

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2016

| | |
|--|--------------------------------------|
| Name of Redevelopment Project Area: | Tax Increment Financing District #12 |
| Primary Use of Redevelopment Project Area*: | Combination/Mixed |
| If "Combination/Mixed" List Component Types: | Ind; Retail; Other Comm |
| Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): | |
| Tax Increment Allocation Redevelopment Act <u> X </u> | Industrial Jobs Recovery Law _____ |

| | No | Yes |
|---|----|-----|
| Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A | X | |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B | | X |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C | | X |
| Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D | | X |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E | X | |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F | X | |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G | X | |
| Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H | | X |
| Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I | X | |
| Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J | X | |
| Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K | | X |
| Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L | | X |
| A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements labeled Attachment M | X | |

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2016

TIF NAME: Tax Increment Financing District #12

Fund Balance at Beginning of Reporting Period \$ 215,916

| Revenue/Cash Receipts Deposited in Fund During Reporting FY: | Reporting Year | Cumulative* | % of Total |
|---|----------------|--------------|------------|
| Property Tax Increment | \$ 147,276 | \$ 1,746,043 | 99% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | \$ 104 | \$ 26,089 | 1% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | | 0% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Other (identify source _____; if multiple other sources, attach schedule) | | | 0% |

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 147,380

Cumulative Total Revenues/Cash Receipts \$ 1,772,132 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 385,884

Distribution of Surplus

Total Expenditures/Disbursements \$ 385,884

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (238,504)

FUND BALANCE, END OF REPORTING PERIOD* \$ (22,588)

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (13,690,993)

SECTION 3.2 A

| | | |
|--|--|------------|
| 14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E) | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| 15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY | | \$ - |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| 16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY | | \$ - |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| TOTAL ITEMIZED EXPENDITURES | | \$ 385,884 |

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2016

TIF NAME: Tax Increment Financing District #12

FUND BALANCE, END OF REPORTING PERIOD

\$ (22,588)

| | Amount of Original Issuance | Amount Designated |
|---|-----------------------------|-------------------|
| 1. Description of Debt Obligations | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Total Amount Designated for Obligations

\$ - \$ -

2. Description of Project Costs to be Paid

| | |
|--|--------------|
| Construction of Public Works & Improvements | \$ 9,054,320 |
| Professional Services & Administration | \$ 304,202 |
| Financing Costs | \$ 700,000 |
| Property Assembly | \$ 1,359,883 |
| Rehabilitation, Reconstruction, Repair or Remodeling | \$ 1,750,000 |
| Relocation Costs | \$ 500,000 |
| | |
| | |
| | |

Total Amount Designated for Project Costs

\$ 13,668,405

TOTAL AMOUNT DESIGNATED

\$ 13,668,405

SURPLUS*/(DEFICIT)

\$ (13,690,993)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2016

TIF NAME: Tax Increment Financing District #12

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

| | |
|--|--|
| Property (1): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (2): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (3): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (4): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2016

TIF NAME: Tax Increment Financing District #12

*Page 1 is to be included with TIF Report. Pages 2-3 are to be included **ONLY** if projects are listed.**Box below must be filled in with either a check or number of projects, not both**Check if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____**ENTER** total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.

_ 12 _

| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|--|-----------------|---|-------------------------------------|
| Private Investment Undertaken (See Instructions) | \$ 306,000 | \$ - | \$ - |
| Public Investment Undertaken | \$ 1,658,002 | \$ - | \$ - |
| Ratio of Private/Public Investment | 12/65 | | 0 |

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

| Country Sampler | | | |
|--|-----------|--|------|
| Private Investment Undertaken (See Instructions) | \$ 36,000 | | \$ - |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

| Project 2: | | | |
|--|------------|--|---|
| Retention Pond Improvements | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 366,990 | | |
| Ratio of Private/Public Investment | 0 | | 0 |

| Project 3: | | | |
|--|-----------|--|---|
| Spruce/Sherman Stormwater | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 44,719 | | |
| Ratio of Private/Public Investment | 0 | | 0 |

| Project 4: | | | |
|--|-----------|--|---|
| Page Ave Sewer Repair | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 26,817 | | |
| Ratio of Private/Public Investment | 0 | | 0 |

| Project 5: | | | |
|--|------------|--|---|
| Belle Ave Improvements | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 200,680 | | |
| Ratio of Private/Public Investment | 0 | | 0 |

| Project 6: | | | |
|--|-----------|--|---|
| Scheel St Drainage Repairs | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 13,030 | | |
| Ratio of Private/Public Investment | 0 | | 0 |

| | | | |
|--|----|--------|---|
| Project 7: | | | |
| General Infrastructure Repairs | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ | 82,420 | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|----|---------|---|
| Project 8: | | | |
| Page Avenue Improvements | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ | 200,874 | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|----|----------|---|
| Project 9: | | | |
| Zimmerman/Tommy Z's | | | |
| Private Investment Undertaken (See Instructions) | \$ | 250,000 | |
| Public Investment Undertaken | \$ | 24,078 | |
| Ratio of Private/Public Investment | | 10 18/47 | 0 |

| | | | |
|--|----|--------|---|
| Project 10: | | | |
| Perfection Painting | | | |
| Private Investment Undertaken (See Instructions) | \$ | 20,000 | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|----|---------|---|
| Project 11: | | | |
| Dewey Detention Ditch | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ | 247,142 | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|----|---------|---|
| Project 12: | | | |
| C Street Improvements | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ | 451,252 | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|--|---|---|
| Project 13: | | | |
| | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|--|---|---|
| Project 14: | | | |
| | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | | 0 | 0 |

| | | | |
|--|--|---|---|
| Project 15: | | | |
| | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | | 0 | 0 |

CITY OF BELLEVILLE, ILLINOIS



CITY FLAG
DESIGNED BY
FREDRICK L. LANGE
JULY 6th 1964



MARK W. ECKERT, MAYOR
101 SOUTH ILLINOIS STREET
BELLEVILLE, ILLINOIS 62220-2105
(618) 233-6810

September 16, 2016

C.J. Schlosser & Company, L.L.C.
233 East Center Drive
P.O. Box 416
Alton, IL 62002

RE: Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District # 8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 West, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Rt.15/South Greenmount, Tax Increment Financing District #21 Belle Valley Phase III, and Tax Increment Financing District #22 Route 15 North.

Dear Gentlemen / Ladies:

I, Mark W. Eckert, the duly elected Mayor of the City of Belleville, Illinois, County of St. Clair, and as such, do hereby certify that the City of Belleville has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the municipal fiscal year ending May 1, 2015- April 30, 2016 to the best of my knowledge and belief.

Sincerely,

City of Belleville

A handwritten signature in black ink that reads "Mark W. Eckert". The signature is written in a cursive style and is positioned above the printed name.

Mark W. Eckert
Mayor

CITY OF BELLEVILLE, ILLINOIS



CITY FLAG
DESIGNED BY
FREDRICK L. LANGE
JULY 6th 1964



GARRETT P. HOERNER, CITY ATTORNEY

5111 West Main Street
BELLEVILLE, ILLINOIS 62226-4728
Phone: (618) 235-0020
Fax: (618) 235-8558
E-Mail: gphoerner@belleville.net

September 16, 2016

C.J. Schlosser
233 East Center Drive
P.O. Box 416
Alton, Illinois 62002

**Re: Illinois Tax Increment Redevelopment Act:
Fiscal Year 2016 (May 1, 2015 through April 30, 2016)**

Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 West, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Rt.15/South Greenmount, Tax Increment Financing District #21 Belle Valley Phase III, Tax Increment Financing District #22 Route 15 North.

Mr. Schlosser:

As City Attorney for the City of Belleville, Illinois (City), I have reviewed all information provided to me by the Mayor and his staff for the period May 1, 2015 through April 30, 2016 (FY2016). I find that the City has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder, to the best of my knowledge and belief.

This opinion relates only to the time period set forth and is based upon information available to me.

By:

A handwritten signature in black ink, appearing to read "Garrett P. Hoerner".

Garrett P. Hoerner

PART II - ACTIVITIES

During its Fiscal Year ending April 30, 2016, the City of Belleville undertook or assisted in the following activities within its Tax Increment Financing Districts:

- TIF #1 This District incurred expense of \$15,526 to Hank's Excavating & Landscaping for sidewalk improvements.
- TIF #2 This District incurred expense of \$24,000 for Art on the Square sponsorship fee.
- TIF #3 \$4,458,490 of tax incentive rebates were issued to school districts and \$9,105 of tax incentive rebates were issued to businesses. This District also completed several public works improvements as well as performed needed demolition activity.
- TIF #4 No Material Activity.
- TIF #8 This District incurred expense of \$278,137 for demolition and new sidewalks.
- TIF #9 This District incurred expense of \$16,756 for pump station repairs.
- TIF #10 \$762,984 was paid a developer to reimburse for costs incurred for improvements that are part of a developer agreement.
- TIF #11 No Material Activity.
- TIF #12 This District incurred expense of \$384,884 for street and ditch improvements.
- TIF #13 No Material Activity.
- TIF #14 No Material Activity.
- TIF #15 This District paid out tax incentive rebates of \$737,472 for costs incurred for improvements that are part of a developer agreement related to a retail complex located near Greenmount Road. This District also retired bond debt related to the retail complex.
- TIF #16 This District paid out tax incentive rebates of \$53,193 to a business. This District also incurred expense related to the ditch program.
- TIF #17 This District incurred expense of \$13,500 related to Bellecourt Banquet Center improvements.
- TIF #18 No Material Activity.
- TIF #19 This District paid out tax incentive rebates of \$480,601 to a business as part of a developer agreement and retired bond debt related to that agreement.
- TIF #20 This District paid out tax incentive rebates of \$61,534 to a business.
- TIF #21 No Material Activity.

ATTACHMENT H

TIF 12 Joint Review Board Minutes
12/11/15 9:50 a.m – 9:55 a.m.

MEMBERS/TAXING BODIES:

Ryan Boike, School District 118
Brian Mentzer, School District 201
Terry Beach, St. Clair County
Jim Gehrs, SWIC
Dennis Korte, Belleville Township
Leander Spearman, Belleville Public Library
Ken Kinsella, Public Member

STAFF:

Eric Schauster, Economic Development & Grants Coordinator
Kari Tutza, Economic Development, Planning & Zoning Dept.
Jamie Maitret, Finance Director

GUESTS:

Michael Hagberg
Debra Perez

The TIF Joint Review Board was held at 9:50 a.m. on the first floor, Council Chambers, City Hall.

The annual TIF Joint Review Board meetings are to review the effectiveness and status of each TIF.

TIF 12

Ken Kinsella asked the Board to elect a member from the public. Leandar Spearman made a motion to elect Ken Kinsella, seconded by Jim Gehrs, with all present members voting aye. Motion carried.

Ken Kinsella asked the Board to elect a Chairperson. Eric Schauster made a motion to elect Ken Kinsella and seconded by Terry Beach with all present members voting aye. Motion carried.

Ken Kinsella explained the adoption of rules for public participation (2-3 minutes per person) and asked for a motion to adopt the rules. Dennis Korte made a motion to adopt the rules of public participation and seconded by Jim Gehrs with all present members voting aye. Ken Kinsella opened public participation. With no public comments, Ken Kinsella closed public participation.

Eric Schauster gave a description of TIF 12. With a beginning value of \$4,159,379.00 and a current value of \$5,775,974.00. Property values increased 38%. With no further comments or questions from the Board, Ken Kinsella closed the discussion.

Respectfully Submitted,
Kari L. Tutza
Transcribing Secretary

Audio: 59:15-01:01:09

ATTACHMENT K



CITY OF BELLEVILLE, ILLINOIS

TAX INCREMENT FINANCING DISTRICTS
ANNUAL REPORT

FINANCIAL STATEMENTS
APRIL 30, 2016

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



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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PART I – FINANCIAL INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

To the Honorable Mayor and
City Council of
City of Belleville, Illinois

We have audited the financial statements of the City of Belleville, Illinois' Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 Corridor, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Route 15/South Green Mount Road, and Tax Increment Financing District #21 Belle Valley III as of and for the year ended April 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the City of Belleville, Illinois' Tax Increment Financing Districts, as referred to in the first paragraph, as of April 30, 2016 and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Belleville, Illinois' Tax Increment Financing Districts taken as a whole. The other supplementary data on pages 14 and 15 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. This other supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The supplementary information on Pages 16 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Compliance with Laws and Regulations

The management of the City of Belleville, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.1-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the City of Belleville, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Belleville, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. J. Schlemmer & Co. LLC

Certified Public Accountants
Alton, Illinois

September 16, 2016

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
APRIL 30, 2016

| | Tax Increment Financing | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|---------------------|------------------|--------------------|------------------|-------------------|--|--|--|
| | District #1 | District #2 | District #3 | District #4 | District #8 | District #9 | District #10 | | | |
| <u>Assets</u> | | | | | | | | | | |
| Cash | \$ 5,571 | \$ 84,442 | \$ 1,642,286 | \$ 34,491 | \$ 3,201 | \$ 89,444 | \$ 867,288 | | | |
| Due Between TIF Funds | (135,000) | - | 627,000 | - | (90,000) | - | - | | | |
| Notes Receivable | - | - | 55,415 | - | - | - | - | | | |
| Total Assets | <u>\$ (129,429)</u> | <u>\$ 84,442</u> | <u>\$ 2,324,701</u> | <u>\$ 34,491</u> | <u>\$ (86,799)</u> | <u>\$ 89,444</u> | <u>\$ 867,288</u> | | | |
| <u>Liabilities and Fund Balance</u> | | | | | | | | | | |
| Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | |
| Fund Balance: | | | | | | | | | | |
| Nonspendable | - | - | 55,415 | - | - | - | - | | | |
| Restricted for Debt Service | - | - | - | - | - | - | - | | | |
| Restricted | (129,429) | 84,442 | 2,269,286 | 34,491 | (86,799) | 89,444 | 867,288 | | | |
| Total Fund Balance | <u>(129,429)</u> | <u>84,442</u> | <u>2,324,701</u> | <u>34,491</u> | <u>(86,799)</u> | <u>89,444</u> | <u>867,288</u> | | | |
| Total Liabilities and Fund Balance | <u>\$ (129,429)</u> | <u>\$ 84,442</u> | <u>\$ 2,324,701</u> | <u>\$ 34,491</u> | <u>\$ (86,799)</u> | <u>\$ 89,444</u> | <u>\$ 867,288</u> | | | |

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
APRIL 30, 2016

| | Tax Increment Financing | | | | | | |
|-------------------------------------|-------------------------|--------------------|-------------------|-------------------|-----------------------|-------------------|---------------------|
| | District #11 | District #12 | District #13 | District #14 | Carlyle/ Greenmont | District #16 | District #17 |
| <u>Assets</u> | | | | | | | |
| Cash | \$ 63,664 | \$ 17,412 | \$ 213,958 | \$ 206,644 | \$ 3,170,189 | \$ 114,322 | \$ 8,345 |
| Due Between TIF Funds | - | (40,000) | - | - | - | 3,500 | (271,000) |
| Notes Receivable | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 63,664</u> | <u>\$ (22,588)</u> | <u>\$ 213,958</u> | <u>\$ 206,644</u> | <u>\$ 3,170,189</u> | <u>\$ 117,822</u> | <u>\$ (262,655)</u> |
| <u>Liabilities and Fund Balance</u> | | | | | | | |
| Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted for Debt Service | - | - | - | - | 3,170,189 | - | - |
| Restricted | 63,664 | (22,588) | 213,958 | 206,644 | - | 117,822 | (262,655) |
| Total Fund Balance | <u>63,664</u> | <u>(22,588)</u> | <u>213,958</u> | <u>206,644</u> | <u>3,170,189</u> | <u>117,822</u> | <u>(262,655)</u> |
| Total Liabilities and Fund Balance | <u>\$ 63,664</u> | <u>\$ (22,588)</u> | <u>\$ 213,958</u> | <u>\$ 206,644</u> | <u>\$ 3,170,189</u> | <u>\$ 117,822</u> | <u>\$ (262,655)</u> |

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
APRIL 30, 2016

| | Tax Increment Financing | | | | Debt Service Fund | Total |
|-------------------------------------|-------------------------|------------------------|--------------|--------------|-------------------------|--------------|
| | District #18 | Frank Scott Parkway | District #20 | District #21 | | |
| <u>Assets</u> | | | | | | |
| Cash | \$ 144,350 | \$ 2,177,796 | \$ 49,093 | \$ 58,334 | \$ 256,443 | \$ 9,207,273 |
| Due Between TIF Funds | - | (3,500) | - | (91,000) | - | - |
| Notes Receivable | - | - | - | - | - | 55,415 |
| Total Assets | \$ 144,350 | \$ 2,174,296 | \$ 49,093 | \$ (32,666) | \$ 256,443 | \$ 9,262,688 |
| | | | | | | |
| <u>Liabilities and Fund Balance</u> | | | | | | |
| Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balance: | | | | | | |
| Nondesignated | - | - | - | - | - | 55,415 |
| Restricted for Debt Service | - | 2,174,296 | - | - | 256,443 | 5,600,928 |
| Restricted | 144,350 | - | 49,093 | (32,666) | - | 3,606,345 |
| Total Fund Balance | 144,350 | 2,174,296 | 49,093 | (32,666) | 256,443 | 9,262,688 |
| Total Liabilities and Fund Balance | \$ 144,350 | \$ 2,174,296 | \$ 49,093 | \$ (32,666) | \$ 256,443 | \$ 9,262,688 |

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
FOR THE YEAR ENDED APRIL 30, 2016

| | Tax Increment Financing | | | | | | | | | |
|--|-------------------------|------------------|---------------------|------------------|--------------------|------------------|-------------------|--|--|--|
| | District #1 | District #2 | District #3 | District #4 | District #8 | District #9 | District #10 | | | |
| Receipts: | | | | | | | | | | |
| Property Taxes | \$ 49,350 | \$ 59,346 | \$ 10,826,328 | \$ 3,997 | \$ 118,097 | \$ 84,503 | \$ 1,089,976 | | | |
| Intergovernmental | - | - | 245,080 | - | - | - | - | | | |
| Interest | 18 | 109 | 10,124 | 48 | 22 | 194 | 2,172 | | | |
| Reimbursements/Other | 13,000 | - | 65,144 | - | 25,903 | - | - | | | |
| Total Receipts | <u>62,368</u> | <u>59,455</u> | <u>11,146,676</u> | <u>4,045</u> | <u>144,022</u> | <u>84,697</u> | <u>1,092,148</u> | | | |
| Disbursements: | | | | | | | | | | |
| Contractual Services | 1,236 | 24,756 | 668,309 | 1,170 | 8,173 | - | 124,946 | | | |
| Capital Outlay | 21,944 | - | 3,078,667 | - | 278,137 | 16,871 | 1,394 | | | |
| Tax Rebates | - | - | 4,467,595 | - | - | - | - | | | |
| Principal | - | - | 126,379 | - | - | - | - | | | |
| Interest and Fiscal Charges | - | - | 21,725 | - | - | - | 639,332 | | | |
| Total Disbursements | <u>23,180</u> | <u>24,756</u> | <u>8,362,675</u> | <u>1,170</u> | <u>286,310</u> | <u>16,871</u> | <u>765,672</u> | | | |
| Excess of Receipts Over (Under) Disbursements | <u>39,188</u> | <u>34,699</u> | <u>2,784,001</u> | <u>2,875</u> | <u>(142,288)</u> | <u>67,826</u> | <u>326,476</u> | | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds of Debt | - | - | 138,156 | - | - | - | - | | | |
| Operating Transfers In | - | - | - | - | - | - | - | | | |
| Operating Transfers Out | - | - | (4,504,681) | - | - | (75,000) | (200,000) | | | |
| Total Other Financing Sources (Uses) | - | - | <u>(4,366,525)</u> | - | - | <u>(75,000)</u> | <u>(200,000)</u> | | | |
| Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Financing Uses | <u>39,188</u> | <u>34,699</u> | <u>(1,582,524)</u> | <u>2,875</u> | <u>(142,288)</u> | <u>(7,174)</u> | <u>126,476</u> | | | |
| Fund Balance, Beginning of Year | <u>(168,617)</u> | <u>49,743</u> | <u>3,907,225</u> | <u>31,616</u> | <u>55,489</u> | <u>96,618</u> | <u>740,812</u> | | | |
| Fund Balance, End of Year | <u>\$ (129,429)</u> | <u>\$ 84,442</u> | <u>\$ 2,324,701</u> | <u>\$ 34,491</u> | <u>\$ (86,799)</u> | <u>\$ 89,444</u> | <u>\$ 867,288</u> | | | |

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
FOR THE YEAR ENDED APRIL 30, 2016

| | Tax Increment Financing | | | | | | |
|--|-------------------------|--------------------|-------------------|-------------------|-----------------------|-------------------|---------------------|
| | District #11 | District #12 | District #13 | District #14 | Carlyle/ Greenmont | District #16 | District #17 |
| Receipts: | | | | | | | |
| Property Taxes | \$ 25,984 | \$ 147,276 | \$ 44,227 | \$ 97,464 | \$ 1,474,944 | \$ 229,111 | \$ 46,622 |
| Intergovernmental | - | - | - | - | 1,506,611 | - | - |
| Interest | 113 | 104 | 295 | 279 | 1,056 | 212 | 28 |
| Reimbursements/Other | - | - | - | - | - | - | - |
| Total Receipts | <u>26,097</u> | <u>147,380</u> | <u>44,522</u> | <u>97,743</u> | <u>2,982,611</u> | <u>229,323</u> | <u>46,650</u> |
| Disbursements: | | | | | | | |
| Contractual Services | - | 1,000 | - | - | 18,406 | 2,240 | 13,289 |
| Capital Outlay | - | 384,884 | 2,167 | - | - | 16,325 | 13,500 |
| Tax Rebates | - | - | - | - | 737,472 | 53,193 | 2,687 |
| Principal | - | - | - | - | 365,000 | - | - |
| Interest and Fiscal Charges | - | - | - | - | 1,532,368 | - | - |
| Total Disbursements | <u>-</u> | <u>385,884</u> | <u>2,167</u> | <u>-</u> | <u>2,653,246</u> | <u>71,758</u> | <u>29,476</u> |
| Excess of Receipts Over (Under) Disbursements | <u>26,097</u> | <u>(238,504)</u> | <u>42,355</u> | <u>97,743</u> | <u>329,365</u> | <u>157,565</u> | <u>17,174</u> |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds of Debt | - | - | - | - | - | - | - |
| Operating Transfers In | - | - | - | - | - | - | - |
| Operating Transfers Out | (25,000) | - | - | (9,409) | - | - | - |
| Total Other Financing Sources (Uses) | <u>(25,000)</u> | <u>-</u> | <u>-</u> | <u>(9,409)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Financing Uses | <u>1,097</u> | <u>(238,504)</u> | <u>42,355</u> | <u>88,334</u> | <u>329,365</u> | <u>157,565</u> | <u>17,174</u> |
| Fund Balance, Beginning of Year | <u>62,567</u> | <u>215,916</u> | <u>171,603</u> | <u>118,310</u> | <u>2,840,824</u> | <u>(39,743)</u> | <u>(279,829)</u> |
| Fund Balance, End of Year | <u>\$ 63,664</u> | <u>\$ (22,588)</u> | <u>\$ 213,958</u> | <u>\$ 206,644</u> | <u>\$ 3,170,189</u> | <u>\$ 117,822</u> | <u>\$ (262,655)</u> |

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE ARISING FROM CASH TRANSACTIONS -
ALL TAX INCREMENT FINANCING DISTRICTS
FOR THE YEAR ENDED APRIL 30, 2016

| | Tax Increment Financing | | | | Debt Service Fund | Total |
|--|-------------------------|------------------------|------------------|--------------------|-------------------------|---------------------|
| | District #18 | Frank Scott Parkway | District #20 | District #21 | | |
| Receipts: | | | | | | |
| Property Taxes | \$ 34,273 | \$ 961,203 | \$ 42,449 | \$ 4,945 | \$ - | \$ 15,340,095 |
| Intergovernmental | - | 1,270,636 | 40,329 | - | - | 3,062,656 |
| Interest | 200 | 716 | 66 | 87 | 327 | 16,170 |
| Reimbursements/Other | - | - | - | - | - | 104,047 |
| Total Receipts | <u>34,473</u> | <u>2,232,555</u> | <u>82,844</u> | <u>5,032</u> | <u>327</u> | <u>18,522,968</u> |
| Disbursements: | | | | | | |
| Contractual Services | - | 11,572 | - | - | - | 875,097 |
| Capital Outlay | 7,416 | - | - | - | - | 3,821,305 |
| Tax Rebates | - | 480,601 | 61,554 | - | - | 5,803,102 |
| Principal | - | 455,000 | - | - | - | 946,379 |
| Interest and Fiscal Charges | - | 1,340,797 | - | - | 254,012 | 3,788,234 |
| Total Disbursements | <u>7,416</u> | <u>2,287,970</u> | <u>61,554</u> | <u>-</u> | <u>254,012</u> | <u>15,234,117</u> |
| Excess of Receipts Over (Under) Disbursements | <u>27,057</u> | <u>(55,415)</u> | <u>21,290</u> | <u>5,032</u> | <u>(253,685)</u> | <u>3,288,851</u> |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds of Debt | - | - | - | - | - | 138,156 |
| Operating Transfers In | - | - | - | - | 254,300 | 254,300 |
| Operating Transfers Out | - | - | - | - | - | (4,814,090) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>254,300</u> | <u>(4,421,634)</u> |
| Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Financing Uses | <u>27,057</u> | <u>(55,415)</u> | <u>21,290</u> | <u>5,032</u> | <u>615</u> | <u>(1,132,783)</u> |
| Fund Balance, Beginning of Year | <u>117,293</u> | <u>2,229,711</u> | <u>27,803</u> | <u>(37,698)</u> | <u>255,828</u> | <u>10,395,471</u> |
| Fund Balance, End of Year | <u>\$ 144,350</u> | <u>\$ 2,174,296</u> | <u>\$ 49,093</u> | <u>\$ (32,666)</u> | <u>\$ 256,443</u> | <u>\$ 9,262,688</u> |

See the accompanying independent auditor's report and notes to combining financial statements

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Special Revenue Funds are used to account for the financing of public improvements or services deemed to benefit properties within a specific area. The City established the Tax Increment Financing Districts in the fiscal years ended April 30 as follows:

| | |
|--------------------------------------|------|
| Districts #1 and #2 | 1984 |
| Districts #3 and #4 | 1986 |
| Districts #8, #9, #10 and #11 | 2000 |
| District #12 | 2003 |
| District #13 | 2004 |
| District #14 | 2006 |
| Districts #15, #16, #17, #18 and #19 | 2008 |
| District #20 | 2009 |
| District #21 | 2010 |

The statements reflect the modified cash basis of accounting. Accordingly, revenue is recognized when cash is received and expenditures are recognized when paid.

The accompanying financial statements were prepared for the Tax Increment Financing Districts only, to reflect their cash balances as of April 30, 2016 and revenues received and expenditures paid for the year then ended. These statements are not intended to present the financial position and results of operations of the entire City of Belleville, Illinois as of April 30, 2016.

NOTE 2: CASH

The City is authorized by state statute to invest in: obligations of the United States of America; interest bearing accounts of banks; savings and loan associations or credit unions which are insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund or other applicable law, respectively; certain short-term obligations of corporations organized in the United States; money market mutual funds; and in a fund managed, operated and administered by a bank.

CITY OF BELLEVILLE, ILLINOIS TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The carrying amounts and the bank balances of the Tax Increment Financing Districts' deposits were \$9,207,273, and are entirely insured or collateralized by securities held by the City's agent in the City's name.

NOTE 3: LONG-TERM DEBT

Outstanding bonds payable and notes payable for the Tax Increment Financing Districts are presented in the City's combined financial statements.

The following is a summary of Tax Increment Financing bonds outstanding for the year ended April 30, 2016:

Tax Increment Refunding Revenue Bonds, Series 2007A Bonds, dated September 28, 2007, interest ranging from 5.00% to 5.70% payable May 1 and November 1, with principal payments of \$105,000 through \$1,955,000 due on May 1 and November 1 through 2024. The balance due on these bonds as of April 30, 2016 is \$14,600,000.

Taxable Business District Revenue Bonds, Series 2007B Bonds, dated September 28, 2007, interest at 7.875% payable May 1 and November 1, with principal payments of \$255,000 to \$790,000 due on May 1 and November 1 through 2021. The balance due on these bonds as of April 30, 2016 is \$6,505,000.

General Obligation Bonds, Series 2011, dated February 17, 2011, interest ranging from 5.00% to 5.25% payable January 1 and July 1, with principal payments of \$905,000 to \$1,100,000 beginning in January 2027 through 2031. The balance due on these bonds as of April 30, 2016 is \$5,000,000.

Local Government Program Revenue Bonds, Series 2011A, dated October 27, 2011, interest ranging from 6.00% to 7.00% payable January 1 and July 1, with principal payments of \$700,000 to \$2,025,000 due on January 1 and July 1 through 2027. The balance due on these bonds as of April 30, 2016 is \$15,175,000.

Local Government Program Revenue Bonds, Series 2011B, dated October 27, 2011, interest at 8.75% payable January 1 and July 1, with principal payments of \$49,929 to \$266,277 due on January 1 beginning in 2019 through 2026. The balance due on these bonds as of April 30, 2016 is \$1,560,000.

CITY OF BELLEVILLE, ILLINOIS TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: LONG-TERM DEBT (Continued)

Local Government Program Revenue Bonds, Series 2011C, dated October 27, 2011, interest ranging from 7.125% to 9.25% payable January 1 and July 1, with principal payments of \$205,000 to \$845,000 due on January 1 and July 1 through 2022. The balance due on these bonds as of April 30, 2016 is \$4,510,000.

The following is a summary of Tax Increment Financing notes and capital leases outstanding for the year ended April 30, 2016:

Capital Lease, dated July 19, 2012, interest rate of 2.55 percent payable in ten annual installments of \$56,061 through July 20, 2022. The balance due on this lease as of April 30, 2016 is \$354,874.

Capital Lease, dated February 11, 2013, interest rate of 3.278 percent payable in twenty-four semiannual installments of \$19,910 through January 11, 2025. The balance due on this lease as of April 30, 2016 is \$307,884.

Note Payable, dated March 22, 2016, interest rate of 1.730 percent payable in three annual installments of \$47,590 through December 30, 2018. The balance due on this note payable as of April 30, 2016 is \$138,156.

The annual requirements to amortize Tax Increment Financing related debt as of April 30, 2016 are as follows:

| Year Ending <u>April 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2017 | \$ 6,122,391 | \$ 2,847,511 | \$ 8,969,902 |
| 2018 | 2,974,874 | 2,680,184 | 5,655,058 |
| 2019 | 3,317,930 | 2,436,270 | 5,754,200 |
| 2020 | 3,710,785 | 2,107,308 | 5,818,093 |
| 2021 | 4,085,263 | 1,842,446 | 5,927,709 |
| 2022-2026 | 19,239,671 | 5,205,098 | 24,444,769 |
| 2027-2031 | <u>8,700,000</u> | <u>990,724</u> | <u>9,690,724</u> |
| | <u>\$ 48,150,914</u> | <u>\$ 18,109,541</u> | <u>\$ 66,260,455</u> |

NOTE 4: REDEVELOPMENT AGREEMENT

The City entered into a redevelopment agreement to develop an area within a tax increment financing boundary 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

CITY OF BELLEVILLE, ILLINOIS TAX INCREMENT FINANCING DISTRICTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

generated from the increase in values of the developed properties. The notes are payable solely from the new revenues and do not constitute a debt of the City.

The City made payments to reduce the principal amount of the Tax Increment Financing notes for the Reunion Development Project agreement by \$123,652 during the year ended April 30, 2016. These payments are being reported as development expense in the financial statements. The note balances related to this project in the total amount of \$19,402,382 are still outstanding and not reflected in the debt of the City as of April 30, 2016.

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF SPECIAL ALLOCATION FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

| | Tax Increment Financing | | | | | | | | | | |
|---|-------------------------|-------------|----------------|-------------|-------------|-------------|-----------------|--------------|--------------|--------------|--|
| | District #1 | District #2 | District #3 | District #4 | District #8 | District #9 | District #10 | District #11 | District #12 | District #13 | |
| Beginning Balance - Adjusted | \$ (168,617) | \$ 49,743 | \$ 3,907,225 | \$ 31,616 | \$ 55,489 | \$ 96,618 | \$ 740,812 | \$ 62,567 | \$ 215,916 | \$ 171,603 | |
| Receipts: | | | | | | | | | | | |
| Property Taxes | 49,350 | 59,346 | 10,826,328 | 3,997 | 118,097 | 84,503 | 1,089,976 | 25,984 | 147,276 | 44,227 | |
| Local Sales Tax | - | - | - | - | - | - | - | - | - | - | |
| Interest | 18 | 109 | 10,124 | 48 | 22 | 194 | 2,172 | 113 | 104 | 295 | |
| Reimbursements/Other | 13,000 | - | 310,224 | - | 25,903 | - | - | - | - | - | |
| Total Receipts | 62,368 | 59,455 | 11,146,676 | 4,045 | 144,022 | 84,697 | 1,092,148 | 26,097 | 147,380 | 44,522 | |
| Disbursements: | | | | | | | | | | | |
| Professional Fees/Plan | 1,236 | 24,756 | 668,309 | 1,170 | 8,173 | - | 124,946 | - | 1,000 | - | |
| Administration/Development | - | - | 148,104 | - | - | - | 639,332 | - | - | - | |
| Financing Costs | 21,944 | - | 3,078,667 | - | 278,137 | 16,871 | 1,394 | - | 384,884 | 2,167 | |
| Capital Costs | - | - | 4,467,595 | - | - | - | - | - | - | - | |
| Tax Rebates | - | - | - | - | - | - | - | - | - | - | |
| Total Disbursements | 23,180 | 24,756 | 8,362,675 | 1,170 | 286,310 | 16,871 | 765,672 | - | 385,884 | 2,167 | |
| Other Financing Sources (Uses) | | | | | | | | | | | |
| Proceeds of Debt | - | - | 138,156 | - | - | - | - | - | - | - | |
| Operating Transfer In | - | - | - | - | - | (75,000) | (200,000) | (25,000) | - | - | |
| Operating Transfer Out | - | - | (4,504,681) | - | - | - | (200,000) | - | - | - | |
| Total Other Financing Sources (Uses) | - | - | (4,366,525) | - | - | (75,000) | (200,000) | (25,000) | - | - | |
| Excess of Receipts Over (Under) Disbursements | 39,188 | 34,699 | (1,582,524) | 2,875 | (142,288) | (7,174) | 126,476 | 1,097 | (238,504) | 42,355 | |
| Ending Fund Balance (Deficit) - Unadjusted | (129,429) | 84,442 | 2,324,701 | 34,491 | (86,799) | 89,444 | 867,288 | 63,664 | (22,588) | 213,958 | |
| Less: Appropriated for Debt Service | - | - | (8,924,133) | - | - | - | (19,402,382) | - | - | - | |
| Ending Fund Balance (Deficit) - Adjusted | \$ (129,429) | \$ 84,442 | \$ (6,599,432) | \$ 34,491 | \$ (86,799) | \$ 89,444 | \$ (18,535,094) | \$ 63,664 | \$ (22,588) | \$ 213,958 | |
| Property Tax | \$ - | \$ 84,442 | \$ - | \$ 34,491 | \$ - | \$ 89,444 | \$ - | \$ 63,664 | \$ - | \$ 213,958 | |
| State Sales Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Local Sales Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF SPECIAL ALLOCATION FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

| | Tax Increment Financing | | | | | | | | | | Total |
|---|-------------------------|-----------------------|--------------|--------------|--------------|------------------------|--------------|--------------|--------------|---------------|-------|
| | District #14 | Carlyle/ Greenmont | District #16 | District #17 | District #18 | Frank Scott Parkway | District #20 | District #21 | District #21 | Total | |
| Beginning Balance - Adjusted | \$ 118,310 | \$ 2,840,824 | \$ (39,743) | \$ (279,829) | \$ 117,293 | \$ 2,229,711 | \$ 27,803 | \$ (37,698) | \$ (37,698) | \$ 10,139,643 | |
| Receipts: | | | | | | | | | | | |
| Property Taxes | 97,464 | 1,474,944 | 229,111 | 46,622 | 34,273 | 961,203 | 42,449 | 4,945 | 4,945 | 15,340,095 | |
| Local Sales Tax | - | 1,506,611 | - | - | - | 1,270,636 | 40,329 | - | - | 2,817,576 | |
| Interest | 279 | 1,056 | 212 | 28 | 200 | 716 | 66 | 87 | 87 | 15,843 | |
| Reimbursements/Other | - | - | - | - | - | - | - | - | - | 349,127 | |
| Total Receipts | 97,743 | 2,982,611 | 229,323 | 46,650 | 34,473 | 2,232,555 | 82,844 | 5,032 | 5,032 | 18,522,641 | |
| Disbursements: | | | | | | | | | | | |
| Professional Fees/Plan | - | 18,406 | 2,240 | 13,289 | - | 11,572 | - | - | - | 875,097 | |
| Administration/Development | - | 1,897,368 | - | - | - | 1,795,797 | - | - | - | 4,480,601 | |
| Financing Costs | - | - | 16,325 | 13,500 | 7,416 | - | - | - | - | 3,821,305 | |
| Capital Costs | - | 737,472 | 53,193 | 2,687 | - | 480,601 | 61,554 | - | - | 5,803,102 | |
| Tax Rebates | - | 2,653,246 | 71,758 | 29,476 | 7,416 | 2,287,970 | 61,554 | - | - | 14,980,105 | |
| Total Disbursements | - | 5,307,492 | 133,416 | 58,952 | 14,831 | 4,576,333 | 124,662 | - | - | 29,166,210 | |
| Other Financing Sources (Uses) | | | | | | | | | | | |
| Proceeds of Debt | - | - | - | - | - | - | - | - | - | 138,156 | |
| Operating Transfer In | - | - | - | - | - | - | - | - | - | - | |
| Operating Transfer Out | (9,409) | - | - | - | - | - | - | - | - | (4,814,090) | |
| Total Other Financing Sources (Uses) | (9,409) | - | - | - | - | - | - | - | - | (4,675,934) | |
| Excess of Receipts Over (Under) Disbursements | 88,334 | 329,365 | 157,565 | 17,174 | 27,057 | (55,415) | 21,290 | 5,032 | 5,032 | (1,133,398) | |
| Ending Fund Balance (Deficit) - Unadjusted | 206,644 | 3,170,189 | 117,822 | (262,655) | 144,350 | 2,174,296 | 49,093 | (32,666) | (32,666) | 9,006,245 | |
| Less: Appropriated for Debt Service | (299,896) | (30,965,088) | - | - | - | (26,071,340) | - | - | - | (85,662,839) | |
| Ending Fund Balance (Deficit) - Adjusted | \$ (93,252) | \$ (27,794,899) | \$ 117,822 | \$ (262,655) | \$ 144,350 | \$ (23,897,044) | \$ 49,093 | \$ (32,666) | \$ (32,666) | (76,656,594) | |
| Property Tax | \$ - | \$ - | \$ 117,822 | \$ - | \$ 144,350 | \$ - | \$ 49,093 | \$ - | \$ - | \$ 797,264 | |
| State Sales Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Local Sales Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
(UNAUDITED)
APRIL 30, 2007

| | Tax Increment Financing | | | | | | | |
|--|-------------------------|-------------|--------------|-------------|-------------|-------------|--------------|-------------|
| | District #1 | District #2 | District #3 | District #4 | District #5 | District #6 | District #7 | District #8 |
| Ending Fund Balance (Deficit) - Unadjusted | \$ 157,849 | \$ 271,082 | \$ 6,013,870 | \$ 19,563 | \$ 389,107 | \$ 174,220 | \$ 5,894 | \$ 166,110 |
| Less: Appropriated for Debt Service | - | (112,255) | (1,640,773) | - | - | - | - | - |
| Ending Fund Balance (Deficit) - Adjusted | \$ 157,849 | \$ 158,827 | \$ 4,373,097 | \$ 19,563 | \$ 389,107 | \$ 174,220 | \$ 5,894 | \$ 166,110 |
| Property Tax | \$ 149,498 | \$ 158,827 | \$ 4,373,097 | \$ 19,563 | \$ 389,107 | \$ 174,220 | \$ 5,894 | \$ 166,110 |
| Local Sales Tax | 1,507 | - | - | - | - | - | - | - |
| State Sales Tax | 6,844 | - | - | - | - | - | - | - |
| | \$ 157,849 | \$ 158,827 | \$ 4,373,097 | \$ 19,563 | \$ 389,107 | \$ 174,220 | \$ 5,894 | \$ 166,110 |
| Ending Fund Balance (Deficit) - Unadjusted | \$ 102,319 | \$ 56,345 | \$ 55,107 | \$ 94,762 | \$ 7,777 | \$ 12,860 | \$ 2,514,848 | |
| Less: Appropriated for Debt Service | - | - | - | - | - | - | (1,725,062) | |
| Ending Fund Balance (Deficit) - Adjusted | \$ 102,319 | \$ 56,345 | \$ 55,107 | \$ 94,762 | \$ 7,777 | \$ 12,860 | \$ 789,786 | |
| Property Tax | \$ 102,319 | \$ 56,345 | \$ 55,107 | \$ 94,762 | \$ 7,777 | \$ 12,860 | \$ 717,970 | |
| Local Sales Tax | - | - | - | - | - | - | 48,402 | |
| State Sales Tax | - | - | - | - | - | - | 23,414 | |
| | \$ 102,319 | \$ 56,345 | \$ 55,107 | \$ 94,762 | \$ 7,777 | \$ 12,860 | \$ 789,786 | |

CITY OF BELLEVILLE, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS

ANALYSIS OF FUND BALANCES BY SOURCE
 (UNAUDITED)
 APRIL 30, 2006

| | Tax Increment Financing | | | | | | | |
|--|-------------------------|----------------|----------------|--------------|-------------|-------------|----------------|-------------|
| | District #1 | District #2 | District #3 | District #4 | District #5 | District #6 | District #7 | District #8 |
| Ending Fund Balance (Deficit) - Unadjusted | \$ 224,884 | \$ (1,106,435) | \$ 333,637 | \$ (114,031) | \$ 184,699 | \$ 167,557 | \$ 5,599 | \$ 61,646 |
| Less: Appropriated for Debt Service | - | (216,360) | (2,188,095) | - | - | - | - | - |
| Ending Fund Balance (Deficit) - Adjusted | \$ 224,884 | \$ (1,322,795) | \$ (1,854,458) | \$ (114,031) | \$ 184,699 | \$ 167,557 | \$ 5,599 | \$ 61,646 |
| Property Tax | \$ 216,533 | \$ - | \$ - | \$ - | \$ 184,699 | \$ 167,557 | \$ 5,599 | \$ 61,646 |
| Local Sales Tax | 1,507 | - | - | - | - | - | - | - |
| State Sales Tax | 6,844 | - | - | - | - | - | - | - |
| | \$ 224,884 | \$ - | \$ - | \$ - | \$ 184,699 | \$ 167,557 | \$ 5,599 | \$ 61,646 |
| Ending Fund Balance (Deficit) - Unadjusted | \$ 61,736 | \$ 24,035 | \$ 46,315 | \$ 86,824 | \$ 16,694 | \$ 2,450 | \$ (1,234,806) | |
| Less: Appropriated for Debt Service | - | - | - | - | - | - | (1,973,258) | |
| Ending Fund Balance (Deficit) - Adjusted | \$ 61,736 | \$ 24,035 | \$ 46,315 | \$ 86,824 | \$ 16,694 | \$ 2,450 | \$ (3,208,064) | |
| Property Tax | \$ 61,736 | \$ 24,035 | \$ 46,315 | \$ 86,824 | \$ 16,694 | \$ 2,540 | \$ - | |
| Local Sales Tax | - | - | - | - | - | - | - | |
| State Sales Tax | - | - | - | - | - | - | - | |
| | \$ 61,736 | \$ 24,035 | \$ 46,315 | \$ 86,824 | \$ 16,694 | \$ 2,540 | \$ - | |

Sales Tax
District

PART II - ACTIVITIES

During its Fiscal Year ending April 30, 2016, the City of Belleville undertook or assisted in the following activities within its Tax Increment Financing Districts:

- TIF #1 This District incurred expense of \$15,526 to Hank's Excavating & Landscaping for sidewalk improvements.
- TIF #2 This District incurred expense of \$24,000 for Art on the Square sponsorship fee.
- TIF #3 \$4,458,490 of tax incentive rebates were issued to school districts and \$9,105 of tax incentive rebates were issued to businesses. This District also completed several public works improvements as well as performed needed demolition activity.
- TIF #4 No Material Activity.
- TIF #8 This District incurred expense of \$278,137 for demolition and new sidewalks.
- TIF #9 This District incurred expense of \$16,756 for pump station repairs.
- TIF #10 \$762,984 was paid a developer to reimburse for costs incurred for improvements that are part of a developer agreement.
- TIF #11 No Material Activity.
- TIF #12 This District incurred expense of \$384,884 for street and ditch improvements.
- TIF #13 No Material Activity.
- TIF #14 No Material Activity.
- TIF #15 This District paid out tax incentive rebates of \$737,472 for costs incurred for improvements that are part of a developer agreement related to a retail complex located near Greenmount Road. This District also retired bond debt related to the retail complex.
- TIF #16 This District paid out tax incentive rebates of \$53,193 to a business. This District also incurred expense related to the ditch program.
- TIF #17 This District incurred expense of \$13,500 related to Bellecourt Banquet Center improvements.
- TIF #18 No Material Activity.
- TIF #19 This District paid out tax incentive rebates of \$480,601 to a business as part of a developer agreement and retired bond debt related to that agreement.
- TIF #20 This District paid out tax incentive rebates of \$61,534 to a business.
- TIF #21 No Material Activity.

PART III - OBLIGATIONS

During the fiscal year ending April 30, 2016, the City of Belleville entered into a loan to purchase a sanitation truck. The City of Belleville did not issue any additional bonds. Further descriptions of outstanding debt and future debt service requirements are detailed in the notes to financial statements.



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

To the Honorable Mayor and
City Council of
City of Belleville, Illinois

We have audited the financial statements of the City of Belleville, Illinois' Tax Increment Financing District #1, Tax Increment Financing District #2, Tax Increment Financing District #3, Tax Increment Financing District #4, Tax Increment Financing District #8 Downtown South, Tax Increment Financing District #9 Southwinds Estate, Tax Increment Financing District #10 Lower Richland Creek, Tax Increment Financing District #11 Industrial Jobs Recovery, Tax Increment Financing District #12 Sherman Street, Tax Increment Financing District #13 Drake Road, Tax Increment Financing District #14 Route 15 East, Tax Increment Financing District #15 Carlyle/Greenmount, Tax Increment Financing District #16 Route 15 Corridor, Tax Increment Financing District #17 East Main Street, Tax Increment Financing District #18 Scheel Street, Tax Increment Financing District #19 Frank Scott Parkway, Tax Increment Financing District #20 Route 15/South Green Mount Road, and Tax Increment Financing District #21 Belle Valley III as of and for the year ended April 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the City of Belleville, Illinois' Tax Increment Financing Districts, as referred to in the first paragraph, as of April 30, 2016 and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Belleville, Illinois' Tax Increment Financing Districts taken as a whole. The other supplementary data on pages 14 and 15 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. This other supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The supplementary information on Pages 16 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Compliance with Laws and Regulations

The management of the City of Belleville, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.1-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the City of Belleville, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Belleville, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. J. Schlom 1 Corp LLC
Certified Public Accountants
Alton, Illinois

September 16, 2016