



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

**CITY OF BELLEVILLE, ILLINOIS**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

APRIL 30, 2008

233 East Center Drive  
P.O. Box 416  
Alton, Illinois 62002  
(618) 465-7717 St. Louis (314) 355-2586  
Fax (618) 465-7710



**PCPS**  
THE AICPA ALLIANCE FOR CPA FIRMS

One Westbury Drive  
Suite 420  
St. Charles, Missouri 63301-2567  
(636) 723-7611 St. Louis (636) 947-1008  
Fax (636) 947-4558

**CITY OF BELLEVILLE, ILLINOIS**

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

J. Terry Dooling  
David L. Kamler  
David M. Bartosiak  
Cindy A. Tefeller  
Kevin J. Tepen

## 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, 2008, 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, 2008 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, 2008, 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.

The budgetary comparison information (pages 36 through 42), and pension funding progress information (pages 43 and 44), are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of the administration regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Belleville, Illinois' basic financial statements. 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*C. J. Schloss & Co., LLC.*  
Certified Public Accountants

August 28, 2008

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF NET ASSETS  
 (BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)  
 (GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)  
 APRIL 30, 2008

	<u>Governmental</u> Activities	<u>Business-type</u> Activities	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 24,379,835	\$ 9,610,718	\$ 33,990,553
Investments	251,133	-	251,133
Receivables (Net of allowance for uncollectible):			
Accounts	-	1,271,745	1,271,745
Interest/Other	200,000	-	200,000
Prepaid Expenses	-	70,674	70,674
Inventory	-	58,959	58,959
Internal Balances	42,033	(42,033)	-
Capital Assets:			
Land	33,750	1,830,207	1,863,957
Buildings and Improvements	-	2,459,403	2,459,403
Equipment	-	1,740,929	1,740,929
Vehicles	-	915,140	915,140
Infrastructure	-	41,969,659	41,969,659
Accumulated Depreciation	-	(21,347,473)	(21,347,473)
Net Capital Assets	<u>33,750</u>	<u>27,567,865</u>	<u>27,601,615</u>
Deferred Debt Expense	-	153,655	153,655
Total Assets	<u>24,906,751</u>	<u>38,691,583</u>	<u>63,598,334</u>
<b><u>Liabilities</u></b>			
Accounts Payable	83,172	88,457	171,629
Accrued Payroll and Benefits	-	177,641	177,641
Accrued Interest Payable	-	120,806	120,806
Deferred Revenue	-	353,347	353,347
Noncurrent Liabilities:			
Due Within One Year	1,801,326	1,234,537	3,035,863
Due in More Than One Year	41,640,036	8,787,848	50,427,884
Total Liabilities	<u>43,524,534</u>	<u>10,762,636</u>	<u>54,287,170</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets, Net of Related Debt	-	22,267,895	22,267,895
Reserved for:			
Debt Service	6,783,695	-	6,783,695
Other Purposes	758,401	-	758,401
Unrestricted	(26,159,879)	5,661,052	(20,498,827)
Total Net Assets	<u>\$ (18,617,783)</u>	<u>\$ 27,928,947</u>	<u>\$ 9,311,164</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, 2008

Functions/Programs	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>Governmental Activities:</b>							
General Government	\$ 5,359,423	\$ 1,247,260	\$ 18,094	\$ -	\$ (4,094,069)		\$ (4,094,069)
Public Safety	12,930,037	789,945	34,854	72,242	(12,032,996)		(12,032,996)
Public Works	12,360,223	355,950	-	819,108	(11,185,165)		(11,185,165)
Sanitation	2,727,155	2,661,727	-	-	(65,428)		(65,428)
Cemetery	381,212	78,825	-	-	(302,387)		(302,387)
Health and Welfare	707,186	1,622	-	-	(705,564)		(705,564)
Development	26,737,726	-	-	-	(26,737,726)		(26,737,726)
Cultural and Recreational	2,907,946	484,642	153,157	-	(2,270,147)		(2,270,147)
Interest on Long-term Debt	2,430,271	-	-	-	(2,430,271)		(2,430,271)
Total Governmental Activities	66,541,179	5,619,971	206,105	891,350	(59,823,753)		(59,823,753)
<b>Business-type Activities:</b>							
Waterworks and Sewerage	5,598,159	7,211,221	-	-	\$ 1,613,062		1,613,062
Nonmajor	273,117	224,305	-	-	(48,812)		(48,812)
Total Business-type Activities	5,871,276	7,435,526	-	-	1,564,250		1,564,250
Total Government	\$ 72,412,455	\$ 13,055,497	\$ 206,105	\$ 891,350	(59,823,753)		(58,259,503)

General Revenues:	Property Tax, Levied for General Purposes	Sales and Use Tax	Income Tax	Corporate Personal Property Tax	Motor Fuel Tax	Telecommunications Tax	Other Local Tax	Utility Tax	Investment Earnings	Miscellaneous	Transfers	Total General Revenues and Transfers	Change in Net Assets	Net Assets - Beginning	Net Assets - Ending
	15,881,905	9,829,740	3,948,847	477,802	1,204,610	1,760,146	62,104	3,276,265	1,385,245	22,215	(479,000)	37,369,879	(22,453,874)	3,836,091	\$ (18,617,783)
	-	-	-	-	-	-	-	-	386,822	-	479,000	865,822	2,430,072	25,498,875	\$ 9,311,164

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, 2008

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Improvements Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 2,603,894	\$ 14,186,534	\$ 1,562,676	\$ 5,653,201	\$ 24,006,305
Investments	-	-	-	251,133	251,133
Note Receivable	-	200,000	-	-	200,000
Due From Other Funds	842,743	-	-	-	842,743
Other Assets	-	-	-	33,750	33,750
Total Assets	<u>\$ 3,446,637</u>	<u>\$ 14,386,534</u>	<u>\$ 1,562,676</u>	<u>\$ 5,938,084</u>	<u>\$ 25,333,931</u>
 <u>Liabilities and Fund Equity</u>					
Liabilities:					
Due to Other Funds	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Accrued Expenses and Other Liabilities	83,172	-	-	-	83,172
Total Liabilities	<u>83,172</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>283,172</u>
 Fund Balances:					
Reserved For:					
Debt Service	-	4,297,598	-	2,486,097	6,783,695
Other Purposes	-	200,000	-	558,401	758,401
Unreserved, Reported In:					
General Fund	3,363,465	-	-	-	3,363,465
Special Revenue Funds	-	9,888,936	-	2,693,586	12,582,522
Capital Projects Fund	-	-	1,562,676	-	1,562,676
Total Fund Balances	<u>3,363,465</u>	<u>14,386,534</u>	<u>1,562,676</u>	<u>5,738,084</u>	<u>25,050,759</u>
Total Liabilities and Fund Balances	<u>\$ 3,446,637</u>	<u>\$ 14,386,534</u>	<u>\$ 1,562,676</u>	<u>\$ 5,938,084</u>	<u>\$ 25,333,931</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, 2008**

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 25,050,759
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(43,441,362)
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	(227,180)
Net assets of governmental activities	<u>\$ (18,617,783)</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, 2008

	General Fund	Tax Increment Financing Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Tax	\$ -	\$ 13,206,023	\$ -	\$ 2,675,882	\$ 15,881,905
Utility Tax	3,276,265	-	-	-	3,276,265
Intergovernmental	14,147,316	768,411	-	2,495,251	17,410,978
Local Tax	37,746	-	-	24,358	62,104
Licenses, Permits and Fees	1,071,448	-	-	-	1,071,448
Charges for Services	2,811,429	-	-	459,970	3,271,399
Fines and Forfeitures	279,856	-	-	23,771	303,627
Investment Earnings	167,711	742,757	181,660	266,398	1,358,526
Contributions	31,570	-	-	56,944	88,514
Reimbursements/Miscellaneous	786,689	78,363	819,108	130,660	1,814,820
<b>Total Revenues</b>	<b>22,610,030</b>	<b>14,795,554</b>	<b>1,000,768</b>	<b>6,133,234</b>	<b>44,539,586</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	3,407,303	-	-	1,322,585	4,729,888
Public Safety	12,200,837	-	-	-	12,200,837
Public Works	1,861,654	-	787,052	788,699	3,437,405
Sanitation	2,373,364	-	-	-	2,373,364
Cemetery	372,482	-	-	-	372,482
Health and Welfare	705,087	-	-	-	705,087
Development	356,443	25,413,676	-	-	25,770,119
Cultural and Recreational	768,865	-	-	1,792,681	2,561,546
Capital Outlay	1,241,250	3,031,581	6,499,230	586,722	11,358,783
<b>Debt Service:</b>					
Principal	170,348	148,273	-	890,000	1,208,621
Interest and Charges	71,809	973,881	-	1,384,581	2,430,271
<b>Total Expenditures</b>	<b>23,529,442</b>	<b>29,567,411</b>	<b>7,286,282</b>	<b>6,765,268</b>	<b>67,148,403</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(919,412)</b>	<b>(14,771,857)</b>	<b>(6,285,514)</b>	<b>(632,034)</b>	<b>(22,608,817)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Debt	-	23,240,000	-	-	23,240,000
Operating Transfers In	1,322,884	520,000	500,000	1,111,440	3,454,324
Operating Transfers Out	(169,630)	(3,454,324)	-	(309,370)	(3,933,324)
<b>Total Other Financing Sources (Uses)</b>	<b>1,153,254</b>	<b>20,305,676</b>	<b>500,000</b>	<b>802,070</b>	<b>22,761,000</b>
<b>Net Change in Fund Balances</b>	<b>233,842</b>	<b>5,533,819</b>	<b>(5,785,514)</b>	<b>170,036</b>	<b>152,183</b>
<b>Fund Balance, Beginning of Year</b>	<b>3,129,623</b>	<b>8,852,715</b>	<b>7,348,190</b>	<b>5,568,048</b>	<b>24,898,576</b>
<b>Fund Balance, End of Year</b>	<b>\$ 3,363,465</b>	<b>\$ 14,386,534</b>	<b>\$ 1,562,676</b>	<b>\$ 5,738,084</b>	<b>\$ 25,050,759</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, 2008

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

Net change in fund balances - total governmental funds	\$ 152,183
<p>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.</p>	(22,031,379)
<p>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.</p>	(574,678)
Change in net assets of governmental activities	<u>\$ (22,453,874)</u>

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, 2008

	<u>Business Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Sewerage</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Activities -</u>
		<u>Enterprise</u>		<u>Internal</u>
				<u>Service Funds</u>
<b><u>Assets</u></b>				
<b>Current Assets:</b>				
Cash	\$ 9,283,790	\$ 326,928	\$ 9,610,718	\$ 373,530
Receivables (Net, where applicable, of allowances for uncollectible):				
Accounts	867,828	-	867,828	-
Unbilled Revenue	403,917	-	403,917	-
Prepaid Expenses	65,843	4,831	70,674	-
Inventory, at Cost	58,959	-	58,959	-
Total Current Assets	<u>10,680,337</u>	<u>331,759</u>	<u>11,012,096</u>	<u>373,530</u>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Land	149,845	1,680,362	1,830,207	-
Buildings and Improvements	2,271,349	188,054	2,459,403	-
Equipment	901,362	839,567	1,740,929	-
Vehicles	915,140	-	915,140	-
Distribution System	41,969,659	-	41,969,659	-
Total	<u>46,207,355</u>	<u>2,707,983</u>	<u>48,915,338</u>	<u>-</u>
Less - Accumulated Depreciation	<u>(19,732,549)</u>	<u>(1,614,924)</u>	<u>(21,347,473)</u>	<u>-</u>
Net Capital Assets	<u>26,474,806</u>	<u>1,093,059</u>	<u>27,567,865</u>	<u>-</u>
Deferred Charges	<u>153,655</u>	<u>-</u>	<u>153,655</u>	<u>-</u>
Total Assets	<u>\$ 37,308,798</u>	<u>\$ 1,424,818</u>	<u>\$ 38,733,616</u>	<u>\$ 373,530</u>
<b><u>Liabilities</u></b>				
<b>Current Liabilities:</b>				
Accrued Payroll and Benefits	\$ 169,734	\$ 7,907	\$ 177,641	\$ -
Accounts Payable	88,457	-	88,457	-
Accrued Interest	120,806	-	120,806	-
Deferred Revenue	353,347	-	353,347	-
Due to Other Funds	-	42,033	42,033	600,710
Total Current Liabilities	<u>732,344</u>	<u>49,940</u>	<u>782,284</u>	<u>600,710</u>
<b>Noncurrent Liabilities:</b>				
Due Within One Year	1,234,537	-	1,234,537	-
Due in More Than One Year	8,787,848	-	8,787,848	-
Total Noncurrent Liabilities	<u>10,022,385</u>	<u>-</u>	<u>10,022,385</u>	<u>-</u>
Total Liabilities	<u>10,754,729</u>	<u>49,940</u>	<u>10,804,669</u>	<u>600,710</u>
<b><u>Net Assets</u></b>				
Invested in Capital Assets, Net of Related Debt	21,174,836	1,093,059	22,267,895	-
Unrestricted	5,379,233	281,819	5,661,052	(227,180)
Total Net Assets	<u>\$ 26,554,069</u>	<u>\$ 1,374,878</u>	<u>\$ 27,928,947</u>	<u>\$ (227,180)</u>

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, 2008

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewerage	Nonmajor Enterprise	Total	
Operating Revenues:				
Charges for Services	\$ 7,211,221	\$ 224,305	\$ 7,435,526	\$ 2,888,491
Operating Expenses:				
Personal Services	2,039,833	153,013	2,192,846	3,489,888
Supplies	188,194	17,946	206,140	-
Contractual Services	1,892,179	64,065	1,956,244	-
Depreciation	977,882	38,093	1,015,975	-
Total Operating Expenses	<u>5,098,088</u>	<u>273,117</u>	<u>5,371,205</u>	<u>3,489,888</u>
Operating Income (Loss)	<u>2,113,133</u>	<u>(48,812)</u>	<u>2,064,321</u>	<u>(601,397)</u>
Nonoperating Revenues (Expenses):				
Amortization	(88,734)	-	(88,734)	-
Investment Earnings	371,997	14,825	386,822	26,719
Interest and Fiscal Charges	<u>(411,337)</u>	<u>-</u>	<u>(411,337)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(128,074)</u>	<u>14,825</u>	<u>(113,249)</u>	<u>26,719</u>
Income (Loss) Before Transfers	1,985,059	(33,987)	1,951,072	(574,678)
Transfers In (Out)	<u>480,600</u>	<u>(1,600)</u>	<u>479,000</u>	<u>-</u>
Change in Net Assets	2,465,659	(35,587)	2,430,072	(574,678)
Net Assets - Beginning of Year	<u>24,088,410</u>	<u>1,410,465</u>	<u>25,498,875</u>	<u>347,498</u>
Net Assets - End of Year	<u>\$ 26,554,069</u>	<u>\$ 1,374,878</u>	<u>\$ 27,928,947</u>	<u>\$ (227,180)</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, 2008

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewerage	Nonmajor Enterprise	Total	
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 7,374,944	\$ 224,305	\$ 7,599,249	\$ 2,888,491
Payments to Suppliers	(2,555,991)	(113,319)	(2,669,310)	(3,489,888)
Payments to Employees	(1,527,383)	(119,499)	(1,646,882)	-
Net Cash Provided (Used) by Operating Activities	<u>3,291,570</u>	<u>(8,513)</u>	<u>3,283,057</u>	<u>(601,397)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Payments from (to) Other Funds	480,600	(1,600)	479,000	600,710
Net Cash Provided (Used) by Noncapital Financing Activities	<u>480,600</u>	<u>(1,600)</u>	<u>479,000</u>	<u>600,710</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Principal Payments on Long-Term Debt	(1,197,499)	-	(1,197,499)	-
Interest Paid on Debt	(426,864)	-	(426,864)	-
Cash Payments for Capital Assets	(361,355)	-	(361,355)	-
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(1,985,718)</u>	<u>-</u>	<u>(1,985,718)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>				
Interest Received	371,997	14,825	386,822	26,719
Net Cash Provided by Investing Activities	<u>371,997</u>	<u>14,825</u>	<u>386,822</u>	<u>26,719</u>
Net Increase in Cash and Cash Equivalents	2,158,449	4,712	2,163,161	26,032
Cash and Cash Equivalents, Beginning of Year	7,125,341	322,216	7,447,557	347,498
Cash and Cash Equivalents, End of Year	<u>\$ 9,283,790</u>	<u>\$ 326,928</u>	<u>\$ 9,610,718</u>	<u>\$ 373,530</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income	\$ 2,113,133	\$ (48,812)	\$ 2,064,321	\$ (601,397)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation	977,882	38,093	1,015,975	-
(Increase) Decrease in Assets:				
Accounts Receivables	(231,540)	-	(231,540)	-
Unbilled Revenue	359,669	-	359,669	-
Inventory	18,317	-	18,317	-
Prepaid Expenses	11,932	1,268	13,200	-
Increase (Decrease) in Liabilities:				
Accrued Payroll and Benefits	56,598	938	57,536	-
Accounts Payable	(50,015)	-	(50,015)	-
Deferred Fees	35,594	-	35,594	-
Net Cash Provided by Operating Activities	<u>\$ 3,291,570</u>	<u>\$ (8,513)</u>	<u>\$ 3,283,057</u>	<u>\$ (601,397)</u>
<b>Reconciliation of Total Cash and Cash Equivalents</b>				
Current Assets	\$ 9,283,790	\$ 326,928	\$ 9,610,718	\$ 373,530
Restricted Assets	-	-	-	-
Total Cash and Cash Investments	<u>\$ 9,283,790</u>	<u>\$ 326,928</u>	<u>\$ 9,610,718</u>	<u>\$ 373,530</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, 2008

Assets:	
Cash and Cash Equivalents	\$ 9,992,062
Investments, at Market	31,199,088
Receivables:	
Taxes Receivable	3,273,400
Interest Receivable	148,442
Total Assets	<u>44,612,992</u>
Liabilities	<u>-</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 44,612,992</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, 2008

Additions:

Contributions:

Employee Contributions	\$ 755,438
Employer Contributions:	
Property Taxes	3,383,093
Personal Property Replacement Taxes	184,249
Total Contributions	<u>4,322,780</u>

Investment Income:

Interest and Dividend Income	1,900,946
Gain from Sales of Securities	106,205
Net Appreciation in Fair Market Value of Investments	<u>(619,989)</u>
	1,387,162
Less Investment Expense	<u>(90,754)</u>
Total Investment Income	<u>1,296,408</u>

Benefit Repayment	<u>34,880</u>
Total Additions	<u>5,654,068</u>

Deductions:

Benefits Paid to Participants:

Service and Disability	4,012,382
Dependents	501,895
Refund of Contributions	4,631
Professional Fees	36,104
Other	12,736
Total Deductions	<u>4,567,748</u>

Net Increase	1,086,320
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Net Assets Held in Trust for Pension Benefits:

Beginning of Year	43,526,672
End of Year	<u>44,612,992</u>

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

# CITY OF BELLEVILLE, ILLINOIS

## NOTE TO FINANCIAL STATEMENTS APRIL 30, 2008

### **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 general purpose financial statements include all funds, account groups, 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

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

activities, which rely to a significant extent on fees and charges for support.

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 capital improvements fund accounts for the spending of monies related to a prior bond issue for capital improvements 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 preferred or common stocks to a limited percentage. Investment income is recognized as earned.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". 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. The allowance for uncollectible accounts in the enterprise funds at April 30, 2008 is \$167,727.

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, 2008, the carrying amount of the City's deposits was \$34,239,125 and the bank balance was \$31,064,454. The deposits were comprised of interest checking, savings, federal government obligation funds and certificates of deposit. The City also maintains cash on hand of \$2,561.

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, 2008, all of the City's bank balance was either FDIC insured or collateralized except for \$62,346. These amounts are reported in the financial statements as follows:

Cash and Cash Equivalents	\$ 33,990,553
Investments	<u>251,133</u>
	<u>\$ 34,241,686</u>

Fire Pension

At April 30, 2008, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$5,148,303. The deposits were comprised of an interest checking account, money market accounts and certificates of deposit.

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.

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

As of April 30, 2008, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Federal Home Loan Bank	6.10	\$ 765,352
Federal National Mortgage Association	5.78	499,610
Federal Home Loan Mortgage	8.72	305,175
U.S. Treasury Notes	3.41	1,807,381
Mutual Funds	--	5,560,269
Annuities	--	<u>2,161,453</u>
		11,099,240
Deposits as reported above		<u>5,148,303</u>
Total deposits and investments		<u>\$ 16,247,543</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 3,677,750
Investments		<u>12,569,793</u>
		<u>\$ 16,247,543</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, 2008, 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 Home Loan Bank	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Federal Home Loan Mortgage	AAA	Aaa

Concentration of Credit Risk. As of April 30, 2008, the Fire Pension's investments are concentrated as follows:

<u>Investment</u>	<u>Percent</u>
Phoenix Home Life Annuity	13.30%

Foreign Currency Risk. As of April 30, 2008, the Fire Pension Fund has no foreign currency risk

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

Police Pension

At April 30, 2008, the carrying amount and bank balance of the Police Pension Fund's deposits was \$4,519,238. 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, 2008, 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	\$ 3,968,161
U.S. Treasury Notes	4.20	931,828
U.S. Treasury Strips	14.69	1,603,788
Federal National Mortgage Association	7.64	1,263,518
Government National Mortgage Association	29.66	991,900
Federal Home Loan Mortgage	8.92	2,319,058
Federal Home Loan Bank	4.23	1,058,838
Mutual Funds	--	<u>8,287,278</u>
		20,424,369
Deposits as reported above		<u>4,519,238</u>
Total deposits and investments		<u>\$ 24,943,607</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 6,314,312
Investments		<u>18,629,295</u>
		<u>\$ 24,943,607</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, 2008, 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, 2008, the Police Pension Fund's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Federal Home Loan Mortgage	9.30%
Federal National Mortgage Association	5.07%

Foreign Currency Risk. As of April 30, 2008, 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, 2008:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Land	\$ 1,014,499	\$ -	\$ -	\$ 1,014,499
Capital assets, being depreciated:				
Buildings and improvements	\$ 2,454,168	\$ 5,235	\$ -	\$ 2,459,403
Land improvements	815,708	-	-	815,708
Distribution and collection systems	41,969,659	-	-	41,969,659
Vehicles and equipment	2,299,950	356,119	-	2,656,069
Total capital assets, being depreciated	47,539,485	361,354	-	47,900,839
Less accumulated depreciation for:				
Buildings and improvements	2,094,043	50,972	-	2,145,015
Land improvements	623,498	26,351	-	649,849
Distribution and collection systems	15,898,659	831,832	-	16,730,491
Vehicles and equipment	1,715,298	106,820	-	1,822,118
Total accumulated depreciation	20,331,498	1,015,975	-	21,347,473
Business-type activities capital assets, net	27,207,987	(654,621)	-	26,553,366
Business-type activities capital assets, total	\$ 28,222,486	\$ (654,621)	\$ -	\$ 27,567,865

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

Depreciation expense charged to enterprise operations for the year ended April 30, 2008 was as follows:

Motor Vehicle Parking System	\$ 35,695
Sewerage	977,882
Swimming Pool	<u>2,398</u>
Total Enterprise Fund Depreciation	<u>\$ 1,015,975</u>

**NOTE 4: LONG-TERM DEBT**

The following is a summary of long-term debt of the City for the year ended April 30, 2008:

Governmental Activities

General Obligation Bonds

\$2,070,000 Sales Tax Increment Financing District Bonds, dated September 1, 2003, interest ranging from 2.70% to 4.00% payable June 1 and December 1, with principal payments on December 1 through 2013.	\$ 1,310,000
\$3,595,000 Tax Increment Financing District #3 Bonds, dated April 1, 2003, interest ranging from 2.45% to 2.80% payable June 1 and December 1, with principal payments on December 1 through 2009.	1,055,000
\$230,000 2003 Project Bonds, dated February 1, 2003, interest ranging from 3.05% to 4.85% payable January 1 and July 1, with principal payments on January 1 through 2028.	215,000
\$1,771,910 2004 General Obligation Refunding Bonds, dated April 1, 2004, interest ranging from 2.55% to 3.85%, payable January 1 and July 1, with principal payments on January 1 through 2017.	1,558,839
\$14,450,000 2005 Project Bonds, dated December 1, 2005, interest ranging from 3.40% to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2026.	14,450,000
\$1,350,000 2006 Special Service Area Bonds, dated December 1, 2006, interest ranging from 3.70% to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2027.	1,310,000

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

\$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. 16,350,000

\$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. 6,565,000

The annual requirement to retire governmental activities bonds outstanding as of April 30, 2008 is as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 1,590,742	\$ 2,316,220	\$ 3,906,962
2010	1,892,395	2,130,817	4,023,212
2011	1,680,248	2,052,148	3,732,396
2012	2,456,473	1,972,937	4,429,410
2013	2,059,481	1,868,041	3,927,522
2014 - 2018	11,409,500	7,713,504	19,123,004
2019 - 2023	14,085,000	4,200,367	18,285,367
2024 - 2028	<u>7,640,000</u>	<u>682,505</u>	<u>8,322,505</u>
	<u>\$ 42,813,839</u>	<u>\$ 22,936,539</u>	<u>\$ 65,750,378</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 3.50% to 4.10%, principal and interest payments due April 1 through 2012 \$ 160,000

\$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. 260,000

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

The annual requirement to retire governmental activities notes outstanding as of April 30, 2008 is as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 105,000	\$ 9,693	\$ 114,693
2010	105,000	8,273	113,273
2011	105,000	6,773	111,773
2012	<u>105,000</u>	<u>5,165</u>	<u>110,165</u>
	<u>\$ 420,000</u>	<u>\$ 29,904</u>	<u>\$ 449,904</u>

Capital Leases

\$263,810 capital lease, King Commercial Inc., dated August 3, 2006, for 2 sanitation trucks, bears interest at 5.5%; annual principal and interest payments of \$92,685 are due through August 2008.

\$ 87,853

\$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.

119,670

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, 2008 are as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 105,584	\$ 10,444	\$ 116,028
2010	18,563	4,781	23,344
2011	19,434	3,910	23,344
2012	20,345	2,999	23,344
2013	21,299	2,045	23,344
2014	<u>22,298</u>	<u>1,046</u>	<u>23,344</u>
	<u>\$ 207,523</u>	<u>\$ 25,225</u>	<u>\$ 232,748</u>

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

Proprietary Fund Debt

General Obligation Bonds

\$2,970,000 1997 General Obligation Refunding Bonds, dated February 1, 1997, interest at 5.20% payable June 1 and December 1 with a final principal payment on December 1, 2008. \$ 470,000

\$3,625,000 2003 General Obligation Bonds, dated February 1, 2003, interest ranging from 3.05% to 4.85% payable January 1 and July 1, with principal payments on January 1 through 2028. 3,305,000

\$5,783,090 2004 General Obligation Refunding Bonds, dated April 1, 2004, interest ranging from 2.55% to 3.85% payable January 1 and July 1, with principal payments on January 1 through 2017. 5,106,161

The annual requirement to retire business-type bonds outstanding as of April 30, 2008 is as follows:

Year Ending April 30,	Principal	Interest	Totals
2009	\$ 1,079,258	\$ 341,490	\$ 1,420,748
2010	627,605	301,275	928,880
2011	649,752	283,128	932,880
2012	658,527	262,118	920,645
2013	690,519	240,522	931,041
2014 - 2018	3,175,500	803,524	3,979,024
2019 - 2023	885,000	398,050	1,283,050
2024 - 2028	<u>1,115,000</u>	<u>167,810</u>	<u>1,282,810</u>
	<u>\$ 8,881,161</u>	<u>\$ 2,797,917</u>	<u>\$ 11,679,078</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. \$ 294,099

\$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. 45,620

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

\$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. \$ 649,680

\$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. 224,754

\$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. 216,627

\$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. 90,396

The annual requirement to retire business-type activities notes outstanding as of April 30, 2008 is as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 155,279	\$ 42,135	\$ 197,414
2010	159,772	37,641	197,413
2011	164,397	33,017	197,414
2012	169,156	28,257	197,413
2013	168,520	23,360	191,880
2014 - 2018	672,361	47,829	720,190
2019	<u>31,691</u>	<u>625</u>	<u>32,316</u>
	<u>\$ 1,521,176</u>	<u>\$ 212,864</u>	<u>\$ 1,734,040</u>

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

The overall debt activity of the City for the year ended April 30, 2008 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
Bonds Payable	\$20,902,251	\$22,915,000	\$ 1,003,412	\$42,813,839	\$ 1,590,742
Note Payable	200,000	325,000	105,000	420,000	105,000
Leases Payable	307,732	-	100,209	207,523	105,584
	<u>\$21,409,983</u>	<u>\$23,240,000</u>	<u>\$ 1,208,621</u>	<u>\$43,441,362</u>	<u>\$ 1,801,326</u>
<b><u>Business-type Activities:</u></b>					
Bonds Payable	\$ 9,927,749	\$ -	\$ 1,046,588	\$ 8,881,161	\$ 1,079,258
Loss on Refunding	(447,996)	-	(68,044)	(379,952)	-
Notes Payable	1,672,087	-	150,911	1,521,176	155,279
	<u>\$11,151,840</u>	<u>\$ -</u>	<u>\$ 1,129,455</u>	<u>\$10,022,385</u>	<u>\$ 1,234,537</u>

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, 2008, the amount of defeased debt outstanding from prior issues amounted to \$1,880,000. 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.

**NOTE 5: PENSION AND RETIREMENT PLANS**

**Illinois Municipal Retirement Fund**

The City's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multi-employer defined benefit plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The

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

employer rate for calendar year 2007 was 9.04% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 25 years.

For December 31, 2007, the City's annual pension cost of \$705,561 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative 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 IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

<u>Historical Trend Information</u>			
<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
12/31/2007	\$ 705,561	100%	\$ -
12/31/2006	687,396	100%	-
12/31/2005	432,202	100%	-

**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 ½ 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

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

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% of the salary attached to the rank he or she 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, for each year of creditable service.

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% 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, for each year of creditable service.

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.

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.

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

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 \$1,732,905 and \$468,461 were made to the Plan during the year ended April 30, 2008. 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, 2007 and was used for the contribution for the year ended April 30, 2008.

**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  $\frac{1}{2}$  the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

The monthly pension shall be increased by  $\frac{1}{12}$  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.

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

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 \$1,650,188 and \$286,977 were made to the Plan during the year ended April 30, 2008. 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, 2007 and was used for the contribution for the year ended April 30, 2008.

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

**NOTE 6: REDEVELOPMENT AGREEMENTS**

The City has 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 does not constitute a debt of the City.

During the year ended April 30, 2008, the City issued bonds to refund the notes due on the Frank Scott Parkway Development Area agreement. As a result of the bond issue, this debt is now included in the debt balances of the City as reported in Note 4. The Tax Increment Financing notes for the Carlyle/Green Mount Redevelopment Project Area of \$19,357,929 are still outstanding and not reflected in the debt of the City as of April 30, 2008.

**NOTE 7: 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, 2008:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Unbilled Revenue	\$ -	\$ -	\$ 403,917	\$ -	\$ 403,917
Notes	200,000	-	-	-	200,000
Accounts	-	-	1,035,555	-	1,035,555
Gross Receivables	200,000	-	1,439,472	-	1,639,472
Less: Allowance for uncollectible	-	-	167,727	-	167,727
Net Total Receivables	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 1,271,745</u>	<u>\$ -</u>	<u>\$ 1,471,745</u>

**NOTE 8: INTERFUND RECEIVABLES AND PAYABLES**

The following is a schedule of interfund receivables and payables for the year ending April 30, 2008

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 842,743	\$ -
Illinois Municipal Retirement Fund	-	200,000
Sewerage Fund	-	600,710
Swimming Pool Fund	-	42,033
Totals	<u>\$ 842,743</u>	<u>\$ 842,743</u>

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

**NOTE 9: INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended April 30, 2008:

General Fund Transfer From (To):	
Motor Fuel Tax Fund	\$ 300,000
Tax Increment Financing Fund	1,022,884
Tort Liability Fund	(169,630)
Tax Increment Financing Fund Transfer (To):	
General Fund	(1,022,884)
Playground and Recreation Fund Transfer (To):	
Tort Liability Fund	(3,400)
Motor Fuel Tax Fund Transfer (To):	
General Fund	(300,000)
Library Fund Transfer (To):	
Tort Liability Fund	(5,400)
Tort Liability Fund Transfer From:	
General Fund	169,630
Playground and Recreation Fund	3,400
Library Fund	5,400
Motor Vehicle Parking System Fund	600
Swimming Pool Fund	1,000
Sewerage Fund	19,400
Special Service Area Fund	570
Sewerage Fund Transfer (To):	
Tort Liability Fund	(19,400)
Motor Vehicle Parking Fund Transfer (To):	
Tort Liability Fund	(600)
Swimming Pool Fund Transfer (To):	
Tort Liability Fund	(1,000)
Special Service Area Fund Transfer (To):	
Tort Liability Fund	(570)
	<u>\$ -</u>

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

**NOTE 10: 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.

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2008

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Local Taxes:			
Hotel/Motel	\$ 45,000	\$ 45,000	\$ 37,746
Utility	3,600,000	3,600,000	3,276,265
Total Taxes	<u>3,645,000</u>	<u>3,645,000</u>	<u>3,314,011</u>
Licenses and Permits:			
Liquor	58,000	58,000	73,903
Franchise Fees	350,000	350,000	326,357
Business	32,000	32,000	31,335
Building Permits	400,000	400,000	216,525
Electrical Permits	43,600	43,600	35,280
Other Permits	8,060	8,060	25,564
Occupancy Permits	170,000	170,000	148,595
Housing Inspection Permits	160,000	160,000	153,685
Fire Inspection Fees	80,000	80,000	60,204
Total Licenses and Permits	<u>1,301,660</u>	<u>1,301,660</u>	<u>1,071,448</u>
Intergovernmental:			
State Income Tax	3,800,000	3,800,000	3,948,847
Sales Tax	7,815,004	7,815,004	7,433,525
Local Use Tax	557,784	557,784	527,557
Personal Property Replacement Tax	250,000	250,000	295,588
Grants	15,000	15,000	109,410
LLE Block Grant	-	-	72,242
Telecommunications Tax	1,800,000	1,800,000	1,760,147
Total Intergovernmental	<u>14,237,788</u>	<u>14,237,788</u>	<u>14,147,316</u>
Charges for Services:			
Trash Disposal Charges	2,258,000	2,258,000	2,645,653
Cemetery Fees	92,000	92,000	77,778
Rent/Lease	58,800	58,800	63,520
Other	44,900	44,900	24,478
Total Charges for Services	<u>2,453,700</u>	<u>2,453,700</u>	<u>2,811,429</u>
Fines and Forfeitures:			
Police and Circuit Clerk Fines	256,500	256,500	179,306
Seizures and Forfeitures	67,000	67,000	100,550
Total Fines and Forfeitures	<u>323,500</u>	<u>323,500</u>	<u>279,856</u>
Interest	<u>164,005</u>	<u>164,005</u>	<u>167,711</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2008

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
<b>Receipts (continued):</b>			
<b>Miscellaneous:</b>			
Donations	25,170	25,170	31,570
Departmental Reimbursement	669,500	669,500	675,297
Other	16,560	16,560	111,392
Total Miscellaneous	<u>711,230</u>	<u>711,230</u>	<u>818,259</u>
Total Receipts	<u><u>\$ 22,836,883</u></u>	<u><u>\$ 22,836,883</u></u>	<u><u>\$ 22,610,030</u></u>
<b>Disbursements:</b>			
<b>General Government:</b>			
<b>Administrative:</b>			
Personal Services	\$ 255,674	\$ 255,674	\$ 240,775
Contractual Services	1,272,511	1,347,511	1,319,516
Commodities	18,000	28,000	23,639
Capital Outlay	59,000	50,800	14,477
Debt Service	221,615	221,615	218,816
Other	181,600	179,800	120,291
	<u>2,008,400</u>	<u>2,083,400</u>	<u>1,937,514</u>
<b>Legal:</b>			
Personal Services	161,850	162,750	161,836
Contractual Services	24,200	23,300	19,229
Commodities	-	680	680
	<u>186,050</u>	<u>186,730</u>	<u>181,745</u>
<b>Health and Housing:</b>			
Personal Services	607,585	607,585	596,329
Contractual Services	135,430	131,430	88,297
Commodities	17,550	24,050	20,461
Capital Outlay	6,000	3,500	2,099
	<u>766,565</u>	<u>766,565</u>	<u>707,186</u>
<b>Mayor's Office:</b>			
Personal Services	143,284	143,284	140,628
Contractual Services	7,600	7,600	2,199
Commodities	4,250	4,250	3,009
Capital Outlay	2,500	2,500	-
	<u>157,634</u>	<u>157,634</u>	<u>145,836</u>
<b>Finance:</b>			
Personal Services	229,773	226,773	221,681
Contractual Services	3,740	6,740	2,042
Commodities	2,050	2,050	1,361
Capital Outlay	2,700	2,700	1,887
	<u>238,263</u>	<u>238,263</u>	<u>226,971</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2008

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Disbursements (continued):			
Human Resources:			
Personal Services	94,212	94,212	94,191
Contractual Services	28,460	28,460	21,684
Commodities	800	800	535
	<u>123,472</u>	<u>123,472</u>	<u>116,410</u>
City Clerk:			
Personal Services	250,421	233,921	231,897
Contractual Services	14,100	30,600	25,322
Commodities	4,600	4,600	3,271
Capital Outlay	4,650	4,650	2,496
	<u>273,771</u>	<u>273,771</u>	<u>262,986</u>
Treasurer:			
Personal Services	\$ 142,461	\$ 142,351	\$ 140,508
Contractual Services	6,650	6,650	4,289
Commodities	1,500	1,500	1,323
Capital Outlay	1,200	1,200	-
	<u>151,811</u>	<u>151,701</u>	<u>146,120</u>
Maintenance:			
Personal Services	390,044	405,879	395,153
Contractual Services	225,118	212,983	198,352
Commodities	27,100	34,600	33,888
Capital Outlay	7,300	7,300	6,206
	<u>649,562</u>	<u>660,762</u>	<u>633,599</u>
Total General Government	<u>4,555,528</u>	<u>4,642,298</u>	<u>4,358,367</u>
Public Safety:			
Police Department:			
Personal Services	6,504,250	6,672,159	6,647,499
Contractual Services	663,586	692,937	689,926
Commodities	276,000	316,979	305,960
Capital Outlay	184,500	282,475	258,514
Other	14,700	10,320	8,679
	<u>7,643,036</u>	<u>7,974,870</u>	<u>7,910,578</u>
Fire Department:			
Personal Services	3,882,449	3,964,163	3,963,821
Contractual Services	436,211	517,862	516,742
Commodities	75,550	82,024	81,242
Capital Outlay	47,261	126,046	144,629
Other	850	1,275	1,193
	<u>4,442,321</u>	<u>4,691,370</u>	<u>4,707,627</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2008

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Disbursements (continued):			
Public Safety:			
Board of Police and Fire Commissioners:			
Contractual Services	18,000	18,000	9,125
Commodities	225	225	-
	<u>18,225</u>	<u>18,225</u>	<u>9,125</u>
Total Public Safety	<u>12,103,582</u>	<u>12,684,465</u>	<u>12,627,330</u>
Public Works:			
Personal Services	\$ 1,217,580	\$ 1,242,651	\$ 1,242,650
Contractual Services	324,118	308,319	248,780
Commodities	187,300	200,028	196,602
Capital Outlay	221,500	215,169	182,769
Total Public Works	<u>1,950,498</u>	<u>1,966,167</u>	<u>1,870,801</u>
Parks and Recreation:			
Personal Services	509,542	504,738	502,309
Contractual Services	197,408	215,712	167,932
Commodities	91,500	101,500	98,624
Capital Outlay	291,500	270,899	258,142
Total Parks and Recreation	<u>1,089,950</u>	<u>1,092,849</u>	<u>1,027,007</u>
Health and Sanitation:			
Personal Services	1,144,178	1,114,844	1,096,050
Contractual Services	1,085,899	1,083,828	1,061,982
Commodities	241,200	239,814	215,332
Capital Outlay	322,000	354,791	353,791
Total Health and Sanitation	<u>2,793,277</u>	<u>2,793,277</u>	<u>2,727,155</u>
Cemetery:			
Personal Services	268,757	268,757	267,517
Contractual Services	88,055	85,468	80,354
Commodities	24,900	27,487	24,610
Capital Outlay	4,500	4,500	2,659
Total Cemetery	<u>386,212</u>	<u>386,212</u>	<u>375,140</u>
Engineering:			
Personal Services	137,838	139,338	138,654
Contractual Services	34,160	28,348	25,265
Commodities	4,500	9,741	9,702
Capital Outlay	4,000	3,071	3,071
Total Engineering	<u>180,498</u>	<u>180,498</u>	<u>176,692</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Planning & Economic Development:			
Personal Services	231,377	251,377	225,914
Contractual Services	162,300	142,300	126,064
Commodities	7,750	7,750	4,464
Capital Outlay	5,000	10,798	10,508
Total Planning & Economic Development	<u>406,427</u>	<u>412,225</u>	<u>366,950</u>
 Total Disbursements	 <u>\$ 23,465,972</u>	 <u>\$ 24,157,991</u>	 <u>\$ 23,529,442</u>
 Excess (Deficiency) of Receipts Over Disbursements	 <u>(629,089)</u>	 <u>(1,321,108)</u>	 <u>(919,412)</u>
Other Financing Sources:			
Transfers In	1,322,884	1,322,884	1,322,884
Transfers Out	<u>(189,986)</u>	<u>(189,986)</u>	<u>(169,630)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	 <u>\$ 503,809</u>	 <u>\$ (188,210)</u>	 233,842
 No change for modified cash basis			-
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			 <u>\$ 233,842</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)  
 TAX INCREMENT FINANCING FUND  
 FOR THE YEAR ENDED APRIL 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax	\$ 12,651,218	\$ 12,651,218	\$ 13,206,023
Intergovernmental	702,000	702,000	768,411
Interest	579,751	579,751	742,757
Miscellaneous	20,422	20,422	98,784
Total Receipts	<u>13,953,391</u>	<u>13,953,391</u>	<u>14,815,975</u>
Disbursements:			
Current:			
Development:			
Contractual Services	948,150	1,033,733	19,229,748
Tax District Reimbursements and Rebates	7,489,033	7,823,397	6,183,928
Capital Outlay	3,749,780	3,805,431	3,031,581
Debt Service	-	112,523	1,122,154
Total Disbursements	<u>12,186,963</u>	<u>12,775,084</u>	<u>29,567,411</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>1,766,428</u>	<u>1,178,307</u>	<u>(14,751,436)</u>
Other Financing Sources:			
Transfers In	520,000	520,000	520,000
Transfers Out	(3,341,672)	(3,641,712)	(3,454,324)
Proceeds from Debt	-	-	23,240,000
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (1,055,244)</u>	<u>\$ (1,943,405)</u>	5,554,240
Change for reporting on modified accrual basis:			
Change loan repayment on modified cash basis			(20,421)
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ 5,533,819</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)  
CAPITAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED APRIL 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Reimbursements	\$ 10,000,000	\$ 10,000,000	\$ 819,108
Investment Earnings	500,000	500,000	181,660
Total Receipts	<u>10,500,000</u>	<u>10,500,000</u>	<u>1,000,768</u>
Disbursements:			
Current:			
Public Works	481,000	791,000	787,052
Capital Outlay	6,082,475	6,566,781	6,499,230
Total Disbursements	<u>6,563,475</u>	<u>7,357,781</u>	<u>7,286,282</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>3,936,525</u>	<u>3,142,219</u>	<u>(6,285,514)</u>
Other Financing Sources:			
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ 4,436,525</u>	<u>\$ 3,642,219</u>	<u>(5,785,514)</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>\$ (5,785,514)</u>

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF POLICE AND FIREMEN'S PENSION  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2008

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b><u>Police Pension</u></b>						
Actuarial Value of Assets	\$ 25,908,985	\$ 24,129,838	\$ 21,744,548	\$ 20,586,969	\$ 18,469,420	\$ 18,615,469
Actuarial Accrued Liability (AAL)	47,441,193	45,985,765	42,875,778	40,044,374	37,136,268	34,364,314
Unfunded AAL (UAAL)	21,532,208	21,855,927	21,131,230	19,457,405	18,666,848	15,748,845
Funded Ratio	54.61%	52.47%	50.72%	51.41%	49.73%	54.17%
Covered Payroll	4,524,231	4,581,939	4,146,643	3,752,204	3,806,135	3,584,991
UAAL as a % of Covered Payroll	475.93%	477.00%	509.60%	518.56%	490.44%	439.30%
Employer Contributions:						
Required	1,704,830	1,696,498	1,565,414	1,410,749	1,366,591	1,146,177
Made	1,688,470	1,475,788	1,471,130	1,250,649	1,110,359	1,015,528
Percentage of Employer Contributions						
Made to Required Contributions	99.04%	86.99%	93.98%	88.65%	81.25%	88.60%
<b><u>Firemen's Pension</u></b>						
Actuarial Value of Assets	\$ 17,822,856	\$ 16,875,429	\$ 15,920,855	\$ 15,367,629	\$ 14,402,164	\$ 15,239,721
Actuarial Accrued Liability (AAL)	39,912,683	38,403,926	36,914,799	35,076,903	34,024,440	31,782,187
Unfunded AAL (UAAL)	22,089,827	21,528,497	20,993,944	19,709,274	19,622,276	16,542,466
Funded Ratio	44.65%	43.94%	43.13%	43.81%	42.33%	47.95%
Covered Payroll	2,762,196	2,840,167	2,798,305	2,699,555	2,695,570	2,444,314
UAAL as a % of Covered Payroll	799.72%	758.00%	750.24%	730.09%	727.95%	676.77%
Employer Contributions:						
Required	1,623,060	1,584,976	1,523,412	1,425,097	1,396,148	1,178,682
Made	1,583,469	1,471,157	1,482,827	1,195,574	1,078,534	1,068,055
Percentage of Employer Contributions						
Made to Required Contributions	97.56%	92.82%	97.34%	83.89%	77.25%	90.61%

2006 is the latest year for which a tax was levied and collected. The 2007 actuarial estimate is levied in December 2007 and collected in fiscal year 2009.

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:	26.1699 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, 2008

	Calendar Year					
	2007	2006	2005	2004	2003	2002
Actuarial Value of Assets	\$ 21,330,030	\$ 20,908,658	\$ 18,946,696	\$ 18,320,391	\$ 18,074,323	\$ 17,120,684
Actuarial Accrued Liability (AAL)	21,137,907	21,013,144	19,635,179	18,842,216	17,165,172	15,650,186
Unfunded AAL (UAAL)	(192,123)	104,486	688,483	521,825	(909,151)	(1,470,498)
Funded Ratio	100.91%	99.50%	96.49%	97.23%	105.30%	109.40%
Covered Payroll	7,804,878	7,383,412	7,108,581	6,750,606	6,387,165	6,276,920
UAAL as a % of Covered Payroll	0.00%	1.42%	9.69%	7.73%	0.00%	0.00%
Employer Contributions:						
Required	705,561	687,396	432,202	427,313	281,035	219,692
Made	705,561	687,396	432,202	427,313	281,035	219,692
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, 2007 is \$22,797,620.

On a market basis, the funded ratio would be 107.85 percent.

Digest of Changes - The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study. The principal changes were:

The 1994 Group Annuity Mortality implemented

For regular members, fewer normal and more early retirements are expected to occur.

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: 25 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**

COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
 FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
 NONMAJOR GOVERNMENTAL FUNDS  
 APRIL 30, 2008

	Total Special Revenue	Special Service Area	Debt Service		Permanent Fund Cemetery Care	Total Nonmajor Government Funds
			TIF	Total		
<u>Assets</u>						
Cash and Cash Equivalents	\$ 4,152,560	\$ 235,583	\$ 1,255,957	\$ 1,491,540	\$ 9,101	\$ 5,653,201
Investments	-	-	-	-	251,133	251,133
Land	-	-	-	-	33,750	33,750
Total Assets	<u>\$ 4,152,560</u>	<u>\$ 235,583</u>	<u>\$ 1,255,957</u>	<u>\$ 1,491,540</u>	<u>\$ 293,984</u>	<u>\$ 5,938,084</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>200,000</u>
Fund Balances:						
Reserved For:						
Debt Service	994,557	235,583	1,255,957	1,491,540	-	2,486,097
Other Purposes	264,417	-	-	-	293,984	558,401
Unreserved	<u>2,693,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,693,586</u>
Total Fund Balances	<u>3,952,560</u>	<u>235,583</u>	<u>1,255,957</u>	<u>1,491,540</u>	<u>293,984</u>	<u>5,738,084</u>
Total Liabilities and Fund Balances	<u>\$ 4,152,560</u>	<u>\$ 235,583</u>	<u>\$ 1,255,957</u>	<u>\$ 1,491,540</u>	<u>\$ 293,984</u>	<u>\$ 5,938,084</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, 2008

	Total Special Revenue	Debt Service		Permanent Fund Cemetery Care	Total Nonmajor Government Funds	
		Special Service Area	TIF Debt			Total
<b>Revenues:</b>						
Property Tax	\$ 2,577,819	\$ 98,063	\$ -	\$ 98,063	\$ -	\$ 2,675,882
Intergovernmental	2,495,251	-	-	-	-	2,495,251
Local Tax	24,358	-	-	-	-	24,358
Charges for Services	456,143	-	-	-	3,827	459,970
Fines and Forfeitures	23,771	-	-	-	-	23,771
Investment Income	189,048	10,767	56,204	66,971	10,379	266,398
Contributions	56,944	-	-	-	-	56,944
Miscellaneous	130,660	-	-	-	-	130,660
<b>Total Revenues</b>	<b>5,953,994</b>	<b>108,830</b>	<b>56,204</b>	<b>165,034</b>	<b>14,206</b>	<b>6,133,234</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	1,322,585	-	-	-	-	1,322,585
Public Works	788,699	-	-	-	-	788,699
Cultural and Recreational	1,792,681	-	-	-	-	1,792,681
Capital Outlay	580,651	-	-	-	6,071	586,722
<b>Debt Service:</b>						
Principal	40,000	40,000	810,000	850,000	-	890,000
Interest and Fiscal Charges	1,233,144	60,752	90,685	151,437	-	1,384,581
<b>Total Expenditures</b>	<b>5,757,760</b>	<b>100,752</b>	<b>900,685</b>	<b>1,001,437</b>	<b>6,071</b>	<b>6,765,268</b>
Excess (Deficiency) of Revenues Over Expenditures	196,234	8,078	(844,481)	(836,403)	8,135	(632,034)
<b>Other Financing Sources (Uses):</b>						
Transfers In	200,000	-	911,440	911,440	-	1,111,440
Transfers Out	(309,370)	-	-	-	-	(309,370)
<b>Total Other Financing Sources (Uses)</b>	<b>(109,370)</b>	<b>-</b>	<b>911,440</b>	<b>911,440</b>	<b>-</b>	<b>802,070</b>
Net Change in Fund Balances	86,864	8,078	66,959	75,037	8,135	170,036
Fund Balances, Beginning of Year	3,865,696	227,505	1,188,998	1,416,503	285,849	5,568,048
Fund Balances, End of Year	<u>\$ 3,952,560</u>	<u>\$ 235,583</u>	<u>\$ 1,255,957</u>	<u>\$ 1,491,540</u>	<u>\$ 293,984</u>	<u>\$ 5,738,084</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
APRIL 30, 2008

		<u>Assets</u>										
		Parks Project	Playground and Recreation	Motor Fuel Tax	Illinois Municipal Retirement	Public Library	Tort Liability	Belleville Illinois Tourism	Fountain	2005 Bond Fund	Special Service Area	Total
Cash and Cash Equivalents	\$ 255,853	\$ 298,657	\$ 1,086,131	\$ 220,682	\$ 406,323	\$ 567,851	\$ 4,104	\$ 8,564	\$ 994,557	\$ 309,838	\$ 4,152,560	
Total Assets	<u>\$ 255,853</u>	<u>\$ 298,657</u>	<u>\$ 1,086,131</u>	<u>\$ 220,682</u>	<u>\$ 406,323</u>	<u>\$ 567,851</u>	<u>\$ 4,104</u>	<u>\$ 8,564</u>	<u>\$ 994,557</u>	<u>\$ 309,838</u>	<u>\$ 4,152,560</u>	
<u>Liabilities and Fund Balance</u>												
Liabilities:												
Due to Other Funds	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Fund Balance:												
Reserved	255,853	-	-	-	-	-	-	8,564	994,557	-	1,258,974	
Unreserved	-	298,657	1,086,131	20,682	406,323	567,851	4,104	-	-	309,838	2,693,586	
Total Fund Balance	<u>255,853</u>	<u>298,657</u>	<u>1,086,131</u>	<u>20,682</u>	<u>406,323</u>	<u>567,851</u>	<u>4,104</u>	<u>8,564</u>	<u>994,557</u>	<u>309,838</u>	<u>3,952,560</u>	
Total Liabilities and Fund Balance	<u>\$ 255,853</u>	<u>\$ 298,657</u>	<u>\$ 1,086,131</u>	<u>\$ 220,682</u>	<u>\$ 406,323</u>	<u>\$ 567,851</u>	<u>\$ 4,104</u>	<u>\$ 8,564</u>	<u>\$ 994,557</u>	<u>\$ 309,838</u>	<u>\$ 4,152,560</u>	

**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, 2008

	Parks Project	Playground and Recreation	Motor Fuel Tax	Illinois Municipal Retirement	Public Library	Tort Liability	Belleville Illinois Tourism	Veteren's Memorial Fountain	2005 Bond Fund	Special Service Area	Total
Revenues:											
Property Tax	\$ -	\$ 334,010	\$ -	\$ 881,439	\$ 971,854	\$ 364,161	\$ -	\$ -	\$ -	\$ 26,355	\$ 2,577,819
Intergovernmental	-	15,378	1,204,610	95,070	79,946	-	-	-	1,100,247	-	2,495,251
Local Tax	-	-	-	-	-	-	24,358	-	-	-	24,358
Charges for Services	70,425	332,191	12,254	-	41,273	-	-	-	-	-	456,143
Fines and Forfeitures	-	-	-	-	23,771	-	-	-	-	-	23,771
Investment Income	13,276	12,507	63,919	14,132	28,035	13,869	240	592	28,281	14,197	189,048
Contributions	30,059	16,448	-	-	5,912	-	25	4,500	-	-	56,944
Miscellaneous	738	6,948	54,425	4,988	5,700	57,843	-	-	-	18	130,660
Total Revenues	114,498	717,482	1,335,208	995,629	1,156,491	435,873	24,623	5,092	1,128,528	40,570	5,953,994
Expenditures:											
Current:											
General Government	-	-	-	1,018,677	-	283,389	20,519	-	-	-	1,322,585
Public Works	-	-	747,119	-	-	-	-	-	-	41,580	788,699
Cultural and Recreational	738	622,053	-	-	1,163,945	-	-	5,945	-	-	1,792,681
Debt Service:											
Principal	40,000	-	-	-	-	-	-	-	-	-	40,000
Interest and Fiscal Charges	7,523	-	-	-	-	-	-	-	1,225,621	-	1,233,144
Capital Outlay	32,346	-	492,393	-	55,912	-	-	-	-	-	580,651
Total Expenditures	80,607	622,053	1,239,512	1,018,677	1,219,857	283,389	20,519	5,945	1,225,621	41,580	5,757,760
Excess (Deficiency) of Revenues Over Expenditures	33,891	95,429	95,696	(23,048)	(63,366)	152,484	4,104	(853)	(97,093)	(1,010)	196,234
Other Financing Sources (Uses):											
Operating Transfers In	-	-	-	-	-	200,000	-	-	-	-	200,000
Operating Transfers Out	-	(3,400)	(300,000)	-	(5,400)	-	-	-	-	(570)	(309,370)
Total Other Financing Sources (Uses)	-	(3,400)	(300,000)	-	(5,400)	200,000	-	-	-	(570)	(109,370)
Net Change in Fund Balances	33,891	92,029	(204,304)	(23,048)	(68,766)	352,484	4,104	(853)	(97,093)	(1,580)	86,864
Fund Balance, Beginning of Year	221,962	206,628	1,290,435	43,730	475,089	215,367	-	9,417	1,091,650	311,418	3,865,696
Fund Balance, End of Year	\$ 255,853	\$ 298,657	\$ 1,086,131	\$ 20,682	\$ 406,323	\$ 567,851	\$ 4,104	\$ 8,564	\$ 994,557	\$ 309,838	\$ 3,952,560

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
APRIL 30, 2008

	<u>Motor Vehicle Parking System</u>	<u>Swimming Pool</u>	<u>Total</u>
<b><u>Assets:</u></b>			
Current Assets:			
Cash	\$ 323,153	\$ 3,775	\$ 326,928
Prepaid Expenses	1,812	3,019	4,831
Total Current Assets	<u>324,965</u>	<u>6,794</u>	<u>331,759</u>
Noncurrent Assets:			
Capital Assets:			
Land	1,680,362	-	1,680,362
Buildings and Improvements	-	188,054	188,054
Equipment	248,856	590,711	839,567
Total	<u>1,929,218</u>	<u>778,765</u>	<u>2,707,983</u>
Less - Accumulated Depreciation	<u>(846,626)</u>	<u>(768,298)</u>	<u>(1,614,924)</u>
Net Capital Assets	<u>1,082,592</u>	<u>10,467</u>	<u>1,093,059</u>
Total Assets	<u><u>\$ 1,407,557</u></u>	<u><u>\$ 17,261</u></u>	<u><u>\$ 1,424,818</u></u>
<b><u>Liabilities:</u></b>			
Current Liabilities:			
Accrued Payroll and Benefits	\$ 7,907	\$ -	\$ 7,907
Due to Other Funds	-	42,033	42,033
Total Current Liabilities	<u>7,907</u>	<u>42,033</u>	<u>49,940</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	1,082,592	10,467	1,093,059
Unrestricted	317,058	(35,239)	281,819
Total Net Assets	<u><u>\$ 1,399,650</u></u>	<u><u>\$ (24,772)</u></u>	<u><u>\$ 1,374,878</u></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, 2008

	Motor Vehicle Parking System	Swimming Pool	Total
Operating Revenues:			
Charges for Services	\$ 149,103	\$ 75,202	\$ 224,305
Operating Expenses:			
Personal Services	98,517	54,496	153,013
Supplies	6,658	11,288	17,946
Contractual Services	33,618	30,447	64,065
Depreciation	35,695	2,398	38,093
Total Operating Expenses	174,488	98,629	273,117
Operating Income (Loss)	(25,385)	(23,427)	(48,812)
Nonoperating Revenues:			
Investment Earnings	14,006	819	14,825
Total Nonoperating Revenues	14,006	819	14,825
Income (Loss) Before Transfers	(11,379)	(22,608)	(33,987)
Transfers In (Out)	(600)	(1,000)	(1,600)
Change in Net Assets	(11,979)	(23,608)	(35,587)
Net Assets - Beginning of Year	1,411,629	(1,164)	1,410,465
Net Assets - End of Year	\$ 1,399,650	\$ (24,772)	\$ 1,374,878

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

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2008

	<u>Motor Vehicle Parking System</u>	<u>Swimming Pool</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 149,103	\$ 75,202	\$ 224,305
Payments to Suppliers	(68,542)	(44,777)	(113,319)
Payments to Employees	(68,838)	(50,661)	(119,499)
Net Cash Provided (Used) by Operating Activities	<u>11,723</u>	<u>(20,236)</u>	<u>(8,513)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Payments from (to) Other Funds	<u>(600)</u>	<u>(1,000)</u>	<u>(1,600)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(600)</u>	<u>(1,000)</u>	<u>(1,600)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest Received	<u>14,006</u>	<u>819</u>	<u>14,825</u>
Net Cash Provided by Investing Activities	<u>14,006</u>	<u>819</u>	<u>14,825</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,129	(20,417)	4,712
Cash and Cash Equivalents, Beginning of Year	<u>298,024</u>	<u>24,192</u>	<u>322,216</u>
Cash and Cash Equivalents, End of Year	<u>\$ 323,153</u>	<u>\$ 3,775</u>	<u>\$ 326,928</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (25,385)	\$ (23,427)	\$ (48,812)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	35,695	2,398	38,093
(Increase) Decrease in Assets:			
Prepaid Expenses	475	793	1,268
Increase (Decrease) in Liabilities:			
Accrued Payroll and Benefits	<u>938</u>	<u>-</u>	<u>938</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 11,723</u>	<u>\$ (20,236)</u>	<u>\$ (8,513)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
APRIL 30, 2008

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current Assets:			
Cash	\$ 363,777	\$ 9,753	\$ 373,530
Total Assets	<u>\$ 363,777</u>	<u>\$ 9,753</u>	<u>\$ 373,530</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Due to Other Funds	\$ -	\$ 600,710	\$ 600,710
Total Current Liabilities	<u>-</u>	<u>600,710</u>	<u>600,710</u>
<b><u>Net Assets</u></b>			
Unrestricted	<u>363,777</u>	<u>(590,957)</u>	<u>(227,180)</u>
Total Net Assets	<u>\$ 363,777</u>	<u>\$ (590,957)</u>	<u>\$ (227,180)</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, 2008

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 2,888,491	\$ 2,888,491
Operating Expenses:			
Personal Services	-	3,489,888	3,489,888
Total Operating Expenses	-	3,489,888	3,489,888
Operating Income (Loss)	-	(601,397)	(601,397)
Nonoperating Revenues:			
Investment Earnings	16,279	10,440	26,719
Total Nonoperating Revenues	16,279	10,440	26,719
Change in Net Assets	16,279	(590,957)	(574,678)
Net Assets, Beginning of Year	347,498	-	347,498
Net Assets, End of Year	<u>\$ 363,777</u>	<u>\$ (590,957)</u>	<u>\$ (227,180)</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF PLAN NET ASSETS  
PENSION TRUST FUNDS  
APRIL 30, 2008

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 6,314,312	\$ 3,677,750	\$ 9,992,062
Investments, at Market	18,629,295	12,569,793	31,199,088
Receivables:			
Taxes Receivable	1,676,327	1,597,073	3,273,400
Interest Receivable	94,426	54,016	148,442
Total Assets	<u>26,714,360</u>	<u>17,898,632</u>	<u>44,612,992</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 26,714,360</u>	<u>\$ 17,898,632</u>	<u>\$ 44,612,992</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
FOR THE YEAR ENDED APRIL 30, 2008

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employee Contributions	\$ 468,461	\$ 286,977	\$ 755,438
Employer Contributions:			
Property Taxes	1,732,905	1,650,188	3,383,093
Personal Property Replacement Taxes	94,938	89,311	184,249
Total Contributions	<u>2,296,304</u>	<u>2,026,476</u>	<u>4,322,780</u>
Investment Income:			
Interest and Dividend Income	1,196,525	704,421	1,900,946
Gain from Sales of Securities	34,742	71,463	106,205
Net Appreciation in Fair Market Value of Investments	<u>(243,157)</u>	<u>(376,832)</u>	<u>(619,989)</u>
	988,110	399,052	1,387,162
Less Investment Expense	<u>(72,004)</u>	<u>(18,750)</u>	<u>(90,754)</u>
Total Investment Income	<u>916,106</u>	<u>380,302</u>	<u>1,296,408</u>
Benefit Repayment	<u>33,331</u>	<u>1,549</u>	<u>34,880</u>
Total Additions	<u>3,245,741</u>	<u>2,408,327</u>	<u>5,654,068</u>
Deductions:			
Benefits Paid to Participants:			
Service and Disability	2,083,830	1,928,552	4,012,382
Dependents	197,200	304,695	501,895
Refund of Contributions	4,631	-	4,631
Professional Fees	15,776	20,328	36,104
Other	8,915	3,821	12,736
Total Deductions	<u>2,310,352</u>	<u>2,257,396</u>	<u>4,567,748</u>
Net Increase	935,389	150,931	1,086,320
Net Assets Held in Trust for Pension Benefits:			
Beginning of Year	<u>25,778,971</u>	<u>17,747,701</u>	<u>43,526,672</u>
End of Year	<u>\$ 26,714,360</u>	<u>\$ 17,898,632</u>	<u>\$ 44,612,992</u>

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF ASSESSED VALUATION, TAX RATES,  
EXTENSIONS AND COLLECTIONS  
(UNAUDITED)  
APRIL 30, 2008

Levy Year	Total Assessed Valuation	<u>Tax Rates</u>						
		Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Playground and Recreation Fund	Total Tax Fund
1997	\$ 276,939,647	\$ 0.2266	\$ 0.2996	\$ 0.2930	\$ 0.2890	\$ -	\$ 0.0723	\$ 1.1805
1998	282,116,989	0.2640	0.2671	0.2886	0.2887	-	0.0709	1.1793
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

Levy Year	<u>Taxes Extended</u>							
	Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Playground and Recreation Fund	Total Tax Fund	
1997	\$ 627,318	\$ 829,411	\$ 811,140	\$ 800,071	\$ -	\$ 200,155	\$ 3,268,095	
1998	745,070	753,534	814,189	814,759	-	200,020	3,327,572	
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	

Levy Year	<u>Taxes Collected</u>			
	Total Taxes Extended	Total Taxes Collected	Percent of Current Year Taxes Collected	Current Year Uncollected Balance
1997	\$ 3,268,095	\$ 3,227,441	98.76%	\$ 40,654
1998	3,327,572	3,317,934	99.71%	9,638
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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
METRO EAST AUTO THEFT TASK FORCE  
FOR THE YEAR ENDED APRIL 30, 2008

Receipts:

MEATTF Grant Receipts	\$ 634,558
Project Income	4,989
Interest Income	359
Total Receipts	<u>639,906</u>

Disbursements:

Grant Disbursements:

Personnel	<u>477,055</u>
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Contractual Services:

Secretary	23,320
Vehicle Lease	30,000
Vehicle Maintenance	31,108
Office Lease	19,926
Telephone Costs	11,343
Janitorial	2,200
Postage	496
Photocopier and Fax	2,988
Other	6,646
Travel	1,025
Total Contractual Services	<u>129,052</u>

Commodities:

Personnel Commodities	4,457
Other	1,351
Total Commodities	<u>5,808</u>

Equipment	<u>40,060</u>
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Total Grant Disbursements	<u>651,975</u>
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Project Income Disbursements	<u>765</u>
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Total Disbursements	<u>652,740</u>
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Excess of Receipts Over (Under) Disbursements	<u><u>\$ (12,834)</u></u>
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