	March 31, 2022
Authorized Issue	\$ 135,000
Interest Rates	5.71%
Interest Dates	Monthly
Principal Maturity Date	Monthly
Payable at	U.S. Bank

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 9,595	\$ 1,817	\$ 11,412
2020	10,158	1,254	11,412
2021	10,753	659	11,412
2022	6,455	96	6,551
	<u>\$ 36,961</u>	<u>\$ 3,826</u>	<u>\$ 40,787</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2002

April 30, 2018

Date of Issue	January 28, 2002
Date of Maturity	January 31, 2022
Authorized Issue	\$ 73,850
Interest Rates	5.37%
Interest Dates	Monthly
Principal Maturity Date	Monthly
Payable at	U.S. Bank

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 5,134	\$ 938	\$ 6,072
2020	5,415	657	6,072
2021	5,713	359	6,072
2022	3,631	65	3,696
	<u>\$ 19,893</u>	<u>\$ 2,019</u>	<u>\$ 21,912</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2010

April 30, 2018

Date of Issue	April 28, 2010
Date of Maturity	April 28, 2020
Authorized Issue	\$ 325,000
Interest Rates	2.77%
Interest Dates	April 28 and October 28
Principal Maturity Date	April 28
Payable at	U.S. Bank

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 35,673	\$ 1,759	\$ 37,432
2020	36,644	764	37,408
	<u>\$ 72,317</u>	<u>\$ 2,523</u>	<u>\$ 74,840</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2014

April 30, 2018

Date of Issue	August 4, 2014
Date of Maturity	August 22, 2019
Authorized Issue	\$ 540,000
Interest Rates	1.66%
Interest Dates	Quarterly
Principal Maturity Date	Quarterly
Payable at	U.S. Bancorp Government Leasing and Finance, Inc.

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 110,687	\$ 2,081	\$ 112,768
2020	56,037	349	56,386
	<u>\$ 166,724</u>	<u>\$ 2,430</u>	<u>\$ 169,154</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2017

April 30, 2018

Date of Issue	February 16, 2017
Date of Maturity	March 31, 2021
Authorized Issue	\$ 155,000
Interest Rates	0.00%
Principal Maturity Date	March 31
Payable at	Northern Illinois Service Co.

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 31,000	\$ -	\$ 31,000
2020	31,000	-	31,000
2021	31,000	-	31,000
	<u>\$ 93,000</u>	<u>\$ -</u>	<u>\$ 93,000</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2018

April 30, 2018

Date of Issue	September 1, 2017
Date of Maturity	September 1, 2019
Authorized Issue	\$ 106,245
Interest Rates	0.00%
Principal Maturity Date	September 1
Payable at	Faulkner Construction Inc.

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements		
	Principal	Interest	Totals
2019	\$ 35,623	\$ -	\$ 35,623
2020	35,622	-	35,622
	<u>\$ 71,245</u>	<u>\$ -</u>	<u>\$ 71,245</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Clean Water SRF Loan Payable of 2011

April 30, 2018

Date of Issue	November 8, 2011
Date of Maturity	August 21, 2034
Authorized Issue	\$ 9,178,363
Interest Rates	1.25%
Interest Dates	February 18 and August 18
Principal Maturity Date	February 18 and August 18
Payable at	Illinois Environmental Protection Agency

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 18	Amount	Feb. 18	Amount
2019	\$ 330,401	\$ 74,156	\$ 404,557	2018	\$ 37,593	2019	\$ 36,563
2020	334,543	70,014	404,557	2019	35,528	2020	34,486
2021	338,738	65,819	404,557	2020	33,437	2021	32,382
2022	342,985	61,572	404,557	2021	31,320	2022	30,252
2023	347,286	57,271	404,557	2022	29,176	2023	28,095
2024	351,641	52,916	404,557	2023	27,006	2024	25,910
2025	356,050	48,507	404,557	2024	24,808	2025	23,699
2026	360,515	44,042	404,557	2025	22,583	2026	21,459
2027	365,035	39,522	404,557	2026	20,330	2027	19,192
2028	369,612	34,945	404,557	2027	18,048	2028	16,897
2029	374,247	30,310	404,557	2028	15,738	2029	14,572
2030	378,940	25,617	404,557	2029	13,399	2030	12,218
2031	383,691	20,866	404,557	2030	11,031	2031	9,835
2032	388,502	16,055	404,557	2031	8,633	2032	7,422
2033	393,374	11,183	404,557	2032	6,204	2033	4,979
2034	398,306	6,251	404,557	2033	3,746	2034	2,505
2035	201,022	1,256	202,278	2034	1,256	2035	-
	<u>\$ 6,014,888</u>	<u>\$ 660,302</u>	<u>\$ 6,675,190</u>		<u>\$ 339,836</u>		<u>\$ 320,466</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Drinking Water SRF Loan Payable of 2011

April 30, 2018

Date of Issue	November 8, 2011
Date of Maturity	July 15, 2034
Authorized Issue	\$ 9,452,726
Interest Rates	1.25%
Interest Dates	January 15 and July 15
Principal Maturity Date	January 15 and July 15
Payable at	Illinois Environmental Protection Agency

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 15	Amount	Jan. 15	Amount
2019	\$ 331,496	\$ 74,402	\$ 405,898	2018	\$ 37,718	2019	\$ 36,684
2020	335,652	70,246	405,898	2019	35,646	2020	34,600
2021	339,861	66,037	405,898	2020	33,548	2021	32,489
2022	344,122	61,776	405,898	2021	31,424	2022	30,352
2023	348,438	57,460	405,898	2022	29,273	2023	28,187
2024	352,807	53,091	405,898	2023	27,095	2024	25,996
2025	357,231	48,667	405,898	2024	24,890	2025	23,777
2026	361,710	44,188	405,898	2025	22,658	2026	21,530
2027	366,245	39,653	405,898	2026	20,397	2027	19,256
2028	370,838	35,060	405,898	2027	18,108	2028	16,952
2029	375,488	30,410	405,898	2028	15,790	2029	14,620
2030	380,196	25,702	405,898	2029	13,443	2030	12,259
2031	384,963	20,935	405,898	2030	11,067	2031	9,868
2032	389,790	16,108	405,898	2031	8,661	2032	7,447
2033	394,678	11,220	405,898	2032	6,225	2033	4,995
2034	399,627	6,271	405,898	2033	3,758	2034	2,513
2035	201,688	1,261	202,949	2034	1,261	2035	-
	<u>\$ 6,034,830</u>	<u>\$ 662,487</u>	<u>\$ 6,697,317</u>		<u>\$ 340,962</u>		<u>\$ 321,525</u>

CITY OF FREEPORT, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Water Distribution System Loan Payable of 2015

April 30, 2018

Date of Issue	October 27, 2015
Date of Maturity	August 28, 2037
Authorized Issue	\$ 7,948,588
Interest Rates	1.86%
Interest Dates	February 28 and August 28
Principal Maturity Date	February 28 and August 28
Payable at	Illinois Environmental Protection Agency

Current and Long-Term Principal and Interest Requirements

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 28	Amount	Feb. 28	Amount
2019	\$ 232,330	\$ 99,474	\$ 331,804	2018	\$ 50,275	2019	\$ 49,199
2020	236,672	95,132	331,804	2019	48,114	2020	47,018
2021	241,094	90,710	331,804	2020	45,913	2021	44,797
2022	245,600	86,204	331,804	2021	43,670	2022	42,534
2023	250,189	81,615	331,804	2022	41,386	2023	40,229
2024	254,864	76,940	331,804	2023	39,060	2024	37,880
2025	259,627	72,177	331,804	2024	36,689	2025	35,488
2026	264,478	67,326	331,804	2025	34,275	2026	33,051
2027	269,420	62,384	331,804	2026	31,816	2027	30,568
2028	274,455	57,349	331,804	2027	29,309	2028	28,040
2029	279,583	52,221	331,804	2028	26,758	2029	25,463
2030	284,808	46,996	331,804	2029	24,157	2030	22,839
2031	290,130	41,674	331,804	2030	21,508	2031	20,166
2032	295,551	36,253	331,804	2031	18,811	2032	17,442
2033	301,074	30,730	331,804	2032	16,062	2033	14,668
2034	306,700	25,104	331,804	2033	13,262	2034	11,842
2035	312,432	19,372	331,804	2034	10,409	2035	8,963
2036	318,270	13,534	331,804	2035	7,503	2036	6,031
2037	324,217	7,587	331,804	2036	4,544	2037	3,043
2038	164,373	1,531	165,904	2037	1,531	2038	-
	<u>\$ 5,405,867</u>	<u>\$ 1,064,313</u>	<u>\$ 6,470,180</u>		<u>\$ 545,052</u>		<u>\$ 519,261</u>