

**CITY OF BELLEVILLE, ILLINOIS**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

APRIL 30, 2014

**CITY OF BELLEVILLE, ILLINOIS**

TABLE OF CONTENTS  
APRIL 30, 2014

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 3
<b>Management's Discussion and Analysis</b>	4 - 12
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Statement of Assets, Liabilities and Fund Balances Arising From Modified Cash Basis Transactions - Governmental Funds	15
Reconciliation of the Statement of Assets, Liabilities and Fund Balances Arising From Modified Cash Basis Transactions to the Statement of Net Position	16
Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions - Governmental Funds	17
Reconciliation of the Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions to the Statement of Activities	18
Statement of Net Position – Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows – Proprietary Funds	21
Statement of Plan Net Position – Pension Trust Funds	22
Statement of Changes in Plan Net Position – Pension Trust Funds	23
Notes to Financial Statements	24 – 49
<b>Required Supplementary Information/Other Information:</b>	
Budgetary Comparison Schedule (Modified Cash Basis):	
General Fund	50 - 54
Tax Increment Financing Fund	55
Schedule of Police and Firemen's Pension Funding Progress and Employer Contributions	56
Schedule of Illinois Municipal Retirement Funding Progress and Employer Contributions	57
Schedule of Post-Employment Healthcare Funding Progress and Employer Contributions	58

**CITY OF BELLEVILLE, ILLINOIS**

TABLE OF CONTENTS  
APRIL 30, 2014

	<u>Page</u>
<b>Other Supplementary Information:</b>	
Combining Fund Financial Statements:	
Combining Statement of Assets, Liabilities and Fund Balances Arising from Modified Cash Basis Transactions - Nonmajor Governmental Funds	59
Combining Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions - Nonmajor Governmental Funds	60
Combining Statement of Assets, Liabilities and Fund Balances Arising from Modified Cash Basis Transactions - Nonmajor Special Revenue Governmental Funds	61
Combining Statement of Revenues and Expenditures Arising From Modified Cash Basis Transactions - Nonmajor Special Revenue Governmental Funds	62
Combining Statement of Net Position - Internal Service Funds	63
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	64
Combining Statement of Plan Net Position - Pension Trust Funds	65
Combining Statement of Changes in Plan Net Position - Pension Trust Funds	66
 Schedule of Assessed Valuation, Tax Rates, Extensions and Collections	 67
 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	   68 - 69
 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	  70 - 71

**CITY OF BELLEVILLE, ILLINOIS**

TABLE OF CONTENTS  
APRIL 30, 2014

	<u>Page</u>
<b>Other Supplementary Information (Continued):</b>	
Schedule of Expenditures of Federal Awards	72
Notes to the Schedule of Expenditures of Federal Awards	73
Schedule of Findings and Questioned Costs	74
Schedule of Prior Year Findings and Questioned Costs	75
Schedule of Receipts and Disbursements – Metro East Auto Theft Task Force	76

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor  
and Members of the City Council  
City of Belleville, IL

### **Report on the Financial Statements**

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the governmental funds financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the governmental fund financial statements in the circumstances. Management is also responsible for the preparation and fair presentation of the business-type, proprietary fund and fiduciary fund financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Adverse Opinion on Governmental Activities**

The City has not recorded fixed assets or infrastructure in the 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 position, 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.

### **Adverse Opinion**

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to previously do not present fairly the financial position of the governmental activities of the City of Belleville, Illinois as of April 30, 2014 or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

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), each major enterprise fund (accrual basis) and the aggregate remaining fund information of the City of Belleville, Illinois as of April 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The governmental fund 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**

#### *Required Supplementary Information/Other Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 to 12), budgetary comparison information (pages 50 to 55) and schedules of funding progress and employer contributions (pages 56 to 58) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

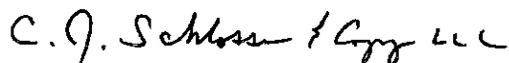
Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belleville, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2014 on our consideration of the City of Belleville, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Belleville, Illinois' internal control over financial reporting and compliance.



Certified Public Accountants  
Alton, Illinois  
September 19, 2014

# **CITY OF BELLEVILLE, ILLINOIS**

## **Management's Discussion and Analysis**

For the fiscal year ended April 30, 2014

As management of the City of Belleville, Illinois (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended April 30, 2014.

### **FINANCIAL HIGHLIGHTS**

The following are a few of the financial highlights presented in the accompanying financial statements for the City of Belleville for the fiscal year ended April 30, 2014.

- The City's total net assets increased by \$6,355,422 during fiscal year 2014.
- At the end of fiscal year 2014, unassigned fund balance for the General Fund was \$4,268,059 or 16.49% of total General Fund expenditures for the year. This fund balance has continued to increase over the last several years, due largely in part to management's continued efforts to decrease expenses and build up our reserves.
- Net assets of the City's business-type activities increased by \$4,442,607 during fiscal year 2014.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. There are three components to the basic statements:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary fund activities.

The statement of net position presents information on the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Please note that currently the statement of net position presents the business-type activities on the accrual basis, and the governmental activities on the modified cash basis.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. This statement demonstrates the degree to which the direct expenses of a given function are offset by program revenues, and it presents the general revenues separately.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, sanitation, cemetery, health and welfare, economic development and community services. The business-type activities include sewer operations.

The government-wide financial statements can be found on pages 13 and 14 of this report.

### FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental Funds.** Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City of Belleville maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for two major funds: General Fund and Tax Increment Financing Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

The City adopts an annual budget for all governmental funds. Budgetary comparison schedules for the major funds have been provided to demonstrate legal compliance with the adopted budget.

The governmental fund financial statements can be found on pages 15 and 17 of this report.

**Proprietary funds.** Enterprise funds are used to report the same functions and the same type of information presented as business-type activities in the government-wide financial statements. The City of Belleville uses an enterprise fund to account for its sewer operations.

The basic proprietary fund financial statements can be found on pages 19, 20 and 21 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 22 and 23 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 24 of this report.

**Required supplementary information/other information.** In addition to the basic financial statements and accompanying notes, certain required supplementary information/other information can be found on pages 50 through 58 of this report.

**Other supplementary information.** The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information/other information. Combining and individual fund statements and schedules can be found on pages 59 through 66 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City currently does not fully present its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Management is working towards becoming fully compliant with this reporting model over the next year.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, because we do not follow the GASB 34 model of reporting, long-term capital assets, such as City-owned infrastructure, are not recorded for the governmental activities. Because these figures are not reported, liabilities for the governmental activities exceeded the assets by \$42,415,990 at the close of the most recent fiscal year (April 30, 2014).

The condensed statement of net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013
<b>ASSETS</b>						
Current and other assets	\$ 20,568,319	\$ 22,030,553	\$ 12,744,146	\$ 15,128,020	\$ 33,312,465	\$ 37,158,573
Capital assets, net	<u>33,750</u>	<u>33,750</u>	<u>80,446,733</u>	<u>70,763,426</u>	<u>80,480,483</u>	<u>70,797,176</u>
Total assets	<u>20,602,069</u>	<u>22,064,303</u>	<u>93,190,879</u>	<u>85,891,446</u>	<u>113,792,948</u>	<u>107,955,749</u>
<b>LIABILITIES</b>						
Long-term liabilities	62,976,185	66,363,768	46,618,713	42,052,970	109,594,898	108,416,738
Other liabilities	<u>41,874</u>	<u>29,340</u>	<u>3,301,651</u>	<u>5,010,568</u>	<u>3,343,525</u>	<u>5,039,908</u>
Total liabilities	<u>63,018,059</u>	<u>66,393,108</u>	<u>49,920,364</u>	<u>47,063,538</u>	<u>112,938,423</u>	<u>113,456,646</u>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	-	-	36,775,765	31,885,474	36,775,765	31,885,474
Restricted	15,959,750	18,061,672	-	114,510	15,959,750	18,176,182
Unrestricted	<u>(58,375,740)</u>	<u>(62,390,477)</u>	<u>6,494,750</u>	<u>6,827,924</u>	<u>(51,880,990)</u>	<u>(55,562,553)</u>
Total net position	<u>\$ (42,415,990)</u>	<u>\$ (44,328,805)</u>	<u>\$ 43,270,515</u>	<u>\$ 38,827,908</u>	<u>\$ 854,525</u>	<u>\$ (5,500,897)</u>

Restricted net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in one of the two categories of net position for its governmental activities both categories of net position for its business-type activities. The negative amount of unrestricted net position in governmental activities is due to outstanding long-term debt.

The City of Belleville's net position increased by \$6,355,422 during fiscal year 2014.

**Governmental activities.** Governmental activities increased the City's presented net position by \$1,912,815. As previously mentioned, this is mainly due to management's continued efforts, particularly in the general fund, to decrease expenses and build up reserves.

Revenues decreased by \$1,611,691 from fiscal year 2013 to 2014 mainly due to receiving some additional payments of state income tax revenue to help catch up on payments the State was behind to us in 2013, as well as telecommunications taxes being down due to a one time lump payment of over \$300,000 received in 2013 based on a State audit of those taxes. Total expenditures decreased by \$3,174,647 from 2013 to 2014, mainly due to public works expense decreasing due to the 17th Street Project that was finished in fiscal year 2013. Public safety expense decreased due to the purchase of a new fire truck in 2013.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

**Business-type activities.** Business-type activities increased the City's net position by \$4,442,607. This increase was up from the net position increase in fiscal year 2013 because in 2014 a \$2,500,000 non-operating revenue item was included in revenue that represented the amount of new construction debt for the new sewer plant project that was forgiven by the Illinois Environmental Protection Agency (IEPA). Sewer rates are reviewed each year to ensure that revenues keep up with inflation as expenses do. The condensed statement of activities is as follows:

	Governmental Activities		Business-type Activities		Total	
	For The Year Ended April 30, 2014	For The Year Ended April 30, 2013	For The Year Ended April 30, 2014	For The Year Ended April 30, 2013	For The Year Ended April 30, 2014	For The Year Ended April 30, 2013
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 6,178,619	\$ 6,174,976	\$ 7,070,863	\$ 6,894,697	\$ 13,249,482	\$ 13,069,673
Operating grants	670,855	359,704	-	-	670,855	359,704
Capital grants	778,004	452,917	-	-	778,004	452,917
General revenues:						
Property taxes	19,443,277	20,320,342	-	-	19,443,277	20,320,342
Sales and use tax	12,803,719	13,001,356	-	-	12,803,719	13,001,356
Replacement tax	440,572	384,980	-	-	440,572	384,980
State income taxes	4,300,805	4,687,584	-	-	4,300,805	4,687,584
Motor fuel taxes	1,127,920	1,094,842	-	-	1,127,920	1,094,842
Telecommunications taxes	1,447,628	2,005,639	-	-	1,447,628	2,005,639
Utility taxes	3,331,238	3,246,761	-	-	3,331,238	3,246,761
Gaming tax	65,549	-	-	-	65,549	-
Other local taxes	40,887	48,913	-	-	40,887	48,913
Investment earnings	35,738	46,358	19,570	21,224	55,308	67,582
Miscellaneous	27,453	29,583	2,500,000	-	2,527,453	29,583
Transfers	(1,450,000)	(1,000,000)	1,450,000	1,000,000	-	-
Total revenues	<u>49,242,264</u>	<u>50,853,955</u>	<u>11,040,433</u>	<u>7,915,921</u>	<u>60,282,697</u>	<u>58,769,876</u>
<b>EXPENSES</b>						
Governmental activities:						
General government	6,143,083	5,759,213	-	-	6,143,083	5,759,213
Public safety	15,093,778	15,698,301	-	-	15,093,778	15,698,301
Public works	7,450,752	10,613,461	-	-	7,450,752	10,613,461
Sanitation	2,439,496	2,338,779	-	-	2,439,496	2,338,779
Cemetery	300,637	275,513	-	-	300,637	275,513
Health and welfare	775,545	760,762	-	-	775,545	760,762
Development	7,491,898	7,568,824	-	-	7,491,898	7,568,824
Cultural and recreational	3,281,722	2,720,410	-	-	3,281,722	2,720,410
Interest on long-term debt	4,352,538	4,768,833	-	-	4,352,538	4,768,833
Business-type activities:						
Waterworks and sewerage	-	-	6,597,826	6,100,664	6,597,826	6,100,664
Nonmajor	-	-	-	3,408	-	3,408
Total expenses	<u>47,329,449</u>	<u>50,504,096</u>	<u>6,597,826</u>	<u>6,104,072</u>	<u>53,927,275</u>	<u>56,608,168</u>
Change in net position	1,912,815	349,859	4,442,607	1,811,849	6,355,422	2,161,708
Net position - beginning	(44,328,805)	(44,678,664)	38,827,908	37,016,059	(5,500,897)	(7,662,605)
Net position - ending	<u>\$ (42,415,990)</u>	<u>\$ (44,328,805)</u>	<u>\$ 43,270,515</u>	<u>\$ 38,827,908</u>	<u>\$ 854,525</u>	<u>\$ (5,500,897)</u>

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

### FUNDS FINANCIAL ANALYSIS

As noted earlier, the City of Belleville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of fiscal year 2014, the City's governmental funds reported combined ending fund balances of \$20,501,087, a decrease of \$1,746,989 in comparison with the prior year. This decrease was mainly due to the spending down of some of the tax increment financing district funds. Approximately 20.82% of this total amount (\$4,268,059) constitutes unassigned fund balance, which is available for spending at the City's discretion. \$15,959,750 (77.85% of the total governmental funds fund balance) has been restricted externally for specific purposes by either creditors or external legislation. The remainder of the fund balance is either nonspendable, meaning it is not in spendable form, or committed, which means there have been constraints placed on the spending of these funds by the City.

The General Fund is the chief operating fund of the City of Belleville. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$4,268,059. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 16.49% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$273,131 during the current fiscal year. The City has remained diligent in trying to keep expenditures down while revenues have been delayed or reduced, and while trying to rebuild our reserves that were greatly reduced over the last few years due to the sluggish economy.

The Tax Increment Financing (TIF) Fund is a major special revenue fund of the City. Its resources are to be used for leveraging development within the boundaries of the City's 18 tax increment financing districts. At the end of the current fiscal year, the fund balance of the TIF fund was \$11,459,467, which is a decrease of \$1,920,476 compared to 2013.

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

Unrestricted net position of the sewer fund at the end of the year amounted to \$6,494,750, a decrease of \$333,174. Factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

### GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2014 expenditure budget for the City's General Fund represents an original budget of \$27,088,566. Actual expenditures in the general fund were \$25,889,101, which is \$1,214,465 less than the final, amended budgeted.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The City of Belleville's recorded investment in capital assets for its governmental and business-type activities as of April 30, 2014, amounts to \$80,480,483, net of accumulated depreciation. The investment in capital assets generally includes land, buildings and improvements, equipment, vehicles and infrastructure, but as noted above, the City does not follow the GASB 34 model of reporting, and therefore does not record all capital assets of the governmental funds, which is assumed to be a significant figure. The total increase in the recorded capital assets for the current year was \$9,683,307 or 13.68% (entirely for business-type activities.)

The major portion of the increase for business-type activities was due to the sewer plant expansion, which is being funded by low-interest loans from the Illinois Environmental Protection Agency (IEPA). The City's capital assets, net of depreciation, are as follows:

	Governmental Activities		Business-type Activities		Total	
	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013
Land	\$ 33,750	\$ 33,750	\$ 1,104,046	\$ 1,104,046	\$ 1,137,796	\$ 1,137,796
Construction in progress	-	-	52,617,266	42,255,165	52,617,266	42,255,165
Buildings and improvements	-	-	2,086,772	2,215,211	2,086,772	2,215,211
Vehicles and equipment	-	-	498,261	386,937	498,261	386,937
Distribution and collection systems	-	-	24,140,388	24,802,067	24,140,388	24,802,067
Total capital assets	\$ 33,750	\$ 33,750	\$ 80,446,733	\$ 70,763,426	\$ 80,480,483	\$ 70,797,176

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of fiscal year 2014. Fund financial statements record capital asset purchases as expenditures.

Additional information on the City's capital assets can be found in Note 3 on page 34 of this report.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

### Long-term Debt

At the end of fiscal year 2014, the City of Belleville had total long-term debt obligations for governmental and business-type activities in the amount of \$109,900,963 compared to \$108,800,361 at the end of fiscal year 2013. During 2014, the City made scheduled debt service payments. General obligation bonds are backed by the full faith and credit of the City.

	Governmental Activities		Business-type Activities		Total	
	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013
Tax Increment Bonds, Series 2003	\$ -	\$ 235,000	\$ -	\$ -	\$ -	\$ 235,000
Special Service Area Bonds Series 2006	1,010,000	1,065,000	-	-	1,010,000	1,065,000
Tax Increment Refunding Bonds Series 2007A	15,260,000	15,485,000	-	-	15,260,000	15,485,000
Taxable Business District Bonds Series 2007B	6,560,000	6,560,000	-	-	6,560,000	6,560,000
G.O. Refunding Bonds Series 2009	167,610	176,972	2,607,390	2,753,028	2,775,000	2,930,000
G.O. Bonds Series 2011A	5,000,000	5,000,000	-	-	5,000,000	5,000,000
G.O. Refunding Bonds Series 2011B	4,384,031	5,278,402	1,865,969	2,456,598	6,250,000	7,735,000
SWIDA Revenue Bonds Series 2011A	15,870,000	16,115,000	-	-	15,870,000	16,115,000
SWIDA Revenue Bonds Series 2011B	1,560,000	1,560,000	-	-	1,560,000	1,560,000
SWIDA Taxable Revenue Bonds, Series 2011C	5,175,000	5,475,000	-	-	5,175,000	5,475,000
G.O. Refunding Bonds Series 2012	6,895,000	6,915,000	-	-	6,895,000	6,915,000
Notes Payable	99,950	1,100,000	42,451,419	37,226,967	42,551,369	38,326,967
Capital Leases	994,594	1,398,394	-	-	994,594	1,398,394
<b>Total Debt</b>	<b>\$ 62,976,185</b>	<b>\$ 66,363,768</b>	<b>\$ 46,924,778</b>	<b>\$ 42,436,593</b>	<b>\$ 109,900,963</b>	<b>\$ 108,800,361</b>

During fiscal year 2013, the City refinanced the remainder of the 2005 Project Bonds. The funds are now due under the Series 2012 General Obligation Refunding Bonds. The City also issued over \$8,000,000 of new debt through the IEPA's low interest revolving loan fund for the improvements at the sewer plant.

Additional information regarding the City's long-term debt can be found in Note 4 on pages 35 through 40 of this report.

**CITY OF BELLEVILLE, ILLINOIS**

Management's Discussion and Analysis

For the fiscal year ended April 30, 2014

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Belleville, Director of Finance, 101 South Illinois Street, Belleville, IL 62220.

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF NET POSITION  
(BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)  
(GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)  
APRIL 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 20,237,392	\$ 11,340,136	\$ 31,577,528
Investments	225,928	-	225,928
Receivables (Net of allowance for uncollectible):			
Accounts	-	1,241,367	1,241,367
Interest/Other	104,999	-	104,999
Prepaid Expenses	-	64,458	64,458
Inventory	-	98,185	98,185
Capital Assets:			
Land	33,750	1,104,046	1,137,796
Buildings and Improvements	-	4,649,641	4,649,641
Equipment	-	1,019,852	1,019,852
Vehicles	-	1,208,711	1,208,711
Infrastructure	-	46,014,845	46,014,845
Construction in Progress	-	52,617,266	52,617,266
Accumulated Depreciation	-	<u>(26,167,628)</u>	<u>(26,167,628)</u>
Net Capital Assets	<u>33,750</u>	<u>80,446,733</u>	<u>80,480,483</u>
Total Assets	<u>20,602,069</u>	<u>93,190,879</u>	<u>113,792,948</u>
<b><u>Deferred Outflows of Resources</u></b>			
Loss on Bond Refunding	-	<u>306,065</u>	<u>306,065</u>
<b><u>Liabilities</u></b>			
Accounts Payable	41,874	2,436,644	2,478,518
Accrued Payroll and Benefits	-	347,546	347,546
Accrued Interest Payable	-	264,977	264,977
Deferred Revenue	-	252,484	252,484
Noncurrent Liabilities:			
Due Within One Year	4,494,519	2,641,743	7,136,262
Due in More Than One Year	<u>58,481,666</u>	<u>44,283,035</u>	<u>102,764,701</u>
Total Liabilities	<u>63,018,059</u>	<u>50,226,429</u>	<u>113,244,488</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	-	36,775,765	36,775,765
Restricted	15,959,750	-	15,959,750
Unrestricted	<u>(58,375,740)</u>	<u>6,494,750</u>	<u>(51,880,990)</u>
Total Net Position	<u>\$ (42,415,990)</u>	<u>\$ 43,270,515</u>	<u>\$ 854,525</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, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 6,143,083	\$ 1,646,927	\$ -	\$ -	\$ (4,496,156)		\$ (4,496,156)
Public Safety	15,093,778	828,277	622,487	-	(13,643,014)		(13,643,014)
Public Works	7,450,752	37,570	-	753,118	(6,660,064)		(6,660,064)
Sanitation	2,439,496	2,999,418	-	-	559,922		559,922
Cemetery	300,637	54,902	-	-	(245,735)		(245,735)
Health and Welfare	775,545	-	-	-	(775,545)		(775,545)
Development	7,491,898	48,031	-	-	(7,443,867)		(7,443,867)
Cultural and Recreational	3,281,722	563,494	48,368	24,886	(2,644,974)		(2,644,974)
Interest on Long-term Debt	4,352,538	-	-	-	(4,352,538)		(4,352,538)
<b>Total Governmental Activities</b>	<b>47,329,449</b>	<b>6,178,619</b>	<b>670,855</b>	<b>778,004</b>	<b>(39,701,971)</b>		<b>(39,701,971)</b>
<b>Business-type Activities:</b>							
Waterworks and Sewerage	6,597,826	7,070,863	-	-		\$ 473,037	473,037
<b>Total Business-type Activities</b>	<b>6,597,826</b>	<b>7,070,863</b>	<b>-</b>	<b>-</b>		<b>473,037</b>	<b>473,037</b>
<b>Total Government</b>	<b>\$ 53,927,275</b>	<b>\$ 13,249,482</b>	<b>\$ 670,855</b>	<b>\$ 778,004</b>	<b>(39,701,971)</b>	<b>473,037</b>	<b>(39,228,934)</b>
<b>General Revenues:</b>							
Property Tax, Levied for General Purposes					19,443,277	-	19,443,277
Sales and Use Tax					12,803,719	-	12,803,719
Income Tax					4,300,805	-	4,300,805
Corporate Personal Property Tax					440,572	-	440,572
Motor Fuel Tax					1,127,920	-	1,127,920
Telecommunications Tax					1,447,628	-	1,447,628
Gaming Tax					65,549	-	65,549
Other Local Tax					40,887	-	40,887
Utility Tax					3,331,238	-	3,331,238
Investment Earnings					35,738	19,570	55,308
Miscellaneous					27,453	2,500,000	2,527,453
Transfers					(1,450,000)	1,450,000	-
<b>Total General Revenues and Transfers</b>					<b>41,614,786</b>	<b>3,969,570</b>	<b>45,584,356</b>
<b>Change in Net Position</b>					<b>1,912,815</b>	<b>4,442,607</b>	<b>6,355,422</b>
<b>Net Position - Beginning</b>					<b>(44,328,805)</b>	<b>38,827,908</b>	<b>(5,500,897)</b>
<b>Net Position - Ending</b>					<b>\$ (42,415,990)</b>	<b>\$ 43,270,515</b>	<b>\$ 854,525</b>

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, 2014

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 3,974,975	\$ 11,388,218	\$ 4,480,133	\$ 19,843,326
Investments	-	-	225,928	225,928
Note Receivable	33,750	71,249	-	104,999
Due From Other Funds	334,958	-	-	334,958
Other Assets	-	-	33,750	33,750
Total Assets	<u>\$ 4,343,683</u>	<u>\$ 11,459,467</u>	<u>\$ 4,739,811</u>	<u>\$ 20,542,961</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accrued Expenses and Other Liabilities	\$ 41,874	\$ -	\$ -	\$ 41,874
Total Liabilities	<u>41,874</u>	<u>-</u>	<u>-</u>	<u>41,874</u>
 Fund Balances:				
Nonspendable	33,750	71,249	33,750	138,749
Restricted	-	11,388,218	4,571,532	15,959,750
Committed	-	-	134,529	134,529
Unassigned	4,268,059	-	-	4,268,059
Total Fund Balances	<u>4,301,809</u>	<u>11,459,467</u>	<u>4,739,811</u>	<u>20,501,087</u>
Total Liabilities and Fund Balances	<u>\$ 4,343,683</u>	<u>\$ 11,459,467</u>	<u>\$ 4,739,811</u>	<u>\$ 20,542,961</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 POSITION  
FOR THE YEAR ENDED APRIL 30, 2014**

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 20,501,087
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(62,976,185)
Internal service funds are included in the statement of net position in the government wide financial statements as these funds benefit the general government as a whole.	<u>59,108</u>
Net position of governmental activities	<u>\$ (42,415,990)</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, 2014

	General Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Tax	\$ -	\$ 15,631,878	\$ 3,413,610	\$ 19,045,488
Utility Tax	3,331,238	-	-	3,331,238
Intergovernmental	15,750,299	3,177,307	2,707,446	21,635,052
Local Tax	-	-	40,887	40,887
Licenses, Permits and Fees	1,507,146	-	-	1,507,146
Charges for Services	3,138,575	-	460,011	3,598,586
Fines and Forfeitures	439,455	-	17,145	456,600
Investment Earnings	5,090	18,241	11,426	34,757
Contributions	67,391	-	98,410	165,801
Reimbursements/Miscellaneous	415,437	48,031	14,471	477,939
<b>Total Revenues</b>	<u>24,654,631</u>	<u>18,875,457</u>	<u>6,763,406</u>	<u>50,293,494</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	3,812,509	-	2,185,492	5,998,001
Public Safety	14,569,686	-	-	14,569,686
Public Works	2,139,539	-	576,267	2,715,806
Sanitation	2,298,972	-	-	2,298,972
Cemetery	290,637	-	-	290,637
Health and Welfare	775,284	-	-	775,284
Development	293,334	7,194,028	-	7,487,362
Cultural and Recreational	781,976	-	1,987,679	2,769,655
Capital Outlay	486,593	5,004,859	554,834	6,046,286
<b>Debt Service:</b>				
Principal	380,974	2,081,559	1,025,000	3,487,533
Interest and Charges	59,597	3,709,141	583,800	4,352,538
<b>Total Expenditures</b>	<u>25,889,101</u>	<u>17,989,587</u>	<u>6,913,072</u>	<u>50,791,760</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,234,470)</u>	<u>885,870</u>	<u>(149,666)</u>	<u>(498,266)</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Debt	-	99,950	-	99,950
Proceeds from Fixed Asset Sales	3,109	98,218	-	101,327
Transfers In	1,604,492	4,278	354,300	1,963,070
Transfers Out	(100,000)	(3,008,792)	(304,278)	(3,413,070)
<b>Total Other Financing     Sources (Uses)</b>	<u>1,507,601</u>	<u>(2,806,346)</u>	<u>50,022</u>	<u>(1,248,723)</u>
<b>Net Change in Fund Balances</b>	273,131	(1,920,476)	(99,644)	(1,746,989)
<b>Fund Balance, Beginning of Year</b>	<u>4,028,678</u>	<u>13,379,943</u>	<u>4,839,455</u>	<u>22,248,076</u>
<b>Fund Balance, End of Year</b>	<u>\$ 4,301,809</u>	<u>\$ 11,459,467</u>	<u>\$ 4,739,811</u>	<u>\$ 20,501,087</u>

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, 2014**

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

Net change in fund balances - total governmental funds \$ (1,746,989)

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. This amount is the net effect of those differences in the treatment of long-term debt and related items.

3,387,583

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

272,221

Change in net position of governmental activities

\$ 1,912,815

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 APRIL 30, 2014

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
<b><u>Assets</u></b>		
Current Assets:		
Cash	\$ 11,340,136	\$ 394,066
Receivables (Net, where applicable, of allowances for uncollectible):		
Accounts	992,848	-
Unbilled Revenue	248,519	-
Prepaid Expenses	64,458	-
Inventory, at Cost	98,185	-
Total Current Assets	<u>12,744,146</u>	<u>394,066</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,104,046	-
Buildings and Improvements	4,649,641	-
Equipment	1,019,852	-
Vehicles	1,208,711	-
Distribution System	46,014,845	-
Construction in Progress	52,617,266	-
Total	106,614,361	-
Less - Accumulated Depreciation	<u>(26,167,628)</u>	-
Net Capital Assets	80,446,733	-
Total Assets	<u>\$ 93,190,879</u>	<u>\$ 394,066</u>
<b><u>Deferred Outflows of Resources</u></b>		
Loss on Bond Refunding	<u>306,065</u>	-
<b><u>Liabilities</u></b>		
Current Liabilities:		
Accrued Payroll and Benefits	\$ 347,546	\$ -
Accounts Payable	2,436,644	-
Accrued Interest	264,977	-
Deferred Revenue	252,484	-
Due to Other Funds	-	334,958
Total Current Liabilities	<u>3,301,651</u>	<u>334,958</u>
Noncurrent Liabilities:		
Due Within One Year	2,641,743	-
Due in More Than One Year	44,283,035	-
Total Noncurrent Liabilities	<u>46,924,778</u>	-
Total Liabilities	<u>50,226,429</u>	<u>334,958</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Related Debt	36,775,765	-
Unrestricted	6,494,750	59,108
Total Net Position	<u>\$ 43,270,515</u>	<u>\$ 59,108</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, 2014

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues:		
Charges for Services	\$ 7,070,863	\$ 3,918,522
Operating Expenses:		
Personal Services	2,610,110	4,045,071
Supplies	168,520	-
Contractual Services	1,995,231	-
Depreciation	1,172,335	-
Total Operating Expenses	<u>5,946,196</u>	<u>4,045,071</u>
Operating Income (Loss)	<u>1,124,667</u>	<u>(126,549)</u>
Nonoperating Revenues (Expenses):		
Amortization	(77,558)	-
Loan Forgiveness	2,500,000	-
Property Tax	-	397,789
Investment Earnings	19,570	981
Interest and Fiscal Charges	(574,072)	-
Total Nonoperating Revenues (Expenses)	<u>1,867,940</u>	<u>398,770</u>
Income Before Transfers	2,992,607	272,221
Transfers In	<u>1,450,000</u>	<u>-</u>
Change in Net Position	4,442,607	272,221
Net Position - Beginning of Year	<u>38,827,908</u>	<u>(213,113)</u>
Net Position - End of Year	<u>\$ 43,270,515</u>	<u>\$ 59,108</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, 2014

	Business Type Activities - Enterprise Fund <u>Sewerage</u>	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 6,861,164	\$ 3,918,522
Payments to Suppliers	(4,548,069)	(4,045,071)
Payments to Employees	<u>(1,918,111)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>394,984</u>	<u>(126,549)</u>
Cash Flows from Noncapital Financing Activities:		
Property Tax	-	397,789
Payments from (to) Other Funds	<u>1,450,000</u>	<u>(271,113)</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,450,000</u>	<u>126,676</u>
Cash Flows from Capital and Related Financing Activities:		
Principal Payments on Long-Term Debt	(2,088,530)	-
Proceeds from Long-Term Debt	8,855,814	-
Interest Paid on Debt	(586,737)	-
Cash Payments for Capital Assets	<u>(10,634,741)</u>	<u>-</u>
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(4,454,194)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest Received	<u>19,570</u>	<u>981</u>
Net Cash Provided by Investing Activities	<u>19,570</u>	<u>981</u>
Net Change in Cash and Cash Equivalents	(2,589,640)	1,108
Cash and Cash Equivalents, Beginning of Year	<u>13,929,776</u>	<u>392,958</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,340,136</u>	<u>\$ 394,066</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 1,124,667	\$ (126,549)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	1,172,335	-
(Increase) Decrease in Assets:		
Accounts Receivable	(166,228)	-
Unbilled Revenue	(42,553)	-
Inventory	(2,406)	-
Prepaid Expenses	5,421	-
Increase (Decrease) in Liabilities:		
Accrued Payroll and Benefits	45,144	-
Accounts Payable	(1,740,478)	-
Deferred Fees	<u>(918)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 394,984</u>	<u>\$ (126,549)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
APRIL 30, 2014

Assets:	
Cash and Cash Equivalents	\$ 3,034,681
Investments, at Market	49,963,763
Receivables:	
Taxes Receivable	4,501,131
Interest Receivable	<u>143,985</u>
Total Assets	<u>57,643,560</u>
Liabilities	<u>145</u>
Net Position - Restricted for Pension Benefits	<u>\$ 57,643,415</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
FOR THE YEAR ENDED APRIL 30, 2014

Additions:

Contributions:

Employee Contributions	\$ 905,545
Employer Contributions:	
Property Taxes	4,475,887
Personal Property Replacement Taxes	169,893
Total Contributions	<u>5,551,325</u>

Investment Income:

Interest and Dividend Income	1,582,333
Gain on Sales of Securities	139
Net Appreciation in Fair Market Value of Investments	<u>3,314,746</u>
	4,897,218
Less Investment Expense	<u>(128,886)</u>
Total Investment Income	<u>4,768,332</u>
Total Additions	<u>10,319,657</u>

Deductions:

Benefits Paid to Participants:

Service and Disability	4,896,761
Dependents	764,356
Transfer of Contributions	93,674
Professional Fees	31,156
Other	35,795
Total Deductions	<u>5,821,742</u>

Change in Net Position 4,497,915

Net Position - Beginning of Year 53,145,500

Net Position - End of Year \$ 57,643,415

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

## CITY OF BELLEVILLE, ILLINOIS

### NOTE TO FINANCIAL STATEMENTS APRIL 30, 2014

#### **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. The City also provides sewer utilities services.

##### (a) Reporting entity

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

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

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

The proprietary fund and pension fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. Property taxes are recognized as revenues in the year for which they are received.

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary fund:

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

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.

(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

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

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 corporate obligations, stock, and mutual funds to a limited percentage. Investment income is recognized as earned.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts in the enterprise funds at April 30, 2014 is \$95,222.

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.

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.

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

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 position. Depreciation expense of the governmental activities 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 position. Debt premiums and discounts 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.

Fund equity

In the fund financial statements, the City classifies the governmental fund balances based upon the following criteria:

Nonspendable – includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted – balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed – balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the City Council, the government's highest level of decision-making authority.

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

Assigned – balances that are constrained by the government’s administration with the intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned -- the residual classification of the General Fund balance.

The following details the description and amount of all constraints recorded by the City in the fund financial statements:

<u>Governmental Funds</u>	
Nonspendable:	
Land	\$ 33,750
Notes Receivable	104,999
	<u>\$ 138,749</u>
Restricted:	
Property/Sales Tax Restrictions	\$ 3,626,949
TIF Balances	11,643,568
Cemetery Care	232,237
Motor Fuel Tax	452,763
Restricted Donations	4,233
	<u>\$ 15,959,750</u>
Committed:	
Special Revenue Funds	<u>\$ 134,529</u>
<u>Fiduciary Funds</u>	
Reserved for Employees' Pension Benefits	<u>\$ 57,643,415</u>

(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.

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

(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.

(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 a rate of \$1.00 to \$2.00 per hour for the first 1,000 hours and \$3.00 to \$4.00 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.

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

**NOTE 2: CASH AND INVESTMENTS**

**General Government & Business-Like Activities**

At April 30, 2014, the carrying amount of the City's deposits was \$11,929,487 and the bank balance was \$12,248,917. The deposits were comprised of interest checking, savings, federal government obligation funds and certificates of deposit. The City also maintains cash on hand of \$3,359.

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, 2014, all of the City's bank balance was either FDIC insured or collateralized. These amounts are reported in the financial statements as follows:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Federal Money Market Fund	Daily	\$ 5,540,817
Illinois Metropolitan Investment Fund	Daily	14,225,762
The Illinois Funds	Daily	104,031
		<u>19,870,610</u>
Deposits from Above		11,929,487
Petty Cash		3,359
		<u>\$ 31,803,456</u>
 <u>As Reported in the Financial Statements</u>		
Cash and Cash Equivalents		\$ 31,577,528
Investments		225,928
		<u>\$ 31,803,456</u>

The Illinois Funds and the Illinois Metropolitan Investment Fund are pooled investments that are operated as not-for-profit common law trusts and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations. The fair value of the City's position in the pool is the same as the value of the pool shares.

Interest Rate Risk. The City'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, 2014, the City's investment credit ratings were as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Illinois Metropolitan Investment Fund	--	Aaa
The Illinois Funds	AAAm	--

Concentration of Credit Risk. As of April 30, 2014, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2014, the City did not have foreign currency risk.

**Fire Pension**

At April 30, 2014, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$1,030,926. The deposits were comprised of an interest checking account and a money market account.

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

As of April 30, 2014, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Commercial Paper	5.45	\$ 2,919,509
U.S. Treasury Notes	2.67	5,396,942
Mutual Funds	--	2,360,729
Common Stock	--	<u>10,018,696</u>
		20,695,876
Deposits as reported above		<u>1,030,926</u>
Total deposits and investments		<u>\$ 21,726,802</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 1,030,926
Investments		<u>20,695,876</u>
		<u>\$ 21,726,802</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.

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

Credit Risk. As of April 30, 2014, the Fire Pension Fund did not have an investment credit risk.

Concentration of Credit Risk. As of April 30, 2014, the Fire Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2014, the Fire Pension Fund did not have foreign currency risk.

**Police Pension**

At April 30, 2014, the carrying amount and bank balance of the Police Pension Fund's deposits was \$1,461,236. 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, 2014, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds	Daily	\$ 1,121,770
U.S. Treasury Notes	3.78	1,409,205
U.S. Treasury Strips	3.84	1,078,258
Commercial Paper	3.84	5,320,727
Government National Mortgage Association	25.68	1,866,633
State of Illinois Bonds	2.96	560,646
Federal Home Loan Mortgage Corporation	25.19	417,978
Federal National Mortgage Association	28.02	281,595
Federal Farm Credit Bank	6.33	100,778
Federal Home Loan Bank	7.29	264,394
Tennessee Valley Authority Coupons	5.9	372,217
Mutual Funds	--	<u>17,016,205</u>
		29,810,406
Deposits as reported above		<u>1,461,236</u>
Total deposits and investments		<u>\$ 31,271,642</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 2,003,755
Investments		<u>29,267,887</u>
		<u>\$ 31,271,642</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, 2014, 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 Mortgage Corporation	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
The Illinois Funds	AAAm	--

Concentration of Credit Risk. As of April 30, 2014, the Police Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2014, 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, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Construction in Progress	\$ 42,255,165	\$ 10,362,101	\$ -	\$ 52,617,266
Land	1,104,046	-	-	1,104,046
Total not being depreciated	<u>43,359,211</u>	<u>10,362,101</u>	<u>-</u>	<u>53,721,312</u>
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	\$ 4,649,641	\$ -	\$ -	\$ 4,649,641
Distribution and collection systems	45,771,020	243,825	-	46,014,845
Vehicles and equipment	2,001,194	249,716	22,347	2,228,563
Total capital assets, being depreciated	<u>52,421,855</u>	<u>493,541</u>	<u>22,347</u>	<u>52,893,049</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	2,434,430	128,439	-	2,562,869
Distribution and collection systems	20,968,953	905,504	-	21,874,457
Vehicles and equipment	1,614,257	138,392	22,347	1,730,302
Total accumulated depreciation	<u>25,017,640</u>	<u>1,172,335</u>	<u>22,347</u>	<u>26,167,628</u>
Capital assets, net	<u>27,404,215</u>	<u>(678,794)</u>	<u>-</u>	<u>26,725,421</u>
Capital assets, total	<u>\$ 70,763,426</u>	<u>\$ 9,683,307</u>	<u>\$ -</u>	<u>\$ 80,446,733</u>

Depreciation expense charged to enterprise operations for the year ended April 30, 2014 was as follows:

Sewerage \$ 1,172,335

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

**NOTE 4: LONG-TERM DEBT**

The following is a summary of long-term debt of the City for the year ended April 30, 2014:

**Governmental Activities**

\$1,350,000 Special Service Area Bonds, Series 2006, interest ranging from 4.00% to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2027.	1,010,000
\$16,350,000 Tax Increment Refunding Revenue Bonds, Series 2007A, interest ranging from 5.00% to 5.70%, interest and principal payable May 1 and November 1, through 2024.	15,260,000
\$6,565,000 Taxable Business District Revenue Bonds, Series 2007B, interest at 7.875%, interest and principal payable May 1 and November 1, through 2021.	6,560,000
\$204,454 General Obligation Refunding Bonds, Series 2009, interest ranging from 2.20% to 4.35% payable January 1 and July 1, with principal payments on January 1 through 2028. These bonds were issued to refund Series 2003 Bonds.	167,610
\$5,000,000 General Obligation Bonds, Series 2011, interest ranging from 5.00% to 5.25% payable January 1 and July 1, with principal payments on January 1 through 2031.	5,000,000
\$5,636,342 General Obligation Refunding Bonds, Series 2011B, interest ranging from 2.25% to 2.75% payable January 1 and July 1, with principal payments on January 1 through 2019. These bonds were issued to refund the entire Series 2004 General Bonds and a portion of the Series 2005 Project Bonds.	4,384,031
\$16,150,000 SWIDA 2011A Local Government Program Revenue Bonds, dated October 27, 2011, interest ranging from 6.00% to 7.00%, interest and principal payable January 1 and July 1, through 2027.	15,870,000

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

\$1,560,000 SWIDA 2011B Local Government Program Revenue Bonds, dated October 27, 2011, interest of 8.75%. interest and principal payable January 1 and July 1, through 2026. 1,560,000

\$5,700,000 SWIDA 2011C Taxable Local Government Program Revenue Bonds, dated October 27, 2011, interest ranging from 7.125% to 9.250%, interest and principal payable January 1 and July 1, through 2022. 5,175,000

\$6,915,000 General Obligation Refunding Bonds, Series 2012, interest ranging from 1.0% to 2.5%, interest and principal payable January 1 and July 1, through 2026. These bonds were issued to refund a portion of the Series 2005 Project Bonds. 6,895,000

The annual requirement to retire governmental activities bonds outstanding as of April 30, 2014 is as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 4,189,113	\$ 3,246,426	\$ 7,435,539
2016	3,378,795	3,175,409	6,554,204
2017	3,626,020	3,087,003	6,713,023
2018	3,735,268	2,897,562	6,632,830
2019	4,105,499	2,633,910	6,739,409
2020 - 2024	24,644,696	8,405,322	33,050,018
2025 - 2029	16,052,250	2,345,212	18,397,462
2030 - 2031	2,150,000	169,050	2,319,050
	<u>\$ 61,881,641</u>	<u>\$ 25,959,894</u>	<u>\$ 87,841,535</u>

Note Payable and Capital Leases

Seller Financed Loan, dated November 27, 2013, interest rate of 0.00 percent payable in one installment of \$99,950 in May 2014. 99,950

\$147,404 capital lease, Commerce Bank, N.A., dated August 11, 2010, for police video systems, bears interest at 3.37%; semi-annual principal and interest payments of \$15,873 are due through February 2015. 30,962

\$625,110 capital lease, Commerce Bank, N.A., dated July 19, 2012, for one new fire truck, secured by the equipment, bears interest at 2.55%; annual principal and interest payments of \$56,061 are due through July 2022. 445,176

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

\$305,764 capital lease, Commerce Bank, N.A., dated February 11, 2013, for two sanitation trucks, secured by the equipment, bears interest at 1.97%; semi-annual principal and interest payments of \$52,224 are due through August 2015. 153,621

\$393,006 capital lease, Commerce Bank, N.A., dated February 11, 2013, for M360 Energy Improvements, secured by the equipment, bears interest at 3.278%; semi-annual principal and interest payments of \$19,910 are due through January 2025. 364,835

The City is obligated under notes and capital leases considered to be equivalent to an installment purchase. Future minimum lease payments under the capital leases as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Totals
2015	\$ 305,406	\$ 26,620	\$ 332,026
2016	126,380	21,726	148,106
2017	76,810	19,071	95,881
2018	79,015	16,866	95,881
2019	81,285	14,597	95,882
2020 - 2024	386,792	36,553	423,345
2025	<u>38,856</u>	<u>964</u>	<u>39,820</u>
	<u>\$ 1,094,544</u>	<u>\$ 136,397</u>	<u>\$ 1,230,941</u>

**Proprietary Fund Debt**

General Obligation Bonds

\$3,180,546 2009 General Obligation Refunding Bonds, dated December 1, 2009, interest ranging from 1.90% to 4.35% payable January 1 and July 1, with principal payments on January 1 through 2028. 2,607,390

\$3,033,658 General Obligation Refunding Bonds, Series 2011, interest at 2.25% payable January 1 and July 1, with principal payments on January 1 through 2017. These bonds were issued to refund the Series 2004 General Obligation Bonds. 1,865,969

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

The annual requirement to retire business-type bonds outstanding as of April 30, 2014 is as follows:

Year Ending April 30,	Principal	Interest	Totals
2015	\$ 755,887	\$ 135,831	\$ 891,718
2016	781,204	119,013	900,217
2017	793,980	102,464	896,444
2018	159,732	83,401	243,133
2019	164,430	78,450	242,880
2020-2024	930,204	298,011	1,228,215
2025-2028	<u>887,922</u>	<u>96,426</u>	<u>984,348</u>
	<u>\$ 4,473,359</u>	<u>\$ 913,596</u>	<u>\$ 5,386,955</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. \$ 63,853

\$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. 231,961

\$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. 90,006

\$346,259 note payable to Illinois Environmental Protection Agency for construction of a swirl concentrator on the combined sewer overflow at the 88th 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. 106,191

\$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. 44,312

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

\$17,682,292 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.25%, semi-annual principal and interest payments of \$500,987 are due through January 2032. 16,105,696

\$17,720,902 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.25%, semi-annual principal and interest payments of \$502,081 are due through June 2033. 17,329,577

\$3,393,364 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 2.295%, semi-annual principal and interest payments are due through March 2034. Repayment has not begun as the IEPA has not distributed the full loan amount. Interest is being accrued until repayment begins. 3,020,478

\$7,791,893 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 2.295%, semi-annual principal and interest payments are due through June 2033. Repayment has not begun as the IEPA has not distributed the full loan amount. Interest is being accrued until repayment begins. 5,459,345

The annual requirement to retire business-type activities notes outstanding as of April 30, 2014 is as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 1,885,856	\$ 671,630	\$ 2,557,486
2016	2,116,339	593,073	2,709,412
2017	2,121,257	560,804	2,682,061
2018	2,062,317	528,562	2,590,879
2019	2,078,906	498,361	2,577,267
2020-2024	10,689,633	2,035,120	12,724,753
2025-2029	11,491,377	1,233,378	12,724,755
2030-2034	9,833,899	384,826	10,218,725
2035	<u>171,835</u>	<u>1,978</u>	<u>173,813</u>
	<u>\$ 42,451,419</u>	<u>\$ 6,507,732</u>	<u>\$ 48,959,151</u>

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

The overall debt activity of the City for the year ended April 30, 2014 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b><u>Governmental Activities:</u></b>					
Bonds Payable	\$ 63,865,374	\$ -	\$ 1,983,733	\$ 61,881,641	\$ 4,189,113
Note Payable	1,100,000	99,950	1,100,000	99,950	99,950
Leases Payable	1,398,394	-	403,800	994,594	205,456
	<u>\$ 66,363,768</u>	<u>\$ 99,950</u>	<u>\$ 3,487,533</u>	<u>\$ 62,976,185</u>	<u>\$ 4,494,519</u>
<b><u>Business-type Activities:</u></b>					
Bonds Payable	\$ 5,209,626	\$ -	\$ 736,267	\$ 4,473,359	\$ 755,887
Notes Payable	37,226,967	8,855,814	3,631,362	42,451,419	1,885,856
	<u>\$ 42,436,593</u>	<u>\$ 8,855,814</u>	<u>\$ 4,367,629</u>	<u>\$ 46,924,778</u>	<u>\$ 2,641,743</u>

**NOTE 5: PENSION AND RETIREMENT PLANS**

**Illinois Municipal Retirement Fund**

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

*Funding Policy.* As set by statute, your employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 used by the employer was 12.00 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 12.75 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For calendar year ending December 31, 2013, the City's actual contributions for pension cost for the regular were \$1,054,853. Its required contribution for calendar year 2013 was \$1,120,781. Due to the poor investment return in prior years, IMRF initiated an optional phase in rate that is less than the minimum required rate. The City opted to use the phase in rate for calendar year 2013.

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

**Three-Year Trend Information for IMRF**

<u>Fiscal</u> <u>Year</u> <u>Ending</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>
4/30/2014	\$ 1,145,910	95%	\$ 605,357
4/30/2013	1,100,409	89%	548,782
4/30/2012	1,000,150	84%	427,264

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the plan was 75.99 percent funded. The actuarial accrued liability for benefits was \$25,571,778 and the actuarial value of assets was \$19,431,602, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,140,176. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$8,790,440 and the ratio of the UAAL to the covered payroll was 70 percent.

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

**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.

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

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

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

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions on their last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% for each year of creditable service of the salary attached to the rank held by the police officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater.

The monthly pension of a police officer who retires on disability or is retired for disability shall be increased in January of the year following the year of attaining age 60 by 3% of the original grant of pension for each year the officer 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.

Beginning January 1, 2011, several changes were implemented for all new officers. These changes include:

- An officer age 55 or more must now have 10 years of creditable service to receive a monthly pension of 2.50 percent for each year of service
- An officer retiring at age 50 shall have their pension reduced by 1% for each month under the age of 55.

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

- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

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

Funding Policy

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. The Projected Unit Credit actuarial funding method is used to determine contribution.

Annual Pension Cost

Employer and employee contributions of \$2,376,374 and \$519,223 were made to the Plan during the year ended April 30, 2014. 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, 2013 and was used for the contribution for the year ended April 30, 2014.

**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.

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

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

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

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

Beginning January 1, 2011, several changes were implemented for all new firefighters. These changes include:

- A firefighter must now be age 55 or more and have 10 or more years of creditable service to receive a monthly pension of 2.50 percent for each year of service.
- A firefighter retiring at age 50 shall have their pension reduced by 1/2 of 1% for each month under the age of 55.
- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates and will not occur until the latter of age 60 or the first anniversary of the pension start date.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

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

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

determined by an enrolled actuary. The Projected Unit Credit actuarial funding method is used to determine contributions.

Annual Pension Cost

Employer and employee contributions of \$2,269,406 and \$386,322 were made to the Plan during the year ended April 30, 2014. 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, 2013 and was used for the contribution for the year ended April 30, 2014.

**NOTE 6: SELF INSURANCE**

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

**NOTE 7: REDEVELOPMENT AGREEMENTS**

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

The City made payments to reduce the principal amount of the Tax Increment Financing notes for the Reunion Development Project agreement by \$95,500 during the year ended April 30, 2014. These payments are being reported as development expense in the financial statements. The note balances related to this project in the amounts of \$6,854,157, \$6,854,157, \$2,647,614, and \$2,647,614 are still outstanding and not reflected in the debt of the City as of April 30, 2014.

The City also entered into a redevelopment agreement to develop areas within the Parkway North Business District. The City and the developer entered into an agreement by which the developer would incur reimbursable costs which would be submitted for payment through Temporary Notes. The debt would be retired with tax revenues generated from sales tax revenues and business

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

district tax revenues in the project area. The Temporary Notes are payable solely from the new revenues and are not reflected in the long-term debt of the City. Principal reductions during the year ending April 30, 2014 amounted to \$32,330 and were reported as development expense. The balance of the Temporary Notes as of April 30, 2014 is \$1,057,147.

**NOTE 8: RECEIVABLES**

Accounts receivable for the City, as reported in the statement of net assets, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2014:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Unbilled Revenue	\$ -	\$ -	\$ 248,519	\$ -	\$ 248,519
Notes	33,750	71,249	-	-	104,999
Accounts	-	-	1,088,070	-	1,088,070
Gross Receivables	33,750	71,249	1,336,589	-	1,441,588
Less: Allowance for uncollectible	-	-	95,222	-	95,222
Net Total Receivables	<u>\$ 33,750</u>	<u>\$ 71,249</u>	<u>\$ 1,241,367</u>	<u>\$ -</u>	<u>\$ 1,346,366</u>

**NOTE 9: INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended April 30, 2014:

General Fund Transfer From (To):	
Motor Fuel Tax Fund	\$ 300,000
Tax Increment Financing Fund	1,304,492
Retirement Fund	(100,000)
Tax Increment Financing Fund Transfer (To):	
General Fund	(1,304,492)
Sewerage Fund	(1,450,000)
TIF Debt Service Fund	(254,300)
TIF Debt Service Fund Transfer From:	
Tax Increment Financing Fund	254,300
Motor Fuel Tax Fund Transfer (To):	
General Fund	(300,000)
Retirement Fund Transfer From:	
General Fund	100,000
Sewerage Fund Transfer From:	
Tax Increment Financing Fund	1,450,000
	<u>\$ -</u>

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

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

**NOTE 10: INTERFUND RECEIVABLES AND PAYABLES**

The following is a schedule of interfund receivables and payables for the year ending April 30, 2014.

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 334,958	\$ -
Insurance Fund	-	334,958
Totals	<u>\$ 334,958</u>	<u>\$ 334,958</u>

**NOTE 11: POSTEMPLOYMENT HEALTHCARE PLAN**

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

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

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

Annual required contribution	\$ 1,091,573
Interest on OPEB obligation	102,401
Adjustment to ARC	<u>(85,518)</u>
Annual OPEB cost	1,108,456
Contributions made	<u>(437,372)</u>
Increase in OPEB	671,084
Net OPEB – Beg of Year	<u>2,048,027</u>
Net OPEB – End of Year	<u>\$ 2,719,111</u>

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

The City's annual OPEB costs, the percentages of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 are as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
04/30/14	\$ 1,108,456	39.46%	\$ 2,719,111
04/30/13	1,064,575	43.81%	2,048,027
04/30/12	1,059,370	40.39%	1,149,846

*Funding Status and Funding Progress.* As of May 1, 2014, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$12,649,505. The plan has no assets as payments are made on a pay-as-you-go basis. The covered payroll was \$17,808,768 and the ratio of the UAAL to the covered payroll was 71.0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the May 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 9.0 percent for 2013, reduced by decrements to an ultimate rate of 5.0 percent after five years. These rates include a 2.5 percent wage inflation assumption. The UAAL is being amortized as a level percentage of pay over 30 years.

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

**NOTE 12: FOREIGN FIRE INSURANCE**

The City's fire department maintains a bank account that provides for the receipts and expenditures related to foreign fire insurance funds. The balance in this bank account is \$142,142 as of April 30, 2014. Current year receipts from foreign fire insurance are \$70,307 and the current year expenditures were \$116,378. These funds were used for the maintenance, use and benefit of the department.

**NOTE 13: SUBSEQUENT EVENT**

The City has evaluated events occurring after the financial statement date through September 19, 2014 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Local Taxes:			
Utility	\$ 3,250,000	\$ 3,250,000	\$ 3,331,238
Total Taxes	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,331,238</u>
Licenses, Permits and Fees:			
Liquor Licenses	81,000	81,000	71,705
Franchise Fees	605,000	605,000	646,406
Business Licenses	55,000	55,000	38,299
Building Permits	115,000	115,000	129,988
Electrical Permits	26,300	26,300	27,070
Other Permits	18,800	18,800	22,166
Occupancy Permits	153,500	153,500	143,875
Housing Inspection Permits	150,000	150,000	325,130
Fire Inspection Fees	64,000	64,000	50,898
Other Fees	50,000	50,000	51,609
Total Licenses and Permits	<u>1,318,600</u>	<u>1,318,600</u>	<u>1,507,146</u>
Intergovernmental:			
State Income Tax	3,950,000	3,950,000	4,300,805
Sales Tax	8,734,250	8,734,250	8,283,191
Local Use Tax	700,000	700,000	759,281
Personal Property Replacement Tax	230,000	230,000	271,357
Grants	502,685	502,685	622,488
Gaming Tax	155,000	155,000	65,549
Telecommunications Tax	1,800,000	1,800,000	1,447,628
Total Intergovernmental	<u>16,071,935</u>	<u>16,071,935</u>	<u>15,750,299</u>
Charges for Services:			
Trash Disposal Charges	3,079,000	3,079,000	2,993,116
Cemetery Fees	52,000	52,000	53,488
Rent/Lease	89,606	89,606	91,971
Total Charges for Services	<u>3,220,606</u>	<u>3,220,606</u>	<u>3,138,575</u>
Fines and Forfeitures:			
Police and Circuit Clerk Fines	513,500	513,500	439,455
Total Fines and Forfeitures	<u>513,500</u>	<u>513,500</u>	<u>439,455</u>
Interest	<u>5,335</u>	<u>5,335</u>	<u>5,090</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts (continued):			
Miscellaneous:			
Donations	18,505	18,505	67,391
Departmental Reimbursement	501,600	501,600	379,397
Other	37,400	37,400	36,040
Total Miscellaneous	557,505	557,505	482,828
 Total Receipts	 \$ 24,937,481	 \$ 24,937,481	 \$ 24,654,631
Disbursements:			
General Government:			
Administrative:			
Personal Services	\$ 697,500	\$ 697,500	\$ 655,195
Contractual Services	1,382,830	1,362,430	1,256,196
Commodities	25,250	25,250	24,536
Capital Outlay	11,500	16,850	16,819
Debt Service	282,498	282,498	278,858
Other	113,000	113,000	121,366
	2,512,578	2,497,528	2,352,970
Legal:			
Personal Services	119,550	166,250	156,387
Contractual Services	87,950	41,250	24,892
	207,500	207,500	181,279
Health and Housing:			
Personal Services	723,200	723,200	691,218
Contractual Services	142,905	142,905	64,177
Commodities	22,000	22,000	19,889
Capital Outlay	1,350	1,350	261
	889,455	889,455	775,545
Mayor's Office:			
Personal Services	200,200	200,200	189,793
Contractual Services	4,100	4,100	3,904
Commodities	4,000	4,000	3,044
	208,300	208,300	196,741
Finance:			
Personal Services	181,700	181,700	172,600
Contractual Services	2,150	2,150	1,123
Commodities	1,800	1,800	876
	185,650	185,650	174,599

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Human Resources:			
Personal Services	99,900	133,900	133,242
Contractual Services	25,900	25,900	8,416
Commodities	800	800	639
	<u>126,600</u>	<u>160,600</u>	<u>142,297</u>
City Clerk:			
Personal Services	287,600	287,600	286,393
Contractual Services	3,600	5,670	2,562
Commodities	5,570	3,500	2,392
Capital Outlay	1,000	1,000	686
	<u>297,770</u>	<u>297,770</u>	<u>292,033</u>
Treasurer:			
Personal Services	\$ 129,600	\$ 131,100	\$ 129,901
Contractual Services	6,435	6,635	4,797
Commodities	2,500	1,240	869
Capital Outlay	400	1,460	538
	<u>138,935</u>	<u>140,435</u>	<u>136,105</u>
Maintenance:			
Personal Services	499,100	499,100	493,816
Contractual Services	149,685	149,685	85,804
Commodities	25,600	25,600	21,434
Capital Outlay	1,250	1,250	490
	<u>675,635</u>	<u>675,635</u>	<u>601,544</u>
Total General Government	<u>5,242,423</u>	<u>5,262,873</u>	<u>4,853,113</u>
Public Safety:			
Police Department:			
Personal Services	8,260,350	8,161,750	7,917,511
Contractual Services	716,550	716,550	655,089
Commodities	349,500	354,500	338,342
Capital Outlay	358,500	348,500	218,546
Debt Service	-	-	40,529
Other	35,500	35,500	20,944
	<u>9,720,400</u>	<u>9,616,800</u>	<u>9,190,961</u>
Fire Department:			
Personal Services	5,167,130	5,167,130	5,028,172
Contractual Services	541,100	541,100	523,988
Commodities	94,500	94,500	93,841
Capital Outlay	165,000	165,000	164,531
Other	4,500	4,500	4,264
	<u>5,972,230</u>	<u>5,972,230</u>	<u>5,814,796</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts		Actual
	Original	Final	(Budget Basis)
Disbursements (continued):			
Public Safety:			
Board of Police and Fire Commissioners:			
Contractual Services	8,000	8,000	1,050
	8,000	8,000	1,050
Total Public Safety	15,700,630	15,597,030	15,006,807
Public Works:			
Personal Services	\$ 1,282,000	\$ 1,380,600	\$ 1,373,906
Contractual Services	257,300	233,050	223,357
Commodities	216,000	266,750	262,955
Total Public Works	1,755,300	1,880,400	1,860,218
Parks and Recreation:			
Personal Services	539,425	497,425	464,693
Contractual Services	239,353	239,353	184,912
Commodities	151,800	145,300	132,371
Capital Outlay	74,100	74,100	70,963
Total Parks and Recreation	1,004,678	956,178	852,939
Health and Sanitation:			
Personal Services	1,057,000	1,057,000	1,040,224
Contractual Services	960,015	960,015	948,638
Commodities	315,400	315,400	310,110
Capital Outlay	125,000	125,050	125,040
Total Health and Sanitation	2,457,415	2,457,465	2,424,012
Cemetery:			
Personal Services	232,400	240,400	236,756
Contractual Services	35,830	28,830	25,925
Commodities	23,500	30,500	27,956
Total Cemetery	291,730	299,730	290,637
Engineering:			
Personal Services	223,400	221,900	207,048
Contractual Services	68,500	68,000	64,555
Commodities	9,250	9,250	7,718
Capital Outlay	25,500	26,000	25,915
Total Engineering	326,650	325,150	305,236

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Disbursements (continued):			
Planning & Economic Development:			
Personal Services	238,500	238,500	213,267
Contractual Services	64,740	79,740	77,105
Commodities	2,500	2,980	2,963
Capital Outlay	4,000	3,520	2,804
Total Planning & Economic Development	<u>309,740</u>	<u>324,740</u>	<u>296,139</u>
Total Disbursements	<u>\$ 27,088,566</u>	<u>\$ 27,103,566</u>	<u>\$ 25,889,101</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(2,151,085)</u>	<u>(2,166,085)</u>	<u>(1,234,470)</u>
Other Financing Sources:			
Proceeds From Fixed Asset Sales	194,000	194,000	3,109
Transfers In	2,004,492	2,004,492	1,604,492
Transfers Out	-	-	(100,000)
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ 47,407</u>	<u>\$ 32,407</u>	273,131
Change for reporting on modified accrual basis:			
No change for Modified Cash Basis			<u>-</u>
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ 273,131</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)  
TAX INCREMENT FINANCING FUND  
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		Actual
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 16,921,100	\$ 16,921,100	\$ 15,631,878
Intergovernmental	4,041,356	4,041,356	3,177,307
Interest	20,500	20,500	18,241
Miscellaneous	<u>-</u>	<u>-</u>	<u>48,031</u>
Total Receipts	<u>20,982,956</u>	<u>20,982,956</u>	<u>18,875,457</u>
Disbursements:			
Current:			
Development:			
Contractual Services	1,897,746	1,967,370	401,398
Tax District Reimbursements and Rebates	8,173,500	8,205,876	6,537,630
Capital Outlay	7,335,825	8,125,825	5,159,909
Debt Service	<u>4,820,000</u>	<u>4,820,000</u>	<u>5,790,700</u>
Total Disbursements	<u>22,227,071</u>	<u>23,119,071</u>	<u>17,889,637</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,244,115)</u>	<u>(2,136,115)</u>	<u>985,820</u>
Other Financing Sources:			
Transfers In	334,420	334,420	4,278
Transfers Out	(3,338,793)	(3,288,793)	(3,008,792)
Proceeds from Fixed Asset Sale	<u>-</u>	<u>-</u>	<u>98,218</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (4,248,488)</u>	<u>\$ (5,090,488)</u>	<u>(1,920,476)</u>
Change for reporting on modified accrual basis:			
No change for modified cash basis			<u>-</u>
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ (1,920,476)</u>

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF POLICE AND FIREMEN'S PENSION  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2014

	Fiscal Year					
	2013	2012	2011	2010	2009	2008
<b><u>Police Pension</u></b>						
Actuarial Value of Assets	\$ 32,375,175	\$ 30,926,820	\$ 28,653,309	\$ 27,237,432	\$ 24,749,786	\$ 26,714,683
Actuarial Accrued Liability (AAL)	61,244,568	58,227,095	52,294,262	53,298,794	51,593,156	50,286,199
Unfunded AAL (UAAL)	28,869,393	27,300,275	23,640,953	26,061,362	26,843,370	23,571,516
Funded Ratio	52.86%	53.11%	54.79%	51.10%	47.97%	53.13%
Covered Payroll	5,811,476	4,957,327	5,053,174	4,391,064	4,631,274	4,609,585
UAAL as a % of Covered Payroll	496.77%	550.71%	467.84%	593.51%	579.61%	511.36%
Employer Contributions:						
Required	2,281,990	2,062,557	2,058,064	2,029,481	2,048,685	1,842,221
Made	2,146,673	2,203,025	2,108,151	2,118,884	1,895,256	1,827,843
Percentage of Employer Contributions						
Made to Required Contributions	94.07%	106.81%	102.43%	104.41%	92.51%	99.22%
<b><u>Firemen's Pension</u></b>						
Actuarial Value of Assets	\$ 22,165,671	\$ 20,952,101	\$ 18,956,134	\$ 17,876,812	\$ 15,420,492	\$ 17,841,516
Actuarial Accrued Liability (AAL)	51,792,328	50,673,471	41,623,433	45,017,159	45,817,959	43,947,392
Unfunded AAL (UAAL)	29,626,657	29,721,370	22,667,299	27,140,347	30,397,467	26,105,876
Funded Ratio	42.80%	41.35%	45.54%	39.71%	33.66%	40.60%
Covered Payroll	3,985,868	3,917,573	3,736,309	3,643,002	3,406,651	2,957,161
UAAL as a % of Covered Payroll	743.29%	758.67%	606.68%	745.00%	892.30%	882.80%
Employer Contributions:						
Required	2,183,147	2,174,682	1,969,017	2,169,760	2,236,096	1,880,366
Made	2,266,245	2,108,642	2,252,520	2,313,723	1,939,256	1,739,499
Percentage of Employer Contributions						
Made to Required Contributions	103.81%	96.96%	114.40%	106.63%	86.73%	92.51%

2012 is the latest year for which a tax was levied and collected. The 2013 actuarial estimate is levied in December 2013 and collected in fiscal year 2015.

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

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	30 Year Commenced in 2011
Asset Valuation Method:	5 Year Smoothed Market Method
Actuarial Assumptions:	
Interest Rate	6.75%
Projected Payroll Growth	4.50%

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2014

	Calendar Year					
	2013	2012	2011	2010	2009	2008
Actuarial Value of Assets	\$ 19,431,602	\$ 18,887,579	\$ 18,766,244	\$ 18,078,622	\$ 18,138,408	\$ 16,960,438
Actuarial Accrued Liability (AAL)	25,571,778	25,865,388	25,232,428	24,403,938	23,374,459	21,507,422
Unfunded AAL (UAAL)	6,140,176	6,977,809	6,466,184	6,325,316	5,236,051	4,546,984
Funded Ratio	75.99%	73.02%	74.37%	74.08%	77.60%	78.86%
Covered Payroll	8,790,440	8,510,862	8,263,777	8,741,518	8,384,000	8,185,562
UAAL as a % of Covered Payroll	69.85%	81.99%	78.25%	72.36%	62.45%	55.55%
Employer Contributions:						
Required	1,120,781	1,059,602	981,737	1,007,023	687,488	690,043
Made	1,054,853	928,535	819,767	788,485	687,488	690,043
Percentage of Employer Contributions						
Made to Required Contributions	94.00%	88.00%	84.00%	78.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$23,836,479.

On a market basis, the funded ratio would be 93.21 percent.

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

Actuarial Cost Method:	Entry Age Normal Actuarial Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	Open 30 Years
Asset Valuation Method:	Techniques that smooth the effects of short term volatility over a five year period.
Actuarial Assumptions:	
Interest Rate	7.5 %
Salary Progression	4.4 - 14.0 %
Cost of Living	
Adjustments	3.0 %

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF POST-EMPLOYMENT HEALTHCARE  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2014

	Fiscal Year				
	2014	2013	2012	2011	2010
Actuarial Value of Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	12,649,505	13,085,224	12,357,232	10,491,002	9,940,095
Unfunded AAL (UAAL)	12,649,505	13,085,224	12,357,232	10,491,002	9,940,095
Funded Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	17,808,768	16,829,778	16,260,655	16,250,408	15,700,877
UAAL as a % of Covered Payroll	71.03%	77.75%	75.99%	64.56%	63.30%
Employer Contributions:					
Required	1,108,456	1,064,575	1,059,370	884,989	846,794
Made	437,372	466,394	427,884	379,748	533,635
Percentage of Employer Contributions					
Made to Required Contributions	39.46%	43.81%	40.39%	42.91%	63.02%

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

Actuarial Cost Method:	Entry Age Normal Actuarial Cost
Amortization Method:	Level Percentage of Pay
Remaining Amortization Period:	30 years
Actuarial Assumptions:	
Discount Rate	5.00%
Wage Inflation	2.50%
Healthcare Trend	9.00% initially with a reduction to 5% after five years

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2014

	Total Special Revenue	Debt Service			Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds	
		Special Service Area	2011 Bond Fund	TIF				Total
<u>Assets</u>								
Cash and Cash Equivalents	\$ 2,911,614	\$ 246,972	\$ 1,059,772	\$ 255,350	\$ 1,562,094	\$ 116	\$ 6,309	\$ 4,480,133
Investments	-	-	-	-	-	-	225,928	225,928
Land	-	-	-	-	-	-	33,750	33,750
Total Assets	<u>\$ 2,911,614</u>	<u>\$ 246,972</u>	<u>\$ 1,059,772</u>	<u>\$ 255,350</u>	<u>\$ 1,562,094</u>	<u>\$ 116</u>	<u>\$ 265,987</u>	<u>\$ 4,739,811</u>
<u>Liabilities and Fund Balance</u>								
Liabilities:								
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	33,750	33,750
Restricted	2,777,201	246,972	1,059,772	255,350	1,562,094	-	232,237	4,571,532
Committed	134,413	-	-	-	-	116	-	134,529
Total Fund Balances	<u>2,911,614</u>	<u>246,972</u>	<u>1,059,772</u>	<u>255,350</u>	<u>1,562,094</u>	<u>116</u>	<u>265,987</u>	<u>4,739,811</u>
Total Liabilities and Fund Balances	<u>\$ 2,911,614</u>	<u>\$ 246,972</u>	<u>\$ 1,059,772</u>	<u>\$ 255,350</u>	<u>\$ 1,562,094</u>	<u>\$ 116</u>	<u>\$ 265,987</u>	<u>\$ 4,739,811</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, 2014

	Total Special Revenue	Debt Service			Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
		Special Service Area	2011 Bond Fund	TIF Debt			
Revenues:							
Property Tax	\$ 3,317,500	\$ 96,110	\$ -	\$ -	\$ 96,110	\$ -	\$ 3,413,610
Intergovernmental	1,568,007	-	1,139,439	-	1,139,439	-	2,707,446
Local Tax	40,887	-	-	-	-	-	40,887
Charges for Services	458,597	-	-	-	-	1,414	460,011
Fines and Forfeitures	17,145	-	-	-	-	-	17,145
Investment Income	5,189	520	1,642	318	2,480	3,757	11,426
Contributions	98,410	-	-	-	-	-	98,410
Miscellaneous	14,471	-	-	-	-	-	14,471
<b>Total Revenues</b>	<b>5,520,206</b>	<b>96,630</b>	<b>1,141,081</b>	<b>318</b>	<b>1,238,029</b>	<b>5,171</b>	<b>6,763,406</b>
Expenditures:							
Current:							
General Government	2,185,492	-	-	-	-	-	2,185,492
Public Works	576,267	-	-	-	-	-	576,267
Cultural and Recreational	1,987,679	-	-	-	-	-	1,987,679
Capital Outlay	544,834	-	-	-	-	10,000	554,834
Debt Service:							
Principal	-	55,000	735,000	235,000	1,025,000	-	1,025,000
Interest and Fiscal Charges	-	45,323	275,003	263,474	583,800	-	583,800
<b>Total Expenditures</b>	<b>5,294,272</b>	<b>100,323</b>	<b>1,010,003</b>	<b>498,474</b>	<b>1,608,800</b>	<b>10,000</b>	<b>6,913,072</b>
Excess (Deficiency) of Revenues Over Expenditures	225,934	(3,693)	131,078	(498,156)	(370,771)	(4,829)	(149,666)
Other Financing Sources (Uses):							
Transfers In	100,000	-	-	254,300	254,300	-	354,300
Transfers Out	(300,000)	-	-	(4,278)	(4,278)	-	(304,278)
<b>Total Other Financing Sources (Uses)</b>	<b>(200,000)</b>	<b>-</b>	<b>-</b>	<b>250,022</b>	<b>250,022</b>	<b>-</b>	<b>50,022</b>
Net Change in Fund Balances	25,934	(3,693)	131,078	(248,134)	(120,749)	(4,829)	(99,644)
Fund Balances, Beginning of Year	2,885,680	250,665	928,694	503,484	1,682,843	116	4,839,455
Fund Balances, End of Year	\$ 2,911,614	\$ 246,972	\$ 1,059,772	\$ 255,350	\$ 1,562,094	\$ 116	\$ 4,739,811

**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, 2014

	<u>Parks Project</u>	<u>Playground and Recreation</u>	<u>Motor Fuel Tax</u>	<u>Illinois Municipal Retirement</u>	<u>Public Library</u>	<u>Tort Liability</u>	<u>Belleville Illinois Tourism</u>	<u>Veteran's Memorial Fountain</u>	<u>Special Service Area</u>	<u>Total</u>
<b><u>Assets</u></b>										
Cash and Cash Equivalents	\$ 121,997	\$ 1,071,757	\$ 452,763	\$ 65,757	\$ 893,573	\$ 106,437	\$ 12,416	\$ 4,233	\$ 182,681	\$ 2,911,614
Total Assets	<u>\$ 121,997</u>	<u>\$ 1,071,757</u>	<u>\$ 452,763</u>	<u>\$ 65,757</u>	<u>\$ 893,573</u>	<u>\$ 106,437</u>	<u>\$ 12,416</u>	<u>\$ 4,233</u>	<u>\$ 182,681</u>	<u>\$ 2,911,614</u>
<b><u>Liabilities and Fund Balance</u></b>										
<b>Liabilities:</b>										
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>										
Restricted	-	1,071,757	452,763	65,757	893,573	106,437	-	4,233	182,681	2,777,201
Committed	121,997	-	-	-	-	-	12,416	-	-	134,413
Total Fund Balance	<u>121,997</u>	<u>1,071,757</u>	<u>452,763</u>	<u>65,757</u>	<u>893,573</u>	<u>106,437</u>	<u>12,416</u>	<u>4,233</u>	<u>182,681</u>	<u>2,911,614</u>
Total Liabilities and Fund Balance	<u>\$ 121,997</u>	<u>\$ 1,071,757</u>	<u>\$ 452,763</u>	<u>\$ 65,757</u>	<u>\$ 893,573</u>	<u>\$ 106,437</u>	<u>\$ 12,416</u>	<u>\$ 4,233</u>	<u>\$ 182,681</u>	<u>\$ 2,911,614</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, 2014

	Parks Project	Playground and Recreation	Motor Fuel Tax	Illinois Municipal Retirement	Public Library	Tort Liability	Belleville Illinois Tourism	Veteran's Memorial Fountain	Special Service Area	Total
<b>Revenues:</b>										
Property Tax	\$ -	\$ 373,484	\$ -	\$ 1,189,603	\$ 1,178,162	\$ 543,247	\$ -	\$ -	\$ 33,004	\$ 3,317,500
Intergovernmental	24,886	15,378	1,325,538	87,663	114,542	-	-	-	-	1,568,007
Local Tax	-	-	-	-	-	-	40,887	-	-	40,887
Charges for Services	-	406,304	26,631	-	25,662	-	-	-	-	458,597
Fines and Forfeitures	-	-	-	-	17,145	-	-	-	-	17,145
Investment Income	209	1,759	625	255	1,528	411	26	4	372	5,189
Contributions	-	93,090	-	-	820	-	-	4,500	-	98,410
Miscellaneous	-	2,766	-	-	11,680	-	-	25	-	14,471
<b>Total Revenues</b>	<b>25,095</b>	<b>892,781</b>	<b>1,352,794</b>	<b>1,277,521</b>	<b>1,349,539</b>	<b>543,658</b>	<b>40,913</b>	<b>4,529</b>	<b>33,376</b>	<b>5,520,206</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General Government	-	-	-	1,376,250	-	764,606	44,636	-	-	2,185,492
Public Works	-	-	540,470	-	-	-	-	-	35,797	576,267
Cultural and Recreational	-	740,664	-	-	1,243,925	-	-	3,090	-	1,987,679
Capital Outlay	44,569	36,192	461,049	-	3,024	-	-	-	-	544,834
<b>Total Expenditures</b>	<b>44,569</b>	<b>776,856</b>	<b>1,001,519</b>	<b>1,376,250</b>	<b>1,246,949</b>	<b>764,606</b>	<b>44,636</b>	<b>3,090</b>	<b>35,797</b>	<b>5,294,272</b>
Excess (Deficiency) of Revenues Over Expenditures	(19,474)	115,925	351,275	(98,729)	102,590	(220,948)	(3,723)	1,439	(2,421)	225,934
<b>Other Financing Sources (Uses):</b>										
Transfers In	-	-	-	100,000	-	-	-	-	-	100,000
Transfers Out	-	-	(300,000)	-	-	-	-	-	-	(300,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(300,000)</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,000)</b>
Net Change in Fund Balances	(19,474)	115,925	51,275	1,271	102,590	(220,948)	(3,723)	1,439	(2,421)	25,934
Fund Balance, Beginning of Year	141,471	955,832	401,488	64,486	790,983	327,385	16,139	2,794	185,102	2,885,680
Fund Balance, End of Year	\$ 121,997	\$ 1,071,757	\$ 452,763	\$ 65,757	\$ 893,573	\$ 106,437	\$ 12,416	\$ 4,233	\$ 182,681	\$ 2,911,614

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
APRIL 30, 2014

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current Assets:			
Cash	\$ 372,983	\$ 21,083	\$ 394,066
Total Assets	<u>\$ 372,983</u>	<u>\$ 21,083</u>	<u>\$ 394,066</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Due to Other Funds	\$ -	\$ 334,958	\$ 334,958
Total Current Liabilities	<u>-</u>	<u>334,958</u>	<u>334,958</u>
<b><u>Net Assets</u></b>			
Unassigned	<u>372,983</u>	<u>(313,875)</u>	<u>59,108</u>
Total Net Assets	<u>\$ 372,983</u>	<u>\$ (313,875)</u>	<u>\$ 59,108</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	<u>\$ -</u>	<u>\$ 3,918,522</u>	<u>\$ 3,918,522</u>
Operating Expenses:			
Personal Services	<u>-</u>	<u>4,045,071</u>	<u>4,045,071</u>
Total Operating Expenses	<u>-</u>	<u>4,045,071</u>	<u>4,045,071</u>
Operating Income	<u>-</u>	<u>(126,549)</u>	<u>(126,549)</u>
Nonoperating Revenues:			
Property Tax	-	397,789	397,789
Investment Earnings	<u>833</u>	<u>148</u>	<u>981</u>
Total Nonoperating Revenues	<u>833</u>	<u>397,937</u>	<u>398,770</u>
Change in Net Assets	833	271,388	272,221
Net Assets, Beginning of Year	<u>372,150</u>	<u>(585,263)</u>	<u>(213,113)</u>
Net Assets, End of Year	<u>\$ 372,983</u>	<u>\$ (313,875)</u>	<u>\$ 59,108</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
APRIL 30, 2014

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,003,755	\$ 1,030,926	\$ 3,034,681
Investments, at Market	29,267,887	20,695,876	49,963,763
Receivables:			
Taxes Receivable	2,301,092	2,200,039	4,501,131
Interest Receivable	83,770	60,215	143,985
Total Assets	<u>33,656,504</u>	<u>23,987,056</u>	<u>57,643,560</u>
<b>Liabilities</b>	<u>145</u>	<u>-</u>	<u>145</u>
<b>Net Position - Restricted for Pension Benefits</b>	<u>\$ 33,656,359</u>	<u>\$ 23,987,056</u>	<u>\$ 57,643,415</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employee Contributions	\$ 519,223	\$ 386,322	\$ 905,545
Employer Contributions:			
Property Taxes	2,288,833	2,187,054	4,475,887
Personal Property Replacement Taxes	<u>87,541</u>	<u>82,352</u>	<u>169,893</u>
Total Contributions	<u>2,895,597</u>	<u>2,655,728</u>	<u>5,551,325</u>
Investment Income:			
Interest and Dividend Income	1,230,962	351,371	1,582,333
Gain on Sales of Securities	(102,308)	102,447	139
Net Appreciation in Fair Market Value of Investments	<u>1,527,412</u>	<u>1,787,334</u>	<u>3,314,746</u>
	2,656,066	2,241,152	4,897,218
Less Investment Expense	<u>(37,201)</u>	<u>(91,685)</u>	<u>(128,886)</u>
Total Investment Income	<u>2,618,865</u>	<u>2,149,467</u>	<u>4,768,332</u>
Total Additions	<u>5,514,462</u>	<u>4,805,195</u>	<u>10,319,657</u>
Deductions:			
Benefits Paid to Participants:			
Service and Disability	2,533,501	2,363,260	4,896,761
Dependents	283,384	480,972	764,356
Transfer of Contributions	93,674	-	93,674
Professional Fees	21,739	9,417	31,156
Other	<u>19,151</u>	<u>16,644</u>	<u>35,795</u>
Total Deductions	<u>2,951,449</u>	<u>2,870,293</u>	<u>5,821,742</u>
Change in Net Position	2,563,013	1,934,902	4,497,915
Net Position, Beginning of Year	<u>31,093,346</u>	<u>22,052,154</u>	<u>53,145,500</u>
Net Position, End of Year	<u>\$ 33,656,359</u>	<u>\$ 23,987,056</u>	<u>\$ 57,643,415</u>

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF ASSESSED VALUATION, TAX RATES,  
EXTENSIONS AND COLLECTIONS  
(UNAUDITED)  
APRIL 30, 2014

**Tax Rates**

Levy Year	Total Assessed Valuation	Corporate Fund	Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Playground and Recreation Fund	Total
2003	\$ 339,524,357	\$ -	\$ 0.1400	\$ 0.3550	\$ 0.3396	\$ 0.2358	\$ 0.0531	\$ 0.0749	\$ 1.1984
2004	348,122,708	-	0.2092	0.4066	0.4109	0.2373	0.0538	0.0762	1.3940
2005	372,559,121	-	0.2279	0.3924	0.3924	0.2483	0.0673	0.0806	1.4089
2006	398,104,522	-	0.2222	0.4048	0.3787	0.2450	0.0918	0.0842	1.4267
2007	428,399,309	-	0.2194	0.3913	0.3728	0.2335	0.1368	0.0817	1.4355
2008	440,816,585	-	0.2031	0.4134	0.4244	0.2496	0.0945	0.0794	1.4644
2009	443,787,198	0.0676	0.2110	0.4627	0.5077	0.2479	0.0704	0.0789	1.6462
2010	437,646,688	0.0872	0.2342	0.4658	0.5003	0.2628	0.0869	0.0823	1.7195
2011	434,537,205	0.0975	0.2532	0.4622	0.4417	0.2728	0.1197	0.0852	1.7323
2012	421,651,482	0.0949	0.2838	0.4940	0.5233	0.2811	0.1296	0.0891	1.8958

**Taxes Extended**

Levy Year	Corporate Fund	Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Playground and Recreation Fund	Total
2003	\$ -	\$ 476,832	\$ 1,204,670	\$ 1,152,412	\$ 800,603	\$ 180,192	\$ 254,169	\$ 4,068,878
2004	-	728,273	1,415,467	1,430,436	825,338	187,290	265,270	4,852,074
2005	-	849,062	1,461,922	1,461,922	925,064	250,732	300,283	5,248,985
2006	-	884,588	1,611,527	1,507,622	975,356	365,460	335,204	5,679,757
2007	-	939,908	1,676,327	1,597,073	1,000,312	586,050	350,002	6,149,672
2008	-	895,298	1,822,336	1,870,826	1,100,278	416,572	350,008	6,455,318
2009	300,000	936,391	2,053,403	2,253,108	1,100,148	312,426	350,148	7,305,624
2010	381,628	1,024,969	2,038,558	2,189,546	1,150,136	380,315	360,183	7,525,335
2011	423,674	1,144,571	2,088,820	1,996,264	1,185,418	540,999	370,226	7,749,972
2012	400,147	1,196,647	2,082,958	2,206,502	1,185,262	546,460	375,691	7,993,667

**Taxes Collected**

Levy Year	Total Taxes Extended	Total Taxes Collected	Percent of Current Year Taxes Collected	Current Year Uncollected Balance
2003	\$ 4,068,878	\$ 4,042,752	99.36%	\$ 26,126
2004	4,852,074	4,836,174	99.67%	15,900
2005	5,248,985	5,237,295	99.78%	11,690
2006	5,679,757	5,655,277	99.57%	24,480
2007	6,149,672	6,096,909	99.14%	52,763
2008	6,455,318	6,414,605	99.37%	40,713
2009	7,305,624	7,248,774	99.22%	56,850
2010	7,525,335	7,661,890	101.81%	(136,555)
2011	7,749,972	7,702,405	99.39%	47,567
2012	7,993,667	7,946,502	99.41%	47,165



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

J. Terry Dooling  
David M. Bartosiak  
Cindy A. Tefteller  
Kevin J. Tepen

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2014, and the related notes to the financial statements, which collectively comprise the City Belleville, Illinois' basic financial statements, and have issued our report thereon dated September 19, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Belleville, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Belleville, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Belleville, Illinois' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*C. J. Schlem / Gory LLC*

Certified Public Accountants

Alton, Illinois

September 19, 2014



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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Belleville, Illinois' ("City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Belleville, Illinois' major federal programs for the year ended April 30, 2014. The City of Belleville, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Belleville, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Belleville, Illinois' compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Belleville, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2014.

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## Report on Internal Control Over Compliance

Management of the City of Belleville, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*C. J. Schuman & Co. LLC*

Certified Public Accountants  
Alton, Illinois

September 19, 2014

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED APRIL 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Agency or Pass-through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<u>Environmental Protection Agency</u>				
Passed Through Illinois Environmental Protection Agency:				
Capitalization Grants for Clean Water	66.458	L17484600	\$ 1,666,021	\$ 1,666,021
<u>Department of Homeland Security</u>				
Direct Program:				
Staffing for Adequate Fire and Emergency Response Grant	97.083	N/A	433,520	26,040
<u>Department of Justice</u>				
Direct Program:				
COPS Hiring Program Grant	16.710	N/A	901,448	562,722
Bullet-proof vests	16.607	N/A	6,575	2,244
2013 JAG Award	16.738	N/A	181,175	28,879
<u>Department of Transportation</u>				
Passed Through Illinois Department of Transportation:				
Federal-Aid Highway Program	20.205	R-98-012-11	346,978	346,698
Federal-Aid Highway Program	20.205	P-98-300-12	56,000	21,867
Federal-Aid Highway Program	20.205	C-98-342-12	413,900	<u>6,918</u>
Total Federal Awards				<u>\$ 2,661,389</u>

See notes to schedule of expenditures of federal awards

**CITY OF BELLEVILLE, ILLINOIS**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
APRIL 30, 2014

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

General

The accompanying Schedule of Federal Awards presents the activity of all federal award programs of City of Belleville, Illinois. The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the City's financial statements.

Noncash Assistance, Federal Insurance and Loans/Loan Guarantees

The City did not receive any noncash assistance, federal guaranteed loans or federal insurance for any of its programs for the year ended April 30, 2014.

Subrecipient Monitoring

The City did not provide any funds to subrecipients for federal funds.

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

APRIL 30, 2014

Part 1 -- Summary of Auditor's Results

- (a) The independent accountants' report expresses an adverse opinion on the governmental activities and unqualified opinions on the business-type activities and fund financial statements.
- (b) No significant deficiencies in internal control were disclosed during the audit of the financial statements which would be required to be reported in accordance with Government Auditing Standards.
- (c) No instances of noncompliance material to the financial statements were disclosed during the audit which would be required to be reported in accordance with Governmental Auditing Standards.
- (d) No significant deficiencies in internal control over major federal programs were disclosed by the audit of the financial statements of the City.
- (e) An unqualified opinion was issued in the report on compliance for major programs.
- (f) The audit did not disclose any findings required to be reported in accordance with Section .510(a) of OMB Circular A-133.
- (g) The City's major programs are Capitalization Grants for Clean Water-CFDA #66.458 and COPS Hiring Program Grant- CFDA #16.710.
- (h) The dollar threshold to distinguish between Type A and Type B programs is \$300,000.
- (i) The City did not qualify as a low-risk auditee under Section .530.

Part 2 -- The City has no findings to the financial statements that are required to be reported in accordance with GAGAS.

Part 3 -- The City has no findings or questioned costs for federal awards

**CITY OF BELLEVILLE, ILLINOIS**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
APRIL 30, 2014**

None

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
METRO EAST AUTO THEFT TASK FORCE  
FOR THE YEAR ENDED DECEMBER 31, 2013

Receipts:	
MEATTF Grant Receipts	\$ 752,810
Project Income	<u>15,349</u>
Total Receipts	<u>768,159</u>
Disbursements:	
Grant Disbursements:	
Personnel	<u>549,065</u>
Contractual Services:	
Secretary	7,664
Computer Consultant and Maintenance	7,477
Vehicle Lease	36,000
Vehicle Maintenance	29,879
Office Lease	20,077
Telephone Costs	15,086
Janitorial	2,200
Training	11,156
Photocopier and Fax	3,673
Other	5,818
Travel	1,763
Instructor Salary	<u>44,687</u>
Total Contractual Services	<u>185,480</u>
Commodities:	
Operating	10,133
Office	<u>2,380</u>
Total Commodities	<u>12,513</u>
Total Grant Disbursements	<u>747,058</u>
Project Income Disbursements	<u>5,775</u>
Total Disbursements	<u>752,833</u>
Excess of Receipts Over Disbursements	<u>\$ 15,326</u>