



**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
(A Component Unit of DeKalb County, Illinois)**

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017



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 SYCAMORE, ILLINOIS
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SYCAMORE, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman
Members of the Board of Commissioners
DeKalb County Public Building Commission
Sycamore, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the DeKalb County Public Building Commission (the PBC), Sycamore, Illinois, a component unit of DeKalb County, Illinois, as of and for the year ended December 31, 2017, and the related notes to financial statements, which collectively comprise the PBC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the DeKalb County Public Building Commission, Sycamore, Illinois, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PBC's basic financial statements. The supplementary financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Sikich LLP

Naperville, Illinois
July 27, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 6,835,131
Capital assets not being depreciated	492,600
Capital assets being depreciated (net of accumulated depreciation)	<u>14,140,106</u>
Total assets	<u>21,467,837</u>
LIABILITIES	
Accounts payable	<u>13,804</u>
Total liabilities	<u>13,804</u>
NET POSITION	
Investment in capital assets	14,632,706
Unrestricted	<u>6,821,327</u>
TOTAL NET POSITION	<u><u>\$ 21,454,033</u></u>

See accompanying notes to financial statements.

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position Primary Government
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Administration	\$ 758,200	\$ -	\$ -	\$ -	\$ (758,200)
Total governmental activities	758,200	-	-	-	(758,200)
TOTAL PRIMARY GOVERNMENT	\$ 758,200	\$ -	\$ -	\$ -	(758,200)
			General Revenues		
			Investment income		102,662
			Contributions from DeKalb County		225,000
			Miscellaneous		125
			Total		327,787
			CHANGE IN NET POSITION		(430,413)
			NET POSITION, JANUARY 1, 2017		21,884,446
			NET POSITION, DECEMBER 31, 2017		\$ 21,454,033

See accompanying notes to financial statements.

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2017

	General	Capital Improvement Reserve	Renewal and Replacement Sycamore Campus	Renewal and Replacement Community Outreach Building	Renewal and Replacement Health	Renewal and Replacement Public Safety	Total
ASSETS							
Cash and investments	\$ 333,622	\$ 1,504,874	\$ 1,350,699	\$ 273,061	\$ 3,256,601	\$ 116,274	\$ 6,835,131
TOTAL ASSETS	\$ 333,622	\$ 1,504,874	\$ 1,350,699	\$ 273,061	\$ 3,256,601	\$ 116,274	\$ 6,835,131
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1,000	\$ -	\$ 12,804	\$ -	\$ -	\$ -	\$ 13,804
Total liabilities	1,000	-	12,804	-	-	-	13,804
FUND BALANCES							
Assigned for capital purposes	-	1,504,874	1,337,895	273,061	3,256,601	116,274	6,488,705
Unassigned	332,622	-	-	-	-	-	332,622
Total fund balances	332,622	1,504,874	1,337,895	273,061	3,256,601	116,274	6,821,327
TOTAL LIABILITIES AND FUND BALANCES	\$ 333,622	\$ 1,504,874	\$ 1,350,699	\$ 273,061	\$ 3,256,601	\$ 116,274	\$ 6,835,131

See accompanying notes to financial statements.

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,821,327
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>14,632,706</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 21,454,033</u></u>

See accompanying notes to financial statements.

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	General	Capital Improvement Reserve	Renewal and Replacement Sycamore Campus	Renewal and Replacement Community Outreach Building	Renewal and Replacement Health	Renewal and Replacement Public Safety	Total
REVENUES							
Investment income	\$ 2,602	\$ 31,124	\$ 15,120	\$ 1,976	\$ 50,975	\$ 865	\$ 102,662
Contributions from DeKalb County	-	-	175,000	50,000	-	-	225,000
Miscellaneous	125	-	-	-	-	-	125
Total revenues	2,727	31,124	190,120	51,976	50,975	865	327,787
EXPENDITURES							
Current							
Administration	19,549	-	-	-	-	-	19,549
Capital outlay	-	-	15,951	29,788	107,504	-	153,243
Total expenditures	19,549	-	15,951	29,788	107,504	-	172,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,822)	31,124	174,169	22,188	(56,529)	865	154,995
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	48,750	-	-	-	48,750
Transfers (out)	-	(48,750)	-	-	-	-	(48,750)
Total other financing sources (uses)	-	(48,750)	48,750	-	-	-	-
NET CHANGE IN FUND BALANCES	(16,822)	(17,626)	222,919	22,188	(56,529)	865	154,995
FUND BALANCES, JANUARY 1, 2017	349,444	1,522,500	1,114,976	250,873	3,313,130	115,409	6,666,332
FUND BALANCES, DECEMBER 31, 2017	\$ 332,622	\$ 1,504,874	\$ 1,337,895	\$ 273,061	\$ 3,256,601	\$ 116,274	\$ 6,821,327

See accompanying notes to financial statements.

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 154,995
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	<u>(585,408)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (430,413)</u></u>

See accompanying notes to financial statements.

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeKalb County Public Building Commission (the PBC) is a quasi governmental unit created by the DeKalb County Board in May 1978 under the authority of Chapter 50, Act 20 of the Illinois Compiled Statutes.

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

a. Reporting Entity

The PBC is governed by a five-member board appointed to staggered five-year terms by the DeKalb County Board of Commissioners. The PBC is responsible for the construction, refurbishing and/or maintenance of county buildings for which lease agreements are executed with DeKalb County (the County). As required by GAAP, these financial statements present all funds of the PBC. A component unit is a legally separate organization for which a primary government is financially accountable. There are no component units included. However, the PBC is considered to be a component unit of the County since its sole purpose is to finance, construct and maintain certain of the County's public buildings.

b. Basis of Presentation

The accounts of the PBC are organized and operated on the basis of funds. Funds are independent fiscal and accounting entities with self-balancing sets of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. A minimum number of funds are maintained for this purpose.

The following fund categories (further defined by fund type) are used by the PBC:

Governmental Funds are used to account for the PBC's general activities. The General Fund is the primary operating fund, accounting for all financial resources not accounted for in another fund. Capital Projects Funds account for funds restricted, committed or assigned for the acquisition of capital assets or construction of major capital projects not financed by another fund.

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

The PBC reports the following major governmental funds:

The General (Corporate) Fund is the PBC's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The following capital projects funds are also major governmental funds:

The Capital Improvement Reserve Fund is used to account for funds assigned for future improvements to the County's facilities.

The Renewal and Replacement Sycamore Campus Fund is used to account for operation and maintenance funds paid by the County to the PBC and assigned for capital replacement.

The Renewal and Replacement Community Outreach Building Fund is used to account for operation and maintenance funds paid by the County to the PBC and assigned for the Community Outreach Building.

The Renewal and Replacement Health Fund is used to account for operation and maintenance funds paid by the Health Facility to the PBC assigned for capital outlay.

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Renewal and Replacement Public Safety Fund is used to account for operation and maintenance funds paid by the County to the PBC and assigned for public safety. The Renewal and Replacement Public Safety Fund did not meet the criteria for inclusion as a major fund; however, the PBC has elected to report it as such.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues. Expenditures generally are recorded when a fund liability is incurred.

e. Cash and Investments

Cash and Cash Equivalents

The PBC has no investments required to be reported at fair value.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Transactions

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

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

g. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the government-wide financial statements. Capital assets are defined by the PBC as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year, except for land improvements, where the cost must be greater than \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Assets	Years
Buildings	40
Building improvements	10
Land improvements	8-20

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the PBC. Committed fund balance is constrained by formal actions of the PBC's Board of Commissioners, which is considered the PBC's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Commissioners. Assigned fund balance represents amounts constrained by the PBC's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the PBC's Treasurer. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

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

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose or from enabling legislation. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

i. Deferred Outflows/Inflows of Resources

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

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

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The PBC maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. In addition, investments are separately held by several of the PBC's funds. The PBC operates under an investment policy that limits the PBC to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, investment grade obligations of state and local governments, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreement to repurchase these same obligations, repurchase agreements, Illinois Funds and local government investment pools.

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

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the PBC's deposits may not be returned to it. The PBC's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance (FDIC) with the collateral held by an independent third party acting as the PBC's agent.

All of the PBC's deposits were covered by either FDIC or collateral held by an independent third party acting as the PBC's agent at December 31, 2017.

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

In accordance with its investment policy, the PBC limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a short-term (annual) period. The investment policy limits the maximum maturity length of investments to five years. In addition, the policy does require the PBC to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations and prohibits the selling of securities prior to maturity except in limited circumstances.

The PBC limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government (U.S. Treasury obligations and U.S. agency obligations).

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the PBC will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the PBC's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the PBC's agent separate from where the investment was purchased.

Concentration of credit risk - The PBC's investment requires diversification of the portfolio and does not permit greater than 67% of the portfolio to be invested in any one institution or investment vehicle, other than U.S. Treasury obligations.

In addition, the PBC's investment policy prohibits the investment in any type of derivative.

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 492,600	\$ -	\$ -	\$ 492,600
Total capital assets not being depreciated	492,600	-	-	492,600
Capital assets being depreciated				
Land improvements	153,826	-	-	153,826
Buildings	21,776,159	-	-	21,776,159
Building improvements	452,937	-	-	452,937
Total capital assets being depreciated	22,382,922	-	-	22,382,922
Less accumulated depreciation for				
Land improvements	59,955	13,805	-	73,760
Buildings and improvements	7,597,453	571,603	-	8,169,056
Total accumulated depreciation	7,657,408	585,408	-	8,242,816
Total capital assets being depreciated, net	14,725,514	(585,408)	-	14,140,106
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 15,218,114	\$ (585,408)	\$ -	\$ 14,632,706

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

GOVERNMENTAL ACTIVITIES		
Administration - Health and Welfare		<u>\$ 585,408</u>
TOTAL DEPRECIATION EXPENSE -		
GOVERNMENTAL ACTIVITIES		<u>\$ 585,408</u>

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LEASES RECEIVABLE

a. Operating Lease

The PBC has entered into an operating lease agreement with the County which requires the following annual rentals due from the County for the years indicated:

<u>Year</u>	
2018	\$ 175,000
2019	175,000
2020	<u>175,000</u>
 TOTAL	 <u>\$ 525,000</u>

The PBC is responsible for maintenance, operation, upkeep and safekeeping of the County Government Complex (the Complex). The County may be responsible for paying costs of operating and maintaining the Complex to the extent that rentals are not sufficient.

If at any time during the term of this lease all of the financial claims upon the PBC shall be paid in full or provision made for such payment, then this lease may, at the option of the County, be terminated by written notice to the PBC.

Revenues received from the County in the form of lease payments are to be credited to funds as follows:

1) Renewal and Replacement Fund

From annual rentals due on and after November 1, 1993, the PBC shall deposit into the Renewal and Replacement Fund the lesser of \$250,000 or the amount required to equal the lesser of \$1,500,000 or an amount to be determined by the County Board in a resolution. Money shall be applied to the payment of nonrecurring major repairs, renewals, replacements or maintenance items and furnishings and equipment. The aggregate amount withdrawn from this fund in any fiscal year may not exceed \$50,000 without the prior approval of the County Board. The required \$1,500,000 has been accumulated in the capital projects governmental fund.

2) Surplus Fund

After allocation of the annual rent to the Renewal and Replacement Fund, any remaining amount of the annual rent would be deposited here.

DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT

The PBC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The PBC has purchased commercial insurance for surety bond coverage and is included under the liability insurance fund of the County for all other risks. There are no full-time employees of the PBC and the part-time employees are not eligible for health insurance. Therefore, no health insurance is provided and there is no potential other postemployment benefit to be reported.

6. INDIVIDUAL FUND DISCLOSURES

Individual fund transfers between funds at December 31, 2017 are as follows:

Fund	Transfer To	Transfer From
Capital Improvement Reserve	\$ -	\$ 48,750
Renewal and Replacement Sycamore Campus	48,750	-
TOTAL	\$ 48,750	\$ 48,750

\$48,750 was transferred from the Capital Improvement Reserve Fund to the Renewal and Replacement Sycamore Campus Fund to fund capital projects. This transfer will not be repaid.

REQUIRED SUPPLEMENTARY INFORMATION

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 2,602
Miscellaneous	-	-	125
Total revenues	-	-	2,727
EXPENDITURES			
Current			
Administration			
Salaries	13,000	13,000	5,800
Part-time seasonal	3,600	3,600	750
Social Security	1,300	1,300	501
Unemployment	100	100	-
Travel	200	200	-
Maintenance	200	200	-
Professional fees	9,000	9,000	8,773
Surety bonds	300	300	125
Financial services	-	-	3,600
Supplies	300	300	-
Total expenditures	28,000	28,000	19,549
NET CHANGE IN FUND BALANCE	\$ (28,000)	\$ (28,000)	(16,822)
FUND BALANCE, JANUARY 1, 2017			349,444
FUND BALANCE, DECEMBER 31, 2017			\$ 332,622

(See independent auditor's report.)

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

BUDGETS

Formal budgetary integration is employed as a management control device. Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual budget lapses at fiscal year end.

The PBC prepares an operating budget which summarizes the budget units and recommends the proposed appropriations. The appropriations are approved by the Board of Commissioners and may be amended by the Board of Commissioners. Expenditures may not exceed the budget at the fund level.

During the year ended December 31, 2017, expenditures in the Renewal and Replacement Health Fund exceeded budgeted amounts by \$32,504.

SUPPLEMENTARY FINANCIAL INFORMATION

MAJOR GOVERNMENTAL FUNDS

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT RESERVE FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 30,000	\$ 30,000	\$ 31,124
Total revenues	30,000	30,000	31,124
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	30,000	30,000	31,124
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(30,000)	(30,000)	(48,750)
Total other financing sources (uses)	(30,000)	(30,000)	(48,750)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(17,626)
FUND BALANCE, JANUARY 1, 2017			1,522,500
FUND BALANCE, DECEMBER 31, 2017			\$ 1,504,874

(See independent auditor's report.)

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RENEWAL AND REPLACEMENT SYCAMORE CAMPUS FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 1,000	\$ 1,000	\$ 15,120
Contributions from DeKalb County			
Sycamore campus	175,000	175,000	175,000
Total revenues	176,000	176,000	190,120
EXPENDITURES			
Capital outlay			
Sycamore campus			
Concrete replacement and repair	10,000	10,000	-
Courthouse security area modification	-	-	12,804
Administration building reconfiguration	-	-	2,167
Carpet/tile replacement	20,000	20,000	-
HVAC upgrade	-	-	980
Energy "Greening" project	10,000	10,000	-
Capital contingency	10,000	10,000	-
Total expenditures	50,000	50,000	15,951
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,000	126,000	174,169
OTHER FINANCING SOURCES (USES)			
Transfers in	30,000	30,000	48,750
Total other financing sources (uses)	30,000	30,000	48,750
NET CHANGE IN FUND BALANCE	\$ 156,000	\$ 156,000	222,919
FUND BALANCE, JANUARY 1, 2017			1,114,976
FUND BALANCE, DECEMBER 31, 2017			\$ 1,337,895

(See independent auditor's report.)

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RENEWAL AND REPLACEMENT COMMUNITY OUTREACH BUILDING FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 1,000	\$ 1,000	\$ 1,976
Contributions from DeKalb County Community Outreach Building	50,000	50,000	50,000
Total revenues	51,000	51,000	51,976
EXPENDITURES			
Capital outlay			
Community outreach building			
Landscaping improvements	10,000	10,000	1,341
Sidewalks/concrete repair	10,000	10,000	4,655
General painting	15,000	15,000	-
Carpet/tile replacement	-	-	414
HVAC upgrades	50,000	50,000	23,378
Security upgrades	8,000	8,000	-
Capital contingency	7,000	7,000	-
Total expenditures	100,000	100,000	29,788
NET CHANGE IN FUND BALANCE	\$ (49,000)	\$ (49,000)	22,188
FUND BALANCE, JANUARY 1, 2017			250,873
FUND BALANCE, DECEMBER 31, 2017			\$ 273,061

(See independent auditor's report.)

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RENEWAL AND REPLACEMENT HEALTH FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 10,000	\$ 10,000	\$ 50,975
Total revenues	10,000	10,000	50,975
EXPENDITURES			
Capital outlay			
Health facility campus			
Landscaping improvements	10,000	10,000	6,255
Concrete replacement and repair	20,000	20,000	8,695
General painting	10,000	10,000	500
HVAC upgrades	-	-	14,923
Security system	15,000	15,000	63,299
Recon/update staff areas	12,000	12,000	13,832
Capital contingency	8,000	8,000	-
Total expenditures	75,000	75,000	107,504
NET CHANGE IN FUND BALANCE	\$ (65,000)	\$ (65,000)	(56,529)
FUND BALANCE, JANUARY 1, 2017			3,313,130
FUND BALANCE, DECEMBER 31, 2017			\$ 3,256,601

(See independent auditor's report.)

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RENEWAL AND REPLACEMENT PUBLIC SAFETY FUND

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 865
Total revenues	-	-	865
EXPENDITURES			
Capital outlay			
Public safety building			
Boiler replacement	22,000	22,000	-
Capital contingency	3,000	3,000	-
Total expenditures	25,000	25,000	-
NET CHANGE IN FUND BALANCE	\$ (25,000)	\$ (25,000)	865
FUND BALANCE, JANUARY 1, 2017			115,409
FUND BALANCE, DECEMBER 31, 2017			\$ 116,274

(See independent auditor's report.)

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

**DEKALB COUNTY PUBLIC BUILDING COMMISSION
SYCAMORE, ILLINOIS**

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2017

	Balances January 1, 2017	Additions and Transfers	Retirements and Transfers	Balances December 31, 2017
NURSING AND REHAB CENTER				
Land	\$ 3,785	\$ -	\$ -	\$ 3,785
Building	11,869,467	-	-	11,869,467
Total nursing and rehab center	11,873,252	-	-	11,873,252
PUBLIC HEALTH DEPARTMENT AND COMMUNITY FACILITY				
Land	488,815	-	-	488,815
Land improvements	153,826	-	-	153,826
Buildings	4,266,887	-	-	4,266,887
Building improvements	136,001	-	-	136,001
Total public health department and community facility	5,045,529	-	-	5,045,529
HEALTH FACILITY STORAGE AND GARAGE				
Building - garage	156,969	-	-	156,969
Building - storage	200,000	-	-	200,000
Total health facility storage and garage	356,969	-	-	356,969
COMMUNITY OUTREACH CENTER				
Building	5,282,836	-	-	5,282,836
Building improvements	316,936	-	-	316,936
Total community outreach center	5,599,772	-	-	5,599,772
TOTAL CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS	\$ 22,875,522	\$ -	\$ -	\$ 22,875,522

(See independent auditor's report.)