



**CITY OF BELLEVILLE, ILLINOIS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**APRIL 30, 2010**

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**CITY OF BELLEVILLE, ILLINOIS**

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C. J. SCHLOSSER  
& COMPANY, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

J. Terry Dooling  
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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor  
and Members of City Council  
City of Belleville, 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 Belleville, Illinois as of and for the year ended April 30, 2010, 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's administration. Our responsibility is to express an opinion 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 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 the administration, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the City of Belleville, Illinois prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, except for the City's Enterprise Funds and Pension Trust Funds, which have been prepared on the accrual basis of accounting.

The City of Belleville has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

As discussed in Note 1 to the financial statements, the City has not recorded fixed assets or infrastructure in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those assets be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities is not reasonably determinable.

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In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the City of Belleville, Illinois as of April 30, 2010 or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities (accrual basis), each major governmental fund (modified cash basis), the major enterprise fund (accrual basis) and the aggregate remaining fund information of the City of Belleville, Illinois, as of April 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 39 through 44), and schedules of retirement funding progress (pages 45 through 47) 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 managements 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belleville, Illinois' basic financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 taken as a whole.

*C. J. Schlemmer & Company, L.L.C.*  
Certified Public Accountants

October 12, 2010

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF NET ASSETS  
 (BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)  
 (GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)  
 APRIL 30, 2010

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 14,876,911	\$ 7,319,858	\$ 22,196,769
Investments	2,065,799	2,700,000	4,765,799
Receivables (Net of allowance for uncollectible):			
Accounts	-	992,633	992,633
Interest/Other	60,000	-	60,000
Prepaid Expenses	-	76,094	76,094
Inventory	-	77,183	77,183
Internal Balances	19,347	(19,347)	-
Capital Assets:			
Land	33,750	2,473,072	2,506,822
Buildings and Improvements	-	2,788,477	2,788,477
Equipment	-	1,840,077	1,840,077
Vehicles	-	938,179	938,179
Infrastructure	-	42,036,529	42,036,529
Construction in Progress	-	3,218,251	3,218,251
Accumulated Depreciation	-	(23,428,933)	(23,428,933)
Net Capital Assets	<u>33,750</u>	<u>29,865,652</u>	<u>29,899,402</u>
Deferred Debt Expense	-	125,806	125,806
Total Assets	<u>17,055,807</u>	<u>41,137,879</u>	<u>58,193,686</u>
<b><u>Liabilities</u></b>			
Accounts Payable	22,418	657,115	679,533
Accrued Payroll and Benefits	-	211,261	211,261
Accrued Interest Payable	-	92,759	92,759
Deferred Revenue	-	240,083	240,083
Noncurrent Liabilities:			
Due Within One Year	2,010,105	830,391	2,840,496
Due in More Than One Year	42,625,795	7,203,034	49,828,829
Total Liabilities	<u>44,658,318</u>	<u>9,234,643</u>	<u>53,892,961</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets, Net of Related Debt	-	26,166,972	26,166,972
Restricted for:			
Debt Service	4,591,136	-	4,591,136
Other Purposes	555,139	-	555,139
Unrestricted	(32,748,786)	5,736,264	(27,012,522)
Total Net Assets	<u>\$ (27,602,511)</u>	<u>\$ 31,903,236</u>	<u>\$ 4,300,725</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF ACTIVITIES  
 (BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)  
 (GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)  
 FOR THE YEAR ENDED APRIL 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
<b>Governmental Activities:</b>							
General Government	\$ 7,986,593	\$ 1,243,661	\$ 2,877	\$ 5,000	\$ (6,735,055)		\$ (6,735,055)
Public Safety	13,280,756	605,965	41,958	121,441	(12,511,392)		(12,511,392)
Public Works	7,299,721	45,284	-	-	(7,254,437)		(7,254,437)
Sanitation	2,217,236	2,920,255	-	-	703,019		703,019
Cemetery	393,286	65,896	-	-	(327,390)		(327,390)
Health and Welfare	835,908	17,855	-	-	(818,053)		(818,053)
Development	11,037,355	280,258	-	-	(10,757,097)		(10,757,097)
Cultural and Recreational	2,733,498	447,952	148,064	172,500	(1,964,982)		(1,964,982)
Interest on Long-term Debt	2,204,147	-	-	-	(2,204,147)		(2,204,147)
Total Governmental Activities	47,988,500	5,627,126	192,899	298,941	(41,869,534)		(41,869,534)
<b>Business-type Activities:</b>							
Waterworks and Sewerage	5,517,764	6,743,010	-	-	\$ 1,225,246		1,225,246
Nonmajor	300,711	196,337	-	-	(104,374)		(104,374)
Total Business-type Activities	5,818,475	6,939,347	-	-	1,120,872		1,120,872
Total Government	\$ 53,806,975	\$ 12,566,473	\$ 192,899	\$ 298,941	(41,869,534)		(40,748,662)
<b>General Revenues:</b>							
Property Tax, Levied for General Purposes					18,836,037		18,836,037
Sales and Use Tax					11,514,694		11,514,694
Income Tax					2,940,437		2,940,437
Corporate Personal Property Tax					387,244		387,244
Motor Fuel Tax					1,161,560		1,161,560
Telecommunications Tax					1,730,077		1,730,077
Other Local Tax					138,020		138,020
Utility Tax					3,108,241		3,108,241
Investment Earnings					72,041		72,041
Miscellaneous					28,227		28,227
Transfers					(1,000,000)		-
Total General Revenues and Transfers					38,916,578		38,916,578
Change in Net Assets					(2,952,956)		(2,952,956)
Net Assets - Beginning					(24,649,555)		(24,649,555)
Net Assets - Ending					\$ 31,903,236		\$ (59,403,389)

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
GOVERNMENTAL FUNDS  
APRIL 30, 2010

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,454,232	\$ 9,534,337	\$ 3,774,359	\$ 14,762,928
Investments	-	1,075,000	990,799	2,065,799
Note Receivable	-	60,000	-	60,000
Due From Other Funds	1,704,049	997,198	-	2,701,247
Other Assets	-	-	33,750	33,750
Total Assets	<u>\$ 3,158,281</u>	<u>\$ 11,666,535</u>	<u>\$ 4,798,908</u>	<u>\$ 19,623,724</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Due to Other Funds	\$ 1,301,541	\$ -	\$ 200,000	\$ 1,501,541
Accrued Expenses and Other Liabilities	22,418	-	-	22,418
Total Liabilities	<u>1,323,959</u>	<u>-</u>	<u>200,000</u>	<u>1,523,959</u>
 Fund Balances:				
Reserved For:				
Debt Service	-	2,716,872	1,874,264	4,591,136
Other Purposes	-	60,000	495,139	555,139
Unreserved, Reported In:				
General Fund	1,834,322	-	-	1,834,322
Special Revenue Funds	-	8,889,663	2,109,939	10,999,602
Capital Projects Fund	-	-	119,566	119,566
Total Fund Balances	<u>1,834,322</u>	<u>11,666,535</u>	<u>4,598,908</u>	<u>18,099,765</u>
Total Liabilities and Fund Balances	<u>\$ 3,158,281</u>	<u>\$ 11,666,535</u>	<u>\$ 4,798,908</u>	<u>\$ 19,623,724</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF ASSETS,  
LIABILITIES AND FUND BALANCES ARISING FROM MODIFIED  
CASH BASIS TRANSACTIONS TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED APRIL 30, 2010**

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 18,099,765
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(44,635,900)
Internal service funds are included in the statement of net assets in the government wide financial statements as these funds benefit the general government as a whole.	(1,066,376)
Net assets of governmental activities	<u>\$ (27,602,511)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF REVENUES AND EXPENDITURES  
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	General Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Tax	\$ -	\$ 15,958,789	\$ 2,877,248	\$ 18,836,037
Utility Tax	3,108,241	-	-	3,108,241
Intergovernmental	12,914,093	2,745,280	2,476,631	18,136,004
Local Tax	75,451	-	62,569	138,020
Licenses, Permits and Fees	1,055,166	-	-	1,055,166
Charges for Services	3,039,528	-	436,786	3,476,314
Fines and Forfeitures	256,489	-	27,519	284,008
Investment Earnings	4,010	42,563	22,720	69,293
Contributions	20,566	-	69,282	89,848
Reimbursements/Miscellaneous	456,471	280,258	103,136	839,865
<b>Total Revenues</b>	<b>20,930,015</b>	<b>19,026,890</b>	<b>6,075,891</b>	<b>46,032,796</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	4,019,667	-	2,005,492	6,025,159
Public Safety	12,923,120	-	-	12,923,120
Public Works	1,831,569	-	649,695	2,481,264
Sanitation	2,139,635	-	-	2,139,635
Cemetery	384,559	-	-	384,559
Health and Welfare	835,339	-	-	835,339
Development	227,993	10,808,967	-	11,036,960
Cultural and Recreational	684,678	-	1,842,026	2,526,704
Capital Outlay	717,248	4,830,671	1,586,339	7,134,258
<b>Debt Service:</b>				
Principal	163,044	1,318,563	1,420,000	2,901,607
Interest and Charges	62,876	1,460,409	681,573	2,204,858
<b>Total Expenditures</b>	<b>23,989,728</b>	<b>18,418,610</b>	<b>8,185,125</b>	<b>50,593,463</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,059,713)</b>	<b>608,280</b>	<b>(2,109,234)</b>	<b>(4,560,667)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Debt	694,839	800,000	-	1,494,839
Payment to Escrow Refunding Agent	(209,289)	-	-	(209,289)
Operating Transfers In	1,543,790	-	293,457	1,837,247
Operating Transfers Out	-	(2,350,116)	(487,131)	(2,837,247)
<b>Total Other Financing Sources (Uses)</b>	<b>2,029,340</b>	<b>(1,550,116)</b>	<b>(193,674)</b>	<b>285,550</b>
<b>Net Change in Fund Balances</b>	<b>(1,030,373)</b>	<b>(941,836)</b>	<b>(2,302,908)</b>	<b>(4,275,117)</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,864,695</b>	<b>12,608,371</b>	<b>6,901,816</b>	<b>22,374,882</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,834,322</b>	<b>\$ 11,666,535</b>	<b>\$ 4,598,908</b>	<b>\$ 18,099,765</b>

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

**CITY OF BELLEVILLE, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES AND  
EXPENDITURES ARISING FROM MODIFIED CASH BASIS  
TRANSACTIONS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2010**

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

Net change in fund balances - total governmental funds \$ (4,275,117)

The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

1,616,768

Activity related to the internal service funds are included in the statement of net assets in the government wide financial statements as these funds benefit the general government as a whole.

(294,607)

Change in net assets of governmental activities

\$ (2,952,956)

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 APRIL 30, 2010

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewerage	Nonmajor Enterprise	Total	
<b><u>Assets</u></b>				
<b>Current Assets:</b>				
Cash	\$ 7,082,088	\$ 237,770	\$ 7,319,858	\$ 113,983
Investments	2,700,000	-	2,700,000	-
Receivables (Net, where applicable, of allowances for uncollectible):				
Accounts	769,227	-	769,227	-
Unbilled Revenue	223,406	-	223,406	-
Prepaid Expenses	70,676	5,418	76,094	-
Inventory, at Cost	77,183	-	77,183	-
<b>Total Current Assets</b>	<b>10,922,580</b>	<b>243,188</b>	<b>11,165,768</b>	<b>113,983</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Land	769,711	1,703,361	2,473,072	-
Buildings and Improvements	2,600,423	188,054	2,788,477	-
Equipment	987,863	852,214	1,840,077	-
Vehicles	938,179	-	938,179	-
Distribution System	42,036,529	-	42,036,529	-
Construction in Progress	3,218,251	-	3,218,251	-
<b>Total</b>	<b>50,550,956</b>	<b>2,743,629</b>	<b>53,294,585</b>	<b>-</b>
Less - Accumulated Depreciation	(21,733,056)	(1,695,877)	(23,428,933)	-
<b>Net Capital Assets</b>	<b>28,817,900</b>	<b>1,047,752</b>	<b>29,865,652</b>	<b>-</b>
Deferred Charges	125,806	-	125,806	-
<b>Total Assets</b>	<b>\$ 39,866,286</b>	<b>\$ 1,290,940</b>	<b>\$ 41,157,226</b>	<b>\$ 113,983</b>
<b><u>Liabilities</u></b>				
<b>Current Liabilities:</b>				
Accrued Payroll and Benefits	\$ 195,219	\$ 16,042	\$ 211,261	\$ -
Accounts Payable	657,115	-	657,115	-
Accrued Interest	92,759	-	92,759	-
Deferred Revenue	240,083	-	240,083	-
Due to Other Funds	-	19,347	19,347	1,180,359
<b>Total Current Liabilities</b>	<b>1,185,176</b>	<b>35,389</b>	<b>1,220,565</b>	<b>1,180,359</b>
<b>Noncurrent Liabilities:</b>				
Due Within One Year	830,391	-	830,391	-
Due in More Than One Year	7,203,034	-	7,203,034	-
<b>Total Noncurrent Liabilities</b>	<b>8,033,425</b>	<b>-</b>	<b>8,033,425</b>	<b>-</b>
<b>Total Liabilities</b>	<b>9,218,601</b>	<b>35,389</b>	<b>9,253,990</b>	<b>1,180,359</b>
<b><u>Net Assets</u></b>				
Invested in Capital Assets, Net of Related Debt	25,119,220	1,047,752	26,166,972	-
Unrestricted	5,528,465	207,799	5,736,264	(1,066,376)
<b>Total Net Assets</b>	<b>\$ 30,647,685</b>	<b>\$ 1,255,551</b>	<b>\$ 31,903,236</b>	<b>\$ (1,066,376)</b>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Business Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Sewerage</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>	
Operating Revenues:				
Charges for Services	\$ 6,743,010	\$ 196,337	\$ 6,939,347	\$ 3,898,030
Operating Expenses:				
Personal Services	2,164,436	177,854	2,342,290	4,195,385
Supplies	112,508	24,751	137,259	-
Contractual Services	1,893,147	57,643	1,950,790	-
Depreciation	1,036,576	40,463	1,077,039	-
Total Operating Expenses	<u>5,206,667</u>	<u>300,711</u>	<u>5,507,378</u>	<u>4,195,385</u>
Operating Income (Loss)	<u>1,536,343</u>	<u>(104,374)</u>	<u>1,431,969</u>	<u>(297,355)</u>
Nonoperating Revenues (Expenses):				
Amortization	(52,868)	-	(52,868)	-
Investment Earnings	38,371	598	38,969	2,748
Interest and Fiscal Charges	(258,229)	-	(258,229)	-
Total Nonoperating Revenues (Expenses)	<u>(272,726)</u>	<u>598</u>	<u>(272,128)</u>	<u>2,748</u>
Income (Loss) Before Transfers	1,263,617	(103,776)	1,159,841	(294,607)
Transfers In	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Change in Net Assets	2,263,617	(103,776)	2,159,841	(294,607)
Net Assets - Beginning of Year	<u>28,384,068</u>	<u>1,359,327</u>	<u>29,743,395</u>	<u>(771,769)</u>
Net Assets - End of Year	<u>\$ 30,647,685</u>	<u>\$ 1,255,551</u>	<u>\$ 31,903,236</u>	<u>\$ (1,066,376)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2010

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewerage	Nonmajor Enterprise	Total	
	Sewerage	Enterprise	Total	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 6,844,596	\$ 196,337	\$ 7,040,933	\$ 3,898,030
Payments to Suppliers	(2,419,864)	(120,023)	(2,539,887)	(4,195,385)
Payments to Employees	(1,622,045)	(133,795)	(1,755,840)	-
Net Cash Provided (Used) by Operating Activities	<u>2,802,687</u>	<u>(57,481)</u>	<u>2,745,206</u>	<u>(297,355)</u>
Cash Flows from Noncapital Financing Activities:				
Payments from (to) Other Funds	<u>1,000,000</u>	<u>19,347</u>	<u>1,019,347</u>	<u>1</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,000,000</u>	<u>19,347</u>	<u>1,019,347</u>	<u>1</u>
Cash Flows from Capital and Related Financing Activities:				
Principal Payments on Long-Term Debt	(672,378)	-	(672,378)	-
Payment Related to Debt Refunding	(215,290)	-	(215,290)	-
Interest Paid on Debt	(270,884)	-	(270,884)	-
Payment of Bond Costs	(23,636)	-	(23,636)	-
Cash Payments for Capital Assets	(2,335,433)	-	(2,335,433)	-
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(3,517,621)</u>	<u>-</u>	<u>(3,517,621)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest Received	38,371	598	38,969	2,748
Purchase of Securities	(2,700,000)	-	(2,700,000)	-
Net Cash Provided by Investing Activities	<u>(2,661,629)</u>	<u>598</u>	<u>(2,661,031)</u>	<u>2,748</u>
Net Change in Cash and Cash Equivalents	(2,376,563)	(37,536)	(2,414,099)	(294,606)
Cash and Cash Equivalents, Beginning of Year	<u>9,458,651</u>	<u>275,306</u>	<u>9,733,957</u>	<u>408,589</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,082,088</u>	<u>\$ 237,770</u>	<u>\$ 7,319,858</u>	<u>\$ 113,983</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 1,536,343	\$ (104,374)	\$ 1,431,969	\$ (297,355)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation	1,036,576	40,463	1,077,039	-
(Increase) Decrease in Assets:				
Accounts Receivables	(110,994)	-	(110,994)	-
Unbilled Revenue	197,739	-	197,739	-
Inventory	(14,989)	-	(14,989)	-
Prepaid Expenses	(2,831)	(206)	(3,037)	-
Increase (Decrease) in Liabilities:				
Accrued Payroll and Benefits	17,613	6,636	24,249	-
Accounts Payable	128,389	-	128,389	-
Deferred Fees	14,841	-	14,841	-
Net Cash Provided by Operating Activities	<u>\$ 2,802,687</u>	<u>\$ (57,481)</u>	<u>\$ 2,745,206</u>	<u>\$ (297,355)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

**STATEMENT OF PLAN NET ASSETS  
PENSION TRUST FUNDS  
APRIL 30, 2010**

<b>Assets:</b>	
Cash and Cash Equivalents	\$ 4,854,012
Investments, at Market	36,105,125
<b>Receivables:</b>	
Taxes Receivable	4,306,511
Interest Receivable	167,991
Total Assets	<u>45,433,639</u>
 <b>Liabilities</b>	 <u>-</u>
 <b>Net Assets Held in Trust for Pension Benefits</b>	 <u><u>\$ 45,433,639</u></u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

Additions:

Contributions:

Employee Contributions	\$ 815,785
Employer Contributions:	
Property Taxes	4,283,280
Personal Property Replacement Taxes	149,328
Total Contributions	<u>5,248,393</u>

Investment Income:

Interest and Dividend Income	882,835
Gain from Sales of Securities	276,619
Net Depreciation in Fair Market Value of Investments	<u>3,496,812</u>
	4,656,266
Less Investment Expense	<u>(115,621)</u>
Total Investment Income	<u>4,540,645</u>

Reimbursements	1,834
Benefit Repayment	<u>9,487</u>
Total Additions	<u>9,800,359</u>

Deductions:

Benefits Paid to Participants:	
Service and Disability	4,104,467
Dependents	713,721
Refund of Contributions	10,605
Professional Fees	22,605
Other	<u>18,104</u>
Total Deductions	<u>4,869,502</u>

Net Increase 4,930,857

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	40,502,782
End of Year	<u><u>45,433,639</u></u>

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

# **CITY OF BELLEVILLE, ILLINOIS**

## **NOTE TO FINANCIAL STATEMENTS APRIL 30, 2010**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Belleville, Illinois (City) was incorporated on March 30, 1850, under the provisions of the State of Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and development and general administrative services. Other services include sewer utilities and motor vehicle parking facilities.

#### **(a) Reporting entity**

The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The criteria used in determining the scope of the entity for financial reporting purposes includes, but is not limited to, the method of budget adoption, taxing authority, whether debt is secured by revenues or general obligations of the City, the obligation of the City to finance any deficits that may occur and supervision over the accounting functions.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either (1) be able to impose its will on the organization or (2) the relationship must have the potential for creating a financial benefit to or imposing a financial burden on the City.

Based on the foregoing, the City's financial statements include all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the City.

#### **(b) Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. 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.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting and financial statement presentation

The proprietary fund and pension fund 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, regardless of the timing of related cash flows. 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 cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. Property taxes are recognized as revenues in the year for which they are received.

The Government-wide financial statements are reported on the basis of accounting as used by the individual funds in the fund financial statements.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The tax increment financing fund accounts for all activity related to the various tax increment financing districts of the City.

The City reports the following major proprietary fund:

The sewer fund accounts for all activities related to the billing, administration and collection processes of the sewer utilities. The City operates the sewage treatment plant, sewage pumping stations and collection systems.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected to follow subsequent private-sector guidance. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less.

The City is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds and repurchase agreements of government securities. Investment income is recognized as earned.

The pension funds are authorized to invest in all the same obligations of the City as well as stocks and mutual funds to a limited percentage. Investment income is recognized as earned.

Receivables and payables

Activities 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". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts in the enterprise funds at April 30, 2010 is \$113,745.

Unbilled sewer utility receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to April 30 and prorating the applicable number of days to the current fiscal year.

Capital assets

Capital assets, which include property, plant and equipment, are reported in the business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Type of Property And Equipment</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	8 - 50 Years
Collection Systems	10 - 50 Years
Vehicles and Equipment	4 - 10 Years

The City does not record the fixed assets of the governmental activities and therefore does not include these amounts in the statement of net assets. Depreciation expense of the governmental fixed assets is also not calculated or reported.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method.

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

Fund equity

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 City plans that are subject to change.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(e) Estimates

The City uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

(f) Risk management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

(g) Budget and budgetary accounting

The City's procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

1. Prior to April 1, the Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed disbursements and related financing methods.
2. Prior to May 1, the budget is legally enacted through passage of an ordinance.
3. The Finance Officer is authorized to transfer budgeted amounts between line items within an object level of a department; however, any revisions that alter the total expenditure of any object level within a department must be approved by the City Council.
4. Budgets for all funds are adopted on the cash basis.
5. Unused appropriations for all the above annually budgeted funds lapse at year end.
6. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

(h) Inventory

Inventory is stated at the lower of cost or market. Cost is determined primarily by the first-in, first-out method.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(i) Compensated absences

City employees earn vacation during the current year which must be taken in the subsequent year. For the proprietary funds, accrued vacation time is recognized as a liability when earned and any unused accumulated vacation is payable to employees upon termination. Accrued vacation is recorded in the respective proprietary fund type from which it will be paid. Unused sick leave benefits are paid to terminating employees at \$1.50 per hour for the first 1,000 hours and \$3.75 per hour in excess of 1,000 hours and are accrued accordingly. Retiring employees can elect to have up to 1,920 unused sick pay hours transferred to their pension, which will be paid out at the calculated pension rate.

**NOTE 2: CASH AND INVESTMENTS**

At April 30, 2010, the carrying amount of the City's deposits was \$24,100,066 and the bank balance was \$28,062,455. The deposits were comprised of interest checking, savings, federal government obligation funds and certificates of deposit. The City also maintains cash on hand of \$2,859.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. As of April 30, 2010, all of the City's bank balance was either FDIC insured or collateralized. These amounts are reported in the financial statements as follows:

Deposits from Above	\$ 24,100,066
Petty Cash	2,859
Federal MM Fund	2,745,857
The Illinois Funds	113,786
	<u>\$ 26,962,568</u>
<u>As Reported in the Financial Statements</u>	
Cash and Cash Equivalents	\$ 22,196,769
Investments	4,765,799
	<u>\$ 26,962,568</u>

Fire Pension

At April 30, 2010, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$974,508. The deposits were comprised of an interest checking account and a money market account.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Fire Pension Fund's deposits may not be returned to it. The Fire Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension's name.

As of April 30, 2010, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Commercial Paper	2.35	\$ 576,078
Federal National Mortgage Association	18.22	4,350,389
U.S. Treasury Notes	4.74	3,184,912
Mutual Funds	--	1,473,763
Common Stock	--	<u>5,274,849</u>
		14,859,991
Deposits as reported above		<u>974,508</u>
Total deposits and investments		<u>\$ 15,834,499</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 974,508
Investments		<u>14,859,991</u>
		<u>\$ 15,834,499</u>

Interest Rate Risk. The Fire Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates

Credit Risk. As of April 30, 2010, the Fire Pension Fund's investment credit ratings were as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal National Mortgage Association	AAA	Aaa

Concentration of Credit Risk. As of April 30, 2010, the Fire Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2010, the Fire Pension Fund did not have foreign currency risk.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Police Pension

At April 30, 2010, the carrying amount and bank balance of the Police Pension Fund's deposits was \$2,916,157. The deposits were comprised of checking accounts, certificates of deposit and money market accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension Fund's name.

As of April 30, 2010, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds	Daily	\$ 1,886,367
U.S. Treasury Strips	9.53	1,849,846
Federal National Mortgage Association	7.27	2,505,475
Municipal Bond	7.03	1,336,260
Federal Home Loan Mortgage	4.15	669,821
Federal Home Loan Bank	4.56	4,757,345
Mutual Funds	--	<u>9,203,367</u>
		22,208,481
Deposits as reported above		<u>2,916,157</u>
Total deposits and investments		<u>\$ 25,124,638</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 3,879,504
Investments		<u>21,245,134</u>
		<u>\$ 25,124,638</u>

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF BELLEVILLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Credit Risk.** As of April 30, 2010, the Police Pension Fund's investment credit ratings were as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal Home Loan Bank	AAA	Aaa
Federal Home Loan Mortgage	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa

**Concentration of Credit Risk.** As of April 30, 2010, the Police Pension Fund's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Federal Home Loan Bank	18.93%
Federal National Mortgage Association	9.97%

**Foreign Currency Risk.** As of April 30, 2010, the Police Pension Fund has no foreign currency risk

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

The following summarizes property, plant and equipment, and related depreciation, held by the enterprise funds at April 30, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Business-type activities:</u></b>				
Construction in Progress	\$ 1,166,411	\$ 2,051,840	\$ -	\$ 3,218,251
Land	1,487,063	147,302	-	1,634,365
Total not being depreciated	<u>2,653,474</u>	<u>2,199,142</u>	<u>-</u>	<u>4,852,616</u>
<b><u>Capital assets, being depreciated:</u></b>				
Buildings and improvements	\$ 2,512,403	\$ 279,414	\$ 3,340	\$ 2,788,477
Land improvements	838,707	-	-	838,707
Distribution and collection systems	41,969,659	66,870	-	42,036,529
Vehicles and equipment	2,750,452	83,765	55,961	2,778,256
Total capital assets, being depreciated	<u>48,071,221</u>	<u>430,049</u>	<u>59,301</u>	<u>48,441,969</u>
<b><u>Less accumulated depreciation for:</u></b>				
Buildings and improvements	2,194,894	59,891	3,340	2,251,445
Land improvements	678,500	30,951	-	709,451
Distribution and collection systems	17,562,323	840,257	-	18,402,580
Vehicles and equipment	1,975,478	145,940	55,961	2,065,457
Total accumulated depreciation	<u>22,411,195</u>	<u>1,077,039</u>	<u>59,301</u>	<u>23,428,933</u>
Business-type activities capital assets, net	<u>25,660,026</u>	<u>(646,990)</u>	<u>-</u>	<u>25,013,036</u>
Business-type activities capital assets, total	<u>\$ 28,313,500</u>	<u>\$ 1,552,152</u>	<u>\$ -</u>	<u>\$ 29,865,652</u>

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense charged to enterprise operations for the year ended April 30, 2010 was as follows:

Motor Vehicle Parking System	\$ 38,009
Sewerage	1,036,576
Swimming Pool	<u>2,454</u>
Total Enterprise Fund Depreciation	<u>\$ 1,077,039</u>

**NOTE 4: LONG-TERM DEBT**

The following is a summary of long-term debt of the City for the year ended April 30, 2010:

Governmental Activities

General Obligation Bonds

\$2,070,000 Sales Tax Increment Financing District Bonds, dated September 1, 2003, interest ranging from 3.35% to 4.00% payable June 1 and December 1, with principal payments on December 1 through 2013.	\$ 895,000
\$1,771,910 2004 General Obligation Refunding Bonds, dated April 1, 2004, interest ranging from 3.10% to 3.85%, payable January 1 and July 1, with principal payments on January 1 through 2017.	1,245,701
\$14,450,000 2005 Project Bonds, dated December 1, 2005, interest ranging from 3.55% to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2026.	13,290,000
\$1,350,000 2006 Special Service Area Bonds, dated December 1, 2006, interest ranging from 3.80% to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2027.	1,220,000
\$16,350,000 2007A Tax Increment Refunding Revenue Bonds, dated September 28, 2007, interest ranging from 5.00% to 5.70%, interest and principal payable May 1 and November 1, through 2024.	16,115,000
\$6,565,000 2007B Taxable Business District Revenue Bonds, dated September 28, 2007, interest at 7.875%, interest and principal payable May 1 and November 1, through 2021.	6,560,000

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$204,454 2009 General Obligation Refunding Bonds, dated December 1, 2009, interest ranging from 1.00% to 4.35% payable January 1 and July 1, with principal payments on January 1 through 2028. These bonds were issued to refund Series 2003 Bonds. 204,454

The annual requirement to retire governmental activities bonds outstanding as of April 30, 2010 is as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 1,679,005	\$ 2,156,403	\$ 3,835,408
2012	2,455,835	2,073,670	4,529,505
2013	2,058,844	1,965,635	4,024,479
2014	2,200,239	1,767,716	3,967,955
2015	2,107,922	1,658,406	3,766,328
2016 - 2020	12,502,610	6,464,611	18,967,221
2021 - 2025	15,141,910	2,628,844	17,770,754
2026 - 2028	<u>1,383,790</u>	<u>68,867</u>	<u>1,452,657</u>
	<u>\$ 39,530,155</u>	<u>\$ 18,784,152</u>	<u>\$ 58,314,307</u>

Notes Payable

\$400,000 note payable to West Pointe Bank and Trust Company dated June 16, 2004, for American Legion Field improvements, secured by real estate, interest ranging from 3.70% to 4.10%, principal and interest payments due April 1 through 2012 \$ 80,000

\$325,000 note payable to Illinois-American Water Company for the purchase of real property, loan is interest free with annual payments of \$65,000 through January 3, 2012. 130,000

\$5,000,000 note payable to Bank of America dated September 12, 2008, for a New Fire House, variable interest of 63.169% of 30-day LIBOR plus 75.6 basis points, interest payments due monthly and principal payment due August 1, 2013 3,500,000

\$490,385 note payable to Commerce Bank, N.A. dated March 15, 2010, for the Meredith Property, interest of 3.6%, interest payments due quarterly and principal payment due March 15, 2013 490,385

\$800,000 note payable to Calhoun Construction Management dated November 3, 2009, for the Bicentennial Park, zero percent interest, payments due yearly on November 1, through 2012 800,000

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual requirement to retire governmental activities notes outstanding as of April 30, 2010 is as follows:

Year Ending April 30,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	305,000	117,273	422,273
2012	305,000	115,703	420,703
2013	4,190,385	113,988	4,304,373
2014	<u>200,000</u>	<u>-</u>	<u>200,000</u>
	<u>\$ 5,000,385</u>	<u>\$ 346,964</u>	<u>\$ 5,347,349</u>

Capital Leases

\$180,000 capital lease, Emergency One, Inc., dated May 2, 2003, for pumper fire apparatus and chassis, secured by the equipment, bears interest at 4.69%; annual principal and interest payments of \$23,344 are due through May 2013. 83,376

\$35,427 capital lease, Fleetwood Financial, dated June 25, 2008, for 2 monitoring systems, bears interest at 9.633%; annual principal and interest payments of \$8,783 are due through October 2012. \$ 21,984

The City is obligated under leases considered to be equivalent to an installment purchase for purposes of accounting presentation. Future minimum lease payments under the capital leases as of April 30, 2010 are as follows:

Year Ending April 30,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	26,099	6,028	32,127
2012	27,653	4,474	32,127
2013	29,310	2,817	32,127
2014	<u>22,298</u>	<u>1,046</u>	<u>23,344</u>
	<u>\$ 105,360</u>	<u>\$ 14,365</u>	<u>\$ 119,725</u>

Proprietary Fund Debt

General Obligation Bonds

\$3,180,546 2009 General Obligation Refunding Bonds, dated December 1, 2009, interest ranging from 3.30% to 4.85% payable January 1 and July 1, with principal payments on January 1 through 2028. A portion of these bonds were issued to refund Series 2003 Bonds. 3,180,546

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$5,783,090 2004 General Obligation Refunding Bonds, dated April 1, 2004, interest ranging from 2.85% to 3.85% payable January 1 and July 1, with principal payments on January 1 through 2017. 4,094,299

The annual requirement to retire business-type bonds outstanding as of April 30, 2010 is as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 665,995	\$ 256,672	\$ 922,667
2012	684,165	229,945	914,110
2013	711,156	211,174	922,330
2014	724,761	189,481	914,242
2015	752,079	165,908	917,987
2016-2020	2,092,389	488,766	2,581,155
2021-2025	963,090	262,592	1,225,682
2026-2029	681,210	58,986	740,196
	<u>\$ 7,274,845</u>	<u>\$ 1,863,524</u>	<u>\$ 9,138,369</u>

Notes Payable

\$646,129 note payable to Illinois Environmental Protection Agency for construction of Belle Valley sewer interceptor, bears interest at 2.815%, semi-annual principal and interest payments of \$21,886 are due through October 2015. \$ 221,599

\$154,760 note payable to Illinois Environmental Protection Agency for construction of Engelman sewer interceptor, bears interest at 3.58%, semi-annual principal and interest payments of \$5,533 are due through July 2012. 26,241

\$1,231,194 note payable to Illinois Environmental Protection Agency for construction of the sewer plant facility, bears interest at 2.89%, semi-annual principal and interest payments of \$41,517 are due through April 2017. 518,350

\$403,660 note payable to Illinois Environmental Protection Agency for construction of a lift station, bears interest at 2.89%, semi-annual principal and interest payments of \$13,612 are due through May 2017. 182,389

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$346,259 note payable to Illinois Environmental Protection Agency for construction of a swirl concentrator on the combined sewer overflow at the 88<sup>th</sup> Street lift station, bearing interest at a rate of 2.625%, semi-annual principal and interest payments of \$11,401 are due through April 2019. 181,717

\$144,490 note payable to Illinois Environmental Protection Agency for the sewer system lining, bearing interest at the rate of 2.625%, semi-annual principal and interest payments of \$4,757 are due through November 2018. 75,829

The annual requirement to retire business-type activities notes outstanding as of April 30, 2010 is as follows:

Year Ending April 30,	Principal	Interest	Totals
2011	\$ 164,397	\$ 33,017	\$ 197,414
2012	169,156	28,257	197,413
2013	168,520	23,360	191,880
2014	167,728	18,618	186,346
2015	172,505	13,842	186,347
2016-2019	<u>363,819</u>	<u>15,995</u>	<u>379,814</u>
	<u>\$ 1,206,125</u>	<u>\$ 133,089</u>	<u>\$ 1,339,214</u>

The overall debt activity of the City for the year ended April 30, 2010 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 41,308,097	\$ 204,454	\$ 1,982,396	\$ 39,530,155	\$ 1,679,005
Note Payable	4,815,000	1,290,385	1,105,000	5,000,385	305,000
Leases Payable	129,571	-	24,211	105,360	26,100
	<u>\$ 46,252,668</u>	<u>\$ 1,494,839</u>	<u>\$ 3,111,607</u>	<u>\$ 44,635,900</u>	<u>\$ 2,010,105</u>
<b>Business-type Activities:</b>					
Bonds Payable	\$ 7,801,904	\$ 3,180,546	\$ 3,707,605	\$ 7,274,845	\$ 665,994
Loss on Refunding	(318,849)	(172,975)	(44,280)	(447,544)	-
Notes Payable	1,365,896	-	159,772	1,206,124	164,397
	<u>\$ 8,848,951</u>	<u>\$ 3,007,571</u>	<u>\$ 3,823,097</u>	<u>\$ 8,033,425</u>	<u>\$ 830,391</u>

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

In prior years, the City has defeased old bond issues. The City used the proceeds from the newly issued debt to purchase U.S. government securities that were placed in trust funds. The investments and earnings from the investments are used to service the defeased debt until the debt is called or matures. As of April 30, 2010, the amount of defeased debt outstanding from prior issues amounted to \$990,000. As a result of these transactions, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet of the City.

On December 16, 2009, the City issued \$3,385,000 General Obligation Refunding Bonds with an effective interest rate of 3.83 percent to refund \$3,405,000 of outstanding 2003 General Obligation Bonds with interest rates of 3.30 to 4.85 percent. The net proceeds of \$3,292,300 (after deducting payments for underwriting fees and other issuance costs) of the refunding bonds were used to purchase a time deposit. This security was deposited with an escrow agent to provide for full payment of the refunded bonds on January 19, 2010.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$69,819. By completing the refunding, the City decreased its total debt service payments by \$214,688 and the City also experienced an economic gain (difference between the present values of the old and new debt service payments) of \$155,959.

**NOTE 5: PENSION AND RETIREMENT PLANS**

**Illinois Municipal Retirement Fund**

*Plan Description.* The City'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 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. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 8.20 percent of annual covered payroll. The employer 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 BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

*Annual Pension Cost.* For 2009, the City's annual pension cost of \$687,488 for the regular plan was equal to the City's required and actual contributions.

**Three-Year Trend Information for IMRF**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2009	\$ 687,488	100%	\$ -
12/31/2008	690,043	100%	-
12/31/2007	705,561	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of 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 15% corridor between the actuarial and market value of assets. The City'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, 2007, valuation was 23 years.

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the plan was 77.60 percent funded. The actuarial accrued liability for benefits was \$23,374,459 and the actuarial value of assets was \$18,138,408, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,236,051. The covered payroll (annual payroll of active employees covered by the plan) was \$8,384,000 and the ratio of the UAAL to the covered payroll was 62 percent. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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 BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Police Pension Fund**

Plan Description

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. A police officer age 50 or more who has at least 20 years of creditable service, and is no longer in service shall receive a monthly pension of  $\frac{1}{2}$  of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year period to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Beginning January 1, 2001, the minimum retirement pension for a police officer having at least 20 years of creditable service shall be \$1,000 per month, without regard to whether or not retirement occurred prior to that date.

A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2.5% for each year of creditable service of the salary attached to the rank held on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, 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.

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund on contributions at his or her last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% for each year of creditable service of the salary attached to the rank held by the police officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, 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 monthly pension of a police officer who retires on disability or is retired for disability shall be increased in January of the year following the year of attaining age 60 by 3% of the original grant of pension for each year he or she received pension payments. In each January thereafter, the police officer shall receive an additional increase of 3% of the original pension.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The monthly pension of a police officer who retired shall be increased by 3% of the currently granted pension in January of each year thereafter.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Belleville, 101 South Illinois Street, Belleville, Illinois 62220.

Funding Policy

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. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Police Pension is fully funded. The Entry Age Normal Cost actuarial funding method is used to determine contribution.

Annual Pension Cost

Employer and employee contributions of \$2,118,884 and \$466,614 were made to the Plan during the year ended April 30, 2010. The contributions are typically based upon the Illinois Department of Insurance Annual Actuarial Tax Levy or an independent actuarial valuation obtained by the City. The latest actuarial valuation was performed at April 30, 2009 and was used for the contribution for the year ended April 30, 2010.

**Firemen's Pension Fund**

Plan Description

Fire sworn personnel are covered by the Firemen's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature.

The Firemen's Pension Plan provides retirement benefits as well as death and disability benefits. A firefighter age 50 or more who has at least 20 years of creditable service, and is no longer in service as a firefighter, shall receive a monthly pension of ½ the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The monthly pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

A firefighter who retires or is separated from service having at least 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension and who did not apply for a refund of contributions at his or her last separation from service, shall receive a reduced retirement benefit.

The monthly pension of a firefighter who is receiving a disability pension under this Article shall be increased, in January of the year following the year the firefighter attains age 60, by 3% of the originally granted monthly pension for each year he or she received pension payments. In each January thereafter, the firefighter shall receive an additional increase of 3% of the original monthly pension.

The monthly pension of a firefighter who retires after January 1, 1986, shall upon either the first of the month following the first anniversary of the date of retirement if 55 years of age or over at retirement date, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by 3% of the originally granted monthly pension for each full year that has elapsed since the pension began, and by an additional 3% in each January thereafter.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Belleville, 101 South Illinois Street, Belleville, Illinois 62220.

Funding Policy

Covered employees are required to contribute 9.455% of their salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts (not less than 8.045%) necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Firemen's Pension Plan is fully funded. The Entry Age Normal Cost actuarial funding method is used to determine contributions.

Annual Pension Cost

Employer and employee contributions of \$2,313,724 and \$349,171 were made to the Plan during the year ended April 30, 2010. The contributions are typically based upon the Illinois Department of Insurance Annual

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Tax Levy or an independent actuarial valuation obtained by the City. The latest actuarial valuation was performed at April 30, 2009 and was used for the contribution for the year ended April 30, 2010.

**NOTE 6: SELF INSURANCE**

On May 1, 2007, the City adopted a self-insured group health insurance program, which is administered by a service agent. The Insurance Fund is responsible for collecting interfund premiums for covered employees and retirees, paying benefit claims and administrative expenses, and purchasing certain insurance policies. Medical claims exceeding a Specific Stop Loss or a maximum annual aggregate deductible are covered through a private insurance carrier. Fund revenues are received as contribution premiums from other funds and are planned to match the total of expenses of insurance premiums for coverage obtained, claims resulting from the self-insurance program and administrative expenses.

**NOTE 7: REDEVELOPMENT AGREEMENTS**

The City entered into two redevelopment agreements to develop areas within tax increment financing boundaries. The City and the developers entered into agreements by which the developer would incur reimbursable costs which would be submitted for payment through Tax Increment Finance Notes. The debt would then be retired with tax revenues generated from the increase in values of the developed properties. The notes are payable solely from the new revenues and do not constitute a debt of the City.

The Tax Increment Financing notes for the Reunion Development Project agreement of \$12,713,288 and \$4,917,081 are still outstanding and not reflected in the debt of the City as of April 30, 2010.

The Tax Increment Financing notes for the Carlyle/Green Mount Redevelopment Project Area of \$19,799,999 are still outstanding and not reflected in the debt of the City as of April 30, 2010.

The City also entered into a redevelopment agreement to develop areas within the Parkway North Business District. The City and the developer entered into an agreement by which the developer would incur reimbursable costs which would be submitted for payment through Temporary Notes. The debt would be retired with tax revenues generated from sales tax revenues and business district tax revenues in the project area. The Temporary Notes are payable solely from the new revenues and are not reflected in the long-term debt of the City. The balance of the Temporary Notes as of April 30, 2010 is \$1,209,254.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 8: RECEIVABLES**

Accounts receivable for the City, as reported in the statement of net assets, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2010:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Unbilled Revenue	\$ -	\$ -	\$ 223,406	\$ -	\$ 223,406
Notes	60,000	-	-	-	60,000
Accounts	-	-	882,972	-	882,972
Gross Receivables	60,000	-	1,106,378	-	1,166,378
Less: Allowance for uncollectible	-	-	113,745	-	113,745
Net Total Receivables	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 992,633</u>	<u>\$ -</u>	<u>\$ 1,052,633</u>

**NOTE 9: INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended April 30, 2010:

General Fund Transfer From From:	
Motor Fuel Tax Fund	\$ 477,131
Tax Increment Financing Fund	1,056,659
Special Service Area Fund	10,000
Tax Increment Financing Fund Transfer (To):	
General Fund	(1,056,659)
Sewerage Fund	(1,000,000)
TIF Debt Service Fund	(248,700)
Parks Project Fund	(44,757)
TIF Debt Service Fund Transfer From:	
Tax Increment Financing Fund	248,700
Parks Project Fund Transfer From:	
Tax Increment Financing Fund	44,757
Motor Fuel Tax Fund Transfer (To):	
General Fund	(477,131)
Sewerage Fund Transfer From:	
Tax Increment Financing Fund	1,000,000
Special Service Area Fund Transfer (To):	
General Fund	(10,000)
	<u>\$ -</u>

The City makes transfers between funds to reimburse expenses paid from one fund that are related to or allocable to another fund.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 10: INTERFUND RECEIVABLES AND PAYABLES**

The following is a schedule of interfund receivables and payables for the year ending April 30, 2010.

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 1,704,049	\$ 1,301,541
Working Cash Fund	304,343	-
Illinois Municipal Retirement Fund	-	200,000
Insurance Fund	-	1,484,702
Tax Increment Financing Fund	997,198	-
Swimming Pool Fund	-	19,347
Totals	<u>\$ 3,005,590</u>	<u>\$ 3,005,590</u>

**NOTE 11: POSTEMPLOYMENT HEALTHCARE PLAN**

*Plan Description.* The City maintains a single-employer defined benefit healthcare plan available for retirees. The City provides pre and post Medicare post-retirement healthcare benefits to all retirees who worked for the City, were enrolled in one of the City's healthcare plans at the time of employment and receive a pension from the City through IMRF, the Police Pension Fund or the Firefighter's Pension Fund. The various eligibility requirements vary with the type of retirement plan the employee was associated with. The City does not issue a separate report related to post-retirement healthcare benefits.

*Funding Policy.* The contribution requirements are as determine by the contracts with City employees and are funded as a pay-as-you-go basis.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following shows the components of the annual OPEB for the year, the actual amount contributed to the plan, and the change in the OPEB obligation.

Annual required contribution	\$ 846,794
Interest on OPEB obligation	--
Adjustment to ARC	--
Annual OPEB cost	<u>846,794</u>
Contributions made	<u>(533,635)</u>
Increase in OPEB	313,159
Net OPEB – Beg of Year	--
Net OPEB – End of Year	<u>\$ 313,159</u>

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City's annual OPEB costs, the percentages of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 are as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
04/30/10	\$ 846,794	63.02%	\$ 313,159

*Funding Status and Funding Progress.* As of May 1, 2009, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$9,940,095. The plan has no assets as payments are made on a pay-as-you-go basis. The covered payroll was \$15,700,877 and the ratio of the UAAL to the covered payroll was 63.30 percent.

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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the May 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 4.0 percent initially, reduced by decrements to an ultimate rate of 4.50 percent after ten years. These rates include a 3.5 percent inflation assumption. The UAAL is being amortized on a level percent open basis. The remaining amortization period at May 1, 2009, was 18 years for the Playground and Recreation group, 16 years for the Library group, and 30 years for all other groups. The wage inflation rate was 3.50 percent and the discount rate is 4.00 percent.

CITY OF BELLEVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 12: SUBSEQUENT EVENT**

The City has evaluated events occurring after the financial statement date through October 12, 2010 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2010

	Budgeted Amounts		Actual
	Original	Final	(Budget Basis)
<b>Receipts:</b>			
<b>Local Taxes:</b>			
Hotel/Motel	\$ 55,000	\$ 55,000	\$ 75,451
Utility	3,300,000	3,300,000	3,108,241
<b>Total Taxes</b>	<b>3,355,000</b>	<b>3,355,000</b>	<b>3,183,692</b>
<b>Licenses, Permits and Fees:</b>			
Liquor	68,750	68,750	77,655
Franchise Fees	365,000	365,000	418,826
Business	32,000	32,000	37,090
Building Permits	175,000	175,000	115,737
Electrical Permits	30,350	30,350	25,610
Other Permits	17,512	17,512	4,979
Occupancy Permits	152,000	152,000	147,390
Housing Inspection Permits	147,000	147,000	148,120
Fire Inspection Fees	65,000	65,000	64,485
Other Fees	12,300	12,300	15,274
<b>Total Licenses and Permits</b>	<b>1,064,912</b>	<b>1,064,912</b>	<b>1,055,166</b>
<b>Intergovernmental:</b>			
State Income Tax	4,500,000	4,500,000	2,940,437
Sales Tax	7,607,500	7,607,500	7,139,767
Local Use Tax	741,000	741,000	543,952
Personal Property Replacement Tax	310,000	310,000	236,650
Grants	32,700	32,700	323,210
Telecommunications Tax	1,800,000	1,800,000	1,730,077
<b>Total Intergovernmental</b>	<b>14,991,200</b>	<b>14,991,200</b>	<b>12,914,093</b>
<b>Charges for Services:</b>			
Trash Disposal Charges	2,931,670	2,931,670	2,896,348
Cemetery Fees	64,000	64,000	63,726
Rent/Lease	77,800	77,800	77,954
Other	-	-	1,500
<b>Total Charges for Services</b>	<b>3,073,470</b>	<b>3,073,470</b>	<b>3,039,528</b>
<b>Fines and Forfeitures:</b>			
Police and Circuit Clerk Fines	174,000	174,000	246,335
Seizures and Forfeitures	6,000	6,000	10,154
<b>Total Fines and Forfeitures</b>	<b>180,000</b>	<b>180,000</b>	<b>256,489</b>
<b>Interest</b>	<b>41,531</b>	<b>41,531</b>	<b>4,010</b>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2010

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
<b>Receipts (continued):</b>			
Miscellaneous:			
Donations	18,235	18,235	20,566
Departmental Reimbursement	533,250	533,250	428,244
Other	37,500	37,500	28,227
Total Miscellaneous	<u>588,985</u>	<u>588,985</u>	<u>477,037</u>
 Total Receipts	 <u>\$ 23,295,098</u>	 <u>\$ 23,295,098</u>	 <u>\$ 20,930,015</u>
 <b>Disbursements:</b>			
General Government:			
Administrative:			
Personal Services	\$ 281,406	\$ 346,906	\$ 340,737
Contractual Services	1,615,828	1,581,828	1,533,516
Commodities	31,000	22,000	20,650
Capital Outlay	50,000	510,143	504,178
Debt Service	223,038	225,038	217,137
Other	231,786	288,036	281,272
	<u>2,433,058</u>	<u>2,973,951</u>	<u>2,897,490</u>
Legal:			
Personal Services	175,710	175,210	173,516
Contractual Services	24,700	27,200	26,980
Commodities	500	500	-
	<u>200,910</u>	<u>202,910</u>	<u>200,496</u>
Health and Housing:			
Personal Services	768,233	768,233	724,923
Contractual Services	146,400	146,400	92,038
Commodities	25,200	25,200	18,377
Capital Outlay	4,000	4,000	569
	<u>943,833</u>	<u>943,833</u>	<u>835,907</u>
Mayor's Office:			
Personal Services	175,786	175,786	175,555
Contractual Services	6,200	6,200	3,518
Commodities	4,250	4,250	2,359
Capital Outlay	1,000	1,000	275
	<u>187,236</u>	<u>187,236</u>	<u>181,707</u>
Finance:			
Personal Services	276,018	274,618	252,948
Contractual Services	2,990	4,390	3,098
Commodities	1,500	2,300	1,998
Capital Outlay	3,000	2,200	1,243
	<u>283,508</u>	<u>283,508</u>	<u>259,287</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2010

	Budgeted Amounts		Actual
	Original	Final	(Budget Basis)
Disbursements (continued):			
Human Resources:			
Personal Services	94,095	94,095	94,002
Contractual Services	36,475	36,475	10,206
Commodities	800	800	478
	<u>131,370</u>	<u>131,370</u>	<u>104,686</u>
City Clerk:			
Personal Services	278,029	278,029	262,679
Contractual Services	12,410	12,410	1,503
Commodities	3,700	3,700	2,241
Capital Outlay	4,500	4,500	786
	<u>298,639</u>	<u>298,639</u>	<u>267,209</u>
Treasurer:			
Personal Services	\$ 158,927	\$ 162,174	\$ 161,647
Contractual Services	8,300	5,053	4,765
Commodities	2,000	2,000	1,573
Capital Outlay	600	600	380
	<u>169,827</u>	<u>169,827</u>	<u>168,365</u>
Maintenance:			
Personal Services	535,708	535,708	503,616
Contractual Services	201,800	201,800	139,080
Commodities	41,900	41,900	21,730
Capital Outlay	3,700	3,700	220
	<u>783,108</u>	<u>783,108</u>	<u>664,646</u>
	<u>5,431,489</u>	<u>5,974,382</u>	<u>5,579,793</u>
Public Safety:			
Police Department:			
Personal Services	7,145,464	7,145,464	6,968,700
Contractual Services	667,143	661,643	582,413
Commodities	285,000	293,240	237,843
Capital Outlay	65,000	63,576	24,995
Other	43,100	51,600	36,856
	<u>8,205,707</u>	<u>8,215,523</u>	<u>7,850,807</u>
Fire Department:			
Personal Services	4,373,103	4,623,103	4,583,677
Contractual Services	491,800	485,300	440,649
Commodities	91,000	99,000	69,202
Capital Outlay	46,800	88,724	89,005
Other	4,200	5,200	3,264
	<u>5,006,903</u>	<u>5,301,327</u>	<u>5,185,797</u>

**CITY OF BELLEVILLE, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2010**

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Disbursements (continued):			
Public Safety:			
Board of Police and Fire Commissioners:			
Contractual Services	10,000	10,000	9,300
Commodities	225	225	-
	<u>10,225</u>	<u>10,225</u>	<u>9,300</u>
Total Public Safety	<u>13,222,835</u>	<u>13,527,075</u>	<u>13,045,904</u>
Public Works:			
Personal Services	\$ 1,271,050	\$ 1,271,050	\$ 1,262,145
Contractual Services	294,150	294,150	178,645
Commodities	229,400	229,400	154,144
Capital Outlay	20,000	20,000	-
Total Public Works	<u>1,814,600</u>	<u>1,814,600</u>	<u>1,594,934</u>
Parks and Recreation:			
Personal Services	494,767	494,767	472,200
Contractual Services	258,980	258,980	152,216
Commodities	108,000	108,000	60,262
Capital Outlay	48,150	48,150	12,212
Total Parks and Recreation	<u>909,897</u>	<u>909,897</u>	<u>696,890</u>
Health and Sanitation:			
Personal Services	1,107,410	1,107,410	1,101,466
Contractual Services	844,050	871,900	858,407
Commodities	213,400	185,550	179,762
Capital Outlay	84,000	84,000	77,601
Total Health and Sanitation	<u>2,248,860</u>	<u>2,248,860</u>	<u>2,217,236</u>
Cemetery:			
Personal Services	289,969	289,969	286,674
Contractual Services	87,700	87,700	76,960
Commodities	25,250	25,250	20,925
Capital Outlay	3,500	3,500	2,533
Total Cemetery	<u>406,419</u>	<u>406,419</u>	<u>387,092</u>
Engineering:			
Personal Services	158,634	203,134	200,386
Contractual Services	27,150	29,650	26,583
Commodities	14,000	11,500	9,666
Capital Outlay	3,000	3,000	2,856
Total Engineering	<u>202,784</u>	<u>247,284</u>	<u>239,491</u>

**CITY OF BELLEVILLE, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Planning & Economic Development:			
Personal Services	209,107	213,107	211,073
Contractual Services	47,900	43,900	15,552
Commodities	8,000	8,000	1,368
Capital Outlay	1,500	1,500	395
Total Planning & Economic Development	<u>266,507</u>	<u>266,507</u>	<u>228,388</u>
Total Disbursements	<u>\$ 24,503,391</u>	<u>\$ 25,395,024</u>	<u>\$ 23,989,728</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,208,293)</u>	<u>(2,099,926)</u>	<u>(3,059,713)</u>
Other Financing Sources:			
Proceeds From Debt	-	-	694,839
Payment to Escrow Refunding Agent	-	-	(209,289)
Transfers In	1,356,028	1,356,028	1,548,790
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ 142,735</u>	<u>\$ (748,898)</u>	<u>(1,030,373)</u>
No change for Modified Cash Basis			-
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ (1,030,373)</u>

**CITY OF BELLEVILLE, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)  
TAX INCREMENT FINANCING FUND  
FOR THE YEAR ENDED APRIL 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 15,108,242	\$ 15,108,242	\$ 15,958,789
Intergovernmental	165,000	165,000	2,745,280
Interest	147,819	147,819	42,563
Miscellaneous	1,106,384	1,106,384	280,258
Total Receipts	<u>16,527,445</u>	<u>16,527,445</u>	<u>19,026,890</u>
Disbursements:			
Current:			
Development:			
Contractual Services	1,134,625	1,256,590	4,407,990
Commodities	400,000	400,000	-
Tax District Reimbursements and Rebates	7,810,000	7,863,875	6,400,977
Capital Outlay	7,367,670	7,592,472	4,830,671
Debt Service	1,264,000	1,264,000	2,778,972
Total Disbursements	<u>17,976,295</u>	<u>18,376,937</u>	<u>18,418,610</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,448,850)</u>	<u>(1,849,492)</u>	<u>608,280</u>
Other Financing Sources:			
Transfers In	1,287,000	1,287,000	991,091
Transfers Out	(3,752,359)	(3,857,359)	(3,341,207)
Proceeds from Debt	-	-	800,000
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (3,914,209)</u>	<u>\$ (4,419,851)</u>	<u>(941,836)</u>
Change for reporting on modified accrual basis:			
No change for modified cash basis			-
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ (941,836)</u>

**CITY OF BELLEVILLE, ILLINOIS**

**SCHEDULE OF POLICE AND FIREMEN'S PENSION  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2010**

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
<b><u>Police Pension</u></b>						
Actuarial Value of Assets	\$ 24,749,786	\$ 26,714,683	\$ 25,908,985	\$ 24,129,838	\$ 21,744,548	\$ 20,586,969
Actuarial Accrued Liability (AAL)	51,593,156	50,286,199	47,441,193	45,985,765	42,875,778	40,044,374
Unfunded AAL (UAAL)	26,843,370	23,571,516	21,532,208	21,855,927	21,131,230	19,457,405
Funded Ratio	47.97%	53.13%	54.61%	52.47%	50.72%	51.41%
Covered Payroll	4,631,274	4,609,585	4,524,231	4,581,939	4,146,643	3,752,204
UAAL as a % of Covered Payroll	579.61%	511.36%	475.93%	477.00%	509.60%	518.56%
Employer Contributions:						
Required	2,048,685	1,842,221	1,704,830	1,696,498	1,565,414	1,410,749
Made	1,895,256	1,827,843	1,688,470	1,475,788	1,471,130	1,250,649
Percentage of Employer Contributions Made to Required Contributions	92.51%	99.22%	99.04%	86.99%	93.98%	88.65%
<b><u>Firemen's Pension</u></b>						
Actuarial Value of Assets	\$ 15,420,492	\$ 17,841,516	\$ 17,822,856	\$ 16,875,429	\$ 15,920,855	\$ 15,367,629
Actuarial Accrued Liability (AAL)	45,817,959	43,947,392	39,912,683	38,403,926	36,914,799	35,076,903
Unfunded AAL (UAAL)	30,397,467	26,105,876	22,089,827	21,528,497	20,993,944	19,709,274
Funded Ratio	33.66%	40.60%	44.65%	43.94%	43.13%	43.81%
Covered Payroll	3,406,651	2,957,161	2,762,196	2,840,167	2,798,305	2,699,555
UAAL as a % of Covered Payroll	892.30%	882.80%	799.72%	758.00%	750.24%	730.09%
Employer Contributions:						
Required	2,236,096	1,880,366	1,623,060	1,584,976	1,523,412	1,425,097
Made	1,939,256	1,739,499	1,583,469	1,471,157	1,482,827	1,195,574
Percentage of Employer Contributions Made to Required Contributions	86.73%	92.51%	97.56%	92.82%	97.34%	83.89%

2008 is the latest year for which a tax was levied and collected. The 2009 actuarial estimate is levied in December 2009 and collected in fiscal year 2011.

The actuarial valuations presented are prepared by the Illinois Department of Insurance using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	24.1699 Years
Asset Valuation Method:	Mixed Amortized Cost and Market
Actuarial Assumptions:	
Interest Rate	7.0 %
Salary Progression	5.5 %
Cost of Living Adjustments	3.0 %

**CITY OF BELLEVILLE, ILLINOIS**

**SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2009**

	Calendar Year					
	2009	2008	2007	2006	2005	2004
Actuarial Value of Assets	\$ 18,138,408	\$ 16,960,438	\$ 21,330,030	\$ 20,908,658	\$ 18,946,696	\$ 18,320,391
Actuarial Accrued Liability (AAL)	23,374,459	21,507,422	21,137,907	21,013,144	19,635,179	18,842,216
Unfunded AAL (UAAL)	5,236,051	4,546,984	(192,123)	104,486	688,483	521,825
Funded Ratio	77.60%	78.86%	100.91%	99.50%	96.49%	97.23%
Covered Payroll	8,384,000	8,185,562	7,804,878	7,383,412	7,108,581	6,750,606
UAAL as a % of Covered Payroll	62.45%	55.55%	0.00%	1.42%	9.69%	7.73%
Employer Contributions:						
Required	687,488	690,043	705,561	687,396	432,202	427,313
Made	687,488	690,043	705,561	687,396	432,202	427,313
Percentage of Employer Contributions Made to Required Contributions	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$17,514,355.  
On a market basis, the funded ratio would be 74.93 percent.

The actuarial valuations presented are prepared by the Illinois Municipal Retirement Fund using the following parameters:

Actuarial Cost Method:	Entry Age Actuarial Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	23 Years
Asset Valuation Method:	Techniques that smooth the effects of short term volatility over a five year period.
Actuarial Assumptions:	
Interest Rate	7.5 %
Salary Progression	4.4 - 14.0 %
Cost of Living Adjustments	3.0 %

**CITY OF BELLEVILLE, ILLINOIS**

**SCHEDULE OF POST-EMPLOYMENT HEALTHCARE  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2010**

	<u>May 1, 2009</u>
Actuarial Value of Assets	\$ -
Actuarial Accrued Liability (AAL)	9,940,095
Unfunded AAL (UAAL)	9,940,095
Funded Ratio	0.00%
Covered Payroll	15,700,877
UAAL as a % of Covered Payroll	63.30%
Employer Contributions:	
Required	846,794
Made	533,635
Percentage of Employer Contributions Made to Required Contributions	63.02%

The actuarial valuations presented are prepared for the post-retirement healthcare benefits using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percent Open
Remaining Amortization Period:	16 to 30 years depending on group
Actuarial Assumptions:	
Discount Rate	4.0%
Wage Inflation	3.5%
Healthcare Trend	4.00% in 2009, 8.00% thereafter decreasing to 4.50% ultimate trend in 0.5 increments

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2010

	Total Special Revenue	Debt Service				Total	Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
		Special Service Area	2005 Bond Fund	TIF					
<u>Assets</u>									
Cash and Cash Equivalents	\$ 3,198,330	\$ 92,722	\$ 805,394	\$ 426,148	\$ 1,324,264	\$ 44,566	\$ 12,593	\$ 4,579,753	
Investments	225,000	150,000	100,000	300,000	550,000	75,000	240,799	1,090,799	
Land	-	-	-	-	-	-	33,750	33,750	
Total Assets	<u>\$ 3,423,330</u>	<u>\$ 242,722</u>	<u>\$ 905,394</u>	<u>\$ 726,148</u>	<u>\$ 1,874,264</u>	<u>\$ 119,566</u>	<u>\$ 287,142</u>	<u>\$ 5,704,302</u>	
<u>Liabilities and Fund Balance</u>									
Liabilities:									
Due to Other Funds	\$ 200,000	-	-	-	-	-	-	\$ 200,000	
Total Liabilities	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	
Fund Balances:									
Reserved For:									
Debt Service	905,394	242,722	905,394	726,148	1,874,264	-	-	2,779,658	
Other Purposes	207,997	-	-	-	-	119,566	287,142	495,139	
Unreserved	2,109,939	-	-	-	-	119,566	-	2,229,505	
Total Fund Balances	<u>3,223,330</u>	<u>242,722</u>	<u>905,394</u>	<u>726,148</u>	<u>1,874,264</u>	<u>119,566</u>	<u>287,142</u>	<u>5,504,302</u>	
Total Liabilities and Fund Balances	<u>\$ 3,423,330</u>	<u>\$ 242,722</u>	<u>\$ 905,394</u>	<u>\$ 726,148</u>	<u>\$ 1,874,264</u>	<u>\$ 119,566</u>	<u>\$ 287,142</u>	<u>\$ 5,704,302</u>	

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES AND EXPENDITURES  
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	Total Special Revenue	Debt Service			Total	Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
		Special Service Area	2005 Bond Fund	TIF Debt				
Revenues:								
Property Tax	\$ 2,776,276	\$ 100,972	\$ -	\$ -	\$ 100,972	\$ -	\$ -	\$ 2,877,248
Intergovernmental	1,390,936	-	1,085,695	-	1,085,695	-	-	2,476,631
Local Tax	62,569	-	-	-	-	-	-	62,569
Charges for Services	434,616	-	-	-	-	2,170	-	436,786
Fines and Forfeitures	27,519	-	-	-	-	-	-	27,519
Investment Income	6,495	1,318	2,071	3,525	6,914	1,227	8,084	22,720
Contributions	69,282	-	-	-	-	-	-	69,282
Miscellaneous	103,136	-	-	-	-	-	-	103,136
Total Revenues	4,870,829	102,290	1,087,766	3,525	1,193,581	1,227	10,254	6,075,891
Expenditures:								
Current:								
General Government	2,005,492	-	-	-	-	-	-	2,005,492
Public Works	649,695	-	-	-	-	-	-	649,695
Cultural and Recreational	1,842,026	-	-	-	-	-	-	1,842,026
Capital Outlay	659,734	-	-	-	-	920,411	6,194	1,586,339
Debt Service:								
Principal	40,000	45,000	590,000	745,000	1,380,000	-	-	1,420,000
Interest and Fiscal Charges	4,757	52,975	569,055	54,786	676,816	-	-	681,573
Total Expenditures	5,201,704	97,975	1,159,055	799,786	2,056,816	920,411	6,194	8,185,125
Excess (Deficiency) of Revenues Over Expenditures	(330,875)	4,315	(71,289)	(796,261)	(863,235)	(919,184)	4,060	(2,109,234)
Other Financing Sources (Uses):								
Transfers In	44,757	-	-	248,700	248,700	-	-	293,457
Transfers Out	(487,131)	-	-	-	-	-	-	(487,131)
Total Other Financing Sources (Uses)	(442,374)	-	-	248,700	248,700	-	-	(193,674)
Net Change in Fund Balances	(773,249)	4,315	(71,289)	(547,561)	(614,535)	(919,184)	4,060	(2,302,908)
Fund Balances, Beginning of Year	3,091,185	238,407	976,683	1,273,709	2,488,799	1,038,750	283,082	6,901,816
Fund Balances, End of Year	\$ 2,317,936	\$ 242,722	\$ 905,394	\$ 726,148	\$ 1,874,264	\$ 119,566	\$ 287,142	\$ 4,598,908



CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES AND EXPENDITURES  
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	Parks Project	Playground and Recreation	Motor Fuel Tax	Illinois Municipal Retirement	Public Library	Tort Liability	Belleville Illinois Tourism	Veteran's Memorial Fountain	Special Service Area	Total
Revenues:										
Property Tax	\$ -	\$ 347,809	\$ -	\$ 889,661	\$ 1,093,385	\$ 413,953	\$ -	\$ -	\$ 31,468	\$ 2,776,276
Intergovernmental	-	15,378	1,161,560	77,051	136,947	-	-	-	-	1,390,936
Local Tax	-	-	-	-	-	-	62,569	-	-	62,569
Charges for Services	15,335	351,615	35,795	-	31,871	-	-	-	-	434,616
Fines and Forfeitures	-	-	-	-	27,519	-	-	-	-	27,519
Investment Income	267	779	680	276	669	2,670	57	26	1,071	6,495
Contributions	585	44,830	-	-	19,367	-	-	4,500	-	69,282
Miscellaneous	170	9,520	3,112	6,110	11,352	72,472	-	400	-	103,136
Total Revenues	16,357	769,931	1,201,147	973,098	1,321,110	489,095	62,626	4,926	32,539	4,870,829
Expenditures:										
Current:										
General Government	-	-	-	1,046,648	-	916,159	42,685	-	-	2,005,492
Public Works	-	-	604,537	-	-	-	-	-	45,158	649,695
Cultural and Recreational	-	607,735	-	-	1,229,200	-	-	5,091	-	1,842,026
Debt Service:										
Principal	40,000	-	-	-	-	-	-	-	-	40,000
Interest and Fiscal Charges	4,757	-	-	-	-	-	-	-	-	4,757
Capital Outlay	57,514	-	594,958	-	7,262	-	-	-	-	659,734
Total Expenditures	102,271	607,735	1,199,495	1,046,648	1,236,462	916,159	42,685	5,091	45,158	5,201,704
Excess (Deficiency) of Revenues Over Expenditures	(85,914)	162,196	1,652	(73,550)	84,648	(427,064)	19,941	(165)	(12,619)	(330,875)
Other Financing Sources (Uses):										
Operating Transfers In	44,757	-	-	-	-	-	-	-	-	44,757
Operating Transfers Out	-	-	(477,131)	-	-	-	-	-	(10,000)	(487,131)
Total Other Financing Sources (Uses)	44,757	-	(477,131)	-	-	-	-	-	(10,000)	(442,374)
Net Change in Fund Balances	(41,157)	162,196	(475,479)	(73,550)	84,648	(427,064)	19,941	(165)	(22,619)	(773,249)
Fund Balance, Beginning of Year	243,712	383,167	615,138	38,805	386,014	1,099,157	22,092	5,607	297,493	3,091,185
Fund Balance, End of Year	\$ 202,555	\$ 545,363	\$ 139,659	\$ (34,745)	\$ 470,662	\$ 672,093	\$ 42,033	\$ 5,442	\$ 274,874	\$ 2,317,936

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
APRIL 30, 2010

	<u>Motor Vehicle Parking System</u>	<u>Swimming Pool</u>	<u>Total</u>
<b><u>Assets:</u></b>			
Current Assets:			
Cash	\$ 237,237	\$ 533	\$ 237,770
Prepaid Expenses	2,032	3,386	5,418
Total Current Assets	<u>239,269</u>	<u>3,919</u>	<u>243,188</u>
Noncurrent Assets:			
Capital Assets:			
Land	1,703,361	-	1,703,361
Buildings and Improvements	-	188,054	188,054
Equipment	261,503	590,711	852,214
Total	<u>1,964,864</u>	<u>778,765</u>	<u>2,743,629</u>
Less - Accumulated Depreciation	<u>(922,683)</u>	<u>(773,194)</u>	<u>(1,695,877)</u>
Net Capital Assets	<u>1,042,181</u>	<u>5,571</u>	<u>1,047,752</u>
Total Assets	<u>\$ 1,281,450</u>	<u>\$ 9,490</u>	<u>\$ 1,290,940</u>
<b><u>Liabilities:</u></b>			
Current Liabilities:			
Accrued Payroll and Benefits	\$ 16,042	\$ -	\$ 16,042
Due to Other Funds	-	19,347	19,347
Total Current Liabilities	<u>16,042</u>	<u>19,347</u>	<u>35,389</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	1,042,181	5,571	1,047,752
Unrestricted	223,227	(15,428)	207,799
Total Net Assets	<u>\$ 1,265,408</u>	<u>\$ (9,857)</u>	<u>\$ 1,255,551</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Motor Vehicle Parking System</u>	<u>Swimming Pool</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 122,704	\$ 73,633	\$ 196,337
Operating Expenses:			
Personal Services	127,875	49,979	177,854
Supplies	13,499	11,252	24,751
Contractual Services	26,233	31,410	57,643
Depreciation	38,009	2,454	40,463
Total Operating Expenses	<u>205,616</u>	<u>95,095</u>	<u>300,711</u>
Operating Income (Loss)	<u>(82,912)</u>	<u>(21,462)</u>	<u>(104,374)</u>
Nonoperating Revenues:			
Investment Earnings	<u>589</u>	<u>9</u>	<u>598</u>
Total Nonoperating Revenues	<u>589</u>	<u>9</u>	<u>598</u>
Change in Net Assets	(82,323)	(21,453)	(103,776)
Net Assets - Beginning of Year	<u>1,347,731</u>	<u>11,596</u>	<u>1,359,327</u>
Net Assets - End of Year	<u>\$ 1,265,408</u>	<u>\$ (9,857)</u>	<u>\$ 1,255,551</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Motor Vehicle Parking System</u>	<u>Swimming Pool</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 122,704	\$ 73,633	\$ 196,337
Payments to Suppliers	(73,710)	(46,313)	(120,023)
Payments to Employees	<u>(87,339)</u>	<u>(46,456)</u>	<u>(133,795)</u>
Net Cash Provided (Used) by Operating Activities	<u>(38,345)</u>	<u>(19,136)</u>	<u>(57,481)</u>
Cash Flows from Noncapital Financing Activities:			
Payments from (to) Other Funds	<u>-</u>	<u>19,347</u>	<u>19,347</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>19,347</u>	<u>19,347</u>
Cash Flows from Investing Activities:			
Interest Received	<u>589</u>	<u>9</u>	<u>598</u>
Net Cash Provided by Investing Activities	<u>589</u>	<u>9</u>	<u>598</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(37,756)	220	(37,536)
Cash and Cash Equivalents, Beginning of Year	<u>274,993</u>	<u>313</u>	<u>275,306</u>
Cash and Cash Equivalents, End of Year	<u>\$ 237,237</u>	<u>\$ 533</u>	<u>\$ 237,770</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (82,912)	\$ (21,462)	\$ (104,374)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	38,009	2,454	40,463
(Increase) Decrease in Assets:			
Prepaid Expenses	(78)	(128)	(206)
Increase (Decrease) in Liabilities:			
Accrued Payroll and Benefits	<u>6,636</u>	<u>-</u>	<u>6,636</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (38,345)</u>	<u>\$ (19,136)</u>	<u>\$ (57,481)</u>

**CITY OF BELLEVILLE, ILLINOIS**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
APRIL 30, 2010**

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current Assets:			
Cash	\$ 65,978	\$ 48,005	\$ 113,983
Due from Other Funds	304,343	-	304,343
Total Assets	<u>\$ 370,321</u>	<u>\$ 48,005</u>	<u>\$ 418,326</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Due to Other Funds	\$ -	\$ 1,484,702	\$ 1,484,702
Total Current Liabilities	<u>-</u>	<u>1,484,702</u>	<u>1,484,702</u>
<b><u>Net Assets</u></b>			
Unrestricted	370,321	(1,436,697)	(1,066,376)
Total Net Assets	<u>\$ 370,321</u>	<u>\$ (1,436,697)</u>	<u>\$ (1,066,376)</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 3,898,030	\$ 3,898,030
Operating Expenses:			
Personal Services	-	4,195,385	4,195,385
Total Operating Expenses	-	4,195,385	4,195,385
Operating Income (Loss)	-	(297,355)	(297,355)
Nonoperating Revenues:			
Investment Earnings	2,475	273	2,748
Total Nonoperating Revenues	2,475	273	2,748
Change in Net Assets	2,475	(297,082)	(294,607)
Net Assets, Beginning of Year	367,846	(1,139,615)	(771,769)
Net Assets, End of Year	<u>\$ 370,321</u>	<u>\$ (1,436,697)</u>	<u>\$ (1,066,376)</u>

**CITY OF BELLEVILLE, ILLINOIS**

**COMBINING STATEMENT OF PLAN NET ASSETS  
PENSION TRUST FUNDS  
APRIL 30, 2010**

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 3,879,504	\$ 974,508	\$ 4,854,012
Investments, at Market	21,245,134	14,859,991	36,105,125
Receivables:			
Taxes Receivable	2,053,403	2,253,108	4,306,511
Interest Receivable	99,542	68,449	167,991
Total Assets	<u>27,277,583</u>	<u>18,156,056</u>	<u>45,433,639</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets Held in Trust for Pension Benefits</b>	<u>\$ 27,277,583</u>	<u>\$ 18,156,056</u>	<u>\$ 45,433,639</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
<b>Additions:</b>			
<b>Contributions:</b>			
Employee Contributions	\$ 466,614	\$ 349,171	\$ 815,785
<b>Employer Contributions:</b>			
Property Taxes	2,041,940	2,241,340	4,283,280
Personal Property Replacement Taxes	76,944	72,384	149,328
<b>Total Contributions</b>	<u>2,585,498</u>	<u>2,662,895</u>	<u>5,248,393</u>
<b>Investment Income:</b>			
Interest and Dividend Income	472,076	410,759	882,835
Gain (Loss) on Sales of Securities	332,572	(55,953)	276,619
Net Appreciation in Fair Market Value of Investments	1,770,073	1,726,739	3,496,812
	<u>2,574,721</u>	<u>2,081,545</u>	<u>4,656,266</u>
Less Investment Expense	(68,221)	(47,400)	(115,621)
<b>Total Investment Income</b>	<u>2,506,500</u>	<u>2,034,145</u>	<u>4,540,645</u>
Reimbursements	-	1,834	1,834
Benefit Repayment	9,487	-	9,487
	<u>9,487</u>	<u>-</u>	<u>9,487</u>
<b>Total Additions</b>	<u>5,101,485</u>	<u>4,698,874</u>	<u>9,800,359</u>
<b>Deductions:</b>			
<b>Benefits Paid to Participants:</b>			
Service and Disability	2,184,862	1,919,605	4,104,467
Dependents	280,948	432,773	713,721
Refund of Contributions	10,605	-	10,605
Professional Fees	14,050	8,555	22,605
Other	12,791	5,313	18,104
<b>Total Deductions</b>	<u>2,503,256</u>	<u>2,366,246</u>	<u>4,869,502</u>
<b>Net Increase</b>	2,598,229	2,332,628	4,930,857
<b>Net Assets Held in Trust for Pension Benefits:</b>			
Beginning of Year	<u>24,679,354</u>	<u>15,823,428</u>	<u>40,502,782</u>
<b>End of Year</b>	<u>\$ 27,277,583</u>	<u>\$ 18,156,056</u>	<u>\$ 45,433,639</u>

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF ASSESSED VALUATION, TAX RATES,  
EXTENSIONS AND COLLECTIONS  
(UNAUDITED)  
APRIL 30, 2010

Levy Year	Total Assessed Valuation	<u>Tax Rates</u>						Total Tax Fund
		Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Playground and Recreation Fund	
1999	\$ 288,160,789	\$ 0.2165	\$ 0.2850	\$ 0.2862	\$ 0.2949	\$ -	\$ 0.0931	\$ 1.1757
2000	298,341,576	0.2082	0.2810	0.2985	0.2833	-	0.0875	1.1585
2001	306,859,990	0.2011	0.3150	0.3331	0.2575	-	0.0913	1.1980
2002	321,340,922	0.1044	0.3332	0.3241	0.2491	0.1164	0.0772	1.2044
2003	339,524,357	0.1400	0.3550	0.3396	0.2358	0.0531	0.0749	1.1984
2004	348,122,708	0.2092	0.4066	0.4109	0.2373	0.0538	0.0762	1.3940
2005	372,559,121	0.2279	0.3924	0.3924	0.2483	0.0673	0.0806	1.4089
2006	398,104,522	0.2222	0.4048	0.3787	0.2450	0.0918	0.0842	1.4267
2007	428,399,309	0.2194	0.3913	0.3728	0.2335	0.1368	0.0817	1.4355
2008	440,816,585	0.2031	0.4134	0.4244	0.2496	0.0945	0.0794	1.4644

Levy Year	<u>Taxes Extended</u>							Total Tax Fund
	Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Playground and Recreation Fund		
1999	\$ 623,868	\$ 821,258	\$ 824,716	\$ 849,790	\$ -	\$ 268,277	\$ 3,387,909	
2000	621,147	838,339	890,549	845,206	-	261,048	3,456,289	
2001	617,108	966,609	1,022,151	790,170	-	280,163	3,676,201	
2002	335,489	1,070,708	1,041,466	790,050	374,041	248,075	3,859,829	
2003	476,832	1,204,670	1,152,412	800,603	180,192	254,169	4,068,878	
2004	728,273	1,415,467	1,430,436	825,338	187,290	265,270	4,852,074	
2005	849,062	1,461,922	1,461,922	925,064	250,732	300,283	5,248,985	
2006	884,588	1,611,527	1,507,622	975,356	365,460	335,204	5,679,757	
2007	939,908	1,676,327	1,597,073	1,000,312	586,050	350,002	6,149,672	
2008	895,298	1,822,336	1,870,826	1,100,278	416,572	350,008	6,455,318	

Levy Year	<u>Taxes Collected</u>			
	Total Taxes Extended	Total Taxes Collected	Percent of Current Year Taxes Collected	Current Year Uncollected Balance
1999	\$ 3,387,909	\$ 3,374,371	99.60%	\$ 13,538
2000	3,456,289	3,440,634	99.55%	15,655
2001	3,676,201	3,665,363	99.71%	10,838
2002	3,859,829	3,847,424	99.68%	12,405
2003	4,068,878	4,042,752	99.36%	26,126
2004	4,852,074	4,836,174	99.67%	15,900
2005	5,248,985	5,237,295	99.78%	11,690
2006	5,679,757	5,655,277	99.57%	24,480
2007	6,149,672	6,096,909	99.14%	52,763
2008	6,455,318	6,414,605	99.37%	40,713

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
METRO EAST AUTO THEFT TASK FORCE  
FOR THE YEAR ENDED APRIL 30, 2010

Receipts:	
MEATTF Grant Receipts	\$ 876,548
Project Income	10,270
Interest Income	85
Total Receipts	<u>886,903</u>
Disbursements:	
Grant Disbursements:	
Personnel	<u>542,200</u>
Contractual Services:	
Secretary	24,960
Vehicle Lease	36,000
Vehicle Maintenance	36,239
Office Lease	20,755
Telephone Costs	12,014
Janitorial	2,400
Postage	1,270
Photocopier and Fax	3,848
Other	8,768
Travel	1,565
Total Contractual Services	<u>147,819</u>
Commodities:	
Operating	646
Office	6,568
Total Commodities	<u>7,214</u>
Equipment	<u>6,288</u>
Total Grant Disbursements	<u>703,521</u>
Project Income Disbursements	<u>3,093</u>
Total Disbursements	<u>706,614</u>
Excess of Receipts Over Disbursements	<u>\$ 180,289</u>