

CITY OF DECATUR, ILLINOIS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

Fiscal Year Ended April 30, 2009

Prepared and Issued by
The Financial Management Department

RON E. NEUFELD
Director of Financial Management

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CITY OF DECATUR ILLINOIS

#1 GARY K. ANDERSON PLAZA

DECATUR, ILLINOIS 62523-1196

October 21, 2009

Honorable Mayor and City Council
City of Decatur
Decatur, Illinois 62523

The Comprehensive Annual Financial Report of the City of Decatur, Illinois for the year ended April 30, 2009, is hereby submitted. This report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2008-2009 and the financial condition of the various funds at April 30, 2009. This report was prepared by the City's Department of Financial Management. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all the disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial reporting entity includes all of the funds of the primary government (the City of Decatur as legally defined), as well as all of its component units. We have addressed all potential component units. We have determined that DCDF, Inc. although a legally separate entity is part of the City's operations and should be included as part of the primary government. Accordingly, DCDF, Inc. is reported as an enterprise fund of the City. We have determined that the Civic Center Authority is fiscally dependent upon the City and is discretely presented in the financial statements. See Note 1-A for a more detailed explanation of the blended and discretely presented component units.

The City of Decatur was incorporated in 1836, and since 1971 has operated as a home rule unit of local government pursuant to the Illinois Constitution. The City has a managerial form of government, under which the elected Mayor and City Council discharge the legislative function and establish municipal policy, and an appointed City Manager is responsible for all administrative functions. The City provides the full range of municipal services contemplated, by state or character. This includes police, fire, water, streets, public improvements, planning, zoning, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

Unemployment Figures

	<u>April 2005</u>	<u>April 2006</u>	<u>April 2007</u>	<u>April 2008</u>	<u>April 2009</u>
Decatur Metro Area	6.0%	6.1%	5.2%	5.7%	9.8%
State	5.8%	5.0%	4.8%	5.4%	9.4%
National	5.2%	4.7%	4.5%	5.0%	9.0%

While the overall rate in the Decatur Metro Area is slightly higher than the state and national economy, many of those currently unemployed are a result of a temporary layoff by one of Decatur's largest employers. The expectation is that these employees will be called back.

Wabash Crossing had its official groundbreaking in October 2003. The Hope VI project has been in the development stage since 1999 when the federal government awarded the Decatur Housing Authority a \$35 million Hope VI grant. The City of Decatur has contributed millions of dollars to the project by purchasing over 400 blighted and neglected homes and demolishing them. The vacant land, in excess of 120 acres, has been contributed to the Wabash Crossing project. The City, Decatur Housing Authority and East Lake Management and Development Corp. have entered into a three party agreement to build a multimillion dollar Wabash Crossing housing development on the City's near north side. The vision is to rebuild the area using a combination of mixed income housing and retail businesses that will attract a diverse population.

Phase I of Wabash Crossing, which included 206 rental units, was completed in 2005. City officials estimate that this development will bring in more than \$115 million in new community investment. Funded in part through a \$34.5 million Hope VI grant from the U.S. Department of Housing and Urban Development, the plan is expected to bring a brand new community to a part of the City just north of the central business district through the addition of more than 600 new homes, retail and social service options. Additionally, the Decatur School District built a new school in the neighborhood as part of its \$27 million capital improvement program.

Phase II, which is now complete, is the continuation of redeveloping the Near North neighborhood with a mixed-use development including single, duplex, fourplex and multi-family units. Of the total units, 175 rental units will be located in 38 buildings and 27 owner-occupied units will house single-family residences. Phase III, which is nearing completion, includes 90 units in 30 building of five different types over a development site of approximately 21.5 acres.

Cancer Care Specialists of Central Illinois and Decatur Memorial Hospital are nearing completion of a 55,400 square foot facility, which will unite outpatient radiation oncology, medical oncology, medical imaging, and cancer research under one roof. The original estimated cost at the start of the project was \$15.0 million.

St. Mary's Hospital is completing a 35,000 square foot addition to the existing building, which will contain a new lobby, gift shop, chapel, and outpatient services. The estimated cost of the project was \$17.0 million. This is the first phase of a multi-year project that will encompass approximately 100,000 square feet in newly constructed and renovated space, and will cost about \$35.0 million.

The City Council approved a downtown redevelopment project by Reynolds Development, LLC to build a new 95,000 square foot structure, which will be used for office, retail and commercial development. The proposed project was expected to exceed \$12.4 million, and is expected to spark \$20.0 million in total public and private reinvestment in downtown Decatur.

Archer Daniel's Midland in partnership with the Midwest Geological Sequestration Consortium, are just completing the first large-scale carbon dioxide injection well in the United States for CO₂ sequestration, more than a mile beneath the earth's surface. The estimated cost of the project is \$84.3 million and is expected to create 250 full-time jobs.

Star Tek call center has made the decision to add 300 new employees and take the facility's workforce from 270 to nearly 600 employees, which will make Star Tek one of Decatur's larger employers. The facility opened its doors in 2003, and is currently providing wireless customer service for one of the largest U.S. telecommunications companies.

Caterpillar Inc. has announced that its off-highway truck production will expand in the Decatur plant. Five facilities in Illinois will be affected as a part of a \$1.0 billion investment from 2008 to 2010.

Caterpillar and Secure Energy, LLC have begun construction of a new coal-to-syngas plant in Decatur. The new facility, which plans to make natural gas from coal, is due to come on line by 2011. Secure Energy expects the facility to consume up to 600,000 tons of coal annually. The technology will provide a stable domestic supply of natural gas. The cost of construction is estimated to be \$550 million and will create 60 full-time jobs in addition to construction jobs and supporting jobs in trucking and mining.

Primrose Retirement, a senior retirement community, has completed construction in Decatur. The development includes a 68-unit independent and assisted living two-story apartment building with exterior garages, and 25 independent living villa units with attached garages providing housing for seniors.

The former Wagner Castings/Internet foundry site has been sold to a group of Pennsylvania-based investors. They have a background in brownfields redevelopment and environmental clean-up. It is expected that the cleanup will cost \$2.0 million and when it is completed, the property will be redeveloped.

MAJOR INITIATIVES

The City of Decatur continues to have a very aggressive capital improvement program. Some of the infrastructure projects and programs for 2008-09, which total more than \$16.4 million, include:

Street Repairs and Maintenance	\$ 9,461,000
General Capital Projects	336,000
Equipment Replacement	2,368,000
Sewer Repairs	1,064,000
Dredging Lake Decatur	1,146,000
Water Plant Improvements	1,646,000
Lake and Distribution Improvements	369,000

As can be seen, the City Council has dedicated substantial funds to maintain and improve its infrastructure, including water system improvements, street and road repairs, drainage improvements and sewer repairs. They have also been diligent to replace other equipment as needed.

FINANCIAL INFORMATION

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operation of the funds is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and as applicable, expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities, in accordance with special regulations, restrictions, or limitations.

Brief Overview of City Funds

Funds are arranged as follows:

- I. MAJOR GOVERNMENTAL FUNDS
 - A. General Fund
 - B. Library Fund
- II. NON-MAJOR GOVERNMENTAL FUNDS
 - A. Special Revenue Funds
 - B. Debt Service Funds
 - C. Capital Projects Funds

III. MAJOR PROPRIETARY FUNDS

- A. Water Fund
- B. Mass Transit Fund
- C. Hotel Fund

IV. NON-MAJOR PROPRIETARY FUNDS

V. INTERNAL SERVICE FUNDS

VI. FIDUCIARY FUNDS

VII. COMPONENT UNIT

- A. Civic Center Authority

City-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by most businesses.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the City-wide financial statements. Proprietary and Fiduciary funds use the accrual basis of accounting.

As a part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Independent Auditor's Report, providing an assessment of the City finances for 2009 and a comparison, where available, to performance in 2008, a description of significant capital asset and long-term debt activity during the year and analysis of resources available for the future.

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Single Audit

As a recipient of federal and state financial assistance, we are responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management and internal audit.

As a part of the City's single audit, which was described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City complied with applicable laws and regulations. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general, special revenue, capital projects, internal service, and enterprise funds except for Motor Fuel Tax, Debt Service, DCDF Inc., and the non-tax levy portion of Fire and Police Pension Funds are included in the annual appropriated budget. Supplemental appropriations recommended by staff must be approved by the Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is by division within the General Fund; by similar divisions within the Water Fund; and at the fund level for all other funds. Therefore, expenditures within a given fund cannot legally exceed appropriations at these levels. The City also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Estimated purchase amounts are first compared to the available appropriations prior to the release of purchase orders to vendors and outstanding purchase orders are subtracted from the available appropriations on the monthly report. All unexpended encumbrances lapse at year end and must be re-appropriated in the subsequent year's budget. As demonstrated by the statements and schedules included in the financial section of the report, the City continues to meet its responsibility for sound financial management.

CASH MANAGEMENT

As of April 30, 2009 approximately 100 percent of the idle but obligated funds were invested to interest-bearing securities. The City has adopted formal investment policies and procedures as required by state statutes and approved by the City Council. The City's investment policy also established maximum limits for investments in non-collateralized certificates of deposit, and money market accounts. The City has also entered into joint custody agreements with the five largest banks in the City. These institutions have agreed to place a specified amount of U.S. government securities as collateral for the City's bank deposits at the Federal Reserve banks in Chicago and St. Louis, and are in the City's name. The participating banks may not reduce the pledged investments in these accounts without written approval of the City. The City's investment policy provides for the limited investment in commercial paper in only the top rated commercial paper issued by major corporations.

The City operates a pooled cash and investment program where similar funds are recorded in one bank account, which allows for larger investments with slightly longer maturities. This results in higher investment earnings for those funds with relatively small average cash balances. Monthly interest income earned by each pool is distributed to the individual funds based upon its average daily cash balance.

RISK MANAGEMENT

Decatur is self insured for comprehensive general liability, employee dishonesty, automotive, property damage, workers compensation, medical and unemployment compensation. The self insurance fund is used by the City to pay the costs of the self insurance program. Resources accumulate in this fund for payment of claims. In addition, various safety and risk control techniques including accident and prevention training have been implemented during the year to help minimize accident related losses.

OTHER INFORMATION

Independent Audit

State statutes require an audit by independent certified public accountants. The audit was performed by Clifton Gunderson LLP. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act and the related U.S. Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the Single Audit section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Decatur for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2008. This was the thirty-sixth consecutive year that the City of Decatur has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Use of the Report

The GFOA reports a growing awareness that the annual financial report should be management's report to its governing body, constituents, oversight bodies, resource providers, investors and creditors. We agree with this direction, and in keeping with past practices will send a copy of the report to the City's elected officials, City senior management personnel, bond rating agencies, bond depositories, the City's library, and other agencies, such as, financial institutions and governmental agencies which have expressed an interest in Decatur's financial affairs.

In addition to the vast amount of financial information presented, there is included herein a Statistical Section containing comprehensive data which relates to the financial condition of the entire governmental structure of Decatur. There is also a section referred to as Management's Discussion and Analysis which provides additional information about the past year in the city. While it is not filled with detailed financial statements, it does give a clearer picture of what has taken place over the past year. Use of this report by the elected officials and department directors of the City is encouraged when furnishing information in a uniform manner on a nationwide level, making this report more valuable to those desiring information on the financial and operational abilities of the city.

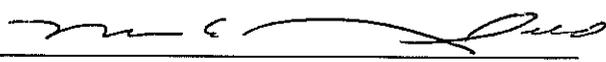
Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Management Department. We would like to express our appreciation to all members of the department who assisted and contributed. A special thank you is to be given to Patricia Hansen, Comptroller, and Donna Rollins, Auditor, for their work with the auditors to ensure that the financial information was received in a timely manner. We would also like to thank the members of the City Council for their interest and support in the planning and conduct of the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Ryan P. McCrady
City Manager



Ron E. Neufeld
Director of Financial Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Decatur
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

OFFICERS AND OFFICIALS

Mayor

Michael T. McElroy (2009-2011)

Council

Adam Brown (2009-2013)

Jerry J. Dawson (2009-2013)

Larry W. Foster (2009-2011)

Patrick S. Laegeler (2007-2011)

Julie Moore-Wolfe (2009-2013)

Dana M. Ray (2009-2011)

City Staff

Ryan P. McCrady
City Manager

Gerard J. Bauer
Assistant City Manager - Administration

John A. Smith
Assistant City Manager - Public Service

Billy Tyus
Assistant City Manager - Public Information

Gregory C. Crowe
Assistant City Manager - Economic & Urban Development

Richard G. Marley, Director
Engineering and Infrastructure Department

Ron E. Neufeld, Director
Financial Management Department

Matthew J. Sekosky, Chief
Fire Department

Wendy L. Morthland, Corporation Counsel
Legal Department

Lee Ann Fisher, Librarian
Library

Kim Bauer, Director
Lincoln Heritage Development

James A. Anderson, Chief
Police Department

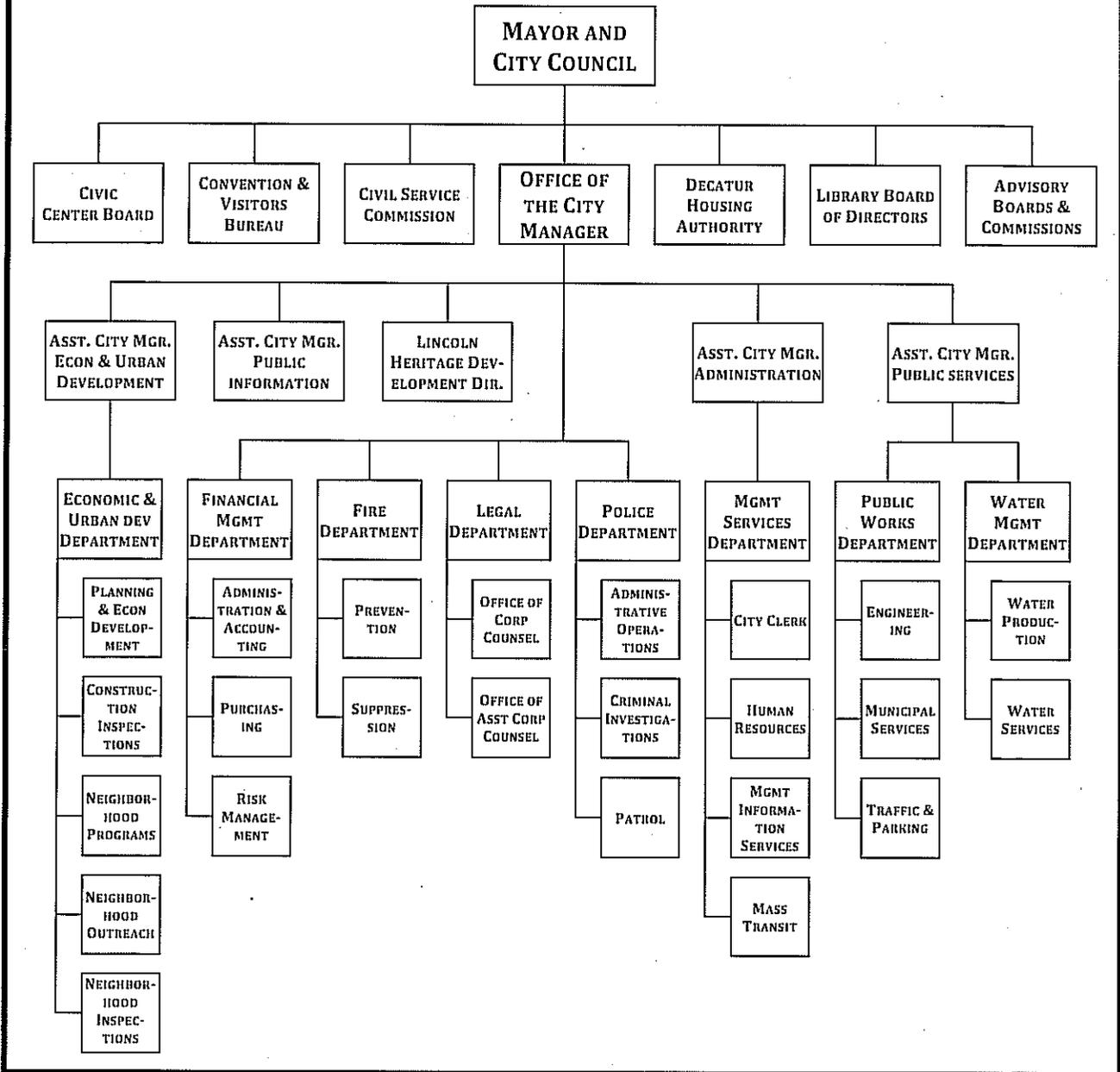
Keith D. Alexander, Director
Water Management Department

Celeste F. Harris
City Clerk

Ron E. Neufeld
Treasurer

City of Decatur, Illinois

Table of Organization



Independent Auditor's Report

The Mayor and City Council
City of Decatur, 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 Decatur, Illinois (City) as of and for the year ended April 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Decatur, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Civic Center Authority, which is included as a discretely presented component unit. These financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such component units, is based solely on the report of other auditors. The financial statements of the Civic Center Authority were not audited in accordance with *Government Auditing Standards*.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Decatur, Illinois as of April 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2009, on our consideration of the City of Decatur, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, schedule of funding progress for Illinois Municipal Retirement Fund, and schedule of employer contributions are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Decatur, Illinois' basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Darville, Illinois
October 21, 2009

CITY OF DECATUR, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2009

As management of the City of Decatur ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2009. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the City's financial statements.

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Director of Financial Management, City of Decatur, #1 Gary K. Anderson Plaza, Decatur, Illinois, 62523.

Financial Highlights

While the national and state economies have fallen on hard times, Decatur continues to enjoy many new projects that promise to create new jobs and hundreds of millions of dollars in new investments in the community.

In 1999 the Decatur Housing Authority received a \$34.8 million HOPE VI grant to demolish the Longview Place public housing development and build a new mixed income community called Wabash Crossing. The plan was to build the new development in three phases. The first phase of 206 rental units and the second phase of 175 units are already complete. Phase III includes 90 units in 30 buildings of five different types over a development site of approximately 21.5 acres. Phase III is nearing completion.

Cancer Care Specialists of Central Illinois and Decatur Memorial Hospital are nearing completion of a 55,400 square foot facility which will unite outpatient radiation oncology, medical oncology, medical imaging, and cancer research under one roof. The original estimated cost of the project was \$15.0 million.

St. Mary's Hospital is completing a 35,000 square foot addition to the existing building which will contain a new lobby, gift shop, chapel, and outpatient services. The estimated cost of the project was \$17.0 million. This is the first phase of the multi-year project that will encompass approximately 100,000 square feet in newly constructed and renovated space, and will cost about \$35.0 million.

A major step in the revitalization of Downtown Decatur has been taken with the construction of the Reynolds Development Project. The 95,000 square foot facility, which will house offices for Regions Bank and Consociate/Dansig, is expected to spark \$20.0 million in total public and private reinvestment in downtown Decatur. The buildings timeless design will help it blend in with other architecture in downtown, and will eventually include a restaurant, two retailers and an executive suite for small businesses.

CITY OF DECATUR, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2009

Archer Daniel's Midland in partnership with the Midwest Geological Sequestration Consortium, are just completing the first large-scale carbon dioxide injection well in the United States for CO₂ sequestration, more than a mile beneath the earth's surface. The estimated cost of the project is \$84.3 million and is expected to create 250 full-time jobs.

Star Tek call center has made the decision to add 300 new employees and take the facility's workforce from 270 to nearly 600 employees, which will make Star Tek one of Decatur's larger employers. The facility opened its doors in 2003, and is currently providing wireless customer service for one of the largest U.S. telecommunications companies.

Caterpillar Inc. has announced that its off-highway truck production will expand in the Decatur plant. Five facilities in Illinois will be affected as a part of a \$1.0 billion investment from 2008 to 2010.

Caterpillar and Secure Energy, LLC have begun construction of a new coal-to-syngas plant in Decatur. The new facility, which plans to make natural gas from coal, is due to come on line by 2011. Secure Energy expects the facility to consume up to 600,000 tons of coal annually. The technology will provide a stable domestic supply of natural gas using the abundant supply of high-sulfur Illinois coal in an extremely low-emissions process. The cost of construction is estimated to be \$550 million and will create 60 full-time jobs in addition to construction jobs and supporting jobs in trucking and mining.

Primrose Retirement, a senior retirement community, has completed construction in Decatur. The development includes a 68-unit independent and assisted living two-story apartment building with exterior garages, and 25 independent living villa units with attached garages providing housing for seniors.

The former Wagner Castings/Intermet foundry site has been sold to a group of Pennsylvania-based investors, which have the collective background in brownfields redevelopment and environmental clean-up. An environmental clean-up of the property, estimated at \$2.0 million, is now underway, and when completed the property will be redeveloped.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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.

The Governmental Activities reflect the City's basic services, including administration, public safety, highways and streets and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

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 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 are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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. 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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The City maintains 16 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 and Library Fund, each considered to be a major fund. Information from the City's 14 other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The City maintains two types of proprietary funds (enterprise and internal service funds). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, parking, mass transit, various housing programs, waste removal, and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet maintenance, self-insurance, management information services and equipment replacement. Because each of these services predominantly benefits governmental rather than business-type functions, they have been primarily included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Water Fund, the Mass Transit Fund, and the Hotel Fund, all of which are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. 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 similar to that used by proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the City's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

The following chart reflects the condensed statement of net assets (in millions):

	<u>Governmental Activities</u> <u>2009</u>	<u>Business-Type Activities</u> <u>2009</u>	<u>Total Primary Government</u> <u>2009</u>
Assets:			
Current & other assets	\$ 46.1	\$ 29.4	\$ 75.5
Capital assets	75.3	62.0	137.3
Total assets	121.4	91.4	212.8
Liabilities:			
Current liabilities	28.2	2.2	30.4
Long-term liabilities	52.2	12.2	64.4
Total liabilities	80.4	14.4	94.8
Net Assets:			
Invested in capital assets, net	17.3	56.7	74.0
Unrestricted	23.7	20.3	44.0
Total Net Assets	\$ 41.0	\$ 77.0	\$ 118.0
	<u>Governmental Activities</u> <u>2008</u>	<u>Business-Type Activities</u> <u>2008</u>	<u>Total Primary Government</u> <u>2008</u>
Assets:			
Current & other assets	\$ 43.8	\$ 28.5	\$ 72.3
Capital assets	75.3	71.5	146.8
Total assets	119.1	100.0	219.1
Liabilities:			
Current liabilities	29.5	2.8	32.3
Long-term liabilities	46.2	12.6	58.8
Total liabilities	75.7	15.4	91.1
Net Assets:			
Invested in capital assets, net	59.3	59.4	118.7
Unrestricted	(15.9)	25.2	9.3
Total Net Assets	\$ 43.4	\$ 84.6	\$ 128.0

By far, the largest portion of the City's net assets reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services; consequently they are not available for future spending. 62.7 percent of the net assets are invested in capital assets.

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Net assets in governmental activities total \$41.0 million, a decrease of \$2.4 million from the prior year. Long term debt is \$61.9 million, of which only \$9.7 million must be retired within the next twelve months. The City's liquidity position is very good with total assets at \$121.4 million, with only \$28.2 million in current liabilities.

Net assets in business-type activities total \$77.0 million, a decrease of \$7.6 million from the prior year. There is a total decrease in net assets invested in capital assets of \$2.7 million. The current year depreciation is \$4.5 million. Liabilities have decreased \$1.0 million.

The following chart reflects the condensed statement of activities (in millions):

	<u>Governmental Activities</u> <u>2009</u>	<u>Business-type Activities</u> <u>2009</u>	<u>Total Government</u> <u>2009</u>
REVENUES			
Program Revenues:			
Charges for Services	\$ 2.2	\$ 16.1	\$ 18.3
Oper. Grants/Contrib.	6.0	4.4	10.4
General Revenues:			
Property Taxes	12.4	0.2	12.6
Sales Taxes	23.1	0.0	23.1
Other	19.5	1.0	20.5
Total Revenues	63.2	21.7	84.9
EXPENSES			
General Government	11.7	0.0	11.7
Public Safety	36.9	0.0	36.9
Public Works	16.4	0.0	16.4
Culture and Recreation	4.4	0.0	4.4
Interest on Debt	3.6	0.0	3.6
Water	0.0	13.8	13.8
Parking	0.0	0.7	0.7
Mass Transit	0.0	5.7	5.7
Housing Programs	0.0	0.0	0.0
Waste Removal	0.0	0.6	0.6
Hotel	0.0	0.0	0.0
Sewer	0.0	1.5	1.5
Total Expenses	73.0	22.3	95.3
Excess (Deficiency) of			
Revenues over expenses	(9.8)	(0.6)	(10.4)
Transfers	7.0	(7.0)	0.0
Change in Net Assets	\$ (2.8)	\$ (7.6)	\$ (10.4)

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	<u>Governmental</u> <u>Activities</u> <u>2008</u>	<u>Business-type</u> <u>Activities</u> <u>2008</u>	<u>Total</u> <u>Government</u> <u>2008</u>
REVENUES			
Program Revenues:			
Charges for Services	\$ 2.1	\$ 16.6	\$ 18.7
Oper. Grants/Contrib.	6.5	4.1	10.6
General Revenues:			
Property Taxes	12.1	0.2	12.3
Sales Taxes	23.1	0.0	23.1
Other	19.7	0.9	20.6
Total Revenues	63.5	21.8	85.3
EXPENSES			
General Government	12.9	0.0	12.9
Public Safety	33.9	0.0	33.9
Public Works	15.6	0.0	15.6
Culture and Recreation	4.4	0.0	4.4
Interest on Debt	3.1	0.0	3.1
Water	0.0	13.2	13.2
Parking	0.0	0.8	0.8
Mass Transit	0.0	5.8	5.8
Housing Programs	0.0	0.0	0.0
Waste Removal	0.0	0.5	0.5
Hotel	0.0	0.3	0.3
Sewer	0.0	1.3	1.3
Total Expenses	69.9	21.9	91.8
Excess (Deficiency) of			
Revenues over expenses	(6.4)	(0.1)	(6.5)
Transfers	6.6	(6.6)	0.0
Change in Net Assets	\$ 0.2	\$ (6.7)	\$ (6.5)

The change in net assets reflects a decrease in governmental activities of \$2.8 million and in business-type activities a decrease of \$7.6 million. The total government wide change in net assets is a decrease of \$10.4 million.

Last year's change in business-type net assets was negative \$6.7 million; this year it is negative \$7.6 million.

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$22.2 million, an increase of approximately \$4.2 million from the prior year. The increase was due to funding from other sources such as sale of bonds and other forms of debt service. The decrease of General Fund ending balance was due primarily to the settlement of two large labor contracts that were in negotiations for more than two years.

The following chart reflects the condensed statement of revenues, expenses and changes in fund balances (in millions).

	Major		Nonmajor	Total
	Governmental Funds			
	General	Library	Funds	
	Fund	Fund		Total
Revenues	\$ 47.1	\$ 4.1	\$ 12.0	\$ 63.2
Expenditures	<u>54.2</u>	<u>3.9</u>	<u>19.4</u>	<u>77.5</u>
Excess (Deficiency) of Revenues over Expenditures	(7.1)	0.2	(7.4)	(14.3)
Other Financing Sources	<u>3.3</u>	<u>0.0</u>	<u>15.3</u>	<u>18.6</u>
Net Change in Fund Balances	(3.8)	0.2	7.9	4.3
Fund Balance at Beginning of Year	<u>11.6</u>	<u>0.6</u>	<u>5.7</u>	<u>17.9</u>
Fund Balance at End of Year	<u>\$ 7.8</u>	<u>\$ 0.8</u>	<u>\$ 13.6</u>	<u>\$ 22.2</u>

Proprietary Funds

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

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There was an operating loss of \$1.3 million in the Water Fund this year. If you consider the transfers to other funds, the change in net assets is a negative \$7.1 million. This is due to increased capital expenditures and transfers to the debt service fund. The City Council approved a 45% increase in water rates over three years, which should help resolve the negative change in net assets. The \$.7 million negative change in Mass Transit net assets was due to the timing of the grants and when they were actually received. All other funds had little or no change. The following chart reflects the condensed statement of revenues, expenses and changes in fund balances (in millions).

	Major Enterprise Funds			Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water Fund	Mass Transit Fund	Hotel Fund			
Operating Revenues	\$ 12.4	\$ 0.5	\$ 0.1	\$ 3.1	\$ 16.1	\$ 15.9
Operating Expenses	<u>13.7</u>	<u>5.7</u>	<u>0.0</u>	<u>2.8</u>	<u>22.2</u>	<u>15.4</u>
Operating Income (Loss)	(1.3)	(5.2)	0.1	0.3	(6.1)	0.5
Nonoperating Revenues (Expenses)	<u>0.2</u>	<u>4.6</u>	<u>0.6</u>	<u>0.0</u>	<u>5.4</u>	<u>0.1</u>
Income (Loss) Before Transfers	(1.1)	(0.6)	0.7	0.3	(0.7)	0.6
Net Transfers	<u>(6.0)</u>	<u>(0.1)</u>	<u>(0.5)</u>	<u>(0.5)</u>	<u>(7.1)</u>	<u>(0.2)</u>
Change In Net Assets	(7.1)	(0.7)	0.2	(0.2)	(7.8)	0.4
Net Assets, Beginning of Year	<u>66.8</u>	<u>6.1</u>	<u>(0.1)</u>	<u>11.3</u>	<u>84.1</u>	<u>9.4</u>
Net Assets, End of Year	<u>\$ 59.7</u>	<u>\$ 5.4</u>	<u>\$ 0.1</u>	<u>\$ 11.1</u>	<u>\$ 76.3</u>	<u>\$ 9.8</u>

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GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget projected that the fund balance would go down by \$7.1 million. Because the actual expenses were significantly less than the budget, the fund balance went down \$3.9 million. The decrease in fund balance of \$3.9 million, even though less than expected, was due to the settlement of two major labor contracts that were two years overdue, and overall deficit spending.

The following chart reflects the condensed budgetary comparison schedule (in millions):

General Fund:	<u>Final Budget</u>	<u>Actual</u>
Revenues:		
Taxes	\$ 14.8	\$ 15.2
Intergovernmental	30.9	29.9
Other	<u>2.3</u>	<u>2.6</u>
Total Revenues	<u>48.0</u>	<u>47.7</u>
Expenditures:		
Expenditures	<u>58.0</u>	<u>54.9</u>
Other Financing Sources (Uses):	<u>2.9</u>	<u>3.3</u>
Change in Fund Balance	<u><u>\$ (7.1)</u></u>	<u><u>\$ (3.9)</u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2009, amounts to \$137.3 million (net of accumulated depreciation). Capital assets used in governmental activities remained the same as last year. Capital assets used in business-type activities decreased by \$9.5 million. Refer to Note 6 for more detailed information on capital assets activity.

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The following charts reflect the condensed change in capital assets (in millions):

Governmental Activities

	<u>Balance</u> <u>April 30, 2008</u>	<u>Net</u> <u>Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2009</u>
Non-Depreciable Assets:			
Land/Construction in progress	\$ 8.7	\$ (2.0)	\$ 6.7
Other Capital Assets:			
Infrastructure	84.1	4.9	89.0
Buildings and Improvements	25.6	0.6	26.2
Vehicles	13.0	0.9	13.9
Office Equipment	2.2	0.1	2.3
Other Equipment	9.0	0.0	9.0
Accum. Depreciation on Capital Assets	<u>(67.3)</u>	<u>(4.5)</u>	<u>(71.8)</u>
Totals	<u>\$ 75.3</u>	<u>\$ 0.0</u>	<u>\$ 75.3</u>

Business-Type Activities

	<u>Restated</u> <u>Balance</u> <u>April 30, 2008</u>	<u>Net</u> <u>Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2009</u>
Non-Depreciable Assets:			
Land/Construction in progress	\$ 7.2	\$ 0.0	\$ 7.2
Other Capital Assets:			
Infrastructure	20.0	1.2	21.2
Buildings and Improvements	105.9	(6.5)	99.4
Vehicles	7.2	0.0	7.2
Office Equipment	0.0	0.0	0.0
Other Equipment	4.8	0.0	4.8
Accum. Depreciation on Capital Assets	<u>(73.6)</u>	<u>(4.2)</u>	<u>(77.8)</u>
Totals	<u>\$ 71.5</u>	<u>\$ (9.5)</u>	<u>\$ 62.0</u>

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Debt Administration

At April 30, 2009, the City had outstanding debt as follows:

	<u>Obligations Outstanding April 30, 2009</u>	<u>Due Within One Year</u>
Governmental Activities:		
General Obligation Bonds:		
Series of 1991	\$ 1,159,195	\$ 415,995
Series of 1998	2,340,000	260,000
Series of 2004A	10,050,000	470,000
Series of 2004B	23,820,000	1, 125,000
Series of 2005	4,605,000	165,000
Series of 2008	10,000,000	-
Notes Payable:		
Series 2005A	397,447	54,459
Series 2008A	1,244,969	-
Wabash Crossing Phase II	4,471,960	4,471,960
HUD Section 108, 1999-A	630,000	120,000
HUD Section 108, 2002-A	<u>2,485,000</u>	<u>145,000</u>
Total Governmental Activities	<u>\$ 61,203,571</u>	<u>\$7,227,414</u>
Business-type Activities:		
Notes Payable:		
2001 IEPA Loan	\$ 5,295,939	\$ 332,911
Series 2007	<u>7,225,000</u>	<u>-</u>
Total Business-type Activities	<u>\$ 12,520,939</u>	<u>\$ 332,911</u>

There was no change in credit ratings or debt limitations. Additional information on long-term debt activity can be found in Note 8 to the financial statements.

ECONOMIC FACTORS

The unemployment rate for the City metro area is currently 9.8 percent. That is up 4.1 percent from the year before. While the rate is not as low as the state rate of 9.4 percent or the national rate of 9.0 percent, Decatur had shown a great deal of improvement prior to the current economic decline. Decatur saw their unemployment rate drop from 7.6 percent in 2002 to 5.7 percent in 2008, which is 1.9 percent. The overall unemployment rate has been influenced greatly by a very large layoff of one of the City's major employers. It is expected that these employees will eventually be called back.

What the city is experiencing right now is no different than what most other communities are experiencing. Prior to the national downturn, the local economy was doing relatively well.

CITY OF DECATUR, ILLINOIS
STATEMENT OF NET ASSETS
April 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 24,923,626	\$ 5,172,688	\$ 30,096,314	\$ 93,759
Investments	-	19,072,565	19,072,565	-
Receivables:				
Property taxes, net	10,676,829	216,437	10,893,266	-
Illinois municipal sales tax	5,184,413	-	5,184,413	-
Other taxes	3,429,571	-	3,429,571	-
Due from other governments	557,336	-	557,336	-
Accounts receivable	196,615	2,820,978	3,017,593	21,749
Notes receivable	1,025,840	417,356	1,443,196	-
Other	47,866	117,600	165,466	-
Internal balances	(755,958)	755,958	-	-
Prepaid items	10,744	270,900	281,644	11,171
Deferred charges	284,605	-	284,605	-
Due from component unit	224,624	-	224,624	-
Inventories	236,656	480,240	716,896	9,209
Assets held for resale	-	22,940	22,940	-
Restricted investments	-	-	-	38,734
Capital assets not being depreciated	6,706,851	7,244,790	13,951,641	3,130,762
Capital assets being depreciated, net	<u>68,633,551</u>	<u>54,776,148</u>	<u>123,409,699</u>	<u>3,721,380</u>
TOTAL ASSETS	<u>\$ 121,383,169</u>	<u>\$ 91,368,600</u>	<u>\$ 212,751,769</u>	<u>\$ 7,026,764</u>
LIABILITIES				
Accounts payable	\$ 265,637	\$ 790,654	\$ 1,056,291	\$ 28,318
Contracts payable	360,585	160,847	521,432	-
Interest payable	1,129,029	203,636	1,332,665	75,709
Claims payable	3,491,311	-	3,491,311	-
Other accrued liabilities	2,430,002	697,193	3,127,195	28,586
Unearned revenue	10,815,299	-	10,815,299	33,570
Long-term obligations, due within one year:				
Bonds payable	2,435,995	-	2,435,995	-
Notes payable	4,791,419	332,911	5,124,330	-
Due to primary government	-	-	-	22,457
Compensated absences	2,458,584	-	2,458,584	-
Long-term obligations, due in more than one year:				
Bonds payable	47,038,412	-	47,038,412	-
Notes payable	4,437,957	12,188,029	16,625,986	-
Due to primary government	-	-	-	202,167
Deferred compensation plan	-	-	-	38,734
Other post-employment benefits	311,091	-	311,091	-
Compensated absences	<u>410,596</u>	<u>-</u>	<u>410,596</u>	<u>-</u>
Total liabilities	<u>80,375,917</u>	<u>14,373,270</u>	<u>94,749,187</u>	<u>429,541</u>
NET ASSETS				
Invested in capital assets, net of related debt	17,251,831	56,724,998	73,976,829	6,627,518
Unrestricted net assets (deficit)	<u>23,755,421</u>	<u>20,270,332</u>	<u>44,025,753</u>	<u>(30,295)</u>
Total net assets	<u>\$ 41,007,252</u>	<u>\$ 76,995,330</u>	<u>\$ 118,002,582</u>	<u>\$ 6,597,223</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DECATUR, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended April 30, 2009

Functions/Programs Primary government:	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	
Governmental activities:						
General government	\$ 11,667,513	\$ 3,568,731	\$ -	\$ (6,554,935)	\$ (6,554,935)	
Public safety	37,007,402	-	-	(36,579,598)	(36,579,598)	
Public works	16,395,618	2,330,585	-	(13,972,251)	(13,972,251)	
Culture and recreation	4,443,700	111,534	-	(4,241,056)	(4,241,056)	
Interest and other changes	3,568,996	-	-	(3,568,996)	(3,568,996)	
Total government activities	<u>73,083,229</u>	<u>6,010,850</u>	<u>-</u>	<u>(64,916,836)</u>	<u>(64,916,836)</u>	
Business-type activities:						
Water	13,807,253	-	-	(1,438,297)	(1,438,297)	
Parking	721,662	-	-	(212,776)	(212,776)	
Mass Transit	5,661,346	4,372,081	-	(816,138)	(816,138)	
Housing programs	39,512	-	-	99,835	99,835	
Waste removal	554,083	-	-	(38,181)	(38,181)	
Hotel	43,020	-	-	95,286	95,286	
Sewer	1,487,939	-	-	499,177	499,177	
Total business-type activities	<u>22,314,815</u>	<u>4,372,081</u>	<u>-</u>	<u>(1,811,094)</u>	<u>(1,811,094)</u>	
Total primary government	\$ 95,398,044	\$ 10,382,931	\$ -	(64,916,836)	(66,727,930)	
Component unit						
Civic Center Authority	\$ 1,290,078	\$ -	\$ 429,482			\$ (250,270)
General revenues:						
Taxes:						
Property taxes				12,446,870	12,446,870	-
Utility taxes				5,575,225	5,575,225	-
Food and beverage taxes				2,951,196	2,951,196	-
Hotel and motel taxes				649,612	649,612	-
Sales and use taxes				23,133,533	23,133,533	-
Income taxes				7,209,039	7,209,039	-
Other taxes				1,584,417	1,584,417	-
Investment earnings				327,253	327,253	-
Gain (loss) on sale of capital assets				7,770	410,504	-
Other general revenues				1,204,943	1,204,943	-
Transfers				(7,073,376)	-	3,026
Total general revenues and transfers				<u>62,163,234</u>	<u>56,330,500</u>	<u>3,026</u>
Change in net assets				(2,753,602)	(10,397,430)	(247,244)
Net assets, May 1, 2008				43,760,854	128,400,012	6,844,467
Net assets, April 30, 2009				\$ 41,007,252	\$ 118,002,582	\$ 6,597,223

The accompanying notes are an integral part of the financial statements.

CITY OF DECATUR, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2009

	Major Governmental Funds			Total
	General Fund	Library Fund	Nonmajor Governmental Funds	
ASSETS				
Cash and investments	\$ 3,265,340	\$ 809,790	\$ 12,711,583	\$ 16,786,713
Receivables:				
Property taxes, net	6,006,842	3,353,131	1,316,856	10,676,829
Illinois municipal sales tax	5,030,663	-	153,750	5,184,413
Other taxes	3,023,304	59,610	346,657	3,429,571
Due from other governments	71,571	99,034	386,731	557,336
Due from component unit	224,624	-	-	224,624
Due from other funds	-	-	95,731	95,731
Accounts receivable	82,662	-	110,788	193,450
Notes receivable	-	-	1,025,840	1,025,840
Other	45,344	-	986	46,330
Prepaid items	10,744	-	-	10,744
Inventories	24,394	-	-	24,394
TOTAL ASSETS	\$ 17,785,488	\$ 4,321,565	\$ 16,148,922	\$ 38,255,975
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 149,467	\$ 14,415	\$ 86,348	\$ 250,230
Contracts payable	-	-	360,585	360,585
Due to other funds	-	-	285,248	285,248
Other accrued liabilities	1,748,681	145,368	426,417	2,320,466
Deferred revenue	8,045,791	3,359,993	1,428,815	12,834,599
Total liabilities	9,943,939	3,519,776	2,587,413	16,051,128
Fund Balances:				
Reserved for:				
Inventories and prepaid items	35,138	-	-	35,138
Amounts due from component unit	224,624	-	-	224,624
Debt service	-	-	205,337	205,337
Educational materials	-	411,517	-	411,517
Encumbrances	406,978	-	2,641,976	3,048,954
Unreserved, as reported in:				
General fund	7,174,809	-	-	7,174,809
Special revenue funds	-	390,272	4,314,493	4,704,765
Capital projects funds	-	-	6,399,703	6,399,703
Total fund balances	7,841,549	801,789	13,561,509	22,204,847
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,785,488	\$ 4,321,565	\$ 16,148,922	\$ 38,255,975

The accompanying notes are an integral part of the financial statements.

CITY OF DECATUR, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2009

Total fund balances – Governmental funds \$ 22,204,847

Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital assets	\$ 147,158,770	
Accumulated depreciation	<u>(71,818,368)</u>	
Net capital assets		75,340,402

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Taxes receivable	2,025,865
------------------	-----------

Internal service funds are used by the City to charge the costs of certain activities to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets

4,164,616

Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets

284,605

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due

(1,129,029)

Some liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:

Compensated absences payable	(2,869,180)	
Post-employment benefits	(311,091)	
General obligation bonds payable	(49,474,407)	
Notes payable	<u>(9,229,376)</u>	
Total long-term liabilities		<u>(61,884,054)</u>

Net assets of governmental activities **\$ 41,007,252**

The accompanying notes are an integral part of the financial statements.

CITY OF DECATUR, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2009

	General Fund	Library Fund	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ 14,963,030	\$ 3,472,430	\$ 3,187,443	\$ 21,622,903
Charges for service	61,208	-	-	61,208
Investment income and net increase in fair value of investments	137,017	14,528	82,526	234,071
Intergovernmental	29,532,481	437,804	7,973,796	37,944,081
Licenses and permits	734,515	-	-	734,515
Fines and fees	856,051	91,110	412,662	1,359,823
Other revenue	782,702	57,846	328,288	1,168,836
Total revenues	<u>47,067,004</u>	<u>4,073,718</u>	<u>11,984,715</u>	<u>63,125,437</u>
EXPENDITURES				
Current:				
General government	8,894,431	-	4,820,438	13,714,869
Public safety	36,783,368	-	260,354	37,043,722
Culture and recreation	-	3,884,373	77,415	3,961,788
Highways and streets	8,537,738	-	5,081,643	13,619,381
Debt service:				
Principal retirement	-	-	5,803,265	5,803,265
Interest and other charges	-	-	3,391,628	3,391,628
Total expenditures	<u>54,215,537</u>	<u>3,884,373</u>	<u>19,434,743</u>	<u>77,534,653</u>
Excess (deficiency) of revenues over expenditures	<u>(7,148,533)</u>	<u>189,345</u>	<u>(7,450,028)</u>	<u>(14,409,216)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	11,322,400	11,322,400
Sale of capital assets	36,107	-	-	36,107
Transfers in	4,735,223	-	5,823,938	10,559,161
Transfers out	(1,402,450)	(1,200)	(1,868,531)	(3,272,181)
Total other financing sources (uses)	<u>3,368,880</u>	<u>(1,200)</u>	<u>15,277,807</u>	<u>18,645,487</u>
Net change in fund balances	<u>(3,779,653)</u>	<u>188,145</u>	<u>7,827,779</u>	<u>4,236,271</u>
FUND BALANCES, BEGINNING OF YEAR	<u>11,621,202</u>	<u>613,644</u>	<u>5,733,730</u>	<u>17,968,576</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,841,549</u>	<u>\$ 801,789</u>	<u>\$ 13,561,509</u>	<u>\$ 22,204,847</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF DECATUR, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
Year Ended April 30, 2009**

Net change in total fund balances		\$ 4,236,271
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2008 to 2009 consists of:		
Taxes received from the State of Illinois		(6,242)
In governmental funds, debt is not reported as a liability. In the current period, proceeds were received in the amount of		
		(11,322,400)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Increase in long-term compensated absences	\$ (253,399)	
Increase in accrued interest on debt	<u>(159,581)</u>	
Total expenses of non-current resources		(412,980)
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital expenditures	4,567,696	
Depreciation	<u>(5,495,047)</u>	
Capital expenditures in excess of depreciation		(927,351)
Internal service funds are used by the City to charge the costs of certain activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities on the Statement of Activities		
		360,949
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		
		5,803,265
Government Accounting Standards Board Statement #45 requires accrual of post-employment benefits other than pensions in the Statement of Activities		
		(311,091)

STATEMENT 6

Bond issuances costs and discounts on issuance were reported in the governmental funds. However, these amounts have been deferred and amortized in the Statement of Net Assets

Deferred bond discount	\$ (156,236)	
Deferred bond issuance costs	<u>(17,787)</u>	
Total deferred costs		<u>(174,023)</u>

Change in Net Assets of Governmental Activities \$ (2,753,602)

The accompanying notes are an integral part of the financial statements.

CITY OF DECATUR, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
April 30, 2009

	Business-type Activities					Governmental Activities- Internal Service Funds
	Major Enterprise Funds					
	Water Fund	Mass Transit Fund	Hotel Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 1,095,023	\$ 786,835	\$ 5,697	\$ 3,285,333	\$ 5,172,688	\$ 8,136,913
Investments	11,580,396	76,069	7,418,100	-	19,072,565	-
Receivables:						
Property taxes, net	-	216,437	-	-	216,437	-
Accounts receivable	1,803,573	885,207	-	352,198	2,820,978	3,165
Other	31,413	-	86,112	75	117,600	1,536
Due from other funds	-	-	-	285,248	285,248	-
Inventories	311,756	168,484	-	-	480,240	212,262
Assets held for sale	-	-	-	22,940	22,940	-
Prepaid expenses, current	25,900	-	-	37,800	63,700	-
Total current assets	<u>14,848,081</u>	<u>2,112,832</u>	<u>7,507,909</u>	<u>3,983,594</u>	<u>28,252,396</u>	<u>8,353,676</u>
Noncurrent Assets:						
Prepaid expense, net of current	207,200	-	-	-	207,200	-
Notes receivable	-	-	-	417,356	417,356	-
Property, plant and equipment						
Land	3,316,778	899,399	-	2,158,991	6,377,168	-
Buildings	43,794,700	4,036,423	-	5,497,739	53,328,862	-
Improvements other than buildings	56,593,568	116,768	-	10,659,136	67,369,492	-
Machinery and equipment	6,089,265	6,195,566	-	534,748	12,829,579	7,763,619
	109,806,311	11,248,176	-	18,850,614	139,905,101	7,763,619
Less accumulated depreciation	<u>58,526,267</u>	<u>7,544,828</u>	<u>-</u>	<u>11,613,046</u>	<u>77,884,163</u>	<u>2,704,581</u>
Total properly, plant and equipment	<u>51,280,024</u>	<u>3,703,348</u>	<u>-</u>	<u>7,037,566</u>	<u>62,020,938</u>	<u>5,059,038</u>
Total noncurrent assets	<u>51,487,224</u>	<u>3,703,348</u>	<u>-</u>	<u>7,454,922</u>	<u>62,645,494</u>	<u>5,059,038</u>
TOTAL ASSETS	<u>66,135,285</u>	<u>5,816,180</u>	<u>7,507,909</u>	<u>11,438,516</u>	<u>90,897,890</u>	<u>13,412,914</u>
LIABILITIES						
Current liabilities:						
Accounts payable	701,042	40,346	-	49,286	790,654	15,407
Contracts payable	15,938	-	-	144,909	160,847	-
Claims payable	-	-	-	-	-	3,491,311
Interest payable	64,103	-	139,533	-	203,636	-
Other accrued liabilities	365,929	298,518	-	32,746	697,193	109,536
Unearned revenue	-	-	-	-	-	6,585
Note payable	332,911	-	-	-	332,911	-
Due to other funds	-	-	-	95,731	95,731	-
Total current liabilities	<u>1,479,923</u>	<u>338,864</u>	<u>139,533</u>	<u>322,652</u>	<u>2,260,972</u>	<u>3,622,819</u>
Long-term liabilities:						
Note payable	4,963,029	-	7,225,000	-	12,188,029	-
Total liabilities	<u>6,442,952</u>	<u>338,864</u>	<u>7,364,533</u>	<u>322,652</u>	<u>14,469,001</u>	<u>3,622,819</u>
NET ASSETS						
Invested in capital assets, net of related debt	45,984,084	3,703,348	-	7,037,566	56,724,998	5,059,038
Unrestricted	<u>13,708,249</u>	<u>1,773,968</u>	<u>143,376</u>	<u>4,078,298</u>	<u>19,703,891</u>	<u>4,731,057</u>
Total net assets	<u>\$ 59,692,333</u>	<u>\$ 5,477,316</u>	<u>\$ 143,376</u>	<u>\$ 11,115,864</u>	<u>76,428,889</u>	<u>\$ 9,790,095</u>
					<u>566,441</u>	
					<u>\$ 76,995,330</u>	

Some amounts reported for business-type activities in the statements of net assets are different because certain Internal Service Fund net assets are included with business-type activities

Net assets of business-type activities

CITY OF DECATUR, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Year Ended April 30, 2009

	Business-type Activities					Governmental Activities- Internal Service Funds
	Major Enterprise Funds			Nonmajor Enterprise Funds	Total Enterprise Funds	
	Water Fund	Mass Transit Fund	Hotel Fund			
OPERATING REVENUES						
Charges for services	\$ 12,240,777	\$ 468,610	\$ -	\$ 3,010,694	\$ 15,720,281	\$ 13,590,888
Payroll deductions/retiree contributions	-	-	-	-	-	1,860,954
Other revenue	128,179	4,517	138,306	140,357	411,359	492,619
Total operating revenues	<u>12,368,956</u>	<u>473,127</u>	<u>138,306</u>	<u>3,151,251</u>	<u>16,131,640</u>	<u>15,944,461</u>
OPERATING EXPENSES						
Personal services	3,702,909	3,437,066	-	296,421	7,436,396	1,526,743
Contractual services	3,048,910	468,585	-	966,038	4,503,533	1,048,217
Commodities	2,813,255	960,353	-	22,548	3,796,156	1,050,594
Other charges	605,676	164,800	20	1,123,975	1,894,473	10,825,457
Depreciation and amortization	3,511,484	614,595	43,000	366,211	4,555,290	984,049
Total operating expenses	<u>13,662,236</u>	<u>5,645,399</u>	<u>43,020</u>	<u>2,815,193</u>	<u>22,185,848</u>	<u>15,435,060</u>
Operating income (loss)	<u>(1,313,280)</u>	<u>(5,172,272)</u>	<u>95,286</u>	<u>336,058</u>	<u>(6,054,208)</u>	<u>509,401</u>
NONOPERATING REVENUES (EXPENSES)						
Property taxes	-	216,872	-	-	216,872	-
Investment income and net increase in fair value of investments	459,045	8,945	122,249	30,797	621,036	93,182
Intergovernmental revenue	-	4,372,081	-	-	4,372,081	-
Interest expense	(156,997)	-	-	-	(156,997)	-
Gain(loss) on disposal of city property	(53,045)	3,758	469,965	(17,944)	402,734	-
Total nonoperating revenues	<u>249,003</u>	<u>4,601,656</u>	<u>592,214</u>	<u>12,853</u>	<u>5,455,726</u>	<u>93,182</u>
Income (loss) before transfers	<u>(1,064,277)</u>	<u>(570,616)</u>	<u>687,500</u>	<u>348,911</u>	<u>(598,482)</u>	<u>602,583</u>
TRANSFERS						
Transfers in	22,400	40,149	-	207,100	269,649	3,729,387
Transfers out	(6,078,506)	(138,778)	(417,993)	(707,748)	(7,343,025)	(3,942,991)
Net transfers	<u>(6,056,106)</u>	<u>(98,629)</u>	<u>(417,993)</u>	<u>(500,648)</u>	<u>(7,073,376)</u>	<u>(213,604)</u>
Change in net assets	<u>(7,120,383)</u>	<u>(669,245)</u>	<u>269,507</u>	<u>(151,737)</u>	<u>(7,671,858)</u>	<u>388,979</u>
NET ASSETS, BEGINNING OF YEAR	<u>66,812,716</u>	<u>6,146,561</u>	<u>(126,131)</u>	<u>11,267,601</u>	<u>9,401,116</u>	<u>9,401,116</u>
NET ASSETS, END OF YEAR	<u>\$ 59,692,333</u>	<u>\$ 5,477,316</u>	<u>\$ 143,375</u>	<u>\$ 11,115,864</u>	<u>\$ 9,790,095</u>	<u>\$ 9,790,095</u>
					<u>28,030</u>	
						<u>\$ (7,643,828)</u>

Reconciliation to Statement of Activities:
 Certain amounts for the internal service funds are allocated to
 business-type activities in the Statement of Activities

Net Business-type Activities

CITY OF DECATUR, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended April 30, 2009

	Water Fund	Mass Transit Fund	Hotel Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from charges for services	\$ 12,822,628	\$ 473,127	\$ 283,308	\$ 3,299,801	\$ 16,859,092	\$ 15,936,597
Cash paid to suppliers for goods and services	(9,452,398)	(1,802,359)	(20)	(2,072,679)	(10,127,426)	(12,549,916)
Cash paid to employees	(3,924,801)	(3,402,506)	-	(320,899)	(7,647,803)	(1,581,147)
Net cash provided by (used in) operating activities	<u>2,445,650</u>	<u>(4,531,738)</u>	<u>263,286</u>	<u>906,428</u>	<u>(918,187)</u>	<u>1,814,634</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental revenue	-	4,399,398	-	-	4,399,398	-
Transfers in	22,400	40,149	-	207,100	269,649	3,729,567
Transfers out	(8,078,505)	(138,778)	(417,893)	(707,748)	(7,343,025)	(3,642,991)
Property taxes	-	218,872	-	-	218,872	-
Net cash provided by (used in) noncapital financing activities	<u>(6,956,108)</u>	<u>4,517,641</u>	<u>(417,893)</u>	<u>(500,648)</u>	<u>(2,457,108)</u>	<u>(213,604)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of property, plant and equipment	(1,338,474)	(117,785)	-	(75,898)	(1,530,157)	(2,002,497)
Proceeds on sale of city property	1,955	5,308	8,864,250	-	8,871,513	18,075
Principal payments - note	(323,445)	-	-	-	(323,445)	-
Interest payments	(160,912)	-	(31,007)	-	(191,919)	-
Net cash provided by (used in) capital and related financing activities	<u>(1,818,877)</u>	<u>(112,477)</u>	<u>8,833,243</u>	<u>(75,898)</u>	<u>4,825,991</u>	<u>(1,984,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income	489,108	8,945	36,137	30,797	564,987	93,182
Proceeds from sales and maturities of investments	19,183,282	-	-	-	19,183,282	-
Purchase of investments	(14,282,825)	(81,940)	(7,419,100)	-	(21,790,665)	-
Net cash provided by (used in) investing activities	<u>5,379,765</u>	<u>(72,995)</u>	<u>(7,379,863)</u>	<u>30,797</u>	<u>(2,042,396)</u>	<u>93,182</u>
NET INCREASE (DECREASE) IN CASH	<u>(49,359)</u>	<u>(199,599)</u>	<u>(701,427)</u>	<u>369,677</u>	<u>(589,679)</u>	<u>(280,210)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,144,382</u>	<u>988,204</u>	<u>707,124</u>	<u>2,924,656</u>	<u>5,762,388</u>	<u>8,427,123</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,095,023</u>	<u>\$ 788,605</u>	<u>\$ 5,697</u>	<u>\$ 3,285,333</u>	<u>\$ 5,172,689</u>	<u>\$ 8,136,913</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ (1,313,280)	\$ (5,172,272)	\$ 95,286	\$ 338,058	\$ (6,054,208)	\$ 509,401
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	3,511,484	814,595	43,000	388,211	4,555,290	984,048
Gain on disposal of assets	-	-	-	-	-	(7,770)
Effects of changes in operating assets and liabilities:						
Receivables	453,872	-	125,000	149,550	727,422	8
Inventories	44,944	(19,485)	-	-	25,459	(21,817)
Prepaid items	25,000	-	-	4,299	30,100	-
Accounts payable	(71,397)	10,864	-	(27,416)	(87,859)	404,975
Contracts payable	15,938	-	-	81,835	97,773	-
Other liabilities	(221,692)	34,560	-	(23,012)	(210,144)	(54,404)
Unearned revenue	-	-	-	-	-	(6)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 2,445,650</u>	<u>\$ (4,531,738)</u>	<u>\$ 263,286</u>	<u>\$ 906,428</u>	<u>\$ (918,187)</u>	<u>\$ 1,814,634</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
April 30, 2009**

	<u>Pension Trust Funds</u>
ASSETS	
Cash and short-term investments	\$ 9,735,279
Taxes receivable	202,339
Accrued interest	508,484
Long-term investments, at fair value	
U.S. Government obligations	55,416,013
Mutual funds	28,666,300
Common stock	9,763,572
Corporate bonds	<u>2,833,419</u>
Total long-term investments	<u>96,679,304</u>
TOTAL ASSETS	<u>\$ 107,125,406</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 107,125,406</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN NET ASSETS
Year Ended April 30, 2009**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 5,933,752
Plan member	<u>1,829,343</u>
Total contributions	<u>7,763,095</u>
Investment earnings (loss):	
Interest and dividends	3,129,352
Net decrease in the fair value of investments	<u>(11,438,992)</u>
Total investment loss	(8,309,640)
Less investment expense	<u>239,401</u>
Net investment loss	<u>(8,549,041)</u>
Total deductions	<u>(785,946)</u>
DEDUCTIONS	
Benefits and refunds	9,154,754
Administrative expense	88,606
Educational expenses	<u>-</u>
Total deductions	<u>9,243,360</u>
Change in net assets	(10,029,306)
NET ASSETS, BEGINNING OF YEAR	<u>117,154,712</u>
NET ASSETS, END OF YEAR	<u>\$ 107,125,406</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

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

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

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

Blended Component Unit:

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. THE FINANCIAL REPORTING ENTITY (CONTINUED)

Discretely Presented Component Unit:

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

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

Related Organizations:

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

Joint Venture:

The City is a participant with Macon County, Illinois (the County) in a non-equity joint venture to provide financial support for the Decatur Macon County Law Enforcement Center. The Decatur Public Building Commission (DPBC), a separate legal entity, owns and operates the Law Enforcement Center. The DPBC is governed by a five member board composed of three appointees from the City and two from the County. See Note 12 for information about the City's transactions with the DPBC during the year. Complete financial statements for the DPBC can be obtained from the DPBC's administrative office at 333 South Franklin, Decatur, Illinois 62523.

B. BASIS OF PRESENTATION

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the City applies all GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

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

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

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Deferred revenue is reported on the governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria. Deferred revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met, or when the government has a legal claim to the resources, the liability is removed and the revenue is recognized.

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

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to apply restricted resources first, then unrestricted resources as needed.

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

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all of the general revenues of the City which are not specifically levied or collected for other City funds, and for expenditures related to public works, public safety, and other general governmental activities of the City.

Decatur Public Library Fund – This fund accounts for revenues designated to finance the City's Public Library and expenditures of such fund.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary Funds

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

The City reports the following major proprietary funds:

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

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

Hotel Fund – This fund accounts for management fee income and debt service of a hotel purchased in 2008 and subsequently sold in 2009.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governments, or other funds. These include Pension Trust Funds. The Pension Trusts include the Fire Pension Fund and Police Pension Fund which account for activities as prescribed by the Statutes of the State of Illinois.

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

Governmental Fund Types:

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

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

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary Fund Types:

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

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

D. POOLED CASH AND INVESTMENTS

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

Investments are stated at fair value. Fair value for the investment in Illinois Funds is the same as the value of the pool shares. State statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act.

E. INVENTORIES

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

F. FUND EQUITY/NET ASSETS

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the differences between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction of improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. LONG-TERM DEBT

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. CASH EQUIVALENTS

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

I. CAPITAL ASSETS

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, alleys and similar items), are reported in the applicable governmental or business-type activities columns in the City-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$20,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements to land and buildings are capitalized. Interest expense incurred during construction of capital improvements has not been capitalized.

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

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

**CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONTINUED)

<u>Category of Assets</u>	<u>Estimated Useful Life</u>
Building and other improvements	20 – 50 years
Infrastructure – roads	50 years
Office furniture	5 years
Office equipment	5 years
Water treatment equipment	10 years
Automobiles	2 – 7 years
Trucks	8 years
Buses	10 years
Other vehicles	10 years
Other machinery and equipment	5 years

J. PROPERTY TAXES

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

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

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

Property taxes are collected by the Macon County Collector who remits to the taxing units their respective shares of the collection. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1st and the second installment is due no later than September 1st.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. PROPERTY TAXES (CONTINUED)

Based on collection histories, the City has provided at April 30, 2009 an allowance for uncollectible real property taxes equivalent to 1 percent of the current year's levy.

Real property tax revenues are recognized when earned in proprietary funds and pension funds. Since property taxes are measurable but not available to finance current period obligations, the receivable is recorded and deferred in the governmental funds.

K. COMPENSATED ABSENCES

City employees receive vacation and sick pay in varying amounts based upon their employment anniversary dates. The City reimburses employees for accumulated vacation days upon their termination or retirement. Employees must take vacation accrued during the year of the accrual. Management and general service employees, fire, and police, may accumulate up to 240, 240, and 150 days of sick leave, respectively, to be paid upon death or retirement. The City pays no accumulated sick leave upon termination.

The liability for compensated absences (unused vacation time) of the City relating to employees of the governmental activities is recorded in the City-wide financial statements. The long-term portion of compensated absences will be paid from the fund from which the employee is paid. For governmental funds this includes the General Fund, HOME Fund, Community Development Block Grant Fund, Library Fund and the Municipal Band Fund.

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

L. INTERFUND TRANSACTIONS/TRANSFERS

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. CLAIMS AND JUDGMENTS

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

N. USE OF ESTIMATES

The preparation of the basic financial statements in conformity with GAAP requires the City's 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 basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. APPROPRIATED BUDGET AND BUDGETARY ACCOUNTING

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

1. An appropriated budget is legally adopted through the budgetary process on an annual fiscal year basis for the General Fund, special revenue funds, debt service funds, the capital projects funds, enterprise funds, and internal service funds.
2. The process is initiated in December of each year, with the departmental requests presented in February to the Budget Review Committee composed of the City Manager, Deputy City Manager, and Director of Financial Management.
3. The City Manager's proposed and balanced executive budget is presented to the City Council during March with a public hearing and final adoption taking place prior to April 30th of each year.
4. The appropriated budget is legally enacted through the passage of an Appropriation Ordinance before the end of July of each year. The Appropriation Ordinance includes changes from the approved budget and is adopted after an additional public hearing.
5. Both the appropriated budget and Appropriation Ordinance are prepared on a cash basis which is not in accordance with Generally Accepted Accounting Principles (GAAP). The Budget to Actual schedules include the amounts of timing differences necessary to reconcile the non-GAAP actual to GAAP actual fund balances for the General and major Special Revenue Fund.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

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

6. The level of budgetary control is by department and therefore, expenditures within a fund cannot legally exceed appropriations on a departmental basis. The City's departments are comprised of the following: Legislative, Executive, Management Services, Legal, Financial Management, Police, Fire, Economic and Urban Development, Neighborhood Services, Public Works, and Other Non-Departmental Charges.
7. Anytime after six months of the fiscal year have elapsed, the appropriated budgets can be amended by the City Manager to reflect transfers within departments. Budgeted amounts reflected in the accompanying appropriated budget and actual comparisons are as amended by the year-end budget revisions.
8. Supplemental appropriation ordinances may be passed by the Council should a new unanticipated source of revenue develop for a specific purpose.
9. All unexpended appropriations lapse at year-end requiring reappropriation the following year.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no funds that had actual expenditures/expenses in excess of the appropriated amount for the year ended April 30, 2009.

NOTE 3 – DEPOSITS AND INVESTMENTS

The City has adopted formal investment policies and procedures as recommended by a citizens' investment advisory committee and approved by the City Manager, all within the guidelines established for the investment of public funds in accordance with the Illinois Compiled Statutes. The City is authorized by statute and policy to make deposits or investments in obligations of the United States Government; obligations of states or their political subdivisions; savings accounts, time deposits, certificates of deposit, or other investments which are direct obligations of banks as defined by the Illinois Banking Act; credit union shares; repurchase agreements; commercial paper rated within the three highest classifications by at least two standard rating services; the Illinois Public Treasurer's Investment Pool; and funds managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivision, stocks, mutual funds, and Illinois insurance companies' general and separate accounts. The City's investment policy also has established maximum limits for investments in uncollateralized certificates of deposit, money market accounts, and banker's acceptances for specific financial institutions as approved by the City Council, and has limited the City's investment in commercial paper to only the top rated. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by state statutes at April 30, 2009. At year end the carrying value of the City's deposits, including certificates of deposit, was \$3,596,727 and the respective bank balances totaled \$4,488,206, not including cash on hand of \$7,005. Included in the bank balances are certificates of deposit totaling \$500,000.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

Custodial Credit Risk – the risk that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. The City's deposit policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third-party institution in the name of the City. As of April 30, 2009, the City's bank deposits were fully collateralized.

As of April 30, 2009, the City had the following investments:

Investment Type	Fair Value	Less Than 1	Investment Maturities (in years)		
			1-5	6-10	More Than 10
Cash and money market	\$ 25,609,691	\$ 25,609,691	\$ -	\$ -	\$ -
Certificates of deposit	8,989,281	6,450,000	2,299,418	239,863	-
FFCB	1,957,795	-	1,957,795	-	-
FHLB	4,870,291	-	4,000,812	869,479	-
FHLMC	14,349,310	-	4,219,815	5,140,655	4,988,840
FNMA	29,875,604	-	5,821,490	7,597,851	16,456,263
GNMA	2,185,487	-	-	73,687	2,111,800
Municipal bonds	8,192,204	102,166	3,242,767	2,347,713	2,499,558
U.S. Treasury bonds	909,667	-	-	-	909,667
U.S. Treasury notes	4,763,480	-	506,024	1,341,146	2,916,310
Annuities	101,868	101,868	-	-	-
Mutual funds	28,520,768	28,520,768	-	-	-
Common stock	9,734,241	9,734,241	-	-	-
Total	\$ 140,059,687	\$ 70,518,734	\$ 22,048,121	\$ 17,610,394	\$ 29,882,438

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Investments in The Illinois Funds

The State Treasurer maintains the Illinois Treasurer's Investment Pool (Pool) at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The Pool maintains a Standard and Poor's AAA rating. The City's investments in the Illinois funds are not required to be categorized because these are not securities. The relationship between the City and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship. At April 30, 2009, the City had \$11,920,043 in the Pool, which approximates fair value.

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

At April 30, 2009, cash and cash equivalents for the Civic Center Authority are comprised of bank deposits totaling \$23,981, cash on hand of \$1,964, and deposits with the Illinois Funds of \$67,814. Bank deposits were fully covered by federal depository insurance. The Civic Center Authority's restricted investments are comprised of the following:

	<u>Carrying Amount</u>
Mutual funds	\$ <u>38,734</u>

Reconciliation of notes to financial statements:

	<u>Primary Government</u>
Carrying amount of bank deposits – per note above	\$ 3,596,727
Cash on hand – per note above	7,005
Investments – per note above (including Illinois Fund)	<u>151,979,730</u>
Total	<u>\$ 155,583,462</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments in The Illinois Funds (Continued)

Statement 1

Cash and equivalents	\$ 30,096,314
Long-term investments	19,072,565

Statement 10

Cash and short-term investments	9,735,279
Long-term investments	<u>96,679,304</u>

Total	<u>\$ 155,583,462</u>
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NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of April 30, 2009 are summarized below:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Nonmajor Governmental Funds	\$ 95,731	\$ 285,248
Nonmajor Enterprise Funds	<u>285,248</u>	<u>95,731</u>
Total interfunds	<u>\$ 380,979</u>	<u>\$ 380,979</u>

Interfund receivables and payables are primarily used to record:

- Interfund loans related to collection of revolving loan payments due to another fund.
- Interfund loans relating to negative cash balances.
- Interfund loans relating to loans between funds for various programs.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 5 – TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ 4,735,223	\$ 1,402,450
Library	-	1,200
Nonmajor Governmental Funds	5,823,938	1,868,531
Major Enterprise Funds:		
Water	22,400	6,078,506
Mass Transit	40,149	138,778
Hotel	-	417,993
Nonmajor Enterprise Funds	207,100	707,748
Internal Service Funds	<u>3,729,387</u>	<u>3,942,991</u>
Total interfunds	<u>\$ 14,558,197</u>	<u>\$ 14,558,197</u>

The transfers represent both routine and non-routine items. Generally, routine transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (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.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 6 -- CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2009 was as follows:

Primary government

	<u>Balance</u> <u>May 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2009</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,397,678	\$ -	\$ 51,256	\$ 5,346,422
Construction in progress	<u>3,301,505</u>	<u>1,004,216</u>	<u>2,945,292</u>	<u>1,360,429</u>
Subtotal	<u>8,699,183</u>	<u>1,004,216</u>	<u>2,996,548</u>	<u>6,706,851</u>
Capital assets being depreciated:				
Infrastructure	84,134,371	4,872,332	-	89,006,703
Buildings and improvements	25,583,389	623,425	10,704	26,196,110
Vehicles	13,011,489	1,872,642	963,459	13,920,672
Office equipment	2,161,615	207,243	10,923	2,357,935
Other equipment	<u>9,009,344</u>	<u>55,725</u>	<u>94,570</u>	<u>8,970,499</u>
Subtotal	<u>133,900,208</u>	<u>7,631,367</u>	<u>1,079,656</u>	<u>140,451,919</u>
Less accumulated depreciation for:				
Infrastructure	(39,461,315)	(2,913,013)	-	(42,374,328)
Buildings and improvements	(10,463,904)	(855,455)	(10,704)	(11,308,655)
Vehicles	(8,134,337)	(1,215,229)	(900,263)	(8,449,303)
Office equipment	(1,114,857)	(232,849)	(10,923)	(1,336,783)
Other equipment	<u>(8,165,368)</u>	<u>(278,501)</u>	<u>(94,570)</u>	<u>(8,349,299)</u>
Total accumulated depreciation	<u>(67,339,781)</u>	<u>(5,495,047)</u>	<u>(1,016,460)</u>	<u>(71,818,368)</u>
Total capital assets being depreciated, net	<u>66,560,427</u>	<u>2,136,320</u>	<u>63,196</u>	<u>68,633,551</u>
Total governmental activities capital assets, net	<u>\$ 75,259,610</u>	<u>\$ 3,140,536</u>	<u>\$ 3,059,744</u>	<u>\$ 75,340,402</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Primary government (Continued)

	<u>Balance May 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2009</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 6,377,168	\$ -	\$ -	\$ 6,377,168
Construction in progress	<u>789,603</u>	<u>476,530</u>	<u>398,511</u>	<u>867,622</u>
Subtotal	<u>7,166,771</u>	<u>476,530</u>	<u>398,511</u>	<u>7,244,790</u>
Capital assets being depreciated:				
Infrastructure	20,026,212	1,242,184	-	21,268,396
Buildings and improvements	105,890,470	-	6,536,411	99,354,059
Vehicles	7,196,268	131,814	90,688	7,237,394
Office equipment	38,312	-	-	38,312
Other equipment	<u>4,814,875</u>	<u>23,141</u>	<u>75,866</u>	<u>4,762,150</u>
Subtotal	<u>137,966,137</u>	<u>1,397,139</u>	<u>6,702,965</u>	<u>132,660,311</u>
Less accumulated depreciation for:				
Infrastructure	(11,407,046)	(284,962)	-	(11,692,008)
Buildings and improvements	(54,766,757)	(3,564,166)	(142,125)	(58,188,798)
Vehicles	(5,755,008)	(472,562)	(89,138)	(6,138,432)
Office equipment	(33,000)	(1,843)	-	(34,843)
Other equipment	<u>(1,674,191)</u>	<u>(231,757)</u>	<u>(75,866)</u>	<u>(1,830,082)</u>
Total accumulated depreciation	<u>(73,636,002)</u>	<u>(4,555,290)</u>	<u>(307,129)</u>	<u>(77,884,163)</u>
Total capital assets being depreciated, net	<u>64,330,135</u>	<u>(3,158,151)</u>	<u>6,395,836</u>	<u>54,776,148</u>
Total business-type activities capital assets, net	<u>\$ 71,496,906</u>	<u>\$ (2,681,621)</u>	<u>\$ 6,794,347</u>	<u>\$ 62,020,938</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$5,495,047 and \$4,555,290 was charged to the governmental and business-type activities functional expense categories, respectively, as follows:

<u>Governmental Activities</u>	<u>Depreciation</u>	<u>Business-Type Activities</u>	<u>Depreciation</u>
General government	\$ 1,017,001	Water	\$ 3,511,484
Public safety	551,574	Parking	127,123
Public works	3,431,812	Mass Transit	614,595
Culture and recreation	<u>494,660</u>	Sewer	259,088
		Hotel	<u>43,000</u>
Total	<u>\$ 5,495,047</u>	Total	<u>\$ 4,555,290</u>

Discretely Presented Component Unit

Activity for the Civic Center Authority for the year ended April 30, 2009, was as follows:

	<u>Balance May 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 3,130,762	\$ -	\$ -	\$ 3,130,762
Capital assets being depreciated:				
Buildings and equipment	12,955,103	61,923	131,906	12,885,120
Less accumulated depreciation for:				
Buildings and equipment	<u>(8,990,107)</u>	<u>(294,427)</u>	<u>(120,794)</u>	<u>(9,163,740)</u>
Total capital assets being depreciated, net	<u>3,964,996</u>	<u>(232,504)</u>	<u>11,112</u>	<u>3,721,380</u>
Civic Center capital assets, net	<u>\$ 7,095,758</u>	<u>\$ (232,504)</u>	<u>\$ 11,112</u>	<u>\$ 6,852,142</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 7 – RECEIVABLES

The following is a summary of other taxes, due from other governments, accounts, notes, and other receivables by fund type at April 30, 2009. Any uncollectible amount is not believed to be material.

Governmental Activities:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Internal Services</u>	<u>Total Statement of Net Assets</u>
Other taxes:						
Hotel and motel tax	\$ 62,864	\$ -	\$ -	\$ -	\$ -	\$ 62,864
Food and beverage tax	277,006	-	-	-	-	277,006
Cable TV tax	81,987	-	-	-	-	81,987
Utility tax	903,640	-	-	-	-	903,640
State income tax	1,697,807	-	-	346,657	-	2,044,464
State replacement tax	-	59,610	-	-	-	59,610
Total other taxes	<u>\$3,023,304</u>	<u>\$ 59,610</u>	<u>\$ -</u>	<u>\$ 346,657</u>	<u>\$ -</u>	<u>\$3,429,571</u>
Due from other governments:						
Grants	\$ 71,571	\$ 99,034	\$ -	\$ -	\$ -	\$ 170,605
Allotments	-	386,731	-	-	-	386,731
Total due from other governments	<u>\$ 71,571</u>	<u>\$ 485,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,336</u>
Accounts receivable:						
General billings	\$ 36,754	\$ 54,078	\$ -	\$ 36,555	\$ 3,165	\$ 130,552
Boat licenses	45,908	-	-	-	-	45,908
Special assessments	-	-	20,155	-	-	20,155
Total accounts receivable	<u>\$ 82,662</u>	<u>\$ 54,078</u>	<u>\$ 20,155</u>	<u>\$ 36,555</u>	<u>\$ 3,165</u>	<u>\$ 196,615</u>
Notes receivable:						
Installment notes	\$ -	\$ 29,279	\$ -	\$ -	\$ -	\$ 29,279
Deferred notes	-	129,840	-	-	-	129,840
Locker rental rehab loans	-	22,628	-	-	-	22,628

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 7 – RECEIVABLES (CONTINUED)

Governmental Activities: (Continued)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Internal Services</u>	<u>Total Statement of Net Assets</u>
Notes receivable:						
Home program loans	\$ -	\$ 676,275	\$ -	\$ -	\$ -	\$ 676,275
Gateway to Sertoma Club loan	<u>-</u>	<u>167,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,818</u>
Total notes receivable	<u>\$ -</u>	<u>\$1,025,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,025,840</u>
Other:						
Investment income	\$ 3,276	\$ 552	\$ 434	\$ -	\$ 1,536	\$ 5,798
Parking tickets	<u>42,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,068</u>
Total other	<u>\$ 45,344</u>	<u>\$ 552</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ 47,866</u>

Business-Type Activities:

	<u>Enterprise</u>
Accounts receivable:	
Water billings	\$ 1,098,197
Watermain tapping	39,301
Sanitary District billings	466,075
Grants	865,207
Outstanding parking tickets	196,408
Revolving mortgage loans	7,321
Recycling fees	102,576
Sewer billings	174,962
DCDF loans	253
Reserve for uncollectible portion	<u>(129,322)</u>
Total accounts receivable	<u>\$ 2,820,978</u>
Notes receivable:	
Installment notes	\$ 389,089
Deferred notes	46,545
Reserve for uncollectible portion	<u>(18,278)</u>
Total notes receivable	<u>\$ 417,356</u>
Other:	
Investment income	<u>\$ 117,600</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 7 – RECEIVABLES (CONTINUED)

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

In accordance with the Statutes of the State of Illinois, the revenue derived from water main tapping approximates the City's cost of providing the service.

NOTE 8 – LONG-TERM DEBT

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

	Obligations Outstanding <u>May 1, 2008</u>	Debt Additions	Debt Retirement	Obligations Outstanding <u>April 30, 2009</u>	Due Within <u>One Year</u>
Governmental activities:					
General Obligation Bonds:					
Series of 1991	\$ 1,604,992	\$ -	\$ 445,797	\$ 1,159,195	\$ 415,995
Series of 1998	2,600,000	-	260,000	2,340,000	260,000
Series of 2004A	10,510,000	-	460,000	10,050,000	470,000
Series of 2004B	24,915,000	-	1,095,000	23,820,000	1,125,000
Series of 2005	4,705,000	-	100,000	4,605,000	165,000
Series of 2008	-	10,000,000	-	10,000,000	-
Less deferred amounts:					
For issuance discounts	(150,147)	-	(8,832)	(141,315)	-
On refunding	(2,505,877)	-	(147,404)	(2,358,473)	-
Total general obligation bonds	<u>41,678,968</u>	<u>10,000,000</u>	<u>2,204,561</u>	<u>49,474,407</u>	<u>2,435,995</u>
Notes Payable:					
General Obligation Notes:					
Series of 2005	2,150,000	-	2,150,000	-	-
Series of 2005A	437,484	-	40,037	397,447	54,459
Series of 2008A	925,000	430,000	110,031	1,244,969	-
Series of 2008	-	892,400	892,400	-	-
Wabash Crossing Phase II	4,471,960	-	-	4,471,960	4,471,960
HUD Section 108, 1999-A	740,000	-	110,000	630,000	120,000
HUD Section 108, 2002-A	2,625,000	-	140,000	2,485,000	145,000
Total notes payable	<u>11,349,444</u>	<u>1,322,400</u>	<u>3,442,468</u>	<u>9,229,376</u>	<u>4,791,419</u>
Compensated absences	<u>2,615,781</u>	<u>2,549,507</u>	<u>2,296,108</u>	<u>2,869,180</u>	<u>2,458,584</u>
Total governmental activities	<u>\$ 55,644,193</u>	<u>\$13,871,907</u>	<u>\$ 7,943,137</u>	<u>\$ 61,572,963</u>	<u>\$ 9,685,998</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

	<u>Obligations Outstanding May 1, 2008</u>	<u>Debt Additions</u>	<u>Debt Retirement</u>	<u>Obligations Outstanding April 30, 2009</u>	<u>Due Within One Year</u>
Business-Type activities:					
Notes payable:					
2001 IEPA loan	\$ 5,619,386	\$ -	\$ 323,446	\$ 5,295,940	\$ 332,911
Series 2007	<u>7,225,000</u>	<u>-</u>	<u>-</u>	<u>7,225,000</u>	<u>-</u>
Total business-type activities	<u>\$ 12,844,386</u>	<u>\$ -</u>	<u>\$ 323,446</u>	<u>\$12,520,940</u>	<u>\$ 332,911</u>

Long-term obligations outstanding at April 30, 2009 are comprised of the following:

A. General Obligation Bonds

General Obligation Bonds, Series 1991

\$17,955,730 1991 General Obligation Bonds dated September 1, 1991 due October 1, 2011; interest at 4.7 to 6.9 percent (principal and interest to be serviced by the general revenues of the City) to be used for dredging and other capital projects.

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 415,995	\$ 1,039,005	\$ 1,455,000
2011	384,557	1,070,443	1,455,000
2012	358,643	1,096,357	1,455,000
Total	<u>\$ 1,159,195</u>	<u>\$ 3,205,805</u>	<u>\$ 4,365,000</u>

General Obligation Bonds, Series 1998

\$5,200,000 1998 General Obligation Bonds dated June 30, 1998 due January 1, 2018; interest of 4.25 to 5.25 percent (principal and interest to be serviced by annual tax levy) to be used for construction of the City library.

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 260,000	\$ 119,470	\$ 379,470
2011	260,000	106,730	366,730
2012	260,000	93,990	353,990
2013	260,000	80,990	340,990
2014	260,000	67,730	327,730
2015-2018	<u>1,040,000</u>	<u>136,370</u>	<u>1,176,370</u>
Total	<u>\$ 2,340,000</u>	<u>\$ 605,280</u>	<u>\$ 2,945,280</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds, Series 2004A

\$12,245,000 2004 General Obligation Bonds dated March 1, 2004 due March 1, 2025; interest of 2.50 to 4.25 percent (principal and interest to be serviced by annual tax levy) to be used for various capital projects.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	\$ 470,000	\$ 385,588	\$ 855,588
2011	485,000	372,075	857,075
2012	500,000	356,919	856,919
2013	515,000	341,294	856,294
2014	535,000	325,200	860,200
2015-2019	3,005,000	1,308,263	4,313,263
2020-2024	3,695,000	652,650	4,347,650
2025	845,000	35,913	880,913
Total	<u>\$10,050,000</u>	<u>\$ 3,777,902</u>	<u>\$ 13,827,902</u>

General Obligation Bonds, Series 2004B

\$29,070,000 2004 General Obligation Bonds dated March 1, 2004 due March 1, 2025; interest of 2.50 to 4.3 percent (principal and interest to be serviced by annual tax levy) to refund Series 2000 bonds which refunded Series 1985 bonds which were used in construction of new water treatment facility.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	\$ 1,125,000	\$ 924,779	\$ 2,049,779
2011	1,150,000	896,654	2,046,654
2012	1,185,000	862,154	2,047,154
2013	1,225,000	823,641	2,048,641
2014	1,265,000	783,829	2,048,829
2015-2019	7,125,000	3,118,744	10,243,744
2020-2024	8,755,000	1,561,819	10,316,819
2025	1,990,000	85,570	2,075,570
Total	<u>\$23,820,000</u>	<u>\$ 9,057,190</u>	<u>\$ 32,877,190</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds, Series 2005

\$4,705,000 2005 General Obligation Bonds dated November 1, 2005 due December 15, 2014; interest of 3.00 to 3.60 percent (principal and interest to be serviced by annual tax levy) to refund Series 1995 bonds which partially refunded Series 1991 bonds which were used for dredging and other capital projects.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	\$ 165,000	\$ 158,650	\$ 323,650
2011	170,000	153,535	323,535
2012	175,000	148,095	323,095
2013	1,680,000	142,320	1,822,320
2014	1,740,000	85,200	1,825,200
2015	675,000	24,300	699,300
Total	<u>\$ 4,605,000</u>	<u>\$ 712,100</u>	<u>\$ 5,317,100</u>

General Obligation Bonds, Series 2008

\$10,000,000 2008 General Obligation Bonds dated December 15, 2008 due December 15, 2024; interest of 2.75 to 5.0 percent to refinance certain outstanding indebtedness of the City and to finance capital improvements in the City.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	\$ -	\$ 419,175	\$ 419,175
2011	-	419,175	419,175
2012	235,000	419,175	654,175
2013	245,000	411,538	656,538
2014	250,000	402,963	652,963
2015 - 2019	3,730,000	1,717,650	5,447,650
2020 – 2024	5,135,000	782,925	5,917,925
2025	405,000	18,225	423,225
Total	<u>\$10,000,000</u>	<u>\$ 4,590,826</u>	<u>\$ 14,590,826</u>

B. Notes Payable

General Obligation Note (Wabash Crossing Phase II), Series 2005

\$4,750,000 drawdown note due December 31, 2009; interest calculated at 30-day LIBOR plus 50 basis points (.995% at April 30, 2009).

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

B. Notes Payable (Continued)

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 4,471,960	\$ 29,664	\$ 4,501,624

General Obligation Note (Olde Towne Redevelopment Project), Series 2005A

\$500,000 drawdown note due May 15, 2016; interest calculated at 30-day LIBOR plus 225 basis points (8.02% at April 30, 2009).

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 54,459	\$ 19,188	\$ 73,647
2011	57,433	16,214	73,647
2012	60,569	13,078	73,647
2013	63,877	9,770	73,647
2014	67,365	6,282	73,647
2015 - 2017	93,744	1,327	95,071
Total	\$ 397,447	\$ 65,859	\$ 463,306

U.S. Department of Housing and Urban Development Series 1999-A Certificates

\$1,470,000 Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974 (Note B-95-MC-17-0008) due August 1, 2013; interest of 5.83 to 6.33 percent.

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 120,000	\$ 35,247	\$ 155,247
2011	120,000	28,035	148,035
2012	120,000	20,703	140,703
2013	120,000	13,251	133,251
2014	150,000	4,748	154,748
Total	\$ 630,000	\$ 101,984	\$ 731,984

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

B. Notes Payable (Continued)

U.S. Department of Housing and Urban Development Series 2002-A Certificates
 \$3,000,000 Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974 (Note B-95-MC-17-0008-A) due August 1, 2022; interest of 2.99 to 6.12 percent.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 145,000	\$ 134,262	\$ 279,262
2011	150,000	127,548	277,548
2012	155,000	120,287	275,287
2013	160,000	112,536	272,536
2014	165,000	104,180	269,180
2015-2019	900,000	376,399	1,276,399
2020-2023	<u>810,000</u>	<u>99,873</u>	<u>909,873</u>
Total	<u>\$ 2,485,000</u>	<u>\$ 1,075,085</u>	<u>\$ 3,560,085</u>

General Obligation Note, Series 2008A

\$1,400,000 drawdown note due December 31, 2010; interest calculated at 30-day LIBOR plus 225 basis points (2.677% at April 30, 2009) to be used for capital projects.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ -	\$ 33,334	\$ 33,334
2011	<u>1,244,969</u>	<u>22,223</u>	<u>1,267,192</u>
Total	<u>\$ 1,244,969</u>	<u>\$ 55,557</u>	<u>\$ 1,300,526</u>

Wabash Crossing Infrastructure Loans

The City has committed to the expenditure of up to \$10,339,218 for the construction and installation of infrastructure for the purpose of the redevelopment of the Near North in conjunction with the Decatur Housing Authority (DHA) and Eastlake Management and Development Corporation (Eastlake) as part of the HOPE VI grant awarded to the DHA from the United States Department of Housing and Urban Development for the rehabilitation and redevelopment of Longview Place and the area immediately adjacent thereto. The project consists of the construction of 249 new residential units known as Wabash Crossing along with the related construction and installation of certain items of infrastructure such as streets, sidewalks and water and sewer mains. As part of the Development Agreement between the City, DHA, and Eastlake, DHA has committed to make one or more loans or grants of development funding to the Revitalization in the aggregate amount of the HOPE IV Grant and applicable portion of the Capital Fund less DHA administrative, consultant, and other applicable costs.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

B. Notes Payable (Continued)

Illinois Environmental Protection Agency 2001 Loan

The City has authorized the issuance of a loan with the Illinois Environmental Protection Agency (IEPA) for \$6,957,896 to finance the costs relating to the construction of the Nitrate Removal facility. The term of the loan is for 20 years with an annual fixed loan rate of 2.9050%. The semi-annual repayment dates for both principal and interest are June 1 and December 1.

Remaining principal and interest payments to maturity are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 332,911	\$ 151,447	\$ 484,358
2011	342,652	141,705	484,357
2012	352,679	131,679	484,358
2013	362,998	121,359	484,357
2014	373,620	110,738	484,358
2015-2019	2,038,628	383,161	2,421,789
2020-2023	<u>1,492,452</u>	<u>82,834</u>	<u>1,575,286</u>
Total	<u>\$ 5,295,940</u>	<u>\$ 1,122,923</u>	<u>\$ 6,418,863</u>

General Obligation Note, Series 2007

\$7,225,000 General Obligation Note to pay the costs related to the acquisition of the Decatur Conference Center and Hotel dated October 5, 2007 due December 15, 2010; interest at 5.15% (principal and interest to be serviced by annual tax levy).

Remaining principal and interest payment to maturity are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ -	\$ 372,088	\$ 372,088
2011	<u>7,225,000</u>	<u>372,087</u>	<u>7,597,087</u>
Total	<u>\$ 7,225,000</u>	<u>\$ 744,175</u>	<u>\$ 7,969,175</u>

C. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned compensated absences for unused vacation time, which will be paid to employees upon separation from City service. In Governmental Fund Types, the cost of these benefits is recognized when payments are made to employees. Enterprise Fund Types accrue vacation time benefits in the period in which they are earned. A liability representing the City's commitment to fund such costs from future operations has been recorded in the Statement of Net Assets in the amount of \$2,869,180.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 8 – LONG-TERM DEBT (CONTINUED)

D. Conduit Debt

The City, through its participation in an intergovernmental agreement with several Illinois municipalities, has issued Collateralized Single Family Mortgage Revenue Bonds to provide financial assistance to low and moderate income residents for the purchase of single family residences. The bonds are secured by property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired property transfers to the resident. Therefore, none of the participating municipalities are obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. The original amount of the issuance was \$250,000,000.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS

A. Plan Descriptions, Provisions and Funding Policies

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

IMRF

Plan Description. The City of Decatur's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City of Decatur's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the City of Decatur's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City of Decatur's contribution rate for calendar year 2008 was 7.97 percent of annual covered payroll. The City of Decatur 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.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

A. Plan Descriptions, Provisions and Funding Policies (Continued)

IMRF (Continued)

Annual Pension Cost. For 2008, the City of Decatur's annual pension cost of \$1,246,214 for the Regular plan was equal to the City of Decatur's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 1,246,214	100%	\$ -
12/31/07	1,324,877	100%	-
12/31/06	1,278,345	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City of Decatur's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City of Decatur's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 24 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 76.92 percent funded. The actuarial accrued liability for benefits was \$42,879,285 and the actuarial value of assets was \$32,983,627, resulting in an underfunded actuarial accrued liability (UAAL) of \$9,895,658. The covered payroll (annual payroll of active employees covered by the plan) was \$15,636,313 and the ratio of the UAAL to the covered payroll was 63 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

A. Plan Descriptions, Provisions and Funding Policies (Continued)

Police Pension Plan

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

At May 1, 2008 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to but not yet receiving benefits	121
Current employees	
Vested and nonvested	<u>152</u>
Total	<u><u>273</u></u>

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

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

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

A. Plan Descriptions, Provisions and Funding Policies (Continued)

Firefighters' Pension Plan

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

At May 1, 2008 the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to but not yet receiving benefits	116
Current employees Vested and nonvested	114
Total	<u><u>230</u></u>

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

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

Covered employees are required to contribute 9.46% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statement disclosures are prepared using the accrual basis of accounting. Employee and employer contributions are generally recognized when due. If contributions are not made when due, they are only recognized as contributions (and a related receivable) if they are due pursuant to formal commitments, or because of statutory or contractual requirements. Separate plan financial statements are not prepared for the police and fire pension plans. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

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

Significant Investments

There were no investments (other than U.S. government and U.S. government guaranteed obligations, and mutual funds) in any one organization that represents 5 percent or more of net assets available for benefits.

Related Party Transactions

There are no securities of the City of Decatur or any other related parties included in plan assets.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

C. Annual Pension Cost and Net Pension Obligation

The City's annual pension cost for the current year and related information for each plan is as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Contribution Rates:			
Employer	7.97%	28.30%	39.30%
Employee	4.50%	9.91%	9.46%
Annual pension cost	\$ 1,246,214	\$ 2,968,274	\$ 2,992,651
Contributions made	\$ 1,246,214	\$ 2,968,274	\$ 2,992,651
Actuarial valuation date	12/31/2008	05/01/2008	05/01/2008
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Amortization period	24 years	25 years	25 years
Asset valuation method	5-year Smoothed Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.5% Compounded Annually	7.25% Compounded Annually	7.25% Compounded Annually
Projected salary increases	0.4 to 11.6%	5.00%	5.00%
Inflation rate included	4.00%	3.00%	3.00%
Cost of living adjustments	3.00%	3.00%	3.00%

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

C. Annual Pension Cost and Net Pension Obligation (Continued)

The pension liability at transition was determined in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers". There was no net pension obligation for the IMRF Plan at transition or at year end. There also was no pension liability at year-end for the Police and Firefighters' Pension Plans.

D. Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	<u>Year</u>	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual pension cost (APC)	2007	\$ 1,278,345	\$ 2,890,037	\$ 3,069,618
	2008	1,324,877	2,968,274	2,992,651
	2009	1,246,214	3,777,600	3,434,550
Percentage of APC contributed	2007	100%	100%	100%
	2008	100%	100%	100%
	2009	100%	100%	100%
Net pension obligation	2007	\$ -	\$ -	\$ -
	2008	-	-	-
	2009	-	-	-

Comparative information for 2009 is not yet available.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

E. Financial Statements

The following information represents the financial position and activity of the pension trust funds at April 30, 2009:

	Police Pension Fund	Fire Pension Fund	Total
ASSETS			
Cash and short-term investments	\$ 3,295,772	\$ 6,439,507	\$ 9,735,279
Taxes receivable	111,400	90,939	202,339
Accrued interest	316,274	192,210	508,484
Long-term investments, at fair value:			
U.S. Government obligations	33,050,754	22,365,259	55,416,013
Mutual funds	14,173,875	14,492,425	28,666,300
Common stock	6,700,683	3,062,889	9,763,572
Corporate bonds	<u>1,197,298</u>	<u>1,636,121</u>	<u>2,833,419</u>
Total long-term investments	<u>55,122,610</u>	<u>41,556,694</u>	<u>96,679,304</u>
TOTAL ASSETS	<u>\$58,846,056</u>	<u>\$48,279,350</u>	<u>\$ 107,125,406</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$58,846,056</u>	<u>\$48,279,350</u>	<u>\$ 107,125,406</u>
ADDITIONS			
Contributions:			
Employer	\$ 2,955,911	\$ 2,977,841	\$ 5,933,752
Plan member	<u>1,046,104</u>	<u>783,239</u>	<u>1,829,343</u>
Total contributions	<u>4,002,015</u>	<u>3,761,080</u>	<u>7,763,095</u>
Investment earnings (loss):			
Interest and dividends	1,778,280	1,351,072	3,129,352
Net decrease in the fair value of investments	<u>(5,559,610)</u>	<u>(5,879,382)</u>	<u>(11,438,992)</u>
Total investment loss	<u>(3,781,330)</u>	<u>(4,528,310)</u>	<u>(8,309,640)</u>
Less investment expense	<u>142,119</u>	<u>97,282</u>	<u>239,401</u>
Net investment loss	<u>(3,923,449)</u>	<u>(4,625,592)</u>	<u>(8,549,041)</u>
Total additions (deductions)	<u>78,566</u>	<u>(864,512)</u>	<u>(785,946)</u>

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS
(CONTINUED)

E. Financial Statements (Continued)

	Police Pension Fund	Fire Pension Fund	Total
DEDUCTIONS			
Benefits and refunds	\$ 4,273,594	\$ 4,881,160	\$ 9,154,754
Administrative expense	<u>48,813</u>	<u>39,793</u>	<u>88,606</u>
Total deductions	<u>4,322,407</u>	<u>4,920,953</u>	<u>9,243,360</u>
Net decrease	(4,243,841)	(5,785,465)	(10,029,306)
NET ASSETS, BEGINNING OF YEAR	<u>63,089,897</u>	<u>54,064,815</u>	<u>117,154,712</u>
NET ASSETS, END OF YEAR	<u>\$58,846,056</u>	<u>\$48,279,350</u>	<u>\$ 107,125,406</u>

NOTE 10 – CONTINGENT LIABILITIES

The City participates in a number of federally assisted grant programs, principal of which are the Community Development Block Grant, HOME, and Federal Transit Administration programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended April 30, 2009, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be insignificant.

The City, as landowner of an industrial center, has a potential environmental liability arising from the activities of various tenants at the site. The City has entered into a cost sharing agreement with three other parties to fund an investigation to determine the degree of each party's responsibility. While there is no current claim by any State, Federal, or local agency against the City, any such agency could take action to accelerate a clean up of the property. The City and its legal counsel believe that primary liability will rest with the prior owners. No estimate of the liability can be made at this time.

NOTE 11 – LITIGATION

There are several lawsuits pending against the City for various reasons. The outcome and eventual liability of the City, if any, in these cases are not known at this time and, accordingly, no specific provisions for these lawsuits are included in the financial statements. However, based upon past experience, management believes that the self-insurance funds and other insurance coverage maintained by the City are sufficient to cover any potential claims.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 12 – COMMITMENTS

The City has the following commitments:

- A. As a result of the City's involvement in the construction of the Civic Center building, the City and the Civic Center Authority entered into an intergovernmental cooperation agreement which included a negotiated 99 year rent-free lease for office space. The lease terms require the City to pay only utility and maintenance costs based on square footage occupied, which is approximately 40 percent of the space.

In applying the Statement of Financial Accounting Standards No. 13, *Accounting for Leases (SFAS 13)*, this lease should be capitalized due to its term and included in the general long-term debt account group. However, since these costs represent executory costs and are not quantifiable, the lease has not been capitalized and is classified as an operating lease. Also, since the costs are not quantifiable, the future minimum lease payments are not determinable.

The City is committed to maintaining a \$100,000 cash operating reserve and paying all cash operating deficits of the Civic Center Authority.

- B. The City has entered into a noncancellable 12-month lease with the Decatur Public Building Commission (DPBC). The City is leasing the law facility center from the DPBC. The lease requires the City to pay an annual rental payment of \$267,396. The DPBC shall pay from the City's Law Enforcement Surplus Account \$41,376. During the year ended April 30, 2009, the City paid \$226,020 to the DPBC.

In applying SFAS 13 the lease has been determined to be an operating lease and should not be capitalized. The lease has been classified as an operating lease since the fair value of the center cannot be objectively allocated (the City has an approximate 14 percent interest) and the estimated economic life of the center is estimated to be greater than 27 years.

As of April 30, 2009 there are no future minimum rental payments and the lease expires November 30, 2009.

- C. In 1990, the City and the Sanitary District of Decatur (District) entered into intergovernmental agreements to rehabilitate South Broadway-Cantrell Streets sewer, Staley sewer, Spring Creek sewer, and West Mound sewer. The State of Illinois EPA issued a 20-year loan to the District. The City is contributing funds to the District to cover a portion of the District's loan payments. The last principal and interest payments will be made April 5, 2015. The City's share of the remaining payments at April 30, 2009 is as follows:

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 12 – COMMITMENTS (CONTINUED)

<u>Year Ending</u> <u>April 30</u>	<u>Amount</u>
2010	\$ 146,804
2011	146,804
2012	146,804
2013	137,834
2014	98,306
2015	<u>97,066</u>
Total	<u>\$ 773,618</u>

D. The City has committed to the expenditure of up to \$10,339,218, of which \$7,045,864 has been paid or expended for the construction and installation of infrastructure for the purpose of the redevelopment of the Near North in conjunction with the Decatur Housing Authority (DHA) and Eastlake Management and Development Corporation (Eastlake) as part of the HOPE VI grant awarded to the DHA from the United States Department of Housing and Urban Development for the rehabilitation and redevelopment of Longview Place and the area immediately adjacent thereto. The project consists of the construction of 249 new residential units known as Wabash Crossing along with the related construction and installation of certain items of infrastructure such as streets, sidewalks and water and sewer mains.

E. Other Commitments:

At April 30, 2009, the City had contractual commitments of approximately \$521,432 for capital improvement programs.

NOTE 13 – RISK MANAGEMENT

The City is self-insured for worker's compensation, comprehensive general liability, employee dishonesty, property damage, medical, dental, and unemployment compensation claims. The unemployment compensation is funded totally by the City. The medical program is insured for amounts above the self-insurance retention limits of \$200,000 per individual and approximately \$6,908,052 in the aggregate by an insurance carrier. The other programs are insured for amounts above the self-insurance retention limits of \$25,000 - \$200,000 by an insurance carrier. There have been no significant reductions in insurance coverage from the prior year. During the past three fiscal years, there have been no settlements that exceeded insurance coverage.

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 13 – RISK MANAGEMENT (CONTINUED)

The claims liability of \$3,491,311 and \$3,077,412 reported in the Fund at April 30, 2009 and 2008 respectively, is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability account in fiscal years 2009 and 2008 were:

	<u>May 1, 2008 to April 30, 2009</u>	<u>May 1, 2007 to April 30, 2008</u>
Beginning of fiscal year liability	\$ 3,077,412	\$ 3,071,157
Current year claims and changes in estimates	9,146,037	8,836,960
Claims payments	<u>(8,732,138)</u>	<u>(8,830,705)</u>
Total	<u>\$ 3,491,311</u>	<u>\$ 3,077,412</u>

NOTE 14 – RELATED PARTY TRANSACTIONS

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

The City is required to maintain the Authority's operating reserve fund at \$100,000. The City is required to replenish this fund whenever it falls below \$100,000. The Authority has not required this fund to be maintained at \$100,000, but reimbursement has been made as cash flow dictates. During 2009, the City contributed \$348,146 to the Authority.

During 1999, the City entered into an agreement with the Authority to finance the replacement of the heating, ventilating and air conditioning system controls in the Civic Center Building. The agreement provided that the City pay the entire cost of the replacement contract of \$189,112, and that the Authority will pay the City \$112,000 in annual installments of \$16,000, no interest, over seven years beginning January 2, 1999. The receivable from the Authority has been recorded at present value using a 7% discount factor.

During 2000, the City entered into an agreement with the Authority to finance any repairs necessary to upkeep the facility as determined by the architects. Roof replacement and tuckpointing repairs were completed in 2000. The City has an agreement that the City pay the entire cost of \$451,961, and the Authority will pay the City \$264,899 in annual installments of \$25,000, no interest, until paid off beginning January 2, 2001. The receivable from the Authority has been recorded at present value using a 7% discount factor.

The City has agreed to defer repayment under these two agreements to a time when the Authority can repay them.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 14 – RELATED PARTY TRANSACTIONS (CONTINUED)

The present value of the amounts due from the Authority under these agreements is as follows:

	<u>HVAC System</u>	<u>Roof and Tuckpointing</u>	<u>Total</u>
Prior years' payments – deferred	\$ 54,195	\$ 134,094	\$ 188,289
Due in:			
2010	-	22,457	22,457
2011	-	<u>13,878</u>	<u>13,878</u>
	<u>54,195</u>	<u>170,429</u>	<u>224,624</u>
Current	<u>-</u>	<u>(22,457)</u>	<u>(22,457)</u>
Noncurrent	<u>\$ 54,195</u>	<u>\$ 147,972</u>	<u>\$ 202,167</u>

Accrued interest on the deferred prior year payments as of April 30, 2009 is as follows:

<u>HVAC System</u>	<u>Roof and Tuckpointing</u>	<u>Total</u>
<u>\$ 9,805</u>	<u>\$ 65,904</u>	<u>\$ 75,709</u>

NOTE 15 – FUND EQUITY

The following funds had a deficit fund balance at April 30, 2009:

CDBG Fund	\$ 79,338
Self-Insurance Fund	\$ 254,615

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

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS

The City implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective May 1, 2008. This statement requires the costs of postemployment benefits other than pension benefits to be recognized over a period that approximates an employee's years of service. Implementation of this statement resulted in recording a liability of \$311,091 as of April 30, 2009. Additional disclosures required by this statement are included below.

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

a. Plan Description

In addition to providing the pension benefits described in Note 9, the City provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan (Retiree Healthcare Program). The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental and business-type activities.

b. Benefits Provided

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

c. Membership

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

At May 1, 2008, membership consisted of:

Retirees and beneficiaries currently receiving benefits	95
Active employees	<u>572</u>
Total	<u><u>667</u></u>
Participating employers	<u><u>1</u></u>

d. Funding Policy

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

e. Annual OPEB Costs and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The City first had an actuarial valuation performed for the plan as of May 1, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2009. The City's annual OPEB cost (expense) of \$744,600 was equal to the ARC for the fiscal year 2009, as the transition liability was set at zero as of May 1, 2008. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
April 30, 2009	\$ 744,600	\$ 433,509	58.2%	\$ 311,091

The net OPEB obligation as of May 1, 2008 (most recent information available), was calculated as follows:

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual required contribution	\$ 744,600
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	744,600
Contributions made	<u>433,509</u>
Increase in net OPEB obligation	311,091
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 311,091</u>

Funded Status and Funding Progress. The funded status of the plan as of May 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 8,759,700
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	8,759,700
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

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 trend. Amounts determined regarding the funded status of the plan and the ARCs 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 AALs for benefits.

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

CITY OF DECATUR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2009

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

In the May 1, 2008 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 3.25 percent and an ultimate healthcare trend rate of 4.03 percent. The calculations assume a level-percentage-of-pay 30-year open amortization period for ECO and Regular retirees. The remaining amortization period at May 1, 2008, was 30 years.

The actuarial value of assets was not determined as the City has not advance funded its obligation.

NOTE 17 – SUBSEQUENT EVENT

In May 2009, the City offered a Voluntary Severance Plan to all employees whereby the employees may choose to terminate their employment for incentives which include payment of all accrued vacation, personal, and compensatory time, payment of one week's salary for every two years of service, and be eligible for several health insurance options. Employees are required to communicate their decision to participate by June 22, 2009 and must terminate employment by October 30, 2009.

This information is an integral part of the accompanying financial statements.

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended April 30, 2009

	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
IMRF						
2008	\$ 32,983,627	\$ 42,879,285	\$ 9,895,658	76.9%	\$ 15,636,313	63.3%
2007	40,110,028	36,941,811	(3,168,217)	108.6%	13,301,974	0.0%
2006	38,059,512	37,138,451	(921,061)	102.5%	13,274,612	0.0%
2005	34,078,784	35,005,135	926,351	97.4%	12,852,984	7.2%
2004	33,321,219	33,677,668	356,449	98.9%	12,856,004	2.8%
2003	37,015,781	32,527,770	(4,488,011)	113.8%	11,975,769	0.0%
Police Pension						
2008	\$ 66,058,169	\$ 98,045,970	\$ 31,987,801	67.4%	\$ 9,872,894	324.0%
2007	64,965,624	88,733,350	23,767,726	73.2%	9,474,589	250.9%
2006	58,980,897	82,481,592	23,500,695	71.5%	9,126,496	257.5%
2005	55,190,279	77,940,956	22,750,677	70.8%	9,075,931	250.7%
2004	52,738,152	71,103,709	18,365,557	74.2%	8,599,268	213.6%
2003	49,365,534	66,752,017	17,386,483	74.0%	8,106,384	214.5%
Fire Pension						
2008	\$ 57,057,466	\$ 83,723,383	\$ 26,665,917	68.2%	\$ 6,639,308	401.6%
2007	56,101,465	78,757,103	22,655,638	71.2%	6,464,348	350.5%
2006	52,418,918	75,989,748	23,570,830	69.0%	6,597,222	357.3%
2005	49,303,472	71,488,197	22,184,725	69.0%	6,038,243	367.4%
2004	48,362,388	63,398,203	15,035,815	76.3%	5,892,571	255.2%
2003	47,079,157	60,147,382	13,068,225	78.3%	5,864,850	222.8%

**CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended April 30, 2009**

<u>Year Ended April 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
POLICE PENSION FUND		
2008	\$ 2,968,274	100.00%
2007	2,890,037	100.00%
2006	2,766,759	100.00%
2005	2,311,360	100.00%
2004	2,160,100	100.00%
2003	1,764,070	100.00%
FIREFIGHTERS' PENSION FUND		
2008	\$ 2,992,651	100.00%
2007	3,069,618	100.00%
2006	2,782,070	100.00%
2005	2,172,022	100.00%
2004	1,991,190	100.00%
2003	1,907,994	100.00%
IMRF		
2008	\$ 1,246,214	100.00%
2007	1,324,877	100.00%
2006	1,278,345	100.00%
2005	880,429	100.00%
2004	370,253	100.00%
2003	118,560	100.00%

CITY OF DECATUR, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
GENERAL AND LIBRARY FUNDS
Year Ended April 30, 2009

	<u>General Fund</u>			Variance from Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes	\$ 14,801,025	\$ 14,801,025	\$ 15,214,353	\$ 413,328
Charges for service	141,041	141,041	104,958	(36,083)
Investment income and net increase in fair value of investments	270,500	270,500	137,017	(133,483)
Intergovernmental	30,953,283	30,953,283	29,889,102	(1,064,181)
Licenses and permits	744,400	744,400	760,044	15,644
Fines and fees	798,000	798,000	853,299	55,299
Other revenue	<u>366,100</u>	<u>366,100</u>	<u>781,152</u>	<u>415,052</u>
Total revenues	<u>48,074,349</u>	<u>48,074,349</u>	<u>47,739,925</u>	<u>(334,424)</u>
EXPENDITURES				
Current:				
Legislative	100,549	103,590	93,797	9,793
Executive	520,957	522,899	501,309	21,590
Management services	634,656	635,734	569,407	66,327
Legal	599,460	600,961	562,010	38,951
Financial management	1,658,423	1,737,797	1,629,599	108,198
Police	21,289,747	22,153,291	21,666,687	486,604
Fire	14,960,919	15,463,937	15,142,938	320,999
Economic and urban development	3,484,314	3,960,960	2,760,323	1,200,637
Public works	9,216,477	9,530,287	9,007,183	523,104
Other non-departmental charges	<u>3,823,335</u>	<u>3,361,041</u>	<u>3,010,728</u>	<u>350,313</u>
Total expenditures	<u>56,288,837</u>	<u>58,070,497</u>	<u>54,943,981</u>	<u>3,126,516</u>
Excess (deficiency) of revenues over expenditures	<u>(8,214,488)</u>	<u>(9,996,148)</u>	<u>(7,204,056)</u>	<u>2,792,092</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	21,000	21,000	36,107	15,107
Transfers in	4,786,416	4,786,416	4,735,223	(51,193)
Transfers out	<u>(2,043,256)</u>	<u>(1,910,856)</u>	<u>(1,481,256)</u>	<u>429,600</u>
Total other financing sources (uses)	<u>2,764,160</u>	<u>2,896,560</u>	<u>3,290,074</u>	<u>393,514</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (5,450,328)</u>	<u>\$ (7,099,588)</u>	<u>(3,913,982)</u>	<u>\$ 3,185,606</u>
NET CHANGES IN BUDGETARY BASIS TO GAAP			<u>134,329</u>	
Excess (deficiency) of revenues over expenditures and other financing sources (uses) - GAAP basis			(3,779,653)	
FUND BALANCE, BEGINNING OF YEAR			<u>11,621,202</u>	
FUND BALANCE, END OF YEAR			<u>\$ 7,841,549</u>	

Library Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
\$ 3,501,621	\$ 3,501,621	\$ 3,472,430	\$ (29,191)
-	-	-	-
58,250	58,250	9,827	(48,423)
458,000	458,000	350,522	(107,478)
-	-	-	-
99,650	99,650	91,110	(8,540)
<u>33,000</u>	<u>33,000</u>	<u>57,846</u>	<u>24,846</u>
<u>4,150,521</u>	<u>4,150,521</u>	<u>3,981,735</u>	<u>(168,786)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,153,610</u>	<u>4,154,082</u>	<u>3,946,440</u>	<u>207,642</u>
<u>4,153,610</u>	<u>4,154,082</u>	<u>3,946,440</u>	<u>207,642</u>
<u>(3,089)</u>	<u>(3,561)</u>	<u>35,295</u>	<u>38,856</u>
-	-	-	-
<u>(1,200)</u>	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
<u>(1,200)</u>	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
<u>\$ (4,289)</u>	<u>\$ (4,761)</u>	34,095	<u>\$ 38,856</u>
		<u>154,050</u>	
		188,145	
		<u>613,644</u>	
		<u>\$ 801,789</u>	

CITY OF DECATUR, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

NONMAJOR GOVERNMENTAL FUNDS

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

The Illinois Municipal Retirement Fund (IMRF) accounts for revenues, including property tax levies and charges to other funds, and expenditures to the State administered retirement system for all general service employees.

Main Place Section 108 Loan Guarantee Fund accounts for federal revenues to rehabilitate commercial facilities.

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

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

The TIF Fund accounts for the tax increment financing for capital improvements in the declining areas.

The Drug Enforcement Fund accounts for revenues received through drug seizure forfeitures and expenditures to enhance law enforcement efforts.

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

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal and interest on general obligation debt, serial and term, other than revenue debt issued for and serviced by a governmental enterprise.

The Debt Service Fund accounts for revenues, including transfers from other funds, and expenditures for the purpose of servicing general obligation debt issued to finance the improvements of streets, the dredging of Faries Park Basin of Lake Decatur, and the purchase of communication equipment.

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 proprietary funds or trust funds).

The 2004 Bond Capital Fund is used to account for capital improvements that are financed by the proceeds of the 2004A General Obligation Bonds.

The Capital Projects Fund accounts for continuous capital projects, which are financed primarily from intergovernmental revenues, charges for service, and investment income. This fund accounts for revenues and expenditures for numerous related capital projects.

The Letter of Credit Project Fund is used to account for capital improvements that are financed by the proceeds of a letter of credit.

The Wabash Crossing LOC Fund is used to account for the City's portion of Wabash Crossing Phase II.

The 2008 Project Fund is used to account for capital improvements that are financed by the proceeds from the 2008A General Obligation Bonds.

CITY OF DECATUR, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
April 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash and investments	\$ 3,572,579	\$ 204,902	\$ 8,934,102	\$ 12,711,583
Receivables:				
Property taxes, net	1,117,818	199,038	-	1,316,856
Illinois Municipal Sales Tax	-	-	153,750	153,750
Other taxes	-	-	346,657	346,657
Due from other governments	386,731	-	-	386,731
Due from other funds	95,731	-	-	95,731
Accounts receivable	54,078	20,155	36,555	110,788
Notes receivable	1,025,840	-	-	1,025,840
Other	552	434	-	986
TOTAL ASSETS	\$ 6,253,329	\$ 424,529	\$ 9,471,064	\$ 16,148,922
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 86,348	\$ -	\$ -	\$ 86,348
Contracts payable	-	-	360,585	360,585
Due to other funds	285,248	-	-	285,248
Other accrued liabilities	426,417	-	-	426,417
Deferred revenue	1,140,823	219,192	68,800	1,428,815
Total liabilities	1,938,836	219,192	429,385	2,587,413
Fund Balances:				
Reserved for:				
Debt service	-	205,337	-	205,337
Encumbrances	-	-	2,641,976	2,641,976
Unreserved, as reported in:				
Special revenue	4,314,493	-	-	4,314,493
Capital projects	-	-	6,399,703	6,399,703
Total fund balances	4,314,493	205,337	9,041,679	13,561,509
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,253,329	\$ 424,529	\$ 9,471,064	\$ 16,148,922

CITY OF DECATUR, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2009

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
REVENUES				
Taxes	\$ 2,246,779	\$ 940,664	\$ -	\$ 3,187,443
Investment income and net increase in fair value of investments	36,374	4,554	41,598	82,526
Intergovernmental	5,323,581	-	2,650,215	7,973,796
Fines and fees	319,880	-	92,782	412,662
Other revenue	258,776	-	69,512	328,288
Total revenues	<u>8,185,390</u>	<u>945,218</u>	<u>2,854,107</u>	<u>11,984,715</u>
EXPENDITURES				
Current:				
General government	4,673,635	146,803	-	4,820,438
Public safety	260,354	-	-	260,354
Culture and recreation	77,415	-	-	77,415
Highways and streets	1,809,659	-	3,271,984	5,081,643
Debt service:				
Principal retirement	110,000	2,500,797	3,192,468	5,803,265
Interest and fiscal charges	42,029	3,212,349	137,250	3,391,628
Total expenditures	<u>6,973,092</u>	<u>5,859,949</u>	<u>6,601,702</u>	<u>19,434,743</u>
Excess (deficiency) of revenues over expenditures	<u>1,212,298</u>	<u>(4,914,731)</u>	<u>(3,747,595)</u>	<u>(7,450,028)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	11,322,400	11,322,400
Transfers in	703,481	4,747,595	372,862	5,823,938
Transfers out	(1,261,122)	-	(607,409)	(1,868,531)
Total other financing sources (uses)	<u>(557,641)</u>	<u>4,747,595</u>	<u>11,087,853</u>	<u>15,277,807</u>
Net change in fund balances	654,657	(167,136)	7,340,258	7,827,779
FUND BALANCES, BEGINNING OF YEAR	<u>3,659,836</u>	<u>372,473</u>	<u>1,701,421</u>	<u>5,733,730</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,314,493</u>	<u>\$ 205,337</u>	<u>\$ 9,041,679</u>	<u>\$ 13,561,509</u>

CITY OF DECATUR, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
April 30, 2009

	IMRF	Main Place Section 108 Loan Guarantee Fund	HOME Fund	CDBG Fund
ASSETS				
Cash and investments	\$ 244,701	\$ 109	\$ 69,279	\$ 13,368
Receivables:				
Property taxes, net	1,043,568	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	95,731
Accounts receivable	-	-	-	-
Notes receivable	-	-	844,093	181,747
Other	552	-	-	-
TOTAL ASSETS	<u>\$ 1,288,821</u>	<u>\$ 109</u>	<u>\$ 913,372</u>	<u>\$ 290,846</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 28,728	\$ 57,620
Due to other funds	-	-	-	285,248
Other accrued liabilities	50,595	-	-	27,316
Deferred revenue	1,042,273	-	-	-
Total liabilities	<u>1,092,868</u>	<u>-</u>	<u>28,728</u>	<u>370,184</u>
Fund Balances:				
Unreserved	195,953	109	884,644	(79,338)
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,288,821</u>	<u>\$ 109</u>	<u>\$ 913,372</u>	<u>\$ 290,846</u>

<u>TIF Fund</u>	<u>Drug Enforcement Fund</u>	<u>Municipal Band Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total</u>
\$ 843,067	\$ 705,232	\$ 8,090	\$ 1,688,733	\$ 3,572,579
-	-	74,250	-	1,117,818
-	-	-	386,731	386,731
-	-	-	-	95,731
-	-	-	54,078	54,078
-	-	-	-	1,025,840
-	-	-	-	552
<u>\$ 843,067</u>	<u>\$ 705,232</u>	<u>\$ 82,340</u>	<u>\$ 2,129,542</u>	<u>\$ 6,253,329</u>
\$ -	\$ -	\$ -	\$ -	\$ 86,348
-	-	-	-	285,248
-	348,506	-	-	426,417
-	-	74,250	24,300	1,140,823
<u>-</u>	<u>348,506</u>	<u>74,250</u>	<u>24,300</u>	<u>1,938,836</u>
<u>843,067</u>	<u>356,726</u>	<u>8,090</u>	<u>2,105,242</u>	<u>4,314,493</u>
<u>\$ 843,067</u>	<u>\$ 705,232</u>	<u>\$ 82,340</u>	<u>\$ 2,129,542</u>	<u>\$ 6,253,329</u>

CITY OF DECATUR, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2009

	<u>IMRF</u>	<u>Main Place Section 108 Loan Guarantee Fund</u>	<u>HOME Fund</u>	<u>CDBG Fund</u>
REVENUES				
Taxes	\$ 743,459	\$ -	\$ -	\$ -
Investment income and net increase in fair value of investments	3,474	-	-	-
Intergovernmental	58,766	-	475,009	2,283,164
Fines and fees	-	-	-	-
Other revenue	-	41,038	21,463	4,300
Total revenues	<u>805,699</u>	<u>41,038</u>	<u>496,472</u>	<u>2,287,464</u>
EXPENDITURES				
Current:				
General government	1,383,770	-	465,457	2,180,984
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Highways and streets	-	-	-	-
Debt service:				
Principal retirement	-	110,000	-	-
Interest and fiscal charges	-	42,029	-	-
Total expenditures	<u>1,383,770</u>	<u>152,029</u>	<u>465,457</u>	<u>2,180,984</u>
Excess (deficiency) of revenues over expenditures	<u>(578,071)</u>	<u>(110,991)</u>	<u>31,015</u>	<u>106,480</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	417,637	152,029	-	-
Transfers out	-	-	-	(150,181)
Total other financing sources (uses)	<u>417,637</u>	<u>152,029</u>	<u>-</u>	<u>(150,181)</u>
Net change in fund balances	(160,434)	41,038	31,015	(43,701)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>356,387</u>	<u>(40,929)</u>	<u>853,629</u>	<u>(35,637)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 195,953</u>	<u>\$ 109</u>	<u>\$ 884,644</u>	<u>\$ (79,338)</u>

<u>TIF Fund</u>	<u>Drug Enforcement Fund</u>	<u>Municipal Band Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total</u>
\$ 1,428,903	\$ -	\$ 74,417	\$ -	\$ 2,246,779
11,027	6,998	57	14,818	36,374
202,080	-	-	2,304,562	5,323,581
-	319,880	-	-	319,880
<u>-</u>	<u>499</u>	<u>2,489</u>	<u>188,987</u>	<u>258,776</u>
<u>1,642,010</u>	<u>327,377</u>	<u>76,963</u>	<u>2,508,367</u>	<u>8,185,390</u>
643,424	-	-	-	4,673,635
-	260,354	-	-	260,354
-	-	77,415	-	77,415
-	-	-	1,809,659	1,809,659
-	-	-	-	110,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,029</u>
<u>643,424</u>	<u>260,354</u>	<u>77,415</u>	<u>1,809,659</u>	<u>6,973,092</u>
<u>998,586</u>	<u>67,023</u>	<u>(452)</u>	<u>698,708</u>	<u>1,212,298</u>
133,815	-	-	-	703,481
<u>(770,662)</u>	<u>-</u>	<u>-</u>	<u>(340,279)</u>	<u>(1,261,122)</u>
<u>(636,847)</u>	<u>-</u>	<u>-</u>	<u>(340,279)</u>	<u>(557,641)</u>
361,739	67,023	(452)	358,429	654,657
<u>481,328</u>	<u>289,703</u>	<u>8,542</u>	<u>1,746,813</u>	<u>3,659,836</u>
<u>\$ 843,067</u>	<u>\$ 356,726</u>	<u>\$ 8,090</u>	<u>\$ 2,105,242</u>	<u>\$ 4,314,493</u>

CITY OF DECATUR, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 749,641	\$ 743,459	\$ (6,182)
Investment income	7,000	3,474	(3,526)
Intergovernmental:			
Replacement tax	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total revenues	<u>856,641</u>	<u>846,933</u>	<u>(9,708)</u>
EXPENDITURES			
General Government:			
Contributions for employees' pension and social security	<u>1,825,000</u>	<u>1,492,786</u>	<u>332,214</u>
Excess (deficiency) of revenues over expenditures	(968,359)	(645,853)	322,506
OTHER FINANCING SOURCES			
Transfers in	<u>1,012,000</u>	<u>417,637</u>	<u>(594,363)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ 43,641</u>	<u>\$ (228,216)</u>	<u>\$ (271,857)</u>

CITY OF DECATUR, ILLINOIS
 MAIN PLACE SECTION 108 LOAN GUARANTEE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
 Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
EXPENDITURES			
Debt Service:			
Principal retirement	\$ 110,000	\$ 110,000	\$ -
Interest and fiscal charges	<u>42,030</u>	<u>42,029</u>	<u>1</u>
Total expenditures	<u>152,030</u>	<u>152,029</u>	<u>1</u>
OTHER FINANCING SOURCES			
Transfers in	<u>152,030</u>	<u>152,029</u>	<u>(1)</u>
Excess of other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DECATUR, ILLINOIS
HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Federal grants	\$ 2,089,921	\$ 475,009	\$ (1,614,912)
Loan repayment	61,000	90,679	29,679
Total revenues	<u>2,150,921</u>	<u>565,688</u>	<u>(1,585,233)</u>
EXPENDITURES			
General Government:			
Economic and urban development	<u>1,874,181</u>	<u>563,243</u>	<u>1,310,938</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 276,740</u>	<u>\$ 2,445</u>	<u>\$ (274,295)</u>

CITY OF DECATUR, ILLINOIS
COMMUNITY DEVELOPMENT BLOCK GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Federal grant	\$ 3,453,954	\$ 2,283,164	\$ (1,170,790)
Other revenue	<u>6,500</u>	<u>4,150</u>	<u>(2,350)</u>
Total revenues	<u>3,460,454</u>	<u>2,287,314</u>	<u>(1,173,140)</u>
EXPENDITURES			
General Government:			
Public services	2,296,000	1,568,957	727,043
Personnel services	558,668	546,896	11,772
Contractual services	103,881	61,928	41,953
Commodities	3,050	1,000	2,050
Other charges	<u>3,443</u>	<u>1,280</u>	<u>2,163</u>
Total expenditures	<u>2,965,042</u>	<u>2,180,061</u>	<u>784,981</u>
Excess (deficiency) of revenues over expenditures	<u>495,412</u>	<u>107,253</u>	<u>(388,159)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	9,000	14,066	5,066
Transfers out	<u>(150,181)</u>	<u>(150,181)</u>	<u>-</u>
Total other financing sources (uses)	<u>(141,181)</u>	<u>(136,115)</u>	<u>5,066</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 354,231</u>	<u>\$ (28,862)</u>	<u>\$ (383,093)</u>

CITY OF DECATUR, ILLINOIS
TIF DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 1,437,700	\$ 1,428,903	\$ (8,797)
Sales tax	130,000	202,080	72,080
Investment income	<u>46,400</u>	<u>11,027</u>	<u>(35,373)</u>
Total revenues	1,614,100	1,642,010	27,910
EXPENDITURES			
General government	<u>1,117,400</u>	<u>643,424</u>	<u>473,976</u>
Excess of revenues over expenditures	<u>496,700</u>	<u>998,586</u>	<u>501,886</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	133,815	133,815
Transfers out	<u>(839,500)</u>	<u>(770,662)</u>	<u>68,838</u>
Total other financing sources (uses)	<u>(839,500)</u>	<u>(636,847)</u>	<u>202,653</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (342,800)</u>	<u>\$ 361,739</u>	<u>\$ 704,539</u>

CITY OF DECATUR, ILLINOIS
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Investment income	\$ 15,000	\$ 6,998	\$ (8,002)
Fines and fees	180,000	319,880	139,880
Other revenue	<u>500</u>	<u>499</u>	<u>(1)</u>
Total revenues	195,500	327,377	131,877
EXPENDITURES			
Public safety	<u>277,834</u>	<u>260,354</u>	<u>17,480</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (82,334)</u>	<u>\$ 67,023</u>	<u>\$ 149,357</u>

CITY OF DECATUR, ILLINOIS
MUNICIPAL BAND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 75,000	\$ 74,417	\$ (583)
Investment income	100	57	(43)
Other revenue	<u>3,000</u>	<u>2,489</u>	<u>(511)</u>
Total revenues	78,100	76,963	(1,137)
EXPENDITURES			
Culture and recreation	<u>78,294</u>	<u>77,415</u>	<u>879</u>
Deficiency of revenues over expenditures	<u>\$ (194)</u>	<u>\$ (452)</u>	<u>\$ (258)</u>

CITY OF DECATUR, ILLINOIS
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Investment income	\$ 52,525	\$ 14,818	\$ (37,707)
Intergovernmental:			
Motor fuel tax	2,350,000	2,155,941	(194,059)
Other	164,500	158,475	(6,025)
Other revenue	191,675	188,987	(2,688)
 Total revenues	 2,758,700	 2,518,221	 (240,479)
EXPENDITURES			
Highways and streets:			
Maintenance of traffic lights and overpass	2,385,788	1,839,188	546,600
 Excess of revenues over expenditures	 372,912	 679,033	 306,121
OTHER FINANCING USES			
Transfers out	(402,000)	(340,279)	61,721
 Excess (deficiency) of revenues over expenditures and other financing uses	 \$ (29,088)	 \$ 338,754	 \$ 367,842

CITY OF DECATUR, ILLINOIS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 939,147	\$ 940,664	\$ 1,517
Investment income	<u>15,000</u>	<u>4,554</u>	<u>(10,446)</u>
Total revenues	<u>954,147</u>	<u>945,218</u>	<u>(8,929)</u>
EXPENDITURES			
Current:			
General government	146,803	146,803	-
Debt Service:			
Principal retirement	2,500,797	2,500,797	-
Interest and fiscal charges	<u>3,245,578</u>	<u>3,243,356</u>	<u>2,222</u>
Total expenditures	<u>5,893,178</u>	<u>5,890,956</u>	<u>2,222</u>
Deficiency of revenues over expenditures	(4,939,031)	(4,945,738)	(6,707)
OTHER FINANCING SOURCES			
Transfers in	<u>4,837,024</u>	<u>4,857,408</u>	<u>20,384</u>
Deficiency of revenues over expenditures and other financing sources	<u>\$ (102,007)</u>	<u>\$ (88,330)</u>	<u>\$ (13,677)</u>

CITY OF DECATUR, ILLINOIS
 NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 April 30, 2009

	2004 Bond Capital Fund	Capital Projects Fund	Letter of Credit Project Fund	Wabash Crossing LOC Fund	2008 Project Fund	Total
ASSETS						
Cash and investments	\$ 1,723	\$ 2,569,366	\$ -	\$ 679	\$ 6,362,334	\$ 8,934,102
Receivables:						
Illinois Municipal Sales Tax	-	153,750	-	-	-	153,750
Other taxes	-	346,657	-	-	-	346,657
Accounts receivable	-	24,291	-	-	12,264	36,555
TOTAL ASSETS	<u>\$ 1,723</u>	<u>\$ 3,094,064</u>	<u>\$ -</u>	<u>\$ 679</u>	<u>\$ 6,374,598</u>	<u>\$ 9,471,064</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Contracts payable	\$ -	\$ 199,858	\$ -	\$ -	\$ 160,727	\$ 360,585
Deferred revenue	-	68,800	-	-	-	68,800
Total liabilities	-	268,658	-	-	160,727	429,385
Fund Balances:						
Reserved for encumbrances	-	490,754	-	-	2,151,222	2,641,976
Unreserved	1,723	2,334,652	-	679	4,062,649	6,399,703
Total fund balance	1,723	2,825,406	-	679	6,213,871	9,041,679
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,723</u>	<u>\$ 3,094,064</u>	<u>\$ -</u>	<u>\$ 679</u>	<u>\$ 6,374,598</u>	<u>\$ 9,471,064</u>

CITY OF DECATUR, ILLINOIS
 NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Year Ended April 30, 2009

	<u>2004 Bond Capital Fund</u>	<u>Capital Projects Fund</u>	<u>Letter of Credit Project Fund</u>	<u>Wabash Crossing LOC Fund</u>	<u>2008 Project Fund</u>	<u>Total</u>
REVENUES						
Investment income and net increase in fair value of investments	\$ 44	\$ 18,762	\$ 664	\$ 6	\$ 22,122	\$ 41,598
Intergovernmental	-	2,650,215	-	-	-	2,650,215
Fines and fees	-	92,782	-	-	-	92,782
Other revenue	-	69,512	-	-	-	69,512
Total revenues	<u>44</u>	<u>2,831,271</u>	<u>664</u>	<u>6</u>	<u>22,122</u>	<u>2,854,107</u>
EXPENDITURES						
Current:						
Highways and streets	5,148	1,534,562	970,849	-	761,425	3,271,984
Debt Service:						
Principal retirement	-	-	150,068	-	3,042,400	3,192,468
Interest and fiscal charges	-	-	132,824	-	4,426	137,250
Total expenditures	<u>5,148</u>	<u>1,534,562</u>	<u>1,253,741</u>	<u>-</u>	<u>3,808,251</u>	<u>6,601,702</u>
Excess (deficiency) of revenues over expenditures	<u>(5,104)</u>	<u>1,296,709</u>	<u>(1,253,077)</u>	<u>6</u>	<u>(3,786,129)</u>	<u>(3,747,595)</u>
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	1,322,400	-	10,000,000	11,322,400
Transfers in	-	200,000	172,862	-	-	372,862
Transfers out	-	(473,594)	(133,815)	-	-	(607,409)
Total other financing sources (uses)	<u>-</u>	<u>(273,594)</u>	<u>1,361,447</u>	<u>-</u>	<u>10,000,000</u>	<u>11,087,853</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(5,104)</u>	<u>1,023,115</u>	<u>108,370</u>	<u>6</u>	<u>6,213,871</u>	<u>7,340,258</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>6,827</u>	<u>1,802,291</u>	<u>(108,370)</u>	<u>673</u>	<u>-</u>	<u>1,701,421</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,723</u>	<u>\$ 2,825,406</u>	<u>\$ -</u>	<u>\$ 679</u>	<u>\$ 6,213,871</u>	<u>\$ 9,041,679</u>

CITY OF DECATUR, ILLINOIS
2004 BOND CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Investment interest	\$ 100	\$ 44	\$ (56)
 EXPENDITURES			
Capital projects	<u>6,827</u>	<u>5,148</u>	<u>1,679</u>
 Excess (deficiency) of revenues over expenditures	 <u>\$ (6,727)</u>	 <u>\$ (5,104)</u>	 <u>\$ 1,623</u>

CITY OF DECATUR, ILLINOIS
GENERAL CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Investment interest	\$ 57,840	\$ 18,762	\$ (39,078)
Intergovernmental	2,867,000	2,734,067	(132,933)
Fines and fees	10,100	92,782	82,682
Other revenues	17,100	69,505	52,405
Total revenues	2,952,040	2,915,116	(36,924)
EXPENDITURES			
Capital projects	3,306,347	1,465,889	1,840,458
Excess (deficiency) of revenues over expenditures	(354,307)	1,449,227	1,803,534
OTHER FINANCING SOURCES (USES)			
Sale of assets	200,000	-	(200,000)
Transfers in	200,000	200,000	-
Transfers out	(473,594)	(473,594)	-
Total other financing uses	(73,594)	(273,594)	(200,000)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (427,901)	\$ 1,175,633	\$ 1,603,534

CITY OF DECATUR, ILLINOIS
 LETTER OF CREDIT PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
 Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Investment interest	\$ -	\$ 664	\$ 664
EXPENDITURES			
Current:			
Capital projects	2,299,999	1,227,446	1,072,553
Debt Service:			
Principal retirement	-	150,068	(150,068)
Interest and fiscal charges	<u>250,000</u>	<u>132,824</u>	<u>117,176</u>
Total expenditures	<u>2,549,999</u>	<u>1,510,338</u>	<u>1,039,661</u>
Excess (deficiency) of revenues over expenditures	<u>(2,549,999)</u>	<u>(1,509,674)</u>	<u>1,040,325</u>
OTHER FINANCING SOURCES (USES)			
Debt proceeds	800,000	1,322,400	522,400
Transfers in	250,000	172,862	(77,138)
Transfers out	<u>-</u>	<u>(133,815)</u>	<u>(133,815)</u>
Total other financing sources	<u>1,050,000</u>	<u>1,361,447</u>	<u>311,447</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (1,499,999)</u>	<u>\$ (148,227)</u>	<u>\$ 1,351,772</u>

CITY OF DECATUR, ILLINOIS
WABASH CROSSING LETTER OF CREDIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Investment interest	\$ -	\$ 6	\$ 6
EXPENDITURES			
Capital projects	<u>673</u>	<u>-</u>	<u>673</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (673)</u>	<u>\$ 6</u>	<u>\$ 679</u>

CITY OF DECATUR, ILLINOIS
 2008 PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CASH BASIS (NON-GAAP) BUDGET AND ACTUAL
 Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Investment interest	\$ -	\$ 9,858	\$ 9,858
EXPENDITURES			
Current:			
Capital projects	1,434,294	600,698	833,596
Debt Service:			
Principal retirement	3,042,400	3,042,400	-
Interest and fiscal charges	<u>4,426</u>	<u>4,426</u>	<u>-</u>
Total expenditures	<u>4,481,120</u>	<u>3,647,524</u>	<u>833,596</u>
Excess (deficiency) of revenues over expenditures	<u>(4,481,120)</u>	<u>(3,637,666)</u>	<u>843,454</u>
OTHER FINANCING SOURCES			
Debt proceeds	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ (4,481,120)</u>	<u>\$ 6,362,334</u>	<u>\$ 10,843,454</u>

NONMAJOR PROPRIETARY FUNDS

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

The Motor Vehicle Parking System Fund is used to account for the construction, operation, and maintenance of the City-owned parking system.

The Sewer Fund accounts for the construction, operation and maintenance of the city-owned storm water sewer system.

DCDF Fund accounts for the not-for-profit corporation which finances and subsidizes housing rehabilitation activities in the City.

The Home Mortgage Fund accounts for the activity of a program for subsidizing the construction of homes for purchase within designated areas of the City.

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

CITY OF DECATUR, ILLINOIS
 NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 April 30, 2009

	Motor Vehicle Parking System Fund	Sewer Fund	DCDF Fund	Home Mortgage Fund	Recycling Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 9,359	\$ 2,415,561	\$ 789,979	\$ 1,115	\$ 69,319	\$ 3,285,333
Receivables:						
Accounts receivable	67,066	174,962	253	7,321	102,576	352,198
Other	75	-	-	-	-	75
Due from other funds	-	-	285,248	-	-	285,248
Assets held for sale	-	-	22,940	-	-	22,940
Prepaid expenses	37,800	-	-	-	-	37,800
Total current assets	<u>114,320</u>	<u>2,590,523</u>	<u>1,098,420</u>	<u>8,436</u>	<u>171,895</u>	<u>3,983,594</u>
Notes receivable	-	-	417,356	-	-	417,356
Property, plant and equipment						
Land	2,156,991	-	-	-	-	2,156,991
Buildings	5,497,739	-	-	-	-	5,497,739
Improvements other than buildings	381,950	10,277,186	-	-	-	10,659,136
Machinery and equipment	534,748	-	-	-	-	534,748
Less accumulated depreciation	8,573,428	10,277,186	-	-	-	18,850,614
	<u>5,914,663</u>	<u>5,898,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,813,048</u>
Total property, plant and equipment	<u>2,658,765</u>	<u>4,378,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,037,566</u>
TOTAL ASSETS	<u>\$ 2,773,085</u>	<u>\$ 6,969,324</u>	<u>\$ 1,515,776</u>	<u>\$ 8,436</u>	<u>\$ 171,895</u>	<u>\$ 11,438,516</u>
LIABILITIES AND NET ASSETS						
Liabilities:						
Current liabilities:						
Accounts payable	\$ 7,581	-	\$ 84	-	\$ 41,601	\$ 49,266
Contracts payable	-	144,909	-	-	-	144,909
Other accrued liabilities	32,746	-	-	-	-	32,746
Due to other funds	-	-	95,731	-	-	95,731
Total current liabilities	<u>40,327</u>	<u>144,909</u>	<u>95,815</u>	<u>-</u>	<u>41,601</u>	<u>322,652</u>
Net assets:						
Invested in capital assets, net of related debt	2,658,765	4,378,801	-	-	-	7,037,566
Unrestricted	73,993	2,445,614	1,419,961	8,436	130,294	4,078,298
Total net assets	<u>2,732,758</u>	<u>6,824,415</u>	<u>1,419,961</u>	<u>8,436</u>	<u>130,294</u>	<u>11,115,864</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,773,085</u>	<u>\$ 6,969,324</u>	<u>\$ 1,515,776</u>	<u>\$ 8,436</u>	<u>\$ 171,895</u>	<u>\$ 11,438,516</u>

CITY OF DECATUR, ILLINOIS
 NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 Year Ended April 30, 2009

	Motor Vehicle Parking System Fund	Sewer Fund	DCDF Fund	Home Mortgage Fund	Recycling Fund	Total
OPERATING REVENUES						
Charges for services	\$ 508,886	\$ 1,986,106	-	-	\$ 515,902	\$ 3,010,894
Other revenue	-	1,010	139,113	234	-	140,357
Total operating revenues	508,886	1,987,116	139,113	234	515,902	3,151,251
OPERATING EXPENSES						
Personnel services	296,421	-	-	-	-	296,421
Contractual services	278,559	155,943	4,251	-	547,285	986,038
Commodities	12,238	3,695	-	-	6,615	22,548
Other charges	20,912	1,057,802	35,261	-	-	1,123,975
Depreciation and amortization	127,123	259,088	-	-	-	386,211
Total operating expenses	735,253	1,486,528	39,512	-	553,900	2,815,193
Operating income (loss)	(226,367)	500,588	99,601	234	(37,998)	336,058
NONOPERATING REVENUES (EXPENSES)						
Investment income and net increase in fair value of investments	463	23,261	6,543	6	524	30,797
Loss on disposal of city property	-	-	(17,944)	-	-	(17,944)
Total nonoperating revenues (expenses)	463	23,261	(11,401)	6	524	12,853
Income (loss) before transfers	(225,904)	523,849	88,200	240	(37,474)	348,911
TRANSFERS						
Transfers in	165,000	-	-	-	42,100	207,100
Transfers out	(59,520)	(646,278)	-	(1,950)	-	(707,748)
Net transfers	105,480	(646,278)	-	(1,950)	42,100	(500,648)
Change in net assets	(120,424)	(122,429)	88,200	(1,710)	4,626	(151,737)
NET ASSETS, BEGINNING OF YEAR	2,853,182	6,946,844	1,331,761	10,146	125,668	11,267,601
NET ASSETS, END OF YEAR	\$ 2,732,758	\$ 6,824,415	\$ 1,419,951	\$ 8,436	\$ 130,294	\$ 11,115,864

CITY OF DECATUR, ILLINOIS
 NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended April 30, 2009

	Motor Vehicle Parking System Fund	Sewer Fund	DCDF Fund	Home Mortgage Fund	Recycling Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from charges for services	\$ 513,645	\$ 2,039,722	\$ 191,171	\$ 3,059	\$ 552,204	\$ 3,299,801
Cash paid to suppliers for goods and services	(302,918)	(1,173,939)	(89,512)	-	(555,310)	(2,072,679)
Cash paid to employees	(320,695)	-	-	-	-	(320,695)
Net cash provided by (used in) operating activities	(109,969)	865,783	151,659	3,059	(4,106)	906,425
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	165,000	-	-	-	42,100	207,100
Transfers to other funds	(59,520)	(646,278)	-	(1,950)	-	(707,748)
Net cash provided by (used in) noncapital financing activities	105,480	(646,278)	-	(1,950)	42,100	(500,648)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of property, plant and equipment	-	(75,898)	-	-	-	(75,898)
Investment income	463	23,261	6,543	6	524	30,797
NET INCREASE (DECREASE) IN CASH	(4,026)	166,668	158,202	1,115	38,518	360,677
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,385	2,248,693	631,777	-	30,801	2,924,656
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,359	\$ 2,415,561	\$ 789,979	\$ 1,115	\$ 69,319	\$ 3,285,333
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ (226,367)	\$ 500,688	\$ 99,601	\$ 234	\$ (37,998)	\$ 336,058
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	127,123	259,088	-	-	-	386,211
Effects of changes in operating assets and liabilities:						
Receivables	4,759	52,606	52,058	2,825	36,302	148,550
Prepaid items	4,200	-	-	-	-	4,200
Accounts payable	4,591	(29,597)	-	-	(2,410)	(27,416)
Contracts payable	-	81,835	-	-	-	81,835
Other accrued liabilities	(24,275)	1,263	-	-	-	(23,012)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (109,969)	\$ 865,783	\$ 151,659	\$ 3,059	\$ (4,106)	\$ 906,425

INTERNAL SERVICE FUNDS

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

The Fleet Maintenance/ERF Fund accounts for services provided by the City's garage for repair and maintenance of motorized vehicles and equipment and for funds transferred from operating departments for the expenses of operating and replacement of City equipment. Capital outlay for automotive and other machinery and equipment is from this fund.

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

The Management Information Services Fund accounts for services provided by the City's Management Information Services Division.

CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
April 30, 2009

	<u>Fleet Maintenance/ERF</u>	<u>Self Insurance</u>	<u>Management Information Services</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,300,555	\$ 3,234,470	\$ 1,601,888	\$ 8,136,913
Receivables:				
Accounts receivable	2,475	690	-	3,165
Other	-	1,536	-	1,536
Inventories	<u>212,262</u>	<u>-</u>	<u>-</u>	<u>212,262</u>
Total current assets	<u>3,515,292</u>	<u>3,236,696</u>	<u>1,601,888</u>	<u>8,353,876</u>
Property, plant and equipment				
Machinery and equipment	6,752,933	-	1,010,686	7,763,619
Less accumulated depreciation	<u>2,109,456</u>	<u>-</u>	<u>595,125</u>	<u>2,704,581</u>
Total property, plant and equipment	<u>4,643,477</u>	<u>-</u>	<u>415,561</u>	<u>5,059,038</u>
TOTAL ASSETS	<u>\$ 8,158,769</u>	<u>\$ 3,236,696</u>	<u>\$ 2,017,449</u>	<u>\$ 13,412,914</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 15,407	\$ -	\$ -	\$ 15,407
Other accrued liabilities	56,727	-	52,809	109,536
Claims payable	-	3,491,311	-	3,491,311
Unearned revenue	<u>-</u>	<u>-</u>	<u>6,565</u>	<u>6,565</u>
Total liabilities	<u>72,134</u>	<u>3,491,311</u>	<u>59,374</u>	<u>3,622,819</u>
Net assets:				
Invested in capital assets, net of related debt	4,643,477	-	415,561	5,059,038
Unrestricted	<u>3,443,158</u>	<u>(254,615)</u>	<u>1,542,514</u>	<u>4,731,057</u>
Total net assets	<u>8,086,635</u>	<u>(254,615)</u>	<u>1,958,075</u>	<u>9,790,095</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,158,769</u>	<u>\$ 3,236,696</u>	<u>\$ 2,017,449</u>	<u>\$ 13,412,914</u>

CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended April 30, 2009

	<u>Fleet Maintenance/ERF</u>	<u>Self Insurance</u>	<u>Management Information Services</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 3,598,597	\$ 8,476,026	\$ 1,516,265	\$ 13,590,888
Payroll deductions/retiree contributions	-	1,860,954	-	1,860,954
Other revenue	<u>157,060</u>	<u>335,078</u>	<u>481</u>	<u>492,619</u>
Total operating revenues	<u>3,755,657</u>	<u>10,672,058</u>	<u>1,516,746</u>	<u>15,944,461</u>
OPERATING EXPENSES				
Personnel services	510,294	-	1,016,449	1,526,743
Contractual services	246,883	559,572	241,762	1,048,217
Supplies and materials	1,045,270	2,000	3,324	1,050,594
Insurance and other charges	270,809	10,303,771	250,877	10,825,457
Depreciation	<u>890,852</u>	<u>-</u>	<u>93,197</u>	<u>984,049</u>
Total operating expenses	<u>2,964,108</u>	<u>10,865,343</u>	<u>1,605,609</u>	<u>15,435,060</u>
Operating income (loss)	791,549	(193,285)	(88,863)	509,401
NONOPERATING REVENUES				
Investment interest	<u>38,411</u>	<u>38,439</u>	<u>16,332</u>	<u>93,182</u>
Income (loss) before transfers	<u>829,960</u>	<u>(154,846)</u>	<u>(72,531)</u>	<u>602,583</u>
TRANSFERS				
Transfers in	3,446,120	-	283,267	3,729,387
Transfers out	<u>(3,489,324)</u>	<u>(170,400)</u>	<u>(283,267)</u>	<u>(3,942,991)</u>
Net transfers	<u>(43,204)</u>	<u>(170,400)</u>	<u>-</u>	<u>(213,604)</u>
Net income (loss)	786,756	(325,246)	(72,531)	388,979
NET ASSETS, BEGINNING OF YEAR	<u>7,299,879</u>	<u>70,631</u>	<u>2,030,606</u>	<u>9,401,116</u>
NET ASSETS, END OF YEAR	<u>\$ 8,086,635</u>	<u>\$ (254,615)</u>	<u>\$ 1,958,075</u>	<u>\$ 9,790,095</u>

CITY OF DECATUR, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended April 30, 2009

	Fleet Maintenance/ERF	Self Insurance	Management Information Systems	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	\$ 3,748,409	\$ 10,672,058	\$ 1,516,230	\$ 15,936,697
Cash paid to suppliers for goods and services	(1,594,025)	(10,451,444)	(485,447)	(12,540,916)
Cash paid to employees	(545,716)	-	(1,035,431)	(1,581,147)
Net cash provided by (used in) operating activities	<u>1,608,668</u>	<u>220,614</u>	<u>(14,648)</u>	<u>1,814,634</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transfers from other funds	3,446,120	-	283,287	3,729,387
Cash transfers to other funds	(3,469,324)	(170,400)	(283,287)	(3,942,991)
Net cash used in noncapital financing activities	<u>(43,204)</u>	<u>(170,400)</u>	<u>-</u>	<u>(213,604)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of property, plant and equipment	(2,002,497)	-	-	(2,002,497)
Proceeds on sale of city property	18,075	-	-	18,075
Net cash used in capital and related financing activities	<u>(1,984,422)</u>	<u>-</u>	<u>-</u>	<u>(1,984,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	38,411	38,439	16,332	93,182
NET INCREASE (DECREASE) IN CASH	(360,547)	88,653	1,664	(290,210)
CASH, BEGINNING OF YEAR	3,661,102	3,145,817	1,600,204	8,427,123
CASH, END OF YEAR	<u>\$ 3,300,555</u>	<u>\$ 3,234,470</u>	<u>\$ 1,601,868</u>	<u>\$ 8,136,913</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 791,549	\$ (193,285)	\$ (88,863)	\$ 509,401
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	890,852	-	93,197	984,049
Gain on disposal of assets	(7,770)	-	-	(7,770)
Effects of changes in operating assets and liabilities:				
Receivables	522	-	(516)	6
Inventories	(21,517)	-	-	(21,517)
Accounts payable	(8,924)	413,899	-	404,975
Other current liabilities	(35,422)	-	(18,982)	(54,404)
Unearned revenue	(522)	-	516	(6)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,608,668</u>	<u>\$ 220,614</u>	<u>\$ (14,648)</u>	<u>\$ 1,814,634</u>

FIDUCIARY FUNDS

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

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

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

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
April 30, 2009**

	Police Pension Fund	Fire Pension Fund	Total
ASSETS			
Cash and short-term investments	\$ 3,295,772	\$ 6,439,507	\$ 9,735,279
Taxes receivable	111,400	90,939	202,339
Accrued interest	316,274	192,210	508,484
Long-term investments, at fair value:			
U.S. Government obligations	33,050,754	22,365,259	55,416,013
Mutual funds	14,173,875	14,492,425	28,666,300
Common stock	6,700,683	3,062,889	9,763,572
Corporate bonds	<u>1,197,298</u>	<u>1,636,121</u>	<u>2,833,419</u>
Total long-term investments	<u>55,122,610</u>	<u>41,556,694</u>	<u>96,679,304</u>
TOTAL ASSETS	<u>\$ 58,846,056</u>	<u>\$ 48,279,350</u>	<u>\$ 107,125,406</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 58,846,056</u>	<u>\$ 48,279,350</u>	<u>\$ 107,125,406</u>

**CITY OF DECATUR, ILLINOIS
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
Year Ended April 30, 2009**

	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer	\$ 2,955,911	\$ 2,977,841	\$ 5,933,752
Plan member	<u>1,046,104</u>	<u>783,239</u>	<u>1,829,343</u>
Total contributions	<u>4,002,015</u>	<u>3,761,080</u>	<u>7,763,095</u>
Investment earnings (loss):			
Interest and dividends	1,778,280	1,351,072	3,129,352
Net decrease in the fair value of investments	<u>(5,559,610)</u>	<u>(5,879,382)</u>	<u>(11,438,992)</u>
Total investment loss	(3,781,330)	(4,528,310)	(8,309,640)
Less investment expense	<u>142,119</u>	<u>97,282</u>	<u>239,401</u>
Net investment loss	<u>(3,923,449)</u>	<u>(4,625,592)</u>	<u>(8,549,041)</u>
Total additions (deductions)	<u>78,566</u>	<u>(864,512)</u>	<u>(785,946)</u>
DEDUCTIONS			
Benefits and refunds	4,273,594	4,881,160	9,154,754
Administrative expense	<u>48,813</u>	<u>39,793</u>	<u>88,606</u>
Total deductions	<u>4,322,407</u>	<u>4,920,953</u>	<u>9,243,360</u>
Net decrease	(4,243,841)	(5,785,465)	(10,029,306)
NET ASSETS, BEGINNING OF YEAR	<u>63,089,897</u>	<u>54,064,815</u>	<u>117,154,712</u>
NET ASSETS, END OF YEAR	<u>\$ 58,846,056</u>	<u>\$ 48,279,350</u>	<u>\$ 107,125,406</u>

Statistical Section

This part of the City of Decatur's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF DECATUR, ILLINOIS
NET ASSETS BY COMPONENT
ALL AVAILABLE YEARS

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 19,313,839	\$ 20,694,671	\$ 20,186,970	\$ 21,827,108	\$ 59,290,174	\$ 17,251,831
Restricted	16,605,645	9,486,926	3,979,821	2,407,527	-	-
Unrestricted	(30,561,374)	(26,992,521)	(22,243,869)	(17,699,526)	(15,918,386)	23,755,421
Total governmental activities net assets	<u>5,358,110</u>	<u>3,189,076</u>	<u>1,922,922</u>	<u>6,535,109</u>	<u>43,371,788</u>	<u>41,007,252</u>
Business-type activities						
Invested in capital assets, net of related debt	62,562,784	63,584,906	60,305,067	57,930,995	59,440,235	56,724,998
Restricted	-	-	-	28,846,361	25,198,923	-
Unrestricted	37,228,430	36,781,035	31,253,474	-	-	20,270,332
Total business-type activities net assets	<u>99,791,214</u>	<u>100,365,941</u>	<u>91,558,541</u>	<u>86,777,356</u>	<u>84,639,158</u>	<u>76,995,330</u>
Primary government						
Invested in capital assets, net of related debt	81,876,623	84,279,577	80,492,037	79,758,103	118,730,409	73,976,829
Restricted	16,605,645	9,486,926	3,979,821	31,253,888	25,198,923	-
Unrestricted	6,667,056	9,788,514	9,009,605	(17,699,526)	(15,918,386)	44,025,753
TOTAL PRIMARY GOVERNMENT ACTIVITIES NET ASSETS	<u>\$ 105,149,324</u>	<u>\$ 103,555,017</u>	<u>\$ 93,481,463</u>	<u>\$ 93,312,465</u>	<u>\$ 128,010,946</u>	<u>\$ 118,002,582</u>

**CITY OF DECATUR, ILLINOIS
CHANGES IN NET ASSETS
LAST TEN YEARS**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EXPENSES										
Governmental Activities										
General government	\$ 22,370,737	\$ 29,374,894	\$ 22,020,990	\$ 18,929,105	\$ 14,751,089	\$ 11,231,794	\$ 12,355,329	\$ 12,752,403	\$ 12,899,611	\$ 11,667,513
Public safety	18,969,426	22,052,857	23,383,312	25,191,374	28,332,963	29,959,590	30,901,106	31,958,049	33,878,086	37,007,402
Public works	5,731,440	6,420,125	6,561,080	6,318,476	9,229,510	14,764,122	17,390,666	10,562,237	15,604,712	16,395,618
Culture and recreation	3,034,752	2,589,082	2,865,054	3,230,450	3,468,287	3,609,189	3,749,474	3,916,250	4,441,150	4,443,700
Interest on debt	844,959	3,327,847	2,821,452	2,905,874	3,029,752	3,039,104	3,078,850	2,952,352	3,076,008	3,568,996
Total governmental activities expenses	50,951,314	63,764,805	57,651,888	56,575,279	58,811,601	62,603,799	67,475,425	62,141,291	69,899,567	73,083,229
Business-type activities										
Water	11,328,319	13,390,398	13,187,502	17,313,477	12,729,900	11,387,369	12,977,816	12,547,968	13,161,424	13,807,253
Parking	668,006	718,735	735,421	709,071	679,620	682,392	746,042	748,568	757,198	721,662
Mass Transit	2,831,495	3,910,410	3,636,231	4,278,068	4,698,845	4,722,404	4,947,093	4,936,203	5,788,725	5,661,346
Housing programs	412,328	199,864	75,780	186,003	38,512	278,361	42,466	11,322	72,653	39,512
Waste removal	455,064	510,831	584,114	564,112	505,584	481,492	496,095	518,561	536,549	554,083
Hotel	-	-	-	-	-	-	-	-	320,859	43,020
Sewer	609,588	3,045,099	1,543,972	1,231,754	1,729,595	932,591	780,498	755,444	1,279,797	1,487,939
Total business-type activities expenses	16,304,800	21,775,337	19,763,020	24,282,485	20,382,056	18,484,609	19,990,010	19,518,066	21,917,205	22,314,815
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 67,256,114	\$ 85,540,142	\$ 77,414,908	\$ 80,857,764	\$ 79,193,657	\$ 81,088,408	\$ 87,465,435	\$ 81,659,357	\$ 91,816,772	\$ 95,398,044
PROGRAM REVENUES										
Governmental activities										
Charges for services:										
General government	\$ 3,930,574	\$ 4,032,921	\$ 4,098,699	\$ 4,900,333	\$ 1,134,218	\$ 1,034,913	\$ 1,626,091	\$ 1,509,879	\$ 1,593,067	\$ 1,543,847
Public safety	-	-	-	-	717,390	770,040	219,965	230,736	426,660	427,804
Other activities	-	-	-	-	271,850	292,338	130,483	129,989	105,538	183,892
Operating grants and contributions	878,432	264,575	343,554	13,537	5,358,138	3,533,131	4,760,023	6,321,264	6,462,730	6,010,850
Capital grants and contributions	-	-	-	-	17,554	-	-	-	-	-
Total governmental activities program revenues	4,809,006	4,297,496	4,442,253	4,913,870	7,499,150	5,630,422	6,736,562	8,191,868	8,587,995	8,166,393
Business-type activities										
Charges for services:										
Water	14,140,164	14,348,281	12,863,356	11,587,608	12,618,005	14,209,199	12,252,193	11,509,404	12,620,045	12,368,956
Other activities	3,920,979	3,627,058	3,239,332	3,493,165	3,478,711	3,343,276	3,640,434	3,332,874	3,964,874	3,762,684
Operating grants and contributions	-	-	-	-	3,140,921	3,285,819	2,423,190	5,239,319	4,095,141	4,372,081
Capital grants and contributions	376,847	406,084	602,153	786,486	122,467	-	-	-	-	-
Total business-type activities program revenues	18,437,990	18,381,423	16,704,841	15,867,259	19,360,104	20,838,294	18,315,817	20,081,597	20,680,060	20,503,721
TOTAL PRIMARY GOVERNMENT REVENUES	\$ 23,246,996	\$ 22,678,919	\$ 21,147,094	\$ 20,781,129	\$ 26,859,254	\$ 26,468,716	\$ 25,052,379	\$ 28,273,465	\$ 29,268,055	\$ 28,670,114

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
NET (EXPENSE) REVENUE										
Governmental activities	\$ (46,142,308)	\$ (59,467,309)	\$ (53,209,635)	\$ (51,661,409)	\$ (51,312,451)	\$ (56,973,377)	\$ (60,738,863)	\$ (53,949,423)	\$ (61,311,572)	\$ (64,916,836)
Business-type activities	2,133,190	(3,393,914)	(3,058,179)	(8,415,226)	(1,021,952)	2,353,085	(1,674,193)	563,531	(1,237,145)	(1,811,094)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (44,009,118)</u>	<u>\$ (62,861,223)</u>	<u>\$ (56,267,814)</u>	<u>\$ (60,076,635)</u>	<u>\$ (52,334,403)</u>	<u>\$ (54,619,692)</u>	<u>\$ (62,413,056)</u>	<u>\$ (53,385,892)</u>	<u>\$ (62,548,717)</u>	<u>\$ (66,727,930)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes:										
Property taxes	\$ 42,367,243	\$ 47,502,505	\$ 43,635,504	\$ 44,611,858	\$ 9,952,854	\$ 10,581,082	\$ 11,258,757	\$ 11,703,520	\$ 12,063,453	\$ 12,446,870
Sales and use taxes	-	-	-	-	19,486,593	21,855,409	21,814,347	22,041,088	23,160,806	23,133,533
Income taxes	-	-	-	-	4,938,597	6,221,442	6,465,031	6,410,060	7,712,550	7,209,039
Utility taxes	-	-	-	-	-	5,760,454	5,924,807	5,341,719	5,316,258	5,575,225
Food and beverage taxes	-	-	-	-	-	2,611,781	2,665,731	2,714,786	2,877,615	2,951,196
Hotel and motel taxes	-	-	-	-	-	620,000	661,629	652,839	681,483	649,612
Other taxes	-	-	-	-	10,060,189	938,657	1,444,728	991,002	1,643,308	1,584,417
Investment earnings	30,226,437	1,248,318	388,133	955,964	309,847	425,431	713,716	1,023,446	786,557	327,253
Miscellaneous	1,336,031	1,408,177	1,168,745	1,892,251	1,424,398	844,783	1,386,026	909,144	649,408	1,212,713
Transfers	(24,842,560)	2,703,118	4,276,196	3,927,598	4,468,419	4,935,470	7,349,755	6,774,006	6,612,277	7,073,376
Total governmental activities	<u>49,087,151</u>	<u>52,862,118</u>	<u>49,468,578</u>	<u>51,387,671</u>	<u>50,640,897</u>	<u>54,794,509</u>	<u>59,684,527</u>	<u>58,561,610</u>	<u>61,503,715</u>	<u>62,163,234</u>
Business-type activities										
Property taxes	147,544	147,798	150,449	150,291	151,519	151,654	217,322	217,091	218,254	216,872
Investment earnings	(494,012)	1,019,066	605,472	527,995	319,320	549,191	1,023,657	1,212,199	1,017,691	621,036
Miscellaneous	2,293,304	2,799,355	20,521,279	3,615,205	-	20,964	(1,024,431)	-	(119,958)	402,734
Transfers	24,666,529	(1,162,697)	(3,129,244)	(3,197,160)	(4,468,419)	(4,935,470)	(7,349,755)	(6,774,006)	(6,612,277)	(7,073,376)
Total business-type activities	<u>26,613,365</u>	<u>2,803,522</u>	<u>18,147,956</u>	<u>1,096,331</u>	<u>(3,997,580)</u>	<u>(4,213,661)</u>	<u>(7,133,207)</u>	<u>(5,344,716)</u>	<u>(5,496,290)</u>	<u>(5,832,734)</u>
TOTAL PRIMARY GOVERNMENT	<u>75,700,516</u>	<u>\$ 55,665,640</u>	<u>\$ 67,616,534</u>	<u>\$ 52,484,002</u>	<u>\$ 46,643,317</u>	<u>\$ 50,580,848</u>	<u>\$ 52,551,320</u>	<u>\$ 53,216,894</u>	<u>\$ 56,007,425</u>	<u>\$ 56,330,500</u>
CHANGE IN NET ASSETS										
Governmental activities	\$ 2,944,843	\$ (6,605,191)	\$ (3,741,057)	\$ (273,738)	\$ (671,554)	\$ (2,178,868)	\$ (1,054,336)	\$ 4,612,187	\$ 192,143	\$ (2,753,602)
Business-type activities	28,746,555	(590,392)	15,089,777	(7,318,895)	(5,019,532)	(1,859,976)	(8,807,400)	(4,781,185)	(6,733,435)	(7,643,828)
TOTAL PRIMARY GOVERNMENT	<u>\$ 31,691,398</u>	<u>\$ (7,195,583)</u>	<u>\$ 11,348,720</u>	<u>\$ (7,592,633)</u>	<u>\$ (5,691,086)</u>	<u>\$ (4,038,844)</u>	<u>\$ (9,861,736)</u>	<u>\$ (168,998)</u>	<u>\$ (6,541,292)</u>	<u>\$ (10,397,430)</u>

**CITY OF DECATUR, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 16,792	\$ 31,047	\$ 30,431	\$ 34,105	\$ 254,788	\$ 1,508,645	\$ 465,499	\$ 1,244,305	\$ 1,136,354	\$ 666,740
Unreserved	12,664,615	8,304,907	6,103,875	7,230,267	9,571,619	11,479,722	13,326,187	12,373,608	10,484,848	7,174,809
Total general fund	12,681,407	8,335,954	6,134,306	7,264,372	9,826,407	12,988,367	13,791,686	13,617,913	11,621,202	7,841,549
All other governmental funds										
Reserved	4,124,939	6,444,999	1,371,038	1,605,397	14,272,610	7,319,800	1,333,910	3,047,814	1,770,534	3,258,830
Unreserved reported in:										
Special revenue funds	3,684,004	4,361,710	4,379,010	4,639,115	3,762,315	3,241,868	3,570,733	3,415,306	3,846,689	4,704,765
Capital projects funds	5,396,380	-	3,291,042	1,436,225	1,833,611	2,195,084	1,893,486	(264,923)	341,085	6,399,703
Total all other governmental funds	13,205,323	10,806,709	9,041,090	7,680,737	19,868,536	12,756,752	6,798,129	6,198,197	5,958,308	14,363,298
TOTAL FUND BALANCE	\$25,886,730	\$19,142,663	\$15,175,396	\$14,945,109	\$29,694,943	\$25,745,119	\$20,589,815	\$19,816,110	\$17,579,510	\$22,204,847

CITY OF DECATUR, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
ALL AVAILABLE YEARS

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$31,746,656	\$28,709,795	\$29,904,512	\$29,900,358	\$18,667,393	\$15,869,064	\$20,510,924	\$20,412,864	20,938,809	21,622,903
Charges for service	2,603,043	2,457,455	2,656,131	3,383,576	147,086	157,203	163,721	140,221	98,878	61,208
Investment income and net increase in fair value of investments	1,250,914	987,874	381,107	244,119	255,580	334,709	514,380	680,310	526,969	234,071
Intergovernmental	15,308,157	13,009,247	11,208,612	14,154,510	30,940,013	37,652,299	34,520,731	35,755,784	38,890,223	37,944,081
Licenses and permits	682,449	703,415	653,375	653,161	893,767	775,198	786,276	824,540	790,214	734,515
Fines and fees	690,714	677,210	817,908	879,150	979,705	1,106,679	1,026,542	905,843	1,236,173	1,359,823
Other revenue	1,529,422	2,160,275	1,397,828	1,766,127	594,540	538,209	914,670	430,613	387,717	1,168,836
Total revenues	53,811,355	48,705,271	47,019,473	50,981,001	52,478,084	56,433,361	58,437,244	59,150,175	\$62,868,983	\$63,125,437
Expenditures										
General government	14,371,007	10,347,160	9,981,821	9,077,370	12,526,719	11,083,220	12,348,085	12,861,179	\$14,222,410	\$13,714,869
Public safety	22,181,885	18,879,531	21,217,268	22,145,786	27,323,352	28,681,398	30,999,294	32,484,928	34,627,287	37,043,722
Culture and recreation	2,559,304	3,136,752	2,713,338	2,768,200	3,226,952	3,377,323	3,620,570	3,910,134	4,030,476	3,961,788
Highways and streets	18,913,228	15,752,216	16,117,609	13,699,610	11,597,896	17,118,331	17,437,894	17,398,138	16,409,318	13,619,381
Debt service:										
Principal retirement	2,709,393	1,820,000	1,671,513	1,641,397	2,404,032	2,468,228	2,570,078	2,515,152	2,518,462	5,803,265
Interest and fiscal charges	4,013,833	1,279,149	3,606,075	3,644,781	3,388,433	3,000,675	2,864,065	2,940,944	3,050,429	3,391,628
Total expenditures	64,748,650	51,214,808	55,307,624	52,977,144	60,467,384	65,729,175	69,839,986	72,110,475	\$74,858,382	\$77,534,653
Deficiency of revenues over expenditures	(10,937,295)	(2,509,537)	(8,288,151)	(1,996,143)	(7,989,300)	(9,295,814)	(11,402,742)	(12,960,300)	(\$11,989,399)	(\$14,409,216)
Other Financing Sources										
Bond proceeds	-	-	-	700,000	13,914,162	62,653	100,000	5,021,960	2,925,000	11,322,400
Sale of assets	-	-	-	-	37,076	10,021	331,480	243,886	7,750	36,107
Transfers in	5,376,951	3,159,801	6,158,454	4,820,028	7,597,108	8,030,834	9,161,249	9,810,513	10,630,370	10,559,161
Transfers out	(2,710,257)	(2,413,772)	(1,805,986)	(1,770,441)	(2,824,408)	(2,767,352)	(3,345,291)	(2,889,764)	(3,810,321)	(3,272,181)
Total other financing sources	2,666,694	746,029	4,352,468	3,749,587	18,723,938	5,336,156	6,247,438	12,186,595	9,752,799	18,645,487
NET CHANGE IN FUND BALANCES	\$(8,270,601)	\$(1,763,508)	\$(3,935,683)	\$ 1,753,444	\$10,734,638	\$(3,959,658)	\$(5,155,304)	\$(773,705)	\$(2,236,600)	\$4,236,271
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	10.38%	6.05%	9.54%	9.98%	10.17%	8.71%	7.90%	8.33%	8.15%	11.86%

CITY OF DECATUR, ILLINOIS
SIGNIFICANT OWN SOURCE REVENUE - WATER UTILITY
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Water Utility Billed</u>			<u>Direct Rate per 700 gallons</u>		<u>Actual Receipts</u>	
	<u>Residential</u>	<u>Commercial</u>	<u>Government</u>	<u>Total</u>	<u>Domestic and Non-Domestic</u>		<u>Large Users</u>
2000				\$15,084,139	\$ 1.37	\$ 2.10	\$ 13,617,058
2001				14,725,556	1.37	2.10	14,042,946
2002				12,814,848	1.37	2.10	13,621,393
2003				10,213,394	1.37	2.10	11,415,100
2004	\$ 3,533,694	\$ 5,925,509	\$ 119,801	9,579,004	1.37	2.10	10,981,658
2005	3,078,785	7,882,285	310,688	11,271,758	1.37	2.10	11,344,858
2006	3,201,423	7,681,239	324,152	11,206,814	1.37	2.10	11,079,028
2007	3,102,937	7,665,383	322,649	11,090,969	1.37	2.10	11,194,002
2008	3,306,843	7,442,905	349,014	11,098,762	1.37	2.10	11,405,485
2009	3,266,713	7,932,315	348,853	11,547,881	1.58	2.42	11,731,801

Note: Government accounts were not coded separately prior to the accounting system conversion in FY04. The first six months of 2004 are included in the Residential and Commercial totals.

**CITY OF DECATUR, ILLINOIS
REVENUE RATES - WATER UTILITY
LAST TEN YEARS**

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Service Charge Per Meter										
Domestic-all meters (quarterly)	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.32	\$ 3.82
Non-domestic (quarterly)										
Meter size 5/8"-3/4"	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	10.32
Meter size 1"-1 1/2"	33.15	33.15	33.15	33.15	33.15	33.15	33.15	33.15	33.15	38.12
Meter size 2"-4"	117.00	117.00	117.00	117.00	117.00	117.00	117.00	117.00	117.00	134.55
Meter size 7"-12"	546.00	546.00	546.00	546.00	546.00	546.00	546.00	546.00	546.00	627.90
Meter size 14"-18"	2,242.50	2,242.50	2,242.50	2,242.50	2,242.50	2,242.50	2,242.50	2,242.50	2,242.50	2,578.88
Non-domestic & large users (monthly)										
Meter size 5/8"-3/4"	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	3.44
Meter size 1"-1 1/2"	11.05	11.05	11.05	11.05	11.05	11.05	11.05	11.05	11.05	12.71
Meter size 2"-4"	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	44.85
Meter size 7"-12"	182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00	209.30
Meter size 14"-18"	747.50	747.50	747.50	747.50	747.50	747.50	747.50	747.50	747.50	859.63
Usage Charge-cu ft (monthly equiv)										
Domestic and Non-Domestic										
1st 700	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.58
Next 1,500	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.43
Next 12,900	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.28
Next 18,300	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	1.02
Next 133,300	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.81
Next 833,300	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.76
Next 1,000,000	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.63
All over 2,000,000	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.45
Large User										
1st 700	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.42
Next 1,500	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	2.19
Next 12,900	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.94
Next 18,300	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.56
Next 133,300	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.24
Next 833,300	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.15
Next 1,000,000	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.97
All over 2,000,000	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.69

Note: Latest change was 6/18/08 which increased usage fees by 15% and created Larger User rates. Previous change was 8/31/98.

**CITY OF DECATUR, ILLINOIS
SUMMARY OF PRINCIPAL PAYERS
ALL AVAILABLE YEARS**

<u>Fiscal Year</u>	<u>Total Water Billed</u>	<u>Industrial</u>	<u>Top Users</u>		<u>Percentage of Total</u>
			<u>Commercial</u>	<u>Government</u>	
2000	15,084,139				
2001	14,725,556				
2002	12,814,848				
2003	10,213,394				
2004	9,579,004				
2005	11,271,758	6,082,481	138,366	280,029	57.7%
2006	11,206,814	6,083,537	140,089	306,877	58.3%
2007	11,090,969	5,899,731	117,977	291,625	56.9%
2008	11,098,762	5,714,968	197,870	315,586	56.1%
2009	11,547,881	6,052,058	186,708	316,887	56.8%

Note: Disclosure of principle payers is prohibited. Due to accounting system conversion during FY04, data is not available prior to FY05.

CITY OF DECATUR, ILLINOIS
SIGNIFICANT OWN SOURCE REVENUE - PROPERTY TAX
LAST TEN YEARS

Property Assessment and Tax Information

Property Tax Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Railway Property	Total Taxable Assessed Value	Total Direct Tax Rate	Actual	
								Taxable Value	Actual Tax Collections
1998	\$402,760,790	\$1,131,456	\$146,690,000	\$53,980,008	\$9,005,561	\$613,567,815	\$1.3444	\$8,248,805	\$8,177,605
1999	420,586,123	1,111,223	150,983,448	48,997,384	9,368,115	631,046,293	1.3716	8,655,429	8,873,421
2000	432,304,704	1,336,443	154,688,365	43,900,011	6,840,364	639,069,887	1.3939	8,907,994	9,125,234
2001	455,808,764	1,343,325	179,600,426	47,369,665	6,894,171	691,016,351	1.2857	8,884,399	9,169,784
2002	477,481,878	1,249,670	183,745,323	53,867,596	7,080,352	723,424,819	1.2796	9,256,944	9,483,139
2003	493,889,337	1,285,044	235,916,714	68,776,940	7,397,351	807,265,386	1.1925	9,626,639	9,880,591
2004	475,558,981	1,803,573	241,451,022	66,838,936	7,386,224	793,038,736	1.2717	10,097,408	10,305,508
2005	496,338,195	1,881,258	253,877,341	69,231,386	7,769,509	829,097,689	1.2700	10,529,462	10,744,806
2006	517,434,461	1,878,674	260,821,905	70,998,967	9,370,115	860,504,122	1.2418	10,685,396	10,938,772
2007	540,861,975	2,298,573	268,880,438	70,557,378	10,788,003	893,386,367	1.2324	11,009,825	11,234,839

Note: Actual tax collections do not include receipts from Tax Increment Districts or Special Assessments.

Source: Macon County Clerk

**CITY OF DECATUR, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
GOVERNMENTAL UNITS
LAST TEN YEARS**

<u>GOVERNMENTAL UNIT</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City of Decatur	\$ 1.3444	\$ 1.3716	\$ 1.3939	\$ 1.2857	\$ 1.2796	\$ 1.1925	\$ 1.2717	\$ 1.2700	\$ 1.2417	\$ 1.2324
County of Macon	1.2064	1.1517	1.1290	1.1049	1.1337	1.0987	0.9876	1.0245	0.9403	0.9468
Sanitary District	0.3504	0.3380	0.3301	0.3047	0.2873	0.2617	0.2964	0.2828	0.2644	0.2727
Decatur School District	3.3086	3.2946	3.6250	3.9862	4.1053	4.0734	4.1670	4.3201	4.3107	4.3615
Decatur Park District	0.9879	0.9910	0.9980	0.9325	0.9721	0.9988	0.9988	1.0141	1.0288	1.0280
Decatur Township	0.2637	0.2686	0.2840	0.2653	0.2647	0.2494	0.2664	0.2678	0.2691	0.2745
Mosquito abatement	0.0292	0.0333	0.0330	0.0325	0.0327	0.0311	0.0334	0.0334	0.0336	0.0338
Conservation District	0.1046	0.1097	0.1070	0.1052	0.1061	0.1082	0.1146	0.1088	0.1056	0.1035
Mental Health	0.1420	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1397
Richland Community College	0.3325	0.3328	0.3721	0.3723	0.3840	0.3839	0.3895	0.3890	0.3868	0.3941
Macon County Health	0.1039	0.1012	0.1070	0.1035	0.1070	0.1070	0.1070	0.1054	0.0821	0.0921
Cooperative Extension	0.0252	0.0245	0.0238	0.0236	0.0228	0.0272	0.0274	0.0271	0.0259	0.0246
TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION	\$ 8.1988	\$ 8.1670	\$ 8.5529	\$ 8.6664	\$ 8.8453	\$ 8.6819	\$ 8.8098	\$ 8.9930	\$ 8.8390	\$ 8.9037

Share of Total Tax Rate
Levied by City of Decatur 16.40% 16.79% 16.30% 14.84% 14.47% 13.74% 14.44% 14.12% 14.05% 13.84%

Source: Macon County Clerk

CITY OF DECATUR, ILLINOIS
MAJOR PROPERTY TAXPAYERS
April 30, 2009

<u>Name of Company</u>	<u>Current Year</u>			<u>Nine Years Ago</u>		
	<u>2007</u>	<u>Assessed</u>	<u>Percent</u>	<u>1999</u>	<u>Assessed</u>	<u>Percent</u>
	<u>Valuation</u>	<u>Rank</u>	<u>to</u>	<u>Valuation</u>	<u>Rank</u>	<u>Total</u>
			<u>Total</u>			
Archer Daniels Midland Co.	\$ 28,932,946	1	3.2%	\$ 30,250,865	1	4.8%
Wal-Mart Stores, Inc.	9,039,487	2	1.0%	9,329,132	2	1.5%
Caterpillar Tractor Co.	7,298,638	3	0.8%	9,325,944	3	1.5%
Tate & Lyle fka AE Staley Mfg. Co.	5,706,491	4	0.6%	3,546,927	4	0.6%
Decatur Memorial Health Fnd	4,175,460	5	0.5%	**	**	**
Northgate Limited Partners	3,936,963	6	0.4%	**	**	**
Brettwood Village Assoc	3,765,522	7	0.4%	2,969,804	7	0.5%
Millikin University (The Woods Apts.)	3,162,000	8	0.4%	3,244,514	5	0.5%
Decatur Memorial Hospital	2,982,837	9	0.3%	**	**	**
CDO Distributions Inc.	2,949,835	10	0.3%	2,064,716	10	0.3%
Raynor Motel, Inc.	-		0.0%	3,050,627	6	0.5%
Bridgestone/Firestone	-		0.0%	2,666,555	8	0.4%
Decatur Shopping Center	-		0.0%	2,153,663	9	0.3%
	<u>\$ 71,950,179</u>		<u>7.9%</u>	<u>\$ 68,602,747</u>		<u>10.9%</u>
	<u>\$ 893,386,367</u>		<u>100.0%</u>	<u>\$ 631,046,296</u>		<u>100.0%</u>

Source: Macon County Supervisor of Assessments
 **Not included in major property taxpayers in 1999. Data is not available.

**CITY OF DECATUR, ILLINOIS
PROPERTY TAX LEVIES AND TAX COLLECTIONS
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Total Taxes Levied By City (1)</u>	<u>Total Taxes Extended by County Collector</u>	<u>Collection of Current Year's Taxes During Fiscal Period (2)</u>	<u>Percentage of Levy Collected During Fiscal Period</u>	<u>Collection of Prior Year's Taxes During Fiscal Period</u>	<u>Total Collections</u>	<u>Total Collections as a % of Current Levy</u>	<u>Accumulated Delinquent Taxes (3)</u>	<u>Outstanding Delinquent Taxes as a % of Current Levy</u>
1998	\$ 8,244,975	\$ 8,248,805	\$ 8,138,991	99%	\$ 38,614	\$ 8,177,605	99%	\$ 7,483	0.09%
1999	8,652,306	8,655,429	8,630,613	100%	(242,808)	8,873,421	103%	7,866	0.09%
2000	8,904,865	8,907,994	9,102,701	102%	(22,533)	9,125,234	102%	13,545	0.15%
2001	8,881,128	8,884,399	9,128,925	103%	(40,859)	9,169,784	103%	4,583	0.05%
2002	9,253,069	9,256,944	9,442,398	102%	(40,741)	9,483,139	102%	4,108	0.04%
2003	9,624,048	9,626,639	9,877,672	103%	2,919	9,880,591	103%	9,234	0.10%
2004	10,093,476	10,097,408	10,279,384	102%	(26,125)	10,305,508	102%	16,509	0.16%
2005	10,529,076	10,529,462	10,702,883	102%	(41,922)	10,744,806	102%	23,419	0.22%
2006	10,685,006	10,685,396	10,918,703	102%	(20,069)	10,938,772	102%	23,820	0.22%
2007	11,009,404	11,009,825	11,234,839	102%	N/A	11,234,839	102%	N/A	N/A

(1) Actual Levy for the City of Decatur. Years 1998-2007 are used because of the two year collection lag between levy and actual collection. 2008 levy will be collected during fiscal year 2010.

(2) Includes additions, refunds, and other adjustments

(3) Adjusted for refunds.

Source: Macon County Treasurer
N/A - Currently Not Available

**CITY OF DECATUR, ILLINOIS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 LAST TEN YEARS**

REAL PROPERTY

<u>TAX YEAR</u>	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>RATIO OF ASSESSED VALUE TO TOTAL ACTUAL VALUE (1)</u>	<u>DIRECT RATE PER \$100 ASSESSED VALUATION</u>
1998	\$613,567,895	\$ 1,840,703,685	33.33%	1.3444
1999	631,046,296	1,893,138,888	33.33%	1.3716
2000	639,069,887	1,917,209,661	33.33%	1.3939
2001	691,016,351	2,073,049,053	33.33%	1.2857
2002	723,424,819	2,170,274,457	33.33%	1.2796
2003	807,265,386	2,421,796,158	33.33%	1.1925
2004	794,049,821	2,382,149,463	33.33%	1.2717
2005	829,097,689	2,487,293,067	33.33%	1.2700
2006	860,504,122	2,581,512,366	33.33%	1.2418
2007	893,386,367	2,680,159,101	33.33%	1.2324

(1) State law prescribes an assessment ratio of 33.33% of actual value

Source: Macon County Clerk. There is a two year lag, thus tax year 2008 real estate taxes are collected during fiscal year 2010.

Note: This schedule is being provided as a supplement to the property tax information.

CITY OF DECATUR, ILLINOIS
TAX INFORMATION
April 30, 2009

- Taxes Assessed:** The owner of property on January 1, in any year, is liable for taxes for that calendar year.
- Taxes Due:** Current taxes on real property may be paid in two equal installments. The first installment is due no later than June 1st, and bears interest at the rate of 1 1/2% per month after June 1st, until paid or forfeited. The second installment is payable no later than September 1st, and bears interest at the rate of 1 1/2% per month after September 1st until paid or forfeited.
- Payable:** The current City property taxes are payable at the Office of the County Treasurer, who is also the County Collector.
- Tax Sale:** Application for judgment and sale in cases where taxes are not paid is made during the month of October. A Monday in October is fixed for the date of the sale by the County Treasurer. Tax bills are sold to the bidder who offers to pay the accumulated amount of the tax and to charge thereon the lowest rate of interest. The maximum of interest provided by law is 18% every six months for a period of two years. The purchaser of the tax bill is given a certificate of purchase for each piece of real estate.
- Redemption:** Redemption may be made by the owner by payment of the tax bill in full to the County Clerk including 18% penalties, plus \$4.00 service charge at any time before issuance of tax deed.
- Tax Deed:** Two years and six months from the day of the annual tax sale, the holder of a certificate of purchase which has not been redeemed may, by fulfilling the statutory procedures and paying all subsequent tax bills, obtain a tax deed. This deed must be issued before the expiration of seven years after the annual tax sale or the certificate becomes void.

**CITY OF DECATUR, ILLINOIS
CITY GOVERNMENT TAX RATES
LAST TEN YEARS**

Rate per \$100 Assessed Valuation

<u>PURPOSE OR FUND</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Library	\$ 0.3923	\$ 0.4003	\$ 0.4205	\$ 0.4006	\$ 0.3942	\$ 0.3638	\$ 0.3810	\$ 0.3759	\$ 0.3803	\$ 0.3920
Police Pension	0.1274	0.1272	0.1338	0.2036	0.2163	0.2373	0.2603	0.3042	0.3074	0.3048
Fire Pension	0.1532	0.1516	0.1858	0.2068	0.2361	0.2219	0.2484	0.3114	0.3335	0.3126
Municipal Band	0.0099	0.0097	0.0096	0.0089	0.0090	0.0081	0.0082	0.0085	0.0082	0.0084
Mass Transit System	0.0245	0.0239	0.0236	0.0219	0.0210	0.0188	0.0191	0.0264	0.0254	0.0245
Social Security and Retirement	0.1562	0.1520	0.1308	0.0921	0.0604	0.0366	0.0651	0.0923	0.0759	0.0839
Law Enforcement Facility Lease	0.0943	0.0941	0.0940	0.0882	0.0869	0.0798	0.0517	0.0338	-	-
Insurance	-	-	-	-	-	-	0.0504	-	-	-
Police Protection	0.1448	0.1408	0.1312	0.1214	0.1160	0.1039	0.0248	-	-	-
Public Benefit	0.0096	0.0033	0.0031	-	-	-	-	-	-	-
<u>BOND AND INTEREST</u>										
General obligation	0.2322	0.2687	0.2615	0.1422	0.1397	0.1223	0.1627	0.1175	0.1111	0.1062
<u>ALL PURPOSE - TOTAL</u>	<u>\$ 1.3444</u>	<u>\$ 1.3716</u>	<u>\$ 1.3939</u>	<u>\$ 1.2857</u>	<u>\$ 1.2796</u>	<u>\$ 1.1925</u>	<u>\$ 1.2717</u>	<u>\$ 1.2700</u>	<u>\$ 1.2418</u>	<u>\$ 1.2324</u>
<u>Actual Rate Extended</u>	<u>\$ 1.3444</u>	<u>\$ 1.3716</u>	<u>\$ 1.3939</u>	<u>\$ 1.2857</u>	<u>\$ 1.2796</u>	<u>\$ 1.1925</u>	<u>\$ 1.2717</u>	<u>\$ 1.2700</u>	<u>\$ 1.2418</u>	<u>\$ 1.2324</u>

Source: "Certificate of Tax Extended", Macon County Clerk

**CITY OF DECATUR, ILLINOIS
CITY GOVERNMENT TAX LEVIES
LAST TEN YEARS**

PURPOSE OR FUND	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Library	\$2,406,842	\$2,525,910	\$2,687,288	\$2,768,212	\$2,851,741	\$2,936,831	\$3,025,330	\$3,116,776	\$3,272,583	\$3,501,717
Police Pension	781,448	802,249	855,075	1,406,909	1,564,767	1,915,640	2,066,912	2,521,810	2,645,104	2,723,310
Fire Pension	939,375	956,539	1,187,391	1,429,022	1,708,005	1,791,321	1,972,420	2,582,169	2,869,695	2,792,726
Municipal Band	60,246	60,743	61,350	61,500	65,108	65,388	65,112	70,059	70,045	75,044
Mass Transit System	150,323	150,323	150,820	151,332	151,918	151,765	151,664	218,635	218,654	218,701
Social Security and Retirement	957,508	958,393	835,903	636,425	436,948	295,458	516,926	765,182	653,123	749,730
Law Enforcement Facility Lease	578,465	593,713	600,730	609,480	628,660	644,203	410,524	280,570	-	-
Insurance	-	-	-	-	-	-	400,201	-	-	-
Police Protection	888,221	888,446	838,459	838,893	839,173	838,748	196,924	-	-	-
Public Benefit	58,295	20,558	19,810	-	-	-	-	-	-	-
BOND AND INTEREST										
General obligation	<u>1,424,252</u>	<u>1,695,432</u>	<u>1,671,167</u>	<u>982,625</u>	<u>1,010,624</u>	<u>987,285</u>	<u>1,291,919</u>	<u>974,366</u>	<u>956,192</u>	<u>948,598</u>
ALL PURPOSE - TOTAL	<u>\$8,244,975</u>	<u>\$8,652,306</u>	<u>\$8,907,993</u>	<u>\$8,884,398</u>	<u>\$9,256,944</u>	<u>\$9,626,639</u>	<u>\$10,097,932</u>	<u>\$10,529,567</u>	<u>\$10,685,396</u>	<u>\$11,009,826</u>

Source: "Certificate of Tax Extended", Macon County Clerk

**CITY OF DECATUR, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Assessed Valuation	Per Capita
	General Obligation	Compensated Absences	Loan			
2000	\$45,435,730	\$1,920,537		\$47,356,267	7.72%	\$579
2001	42,767,124	2,168,229		44,935,353	7.12%	549
2002	41,054,825	2,391,005		43,445,830	6.80%	531
2003	44,313,428	2,443,605	7,172,169	53,929,202	7.80%	659
2004	55,823,558	2,419,131	6,823,796	65,066,485	8.99%	795
2005	55,346,242	2,423,199	6,535,592	64,305,033	7.97%	786
2006	53,172,401	2,566,422	6,238,954	61,977,777	7.81%	757
2007	53,565,637	2,566,235	5,933,637	62,065,509	7.49%	758
2008	53,028,412	2,615,781	12,844,386	68,488,579	7.96%	837
2009	58,703,783	2,869,180	12,520,940	74,093,903	8.29%	905

**CITY OF DECATUR, ILLINOIS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2000	\$ 45,435,730	\$ 4,124,939	\$ 41,310,791	2.24%	\$ 505
2001	42,726,337	1,309,389	41,416,948	2.19%	506
2002	41,054,825	1,371,038	39,683,787	2.07%	485
2003	39,413,428	1,605,397	37,808,031	1.82%	462
2004	50,168,424	884,830	49,283,594	2.27%	602
2005	47,946,433	853,134	47,093,299	1.94%	575
2006	45,882,592	868,037	45,014,555	1.89%	550
2007	43,774,249	380,993	43,393,256	1.74%	530
2008	41,678,968	372,473	41,306,495	1.60%	505
2009	49,474,407	205,337	49,269,070	1.84%	602

CITY OF DECATUR, ILLINOIS
SCHEDULE OF DIRECT AND OVERLAPPING DEBT
April 30, 2009

	<u>Debt Outstanding</u>	<u>Percentage of Debt Applicable to the City of Decatur</u>	<u>City of Decatur's Share of Debt</u>
DIRECT DEBT			
City of Decatur	\$ 58,703,783	100.00%	\$ 58,703,783
OVERLAPPING DEBT			
Decatur Park District	11,292,000	99.00%	11,179,080
Decatur School District #61	14,075,000	92.00%	12,949,000
Argenta School District #1	8,555,000	28.00%	2,395,400
Maroa/Forsyth School District	24,878,000	6.71%	1,669,314
Meridian School District #15	315,000	17.00%	53,550
Mt. Zion School District #3	9,060,000	7.00%	634,200
Public Building Commission	7,725,000	60.60%	4,681,350
Richland Community College	2,385,000	44.00%	1,049,400
Sangamon Valley #9	25,000	0.20%	50
Warrensburg School District #11	12,955,000	37.00%	4,793,350
TOTAL OVERLAPPING DEBT	<u>91,265,000</u>	43.18%	<u>39,404,694</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 149,968,783</u>	65.42%	<u>\$ 98,108,477</u>
Per Capita Direct and Overlapping Debt	<u>\$ 1,832</u>		

Source: Outstanding Debt - Individual Taxing Entities
Percentage within Decatur - Macon County Clerk

**CITY OF DECATUR, ILLINOIS
 DEMOGRAPHICS AND ECONOMIC STATISTICS
 LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income (thousands of dollars)</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2000	81,860	\$19,009	\$1,556,007	37.2	18,168	5.0%
2001	81,860	19,009	1,556,007	37.2	18,168	6.0%
2002	81,860	19,009	1,556,007	37.2	18,300	7.3%
2003	81,860	19,009	1,556,007	37.2	18,290	6.8%
2004	81,860	19,009	1,556,007	37.2	18,290	6.1%
2005	81,860	19,009	1,556,007	37.2	18,047	5.8%
2006	81,860	19,009	1,556,007	37.2	17,201	7.2%
2007	81,860	19,009	1,556,007	37.2	16,820	5.8%
2008	81,860	19,009	1,556,007	37.2	17,410	5.7%
2009	81,860	19,009	1,556,007	37.2	16,113	9.8%

Sources: Population, Per Capita Personal Income and Median Age information obtained from U.S. Census Bureau. School Enrollment obtained from Macon-Piatt Regional Office of Education, Millikin University, and Richland Community College. Unemployment rate obtained from Decatur Economic Development Foundation.

**CITY OF DECATUR, ILLINOIS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2009			2000		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
<u>Employer</u>						
Archer Daniels Midland Co.	4,000	1	12.47%	3,100	1	8.43%
Caterpillar Tractor Co.	3,500	2	10.91%	2,400	2	6.53%
Decatur Memorial Hospital	2,266	3	7.06%	1,744	5	4.74%
Decatur Public Schools	1,500	4	4.68%	2,261	3	6.15%
Ameren aka Illinois Power Company	1,250	5	3.90%	1,000	7	2.72%
St. Mary's Hospital	1,100	6	3.43%	1,297	6	3.53%
Tate & Lyle fka AE Staley Mfg. Co.	822	7	2.56%	**	**	**
Millikin University	600	8	1.87%	**	**	**
Norfolk Southern Railroad	600	9	1.87%	760	9	2.07%
StarTek, Inc.	600	10	1.87%	**	**	**
Bridgestone/Firestone				2,100	4	5.71%
Intermet Decatur Foundry fka Wagner Castings Co.				835	8	2.27%
Mueller Co., Inc.				670	10	1.82%

Source: Economic Development Foundation and Illinois Department of Employment Security

** Employers not included in top 10 employers in 2000. Data is not available.

**CITY OF DECATUR, ILLINOIS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS**

Function	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	77	80	77	76	80	80	84	82	88	86
Public safety:										
Police:										
Officers	165	171	162	163	169	172	167	165	160	175
Civilians	23	25	27	23	22	23	24	21	23	24
Fire:										
Firefighters and officers	116	114	113	113	108	114	113	110	114	118
Civilians	3	3	2	2	2	2	2	2	2	2
Public works	75	73	69	72	79	81	79	77	78	79
Culture and recreation	42	43	45	47	43	47	48	46	46	48
Water	57	57	55	53	54	57	58	51	55	56
Parking	5	5	5	5	5	5	5	5	5	5
Mass Transit	1	1	1	1	1	1	1	1	1	1
Total primary government employees	564	572	556	555	563	582	581	560	572	594

Source: City of Decatur Records.

Note: Part time employee data is unavailable prior to FY05 due to mid year accounting system conversion in FY04.
Full time equivalent for 2009 was 5 employees.

CITY OF DECATUR, ILLINOIS
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police:										
Calls for service	63,852	67,534	68,358	67,217	66,648	68,834	66,571	66,732	65,439	63,776
Traffic citations	7,779	7,628	8,205	7,236	14,078	11,031	12,201	6,804	14,188	15,689
Parking tickets	2,049	1,960	2,219	2,767	2,720	2,357	2,083	1,688	1,225	1,153
Fire:										
Call outs	N/A	N/A	N/A	N/A	7,297	7,681	8,035	8,623	8,931	8,790
Inspections	N/A	N/A	N/A	N/A	347	335	487	616	834	1,658
Public works										
Street surface improv (LA MI)	N/A	27.1	37.2	21.8	22.3	31.6	18.6	20.5	22.5	15.4
Potholes repaired	N/A	N/A	N/A	N/A	18,266	10,985	10,619	10,200	16,722	16,589
Pavement markings-paint (LF)	N/A	N/A	N/A	N/A	164,149	390,934	362,500	448,412	275,461	71,690
Culture and recreation										
Library items loaned	584,347	578,372	584,406	568,839	601,929	546,550	533,276	635,162	596,504	611,071
Extension (bookmobiles)	93,749	92,669	93,748	91,092	92,207	92,608	92,295	89,925	57,550	56,289
Water										
Water consumption (CU FT)	1,879,289,233	1,906,916,571	1,706,706,261	1,045,182,229	929,736,391	887,679,789	892,237,277	859,211,576	866,545,609	851,382,595
Metered services	32,407	32,407	31,377	31,439	31,488	31,462	31,555	31,489	31,557	31,489
Sediment dredged (Dry TON)	0	0	0	0	0	57,182	162,388	201,227	180,435	302,145
Parking										
Tickets issued	N/A	N/A	N/A	N/A	11,404	13,929	16,335	15,543	15,091	15,709
Parking lot maintenance (Hours)	N/A	N/A	N/A	N/A	1,618	1,477	1,466	1,498	1,562	1,538
Mass Transit (CALENDAR YEAR)										
Buses & trolleys (Ridership)	874,330	835,795	827,853	847,515	903,251	980,796	1,039,354	1,121,789	1,173,301	1,257,931
Paratransit vans/taxis	41,698	47,243	54,491	53,905	53,253	49,289	39,113	34,872	34,050	34,068
Housing programs										
Amount of loans	\$41,793	\$25,366	\$22,221	\$0	\$0	\$14,613	\$16,900	\$0	\$0	\$0
Waste removal										
Recycling (Pounds)	N/A	N/A	N/A	2,799,245	2,814,479	2,815,784	2,799,502	2,785,959	2,690,720	2,861,919
Sewer										
Sanitary sewer televised (LF)	78,385	134,795	128,520	411,400	273,624	224,024	205,737	208,991	250,000	469,923

Source: City of Decatur Records
Information unavailable prior to FY04 is noted above.
N/A - Not Available

**CITY OF DECATUR, ILLINOIS
CAPITAL ASSETS BY FUNCTION
ALL AVAILABLE YEARS**

Function	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public safety						
Police:						
Patrol units	54	40	39	32	38	37
Fire Stations	7	7	7	7	7	7
Public works						
Bridges	17	17	17	17	17	17
Sidewalks (ft)	506,088	519,088	528,150	536,944	536,944	536,944
Streets (sq yd)	1,213,915	1,242,341	1,282,051	1,301,406	1,301,406	1,423,166
Storm sewers (ft)	277,684	282,431	284,038	284,203	284,203	288,204
Culture and recreation						
Library Bookmobiles	2	2	2	2	2	2
Water (1)						
Water mains (miles)	516	520	524	527	527	527
Maximum daily capacity (million of gallons)	36	36	36	36	36	36
Parking						
Garages	2	2	2	2	2	2
Lots	6	6	6	5	5	5
Mass Transit						
Buses	25	25	25	25	25	25
Trolleys	2	2	2	2	2	2
Sewer						
Sanitary Sewers (ft)	368,209	368,573	369,494	370,179	370,179	370,179

(1) There were no projects completed during FY09.

Source: City of Decatur Records

CITY OF DECATUR, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended April 30, 2009

<u>FEDERAL GRANTOR / PROGRAM TITLE</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Housing And Urban Development				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-17-2008	\$ 2,330,242	\$ -
Subtotal Community Development Block Grants/Entitlement Grants			<u>2,330,242</u>	<u>-</u>
HOME Investment in Affordable Grants/Entitlement Grants	14.239	M-08-MC-17-0203	563,243	198,498
Subtotal HOME Investment in Affordable Grants/Entitlement Grants			<u>563,243</u>	<u>198,498</u>
Total U.S. Department of Housing and Urban Development			<u>2,893,485</u>	<u>198,498</u>
U.S. Department of Justice				
Passed-through Illinois Criminal Justice Information Authority:				
Project Safety Neighborhoods	16.744	107026	12,680	-
Subtotal Passed-through Illinois Criminal Justice Information Authority			<u>12,680</u>	<u>-</u>
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2008-DJBX-0186	28,725	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-DJBX-0186	39,764	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2006-DJBX-0691	26,403	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2005-DJBX -0691	1,959	-
Subtotal Edward Byrne Memorial Grant			<u>96,851</u>	<u>-</u>
Grant to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2008-WEAX-0021	7,453	-
Subtotal Grant to Encourage Arrest Policies and Enforcement of Protection Orders			<u>7,453</u>	<u>-</u>
Weed and Seed	16.595	N/A	44,966	-
Subtotal Grant for Weed and Seed			<u>44,966</u>	<u>-</u>
Total U.S. Department of Justice			<u>161,950</u>	<u>-</u>
U. S. Department of Transportation				
Passed-through Illinois Department of Transportation:				
Urban Corridor Revitalization Grant	20.205	06T0145	14,036	-
Highway Planning Grant	20.205	N/A	188,488	-
Highway Planning Grant	20.205	702005	172,490	-
Subtotal Highway Planning and Construction Cluster			<u>375,014</u>	<u>-</u>

<u>FEDERAL GRANTOR / PROGRAM TITLE</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Alcohol Traffic Safety and Drunk Driving Prevention	20.601	AL8-1410-473	4,108	-
Occupant Protection Traffic Safety	20.602	SP8-1410-080	5,082	-
Traffic Safety	20.602	SP9-1410-121	11,656	-
Mini Mobilization	20.602	OP8-1410-474	6,435	-
Occupant Protection Traffic Safety	20.609	OP-1410-122	<u>15,595</u>	<u>-</u>
Subtotal Highway Safety Cluster			<u>42,876</u>	<u>-</u>
Subtotal Passed-through Illinois Department of Transportation:			<u>417,890</u>	<u>-</u>
Direct Programs:				
Federal Transit Capital Investment Grants	20.507	IL-90-0624	573,398	-
Federal Transit Capital Investment Grants	20.507	IL-90-0480	6,976	-
Federal Transit Capital Investment Grants	20.507	IL-90-0453	15,945	-
Federal Transit Capital Investment Grants	20.507	IL-90-0542	<u>100,451</u>	<u>-</u>
Subtotal Federal Transit Capital Investment Cluster			<u>696,770</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,114,660</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed-through U.S Fire Administration of Federal Emergency Management Agency: 2006 Ice Storm Disaster Relief	97.036	FEMA-1681-115 -18823	<u>23,023</u>	<u>-</u>
Subtotal Passed-through U.S. Fire Administration of Federal Emergency Management Agency			<u>23,023</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>23,023</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,193,118</u>	<u>\$ 198,498</u>

This schedule should be read only in connection with the accompanying note to the schedule.

CITY OF DECATUR, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
April 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2 – NON-CASH ASSISTANCE

The City did not receive any federal non-cash assistance during the fiscal year ended April 30, 2009.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards**

The Mayor and City Council
City of Decatur, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Decatur, Illinois as of and for the year ended April 30, 2009, which collectively comprise the City of Decatur's basic financial statements and have issued our report thereon dated October 21, 2009. We did not audit the financial statements of the Civic Center Authority, which is included as a discretely presented component unit, but it was audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting (Finding 2009-01).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We believe that finding 2009-01 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we have reported to management of the City in a separate letter dated October 21, 2009.

The City of Decatur's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Decatur's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Danville, Illinois
October 21, 2009

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control
Over Compliance in Accordance with
OMB Circular A-133**

The Mayor and City Council
City of Decatur, Illinois

Compliance

We have audited the compliance of City of Decatur, Illinois (City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended April 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency*, in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2009-02 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We believe the significant deficiency, Finding 2009-02, described above is a material weakness.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Danville, Illinois
October 21, 2009

**CITY OF DECATUR, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended April 30, 2009**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor's report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes No

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster

20.507	Federal Transit Formula Grant
14.239	HOME Investment in Affordable Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

FINDING NO. 2009-01 – FINANCIAL STATEMENT PREPARATION, INCLUDING CASH TO ACCRUAL BASIS ADJUSTMENTS

Criteria or Specific Requirement: Financial Statement Preparation, Including Cash to Accrual Basis Adjustments.

Condition: The City engages Clifton Gunderson to assist in preparing the necessary cash to accrual basis adjustments and its financial statements and accompanying disclosures. However, as independent auditors, Clifton Gunderson cannot be considered part of the City’s internal control system.

Context: The City Council and management share the ultimate responsibility for the City’s internal control system.

**CITY OF DECATUR, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended April 30, 2009**

Section II – Financial Statement Findings (Continued)

**FINDING NO. 2009-01 – FINANCIAL STATEMENT PREPARATION, INCLUDING CASH
TO ACCRUAL BASIS ADJUSTMENTS (CONTINUED)**

Effect: While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

Cause: Currently, the City's personnel do not have sufficient financial statement reporting and accounting knowledge to perform a review of the City's financial statements and related disclosures including the necessary cash to accrual basis adjustments, to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.

Recommendation: The City should continue to analyze the cost versus benefit of enhancing the internal control system.

Views of Responsible Officials and Planned Corrective Action: The City's management is aware of the need for the knowledge necessary to complete the necessary cash to accrual basis adjustments, financial statements, including disclosures in accordance with generally accepted accounting principles and will continue to monitor the cost benefit in regards to the issue.

Section III – Federal Award Findings and Questioned Costs

**FINDING NO. 2009-02 – MATCHING REPORT GENERATED FROM THE IDIS SYSTEM DOES
NOT PROPERLY REFLECT PERCENTAGE BEING MATCHED**

Criteria: The City must match at least 25% of contributions of HOME funds drawn down during the fiscal year.

Condition: The City's matching report does not properly reflect the correct percentage of matching. As of April 30, 2009 the report reflects matching of only 12.5%.

Context: During compliance testing of the HOME program we reviewed the match report generated by the IDIS system noting the report showed matching of 12.5% when in fact they have matching in excess of the 25% compliance requirement.

Effect: Despite being in compliance by matching 25% of HOME funds drawn down during the fiscal year, the City's IDIS match report incorrectly reflects 12.5% being matched, which makes it appear the City is not in compliance. Noncompliance with grant terms can lead to loss of grant funding.

Cause: The City stated a glitch in the reporting feature of the IDIS system caused the error.

**CITY OF DECATUR, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended April 30, 2009**

Section III – Federal Award Findings and Questioned Costs

**FINDING NO. 2009-02 – MATCHING REPORT GENERATED FROM THE IDIS SYSTEM DOES
NOT PROPERLY REFLECT PERCENTAGE BEING MATCHED
(CONTINUED)**

Recommendation: The City should closely monitor match reports generated from the IDIS system to ensure they are accurate and to ensure compliance with matching requirements. Proper internal controls will reduce the risk of noncompliance in the future over the matching requirement.

Views of Responsible Officials and Planned Corrective Actions: The City will contact the IDIS technical staff to resolve report issues and make necessary changes to the report so that it will properly reflect the 25% match.

**CITY OF DECATUR, ILLINOIS
SCHEDULE OF STATUS OF PRIOR FINDINGS
Year Ended April 30, 2008**

Finding No. 2008-1

FINANCIAL STATEMENT PREPARATION, INCLUDING CASH TO ACCRUAL BASIS ADJUSTMENTS

Condition: The City engages Clifton Gunderson to assist in preparing the necessary cash to accrual basis adjustments and its financial statements and accompanying disclosures. However, as independent auditors, Clifton Gunderson cannot be considered part of the City's internal control system.

Condition has not been corrected. This finding is repeated.