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

**CITY OF BELLEVILLE, ILLINOIS**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
APRIL 30, 2019

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## 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, 2019, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 April 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 15 to the financial statements, in 2019 the City of Belleville, Illinois adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this 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 65 to 70) and schedules of funding progress and pension and OPEB related information (pages 71 to 80) 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 other schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and other schedules 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 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 October 8, 2019 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.

C. J. Schless & Company LLC

Certified Public Accountants  
Alton, Illinois  
October 8, 2019

# **CITY OF BELLEVILLE, ILLINOIS**

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

For the fiscal year ended April 30, 2019

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, 2019.

### **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, 2019.

- The City's total net position increased by \$10,764,780 during fiscal year 2019.
- Net position of the City's business-type activities increased by \$910,709 during fiscal year 2019.
- The fund balance of the City's General Fund increased by \$149,246 during the current fiscal year.
- Net position of the City's fiduciary funds for Police and Fire pensions increased by \$3,540,634 during fiscal year 2019.

### **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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City of Belleville maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for two major funds: the General Fund and the 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

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

of these nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

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 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 65 through 80 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 81 through 97 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources by \$4,110,533 at April 30, 2019.

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.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

At the end of the current fiscal year, the City is able to report positive balances in two of the three categories of net position for its governmental activities, and 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 not used for capital assets.

The City's net position increased by \$10,764,780 during fiscal year 2019.

The condensed statement of net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
<b>ASSETS</b>						
Current and other assets	\$ 49,896,791	\$ 48,303,030	\$ 8,359,142	\$ 8,376,484	\$ 58,255,933	\$ 56,679,514
Capital assets, net	69,950,339	68,173,851	109,880,798	105,013,986	179,831,137	173,187,837
Total assets	<u>119,847,130</u>	<u>116,476,881</u>	<u>118,239,940</u>	<u>113,390,470</u>	<u>238,087,070</u>	<u>229,867,351</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>23,634,503</u>	<u>3,142,831</u>	<u>1,774,322</u>	<u>92,093</u>	<u>25,408,825</u>	<u>3,234,924</u>
<b>LIABILITIES</b>						
Long-term liabilities	155,886,068	140,537,404	71,388,020	64,595,603	227,274,088	205,133,007
Other liabilities	4,925,725	4,852,705	1,606,864	2,848,331	6,532,589	7,701,036
Total liabilities	<u>160,811,793</u>	<u>145,390,109</u>	<u>72,994,884</u>	<u>67,443,934</u>	<u>233,806,677</u>	<u>212,834,043</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>32,975,294</u>	<u>29,159,095</u>	<u>824,457</u>	<u>607,701</u>	<u>33,799,751</u>	<u>29,766,796</u>
<b>NET POSITION</b>						
Net investment in capital assets	40,707,883	37,548,295	40,792,025	41,154,109	81,499,908	78,702,404
Restricted	18,520,917	17,899,089	-	-	18,520,917	17,899,089
Unrestricted	<u>(109,534,254)</u>	<u>(110,376,876)</u>	<u>5,402,896</u>	<u>4,276,819</u>	<u>(104,131,358)</u>	<u>(106,100,057)</u>
Total net position	<u>\$ (50,305,454)</u>	<u>\$ (54,929,492)<sup>1</sup></u>	<u>\$ 46,194,921</u>	<u>\$ 45,430,928<sup>1</sup></u>	<u>\$ (4,110,533)</u>	<u>\$ (9,498,564)</u>

<sup>1</sup> The above condensed statement of net position shows the total net position as originally presented for April 30, 2018. As mentioned in Note 15 to the financial statements for April 30, 2019, the total net position for 2018 was restated due to implementation of GASB 75.

**Governmental activities.** Governmental activities increased the City's presented net position by \$9,854,071. There were significant increases in sales and use taxes, as well as state income tax. There was also a large increase in capital grants and contributions. Total expenses only increased by 0.4% from 2018 to 2019.

**Business-type activities.** Business-type activities increased the City's net position by \$910,709. A large portion of the debt incurred for the sewer projects is beginning to be paid back, which has

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

increased debt service payments significantly over the past few years. Sewer rates are reviewed each year to insure 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, 2019	For The Year Ended April 30, 2018	For The Year Ended April 30, 2019	For The Year Ended April 30, 2018	For The Year Ended April 30, 2019	For The Year Ended April 30, 2018
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 7,024,992	\$ 7,208,819	\$ 9,607,102	\$ 9,137,420	\$ 16,632,094	16,346,239
Operating grants	88,195	66,679			88,195	66,679
Capital grants	780,036	488,849	-	-	780,036	488,849
General revenues:						
Property taxes	22,401,202	21,986,440	-	-	22,401,202	21,986,440
Sales and use tax	14,554,597	14,124,363	-	-	14,554,597	14,124,363
Replacement tax	511,612	439,110	-	-	511,612	439,110
State income taxes	4,601,483	4,047,232	-	-	4,601,483	4,047,232
Motor fuel taxes	1,163,809	1,170,694	-	-	1,163,809	1,170,694
Telecommunications taxes	879,993	985,692	-	-	879,993	985,692
Utility taxes	3,593,069	3,503,969	-	-	3,593,069	3,503,969
Gaming tax	299,652	275,259	-	-	299,652	275,259
Other local taxes	139,633	142,739	-	-	139,633	142,739
Investment earnings	310,532	241,857	74,682	59,139	385,214	300,996
Miscellaneous	23,957	28,530	-	-	23,957	28,530
Transfers	(1,300,000)	(1,200,000)	1,300,000	1,200,000	-	-
Total revenues	<u>55,072,762</u>	<u>53,510,232</u>	<u>10,981,784</u>	<u>10,396,559</u>	<u>66,054,546</u>	<u>63,906,791</u>
<b>EXPENSES</b>						
Governmental activities:						
General government	6,920,985	6,886,015	-	-	6,920,985	6,886,015
Public safety	13,753,180	14,922,990	-	-	13,753,180	14,922,990
Public works	4,292,852	4,225,712	-	-	4,292,852	4,225,712
Sanitation	2,737,901	2,342,371	-	-	2,737,901	2,342,371
Cemetery	235,821	213,162	-	-	235,821	213,162
Health and welfare	1,025,138	911,634	-	-	1,025,138	911,634
Development	8,212,622	7,866,574	-	-	8,212,622	7,866,574
Cultural and recreational	3,264,553	2,963,600	-	-	3,264,553	2,963,600
Interest on long-term debt	4,775,639	4,689,310	-	-	4,775,639	4,689,310
Business-type activities:						
Sewerage	-	-	10,071,075	9,022,824	10,071,075	9,022,824
Total expenses	<u>45,218,691</u>	<u>45,021,368</u>	<u>10,071,075</u>	<u>9,022,824</u>	<u>55,289,766</u>	<u>54,044,192</u>
Change in net position	9,854,071	8,488,864	910,709	1,373,735	10,764,780	9,862,599
Net position - beginning, as restated	(60,159,525)	(63,418,356)	45,284,212	44,057,193	(14,875,313)	(19,361,163)
Net position - ending	<u>\$ (50,305,454)</u>	<u>\$ (54,929,492)</u> <sup>1</sup>	<u>\$ 46,194,921</u>	<u>\$ 45,430,928</u> <sup>1</sup>	<u>\$ (4,110,533)</u>	<u>\$ (9,498,564)</u>

<sup>1</sup> The above condensed statement of activities shows the net position - ending as originally presented for April 30, 2018. As mentioned in Note 15 to the financial statements for April 30, 2019, the ending net position for 2018 was restated due to implementation of GASB 75.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

### 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 2019, the City's governmental funds reported combined ending fund balances of \$23,695,786. Approximately 19.37% of this total amount (\$4,590,296) constitutes unassigned fund balance, which is available for spending at the City's discretion. \$18,520,917 (78.16% 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 (\$482,069), meaning it is not in spendable form, or committed (\$102,504), 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. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$4,590,296. 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 16.69% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$149,246 during the current fiscal year. The modest increase was due to all departments trying to keep expenditures in line with the actual revenues generated to cover the expenditures.

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 16 tax increment financing districts. At the end of the current fiscal year, the fund balance of the TIF fund was \$9,475,880, which is an increase of \$299,896 compared to 2018.

**Proprietary funds.** The City'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 \$5,402,896, an increase of \$1,272,793 from the prior year, as restated. Overall, total net position of the sewer fund increased by \$910,709. The City continues to make large capital improvements to our aging sewer infrastructure, as mandated by the IEPA.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

### GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2019 disbursement budget for the City's General Fund represents an original and final budget of \$28,121,195. Actual disbursements (before interfund transfers) in the general fund were \$26,819,154, which is \$1,302,041 less than the final budget.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2019, amounts to \$179,831,137, net of accumulated depreciation. The investment in capital assets generally includes land, buildings and improvements, equipment, vehicles and infrastructure. The total increase in net capital assets for the current year was \$6,643,300.

The major portion of the increase for business-type activities was due to the sewer plant expansion and combined sewer overflow projects, which are 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, 2019	April 30, 2018	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
Land	\$ 6,113,187	\$ 6,085,179	\$ 1,104,046	\$ 1,104,046	\$ 7,217,233	\$ 7,189,225
Construction in progress	-	-	9,805,867	24,917,219	9,805,867	24,917,219
Buildings and improvements	28,378,037	28,154,645	48,977,687	50,449,912	77,355,724	78,604,557
Vehicles and equipment	3,943,405	3,278,846	294,417	372,333	4,237,822	3,651,179
Infrastructure	31,515,710	30,655,181	-	-	31,515,710	30,655,181
Distribution and collection systems	-	-	49,698,781	28,170,476	49,698,781	28,170,476
Total capital assets, net	<u>\$ 69,950,339</u>	<u>\$ 68,173,851</u>	<u>\$ 109,880,798</u>	<u>\$ 105,013,986</u>	<u>\$ 179,831,137</u>	<u>\$ 173,187,837</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of fiscal year 2019. 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 35 of this report.

# CITY OF BELLEVILLE, ILLINOIS

## Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

### Long-term Debt

At the end of fiscal year 2019, the City of Belleville had total long-term debt obligations for governmental and business-type activities in the amount of \$227,274,088 compared to \$210,509,756 at the end of fiscal year 2018. During 2019, the City made scheduled debt service payments and issued new debt to purchase capital assets. General obligation bonds are backed by the full faith and credit of the City.

	Governmental Activities		Business-type Activities		Total	
	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
Special Service Area Bonds						
Series 2006	\$ 700,000	\$ 770,000	\$ -	\$ -	\$ 700,000	\$ 770,000
Tax Increment Refunding Bonds						
Series 2007A	13,435,000	13,905,000	-	-	13,435,000	13,905,000
Taxable Business District Bonds						
Series 2007B	6,105,000	6,275,000	-	-	6,105,000	6,275,000
G.O. Refunding Bonds						
Series 2009	116,874	127,444	1,818,126	1,982,556	1,935,000	2,110,000
G.O. Bonds						
Series 2011A	5,000,000	5,000,000	-	-	5,000,000	5,000,000
G.O. Refunding Bonds						
Series 2011B	-	800,000	-	-	-	800,000
SWIDA Revenue Bonds						
Series 2011A	13,990,000	14,695,000	-	-	13,990,000	14,695,000
SWIDA Revenue Bonds						
Series 2011B	1,560,000	1,560,000	-	-	1,560,000	1,560,000
SWIDA Taxable Revenue						
Bonds, Series 2011C	3,315,000	3,720,000	-	-	3,315,000	3,720,000
G.O. Refunding Bonds						
Series 2012	6,720,000	6,755,000	-	-	6,720,000	6,755,000
G.O. Bonds						
Series 2014	8,145,000	8,510,000	-	-	8,145,000	8,510,000
G.O. Bonds						
Series 2015	7,110,000	7,425,000	-	-	7,110,000	7,425,000
Bond Premiums	718,935	766,421	-	-	718,935	766,421
Notes Payable	300,008	241,318	67,633,188	62,249,472	67,933,196	62,490,790
Capital Leases	1,267,448	1,124,238	-	-	1,267,448	1,124,238
Net Pension Liability	78,298,829	63,999,194	1,725,926	194,891	80,024,755	64,194,085
OPEB Obligation	8,811,227	9,724,915	191,807	289,138	9,003,034	10,014,053
Compensated Absences	292,747	368,907	18,973	26,262	311,720	395,169
<b>Total Debt</b>	<b>\$ 155,886,068</b>	<b>\$ 145,767,437</b>	<b>\$ 71,388,020</b>	<b>\$ 64,742,319</b>	<b>\$ 227,274,088</b>	<b>\$ 210,509,756</b>

During fiscal year 2019, the City issued over \$8,000,000 of new debt through the IEPA's low interest revolving loan fund for the sewer fund improvements.

Additional information regarding the City's long-term debt can be found in Note 4 on pages 36 through 42 of this report.

**CITY OF BELLEVILLE, ILLINOIS**

Management's Discussion and Analysis

For the fiscal year ended April 30, 2019

**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  
APRIL 30, 2019

	Governmental Activities	Business-type Activities	Total
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 21,112,441	\$ 7,132,818	\$ 28,245,259
Receivables (Net of allowance for uncollectible)	28,302,281	1,041,821	29,344,102
Prepaid Expenses	482,069	52,015	534,084
Inventory	-	132,488	132,488
Capital Assets:			
Land	6,113,187	1,104,046	7,217,233
Buildings and Improvements	33,097,976	58,902,561	92,000,537
Equipment	2,577,722	1,334,058	3,911,780
Vehicles	10,684,579	1,223,206	11,907,785
Infrastructure	110,139,238	77,042,577	187,181,815
Construction in Progress	-	9,805,867	9,805,867
Accumulated Depreciation	<u>(92,662,363)</u>	<u>(39,531,517)</u>	<u>(132,193,880)</u>
Net Capital Assets	<u>69,950,339</u>	<u>109,880,798</u>	<u>179,831,137</u>
Total Assets	<u>119,847,130</u>	<u>118,239,940</u>	<u>238,087,070</u>
<b><u>Deferred Outflows of Resources</u></b>			
Pension Plan Obligations	23,634,503	1,691,839	25,326,342
Loss on Bond Refunding	-	82,483	82,483
Total Deferred Outflows of Resources	<u>23,634,503</u>	<u>1,774,322</u>	<u>25,408,825</u>
<b><u>Liabilities</u></b>			
Accounts Payable	2,734,594	858,416	3,593,010
Accrued Salaries and Benefits	1,026,845	131,020	1,157,865
Accrued Interest Payable	1,164,286	384,388	1,548,674
Advance Deposits	-	233,040	233,040
Noncurrent Liabilities:			
Due Within One Year	5,674,685	3,681,494	9,356,179
Due in More Than One Year	<u>150,211,383</u>	<u>67,706,526</u>	<u>217,917,909</u>
Total Liabilities	<u>160,811,793</u>	<u>72,994,884</u>	<u>233,806,677</u>
<b><u>Deferred Inflows of Resources</u></b>			
Pension Plan Obligations	10,038,237	805,415	10,843,652
OPEB Plan Obligations	600,957	19,042	619,999
Deferred Property Tax	22,336,100	-	22,336,100
Total Deferred Inflows of Resources	<u>32,975,294</u>	<u>824,457</u>	<u>33,799,751</u>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	40,707,883	40,792,025	81,499,908
Restricted	18,520,917	-	18,520,917
Unrestricted	<u>(109,534,254)</u>	<u>5,402,896</u>	<u>(104,131,358)</u>
Total Net Position	<u>\$ (50,305,454)</u>	<u>\$ 46,194,921</u>	<u>\$ (4,110,533)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED APRIL 30, 2019**

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	\$ 6,920,985	\$ 1,685,282	\$ -	\$ -	\$ (5,235,703)		\$ (5,235,703)
Public Safety	13,753,180	1,055,334	14,975	-	(12,682,871)		(12,682,871)
Public Works	4,292,852	23,293	17,422	481,436	(3,770,701)		(3,770,701)
Sanitation	2,737,901	3,403,777	-	-	665,876		665,876
Cemetery	235,821	51,121	-	-	(184,700)		(184,700)
Health and Welfare	1,025,138	223,566	-	-	(801,572)		(801,572)
Development	8,212,622	82,956	-	-	(8,129,666)		(8,129,666)
Cultural and Recreational	3,264,553	499,663	55,798	298,600	(2,410,492)		(2,410,492)
Interest on Long-term Debt	4,775,639	-	-	-	(4,775,639)		(4,775,639)
<b>Total Governmental Activities</b>	<b>45,218,691</b>	<b>7,024,992</b>	<b>88,195</b>	<b>780,036</b>	<b>(37,325,468)</b>		<b>(37,325,468)</b>
<b>Business-type Activities:</b>							
Sewerage	10,071,075	9,607,102	-	-		\$ (463,973)	(463,973)
<b>Total Business-type Activities</b>	<b>10,071,075</b>	<b>9,607,102</b>	<b>-</b>	<b>-</b>	<b></b>	<b>(463,973)</b>	<b>(463,973)</b>
<b>Total Government</b>	<b>\$ 55,289,766</b>	<b>\$ 16,632,094</b>	<b>\$ 88,195</b>	<b>\$ 780,036</b>	<b>(37,325,468)</b>	<b>(463,973)</b>	<b>(37,789,441)</b>

General Revenues:	Property Tax, Levied for General Purposes	Sales and Use Tax	Income Tax	Corporate Personal Property Tax	Motor Fuel Tax	Telecommunications Tax	Gaming Tax	Other Local Tax	Utility Tax	Investment Earnings	Miscellaneous	Transfers	Total General Revenues and Transfers	Change in Net Position	Net Position - Beginning, as Restated	Net Position - Ending	
	22,401,202	-	-	14,554,597	4,601,483	511,612	1,163,809	879,993	299,652	139,633	3,593,069	74,682	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)
	14,554,597	-	-	4,601,483	511,612	1,163,809	879,993	299,652	139,633	3,593,069	74,682	23,957	1,374,682	10,764,780	(14,875,313)	(4,110,533)	
	4,601,483	-	-	511,612	1,163,809	879,993	299,652	139,633	3,593,069	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	
	511,612	-	-	1,163,809	879,993	299,652	139,633	3,593,069	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	
	1,163,809	-	-	879,993	299,652	139,633	3,593,069	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	
	879,993	-	-	299,652	139,633	3,593,069	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	299,652	-	-	139,633	3,593,069	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	139,633	-	-	3,593,069	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	3,593,069	-	-	74,682	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	74,682	-	-	23,957	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	23,957	-	-	1,300,000	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	1,300,000	-	-	48,554,221	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	48,554,221	-	-	10,764,780	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	10,764,780	-	-	(14,875,313)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	(14,875,313)	-	-	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	(4,110,533)	-	-	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	
	(4,110,533)	-	-	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	(4,110,533)	

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

**CITY OF BELLEVILLE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2019

	<u>General</u> <u>Fund</u>	<u>Tax Increment</u> <u>Financing</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,700,512	\$ 9,971,038	\$ 9,054,063	\$ 20,725,613
Receivables (Net of allowance for uncollectible):				
Property Tax	-	17,711,400	4,154,400	21,865,800
Intergovernmental	3,864,104	1,062,065	376,903	5,303,072
Accounts	71,338	-	-	71,338
Other	504,973	33,081	53,717	591,771
Due From Other Funds	807,958	-	-	807,958
Prepaid Expenses	454,974	-	27,095	482,069
Total Assets	<u>\$ 7,403,859</u>	<u>\$ 28,777,584</u>	<u>\$ 13,666,178</u>	<u>\$ 49,847,621</u>
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 453,789	\$ 1,303,627	\$ 172,857	\$ 1,930,273
Accrued Salaries	962,405	-	64,440	1,026,845
Total Liabilities	<u>1,416,194</u>	<u>1,303,627</u>	<u>237,297</u>	<u>2,957,118</u>
 Deferred Inflows of Resources:				
Deferred Property Tax	-	17,711,400	4,154,400	21,865,800
Deferred Intergovernmental Tax	942,395	286,677	99,845	1,328,917
	<u>942,395</u>	<u>17,998,077</u>	<u>4,254,245</u>	<u>23,194,717</u>
 Fund Balance:				
Nonspendable	454,974	-	27,095	482,069
Restricted	-	9,475,880	9,045,037	18,520,917
Committed	-	-	102,504	102,504
Unassigned	4,590,296	-	-	4,590,296
Total Fund Balance	<u>5,045,270</u>	<u>9,475,880</u>	<u>9,174,636</u>	<u>23,695,786</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 7,403,859</u>	 <u>\$ 28,777,584</u>	 <u>\$ 13,666,178</u>	 <u>\$ 49,847,621</u>

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

CITY OF BELLEVILLE, ILLINOIS

RECONCILIATION OF THE BALANCE SHEET OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
APRIL 30, 2019

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 23,695,786
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	69,950,339
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(68,483,265)
Some receivables are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds balance sheet, but recognized as revenue as economic financial resources.	1,328,917
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(1,164,286)
Accrued compensated absences are not reported as a liability on the balance sheet of the governmental funds.	(292,747)
Net pension liabilities and the related future pension expense are not reported as assets and liabilities on the balance sheet of the governmental funds.	(64,702,563)
Net OPEB liabilities and the related future OPEB expense are not reported as assets and liabilities on the balance sheet of the governmental funds.	(9,412,184)
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>(1,225,451)</u>
Net position of governmental activities	<u>\$ (50,305,454)</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2019

	General Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:				
Property Tax	\$ -	\$ 17,808,455	\$ 4,117,077	\$ 21,925,532
Utility Tax	3,593,069	-	-	3,593,069
Intergovernmental	16,335,297	3,335,802	2,631,955	22,303,054
Local Tax	83,780	-	55,853	139,633
Licenses, Permits and Fees	1,755,626	-	-	1,755,626
Charges for Services	3,917,226	-	411,049	4,328,275
Fines and Forfeitures	154,503	-	112,350	266,853
Investment Earnings	12,834	191,064	100,898	304,796
Contributions	167	-	18,925	19,092
Reimbursements/Miscellaneous	520,606	82,956	75,541	679,103
Total Revenues	<u>26,373,108</u>	<u>21,418,277</u>	<u>7,523,648</u>	<u>55,315,033</u>
Expenditures:				
Current:				
General Government	3,859,714	-	2,116,052	5,975,766
Public Safety	16,384,597	-	109,620	16,494,217
Public Works	1,982,432	-	770,392	2,752,824
Sanitation	2,506,035	-	-	2,506,035
Cemetery	218,761	-	-	218,761
Health and Welfare	819,504	-	190,819	1,010,323
Development	281,851	7,926,997	-	8,208,848
Cultural and Recreational	869,290	-	2,221,337	3,090,627
Capital Outlay	315,755	3,649,295	392,797	4,357,847
Debt Service:				
Principal	155,788	2,049,289	1,585,000	3,790,077
Interest and Charges	116,102	3,670,885	1,059,318	4,846,305
Total Expenditures	<u>27,509,829</u>	<u>17,296,466</u>	<u>8,445,335</u>	<u>53,251,630</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,136,721)</u>	<u>4,121,811</u>	<u>(921,687)</u>	<u>2,063,403</u>
Other Financing Sources (Uses):				
Proceeds from Debt	244,009	402,398	-	646,407
Transfers In	1,700,000	-	1,524,313	3,224,313
Transfers Out	<u>(658,042)</u>	<u>(4,224,313)</u>	<u>(300,000)</u>	<u>(5,182,355)</u>
Total Other Financing Sources (Uses)	<u>1,285,967</u>	<u>(3,821,915)</u>	<u>1,224,313</u>	<u>(1,311,635)</u>
Net Change in Fund Balances	149,246	299,896	302,626	751,768
Fund Balance, Beginning of Year, as Restated	<u>4,896,024</u>	<u>9,175,984</u>	<u>8,872,010</u>	<u>22,944,018</u>
Fund Balance, End of Year	<u>\$ 5,045,270</u>	<u>\$ 9,475,880</u>	<u>\$ 9,174,636</u>	<u>\$ 23,695,786</u>

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

**CITY OF BELLEVILLE, ILLINOIS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2019

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

Net change in fund balances - total governmental funds \$ 751,768

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$4,357,847) and contributed capital (\$481,436) exceeded depreciation expense and disposal losses (\$3,062,795) in the current year. 1,776,488

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. 3,214,336

Accrued compensated absences are reported in the government-wide statement of activities and changes in net assets, but do not require the use of current financial resources; therefore, accrued compensated absences are not reported as expenditures in governmental funds. This is the change in accrued compensated absences. 76,160

Net pension liabilities and the related future pension expense are reported in the government-wide statement of activities and changes in net position, but do not require the use of current financial resources; therefore, these amounts are not reported as expenditures in governmental funds. This is the change in the net pension liability. 3,307,495

The amount of accrued OPEB benefits is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the current year addition to accrued retirement benefits that has been included in the statement of activities. 312,731

Some intergovernmental revenues will not be collected for several months after the City's fiscal year end. They are not considered "available" revenues in the governmental funds. This is the change in deferred revenues between fiscal years. 94,887

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. 320,206

Change in net position of governmental activities \$ 9,854,071

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, 2019

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
<b><u>Assets</u></b>		
Current Assets:		
Cash	\$ 7,132,818	\$ 386,828
Receivables (Net, where applicable, of allowances for uncollectible)	1,041,821	470,300
Prepaid Expenses	52,015	-
Inventory, at Cost	132,488	-
Total Current Assets	<u>8,359,142</u>	<u>857,128</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,104,046	-
Buildings and Improvements	58,902,561	-
Equipment	1,334,058	-
Vehicles	1,223,206	-
Distribution System	77,042,577	-
Construction in Progress	9,805,867	-
Total	149,412,315	-
Less - Accumulated Depreciation	<u>(39,531,517)</u>	-
Net Capital Assets	109,880,798	-
Total Assets	<u>\$ 118,239,940</u>	<u>\$ 857,128</u>
<b><u>Deferred Outflows of Resources</u></b>		
Loss on Bond Refunding	\$ 82,483	\$ -
Pension Plan Obligations	<u>1,691,839</u>	-
Total Deferred Outflows of Resources	<u>1,774,322</u>	-
<b><u>Liabilities</u></b>		
Current Liabilities:		
Accrued Payroll and Benefits	\$ 131,020	\$ -
Accounts Payable	858,416	804,321
Accrued Interest	384,388	-
Advance Deposits	233,040	-
Due to Other Funds	-	807,958
Total Current Liabilities	<u>1,606,864</u>	<u>1,612,279</u>
Noncurrent Liabilities:		
Net Pension Liability	1,725,926	-
Accrued Sick Leave	18,973	-
OPEB Obligation	191,807	-
Due Within One Year	3,681,494	-
Due in More Than One Year	65,769,820	-
Total Noncurrent Liabilities	<u>71,388,020</u>	-
Total Liabilities	<u>\$ 72,994,884</u>	<u>\$ 1,612,279</u>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred Property Tax	\$ -	\$ 470,300
OPEB Plan Obligations	19,042	-
Pension Plan Obligations	805,415	-
Total Deferred Inflows of Resources	<u>\$ 824,457</u>	<u>\$ 470,300</u>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	\$ 40,792,025	\$ -
Unrestricted	5,402,896	(1,225,451)
Total Net Position	<u>\$ 46,194,921</u>	<u>\$ (1,225,451)</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 POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues:		
Charges for Services	\$ 9,607,102	\$ 4,080,689
Operating Expenses:		
Personal Services	2,532,503	4,899,931
Supplies	321,933	-
Contractual Services	2,935,873	-
Depreciation	3,071,790	-
Total Operating Expenses	<u>8,862,099</u>	<u>4,899,931</u>
Operating Income (Loss)	<u>745,003</u>	<u>(819,242)</u>
Nonoperating Revenues (Expenses):		
Amortization	(9,610)	-
Property Tax	-	475,670
Investment Earnings	74,682	5,736
Interest and Fiscal Charges	(1,199,366)	-
Total Nonoperating Revenues (Expenses)	<u>(1,134,294)</u>	<u>481,406</u>
Income (Loss) Before Transfers	(389,291)	(337,836)
Transfers In	<u>1,300,000</u>	<u>658,042</u>
Change in Net Position	910,709	320,206
Net Position - Beginning of Year, As Restated	<u>45,284,212</u>	<u>(1,545,657)</u>
Net Position - End of Year	<u>\$ 46,194,921</u>	<u>\$ (1,225,451)</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, 2019

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 9,920,710	\$ 4,080,689
Payments to Suppliers	(5,294,741)	(5,216,676)
Payments to Employees	(1,989,782)	-
Net Cash Provided (Used) by Operating Activities	<u>2,636,187</u>	<u>(1,135,987)</u>
Cash Flows from Noncapital Financing Activities:		
Property Tax	-	475,670
Payments from (to) Other Funds	1,300,000	658,042
Net Cash Provided by Noncapital Financing Activities	<u>1,300,000</u>	<u>1,133,712</u>
Cash Flows from Capital and Related Financing Activities:		
Principal Payments on Long-Term Debt	(3,273,902)	-
Proceeds from Long-Term Debt	8,493,188	-
Interest Paid on Debt	(1,200,235)	-
Cash Payments for Capital Assets	(7,938,602)	-
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(3,919,551)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest Received	74,682	5,736
Net Cash Provided by Investing Activities	<u>74,682</u>	<u>5,736</u>
Net Change in Cash and Cash Equivalents	91,318	3,461
Cash and Cash Equivalents, Beginning of Year	<u>7,041,500</u>	<u>383,367</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,132,818</u>	<u>\$ 386,828</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 745,003	\$ (819,242)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	3,071,790	-
Net OPEB Liability Adjustment	(78,289)	-
Net Pension Liability Adjustment	36,910	-
(Increase) Decrease in Assets:		
Accounts Receivable	33,239	-
Unbilled Revenue	47,329	-
Inventory	11,202	-
Prepaid Expenses	16,890	-
Increase (Decrease) in Liabilities:		
Accrued Payroll and Benefits	(18,896)	-
Accounts Payable	(1,462,031)	(316,745)
Advance Deposits	233,040	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,636,187</u>	<u>\$ (1,135,987)</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, 2019

Assets:	
Cash and Cash Equivalents	\$ 2,116,046
Investments, at Market	65,068,167
Receivables:	
Taxes Receivable	6,732,213
Other	831
Interest Receivable	<u>153,960</u>
Total Assets	<u>74,071,217</u>
Liabilities	<u>-</u>
Net Position - Restricted for Pensions	<u>\$ 74,071,217</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, 2019

Additions:

Contributions:

Employee Contributions	\$ 967,214
Employer Contributions:	
Property Taxes	6,738,589
Personal Property Replacement Taxes	126,289
Total Contributions	<u>7,832,092</u>

Investment Income:

Interest and Dividend Income	2,466,979
Gain (Loss) on Sales of Securities	(60,991)
Net Appreciation in Fair Market Value of Investments	<u>1,271,545</u>
	3,677,533
Less Investment Expense	<u>(92,979)</u>
Total Investment Income	<u>3,584,554</u>
Total Additions	<u>11,416,646</u>

Deductions:

Benefits Paid to Participants:

Service and Disability	6,840,657
Dependents	918,076
Refund of Contributions	44,868
Professional Fees	58,548
Other	<u>13,863</u>
Total Deductions	<u>7,876,012</u>

Change in Net Position	3,540,634
Net Position - Beginning of Year	<u>70,530,583</u>
Net Position - End of Year	<u>\$ 74,071,217</u>

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

## CITY OF BELLEVILLE, ILLINOIS

### NOTE TO FINANCIAL STATEMENTS APRIL 30, 2019

#### **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 non-fiduciary 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 government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, permits and fees associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 position

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. All deposits and investments are reported at fair value.

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

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

The pension funds are authorized to invest in all the same obligations of the City as well as 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, 2019 is \$150,684.

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.

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	10 - 50 Years
Collection Systems	10 - 50 Years
Vehicles and Equipment	5 - 10 Years
Infrastructure	10 - 40 Years

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 balance

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.

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.

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

When expenditures are incurred for which the City has both restricted and unrestricted funds available, the City spends any restricted funds before using unrestricted sources. Likewise, the City uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available.

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

<u>Governmental Funds</u>	
Nonspendable:	
Prepaid Expenses	\$ 482,069
Restricted:	
Property/Sales Tax Restrictions	\$ 3,977,116
TIF Balances	9,475,880
Debt Service	3,746,421
Cemetery Care	219,993
Fines/Forfeitures	159,995
Motor Fuel Tax	937,728
Restricted Donations	3,784
	<u>\$ 18,520,917</u>
Committed:	
Capital Projects	\$ 10,317
Tourism	26,370
Parks Project Funds	65,817
	<u>\$ 102,504</u>
<u>Fiduciary Funds</u>	
Reserved for Employees' Pension Benefits	\$ 74,071,217
	<u>\$ 74,071,217</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. 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 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, 2019, the carrying amount of the City's deposits was \$22,045,486 and the bank balance was \$22,294,765. The deposits were comprised of interest checking, savings, federal government obligation funds and certificates of deposit. The City also maintains cash on hand of \$3,529.

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, 2019, 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	\$ 5,857,505
Illinois Metropolitan Investment Fund	Daily	338,739
		<u>6,196,244</u>
Deposits from above		22,045,486
Petty Cash		3,529
		<u>\$ 28,245,259</u>
<u>As Reported in the Financial Statements</u>		
Cash and Investments		<u>\$ 28,245,259</u>

The Illinois Metropolitan Investment Fund is a pooled investment that is operated as not-for-profit common law trust and is not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goal of the fund is 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.

Credit Risk. As of April 30, 2019, 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

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

Concentration of Credit Risk. As of April 30, 2019, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2019, the City did not have foreign currency risk.

**Fire Pension**

At April 30, 2019, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$1,465,793. 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, 2019, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Corporate Bonds	4.67	\$ 3,261,053
U.S. Treasury Notes	3.91	4,664,563
Federal Loan Mortgage Corporation	15.07	354,173
Federal National Mortgage Association	23.45	436,425
Mutual Funds	--	13,851,012
Common Stock	--	<u>3,192,543</u>
		25,759,769
Deposits as reported above		<u>1,465,793</u>
Total deposits and investments		<u>\$ 27,225,562</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 1,465,793
Investments		<u>25,759,769</u>
		<u>\$ 27,225,562</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, 2019, the Fire Pension Fund had the following investment credit risk.

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Corporate Bonds	--	Aaa to Baa3
Federal National Mortgage Association	AA+	Aaa
Federal Loan Mortgage Corporation	AA+	Aaa

Concentration of Credit Risk. As of April 30, 2019, the Fire Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2019, the Fire Pension Fund did not have foreign currency risk.

**Police Pension**

At April 30, 2019, the carrying amount and bank balance of the Police Pension Fund's deposits was \$2,555,181. The deposits were comprised of a checking account, certificates of deposit, and a money market account.

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.

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)

As of April 30, 2019, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Note	3.30	\$ 392,125
U.S. Treasury Strips	2.44	1,131,408
U. S. Treasury Bill	0.16	298,872
Corporate Bonds	3.17	4,881,605
Government National Mortgage Association	24.22	1,633,100
Federal Farm Credit Bank	6.90	2,351,490
Municipal and State Bonds	1.59	130,467
Federal Home Loan Mortgage Corporation	20.18	129,876
Federal National Mortgage Association	23.02	161,327
Federal Home Loan Bank	6.57	1,249,180
Tennessee Valley Authority Coupons	2.13	285,093
Mutual Funds	--	<u>24,758,927</u>
		37,403,470
Deposits as reported above		<u>2,555,181</u>
Total deposits and investments		<u>\$ 39,958,651</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 650,253
Investments		<u>39,308,398</u>
		<u>\$ 39,958,651</u>

Credit Risk. As of April 30, 2019, 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	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
Des Plaines IL Bond	--	Aa2
Corporate Bonds	AAA to A	Aaa to A3

Concentration of Credit Risk. As of April 30, 2019, the Police Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2019, the Police Pension Fund has no foreign currency risk.

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

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

The following summarizes property, plant and equipment, and related depreciation, held by the City at April 30, 2019:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Deletions</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 6,085,179	\$ 28,008	\$ -	\$ 6,113,187
Total capital assets not being depreciated	<u>6,085,179</u>	<u>28,008</u>	<u>-</u>	<u>6,113,187</u>
Capital assets, being depreciated:				
Buildings and improvements	32,205,689	892,287	-	33,097,976
Machinery and equipment	1,867,748	709,974	-	2,577,722
Vehicles	10,630,745	910,840	857,006	10,684,579
Infrastructure	107,841,064	2,298,174	-	110,139,238
Total capital assets being depreciated	<u>152,545,246</u>	<u>4,811,275</u>	<u>857,006</u>	<u>156,499,515</u>
Less accumulated depreciation for:				
Buildings and improvements	4,051,044	668,895	-	4,719,939
Machinery and equipment	1,161,250	176,611	-	1,337,861
Vehicles	8,058,397	747,300	824,662	7,981,035
Infrastructure	77,185,883	1,437,645	-	78,623,528
Total accumulated depreciation	<u>90,456,574</u>	<u>3,030,451</u>	<u>824,662</u>	<u>92,662,363</u>
Total capital assets, being depreciated, net	<u>62,088,672</u>	<u>1,780,824</u>	<u>32,344</u>	<u>63,837,152</u>
Governmental activities capital assets, net	<u>\$ 68,173,851</u>	<u>\$ 1,808,832</u>	<u>\$ 32,344</u>	<u>\$ 69,950,339</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,104,046	\$ -	\$ -	\$ 1,104,046
Construction in Progress	24,917,219	7,826,197	22,937,549	9,805,867
Total not being depreciated	<u>26,021,265</u>	<u>7,826,197</u>	<u>22,937,549</u>	<u>10,909,913</u>
Capital assets, being depreciated:				
Buildings and improvements	58,902,561	-	-	58,902,561
Utility systems	53,992,623	23,049,954	-	77,042,577
Machinery and equipment	1,334,058	-	-	1,334,058
Vehicles	1,223,206	-	-	1,223,206
Total capital assets, being depreciated	<u>115,452,448</u>	<u>23,049,954</u>	<u>-</u>	<u>138,502,402</u>
Less accumulated depreciation for:				
Buildings and improvements	8,452,649	1,472,225	-	9,924,874
Utility systems	25,822,147	1,521,649	-	27,343,796
Machinery and equipment	1,058,491	42,829	-	1,101,320
Vehicles	1,126,440	35,087	-	1,161,527
Total accumulated depreciation	<u>36,459,727</u>	<u>3,071,790</u>	<u>-</u>	<u>39,531,517</u>
Total capital assets, being depreciated, net	<u>78,992,721</u>	<u>19,978,164</u>	<u>-</u>	<u>98,970,885</u>
Business-type activities capital assets, net	<u>\$ 105,013,986</u>	<u>\$ 27,804,361</u>	<u>\$ 22,937,549</u>	<u>\$ 109,880,798</u>

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

Depreciation expense charged to operations for the year ended April 30, 2019 was as follows:

Governmental activities:	
General government	\$ 178,811
Public safety	824,400
Streets and highways, including depreciation of general infrastructure assets	1,612,212
Sanitation	196,653
Cemetery	15,537
Cultural and recreational	<u>202,838</u>
Total depreciation expense - governmental activities	<u>\$3,030,451</u>
Business-type activities:	
Sewer	<u>\$3,071,790</u>

**NOTE 4: LONG-TERM DEBT**

The following is a summary of long-term debt of the City for the year ended April 30, 2019:

**Governmental Activities**

\$1,350,000 Special Service Area Bonds, Series 2006, interest ranging from 4.20 to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2027. This debt is being retired by the Special Service Area Fund.	\$ 700,000
\$16,350,000 Tax Increment Refunding Revenue Bonds, Series 2007A, interest at 5.70%, interest and principal payable May 1 and November 1, through 2024. This debt is being retired by the Tax Increment Financing Fund.	13,435,000
\$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. This debt is being retired by the Tax Increment Financing Fund.	6,105,000
\$204,454 General Obligation Refunding Bonds, Series 2009, interest ranging from 3.60% 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. This debt is being retired by the General Fund.	116,874

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

\$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. This debt is being retired by the Tax Increment Financing Fund.	\$ 5,000,000
\$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. This debt is being retired by the Tax Increment Financing Fund.	13,990,000
\$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. This debt is being retired by the Tax Increment Financing Fund.	1,560,000
\$5,700,000 SWIDA 2011C Taxable Local Government Program Revenue Bonds, dated October 27, 2011, interest ranging from 8.318% to 9.250%, interest and principal payable January 1 and July 1, through 2022. This debt is being retired by the Tax Increment Financing Fund.	3,315,000
\$6,915,000 General Obligation Refunding Bonds, Series 2012, interest ranging from 2.25% to 2.50%, 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. This debt is being retired by the Debt Service Fund.	6,720,000
\$9,495,000 General Obligation Bonds, Series 2014, interest ranging from 3.0% to 4.0%, interest and principal payable January 1 and July 1, through 2035. This debt is being retired by the Debt Service Fund.	8,145,000
\$8,500,000 General Obligation Bonds, Series 2015, interest ranging from 2.00% to 4.25%, interest and principal payable January 1, through 2036. This debt is being retired by the Debt Service Fund.	7,110,000

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

The annual requirement to retire governmental activities bonds outstanding as of April 30, 2019 is as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 5,303,338	\$ 2,857,381	\$ 8,160,719
2021	5,720,715	2,549,930	8,270,645
2022	10,923,841	2,194,858	13,118,699
2023	4,708,272	1,841,233	6,549,505
2024	4,908,528	1,600,358	6,508,886
2025 - 2029	25,372,180	4,268,486	29,640,666
2030 - 2034	7,495,000	1,179,888	8,674,888
2035 - 2037	1,765,000	93,825	1,858,825
	<u>\$ 66,196,874</u>	<u>\$ 16,585,959</u>	<u>\$ 82,782,833</u>

Notes Payable and Capital Leases

\$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. This debt is being retired by the Tax Increment Financing Fund. \$ 210,496

\$393,006 capital lease, Commerce Bank, N.A., dated February 11, 2013, for 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. This debt is being retired by the Tax Increment Financing Fund. 215,153

\$256,667 capital lease, Commerce Bank, N.A., dated October 17, 2016, for one new street sweeper, secured by the equipment, bears interest at 1.836%; semi-annual principal and interest payments of \$26,772 are due through April 2021. This debt is being retired by the Tax Increment Financing Fund. 104,594

\$247,946 note payable, Bank of Belleville, dated May 6, 2016, for new fire equipment, secured by the equipment, bears interest at 1.805%; semi-annual principal and interest payments of \$20,000 are due through May 2020. This debt is being retired by the General Fund. 55,999

\$455,122 capital lease, Clayton Holdings, L.L.C., dated November 21, 2017, for E-One Custom Pumper, secured by the equipment, bears interest at 2.97%; semi-annual principal and interest payments of \$26,470 are due through November 2022. This debt is being retired by the Tax Increment Financing Fund. 415,407

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

\$244,009 note payable, Bank of Belleville, dated March 25, 2019, for one new sanitation truck, secured by the equipment, bears interest at 2.63%; semi-annual principal and interest payments of \$42,578 are due through March 2022. This debt is being retired by the General Fund. \$ 244,009

\$402,398 capital lease, Clayton Holdings, LLC., dated July 31, 2018, for one new vactor truck, secured by the equipment, bears interest at 1.73%; semi-annual principal and interest payments of \$43,156 are due through January 2023. This debt is being retired by the Tax Increment Financing Fund. 321,798

The City is obligated under notes and capital leases considered to be equivalent to an installment purchase. Future payments under the loans and capital leases as of April 30, 2019 are as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 371,347	\$ 42,484	\$ 413,831
2021	358,264	32,561	390,825
2022	297,055	23,233	320,288
2023	220,027	15,106	235,133
2024	83,627	9,133	92,760
2025 - 2029	<u>237,136</u>	<u>14,444</u>	<u>251,580</u>
	<u>\$ 1,567,456</u>	<u>\$ 136,961</u>	<u>\$ 1,704,417</u>

**Proprietary Fund Debt**

General Obligation Bonds

\$3,180,546 2009 General Obligation Refunding Bonds, dated December 1, 2009, interest ranging from 3.60% to 4.35% payable January 1 and July 1, with principal payments on January 1 through 2028. This debt is being retired by the Sewer Fund. \$ 1,818,126

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

The annual requirement to retire business-type bonds outstanding as of April 30, 2019 is as follows:

Year Ending April 30,	Principal	Interest	Totals
2020	\$ 173,826	\$ 72,858	\$ 246,684
2021	178,524	66,602	245,126
2022	183,222	59,996	243,218
2023	192,618	53,034	245,652
2024	202,014	45,522	247,536
2025-2028	<u>887,922</u>	<u>96,425</u>	<u>984,347</u>
	<u>\$ 1,818,126</u>	<u>\$ 394,437</u>	<u>\$ 2,212,563</u>

Notes Payable

\$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. \$ 11,987,940

\$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. 13,279,249

\$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. 2,832,618

\$7,566,251 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. 6,324,498

\$2,592,545 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.995%, semi-annual principal and interest payments are due through May 2035. 2,209,937

\$22,239,461 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.86%, semi-annual principal and interest payments are due through November 2037. 21,785,981

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

\$1,244,185 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.75%, semi-annual principal and interest payments will be due at the completion of the project and all loan draws have been made. \$ 1,201,591

\$8,553,013 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.76%, semi-annual principal and interest payments will be due at the completion of the project and all loan draws have been made. 8,011,376

The IEPA loans are all paid by the Sewer Fund. The annual requirement to retire business-type activities notes outstanding as of April 30, 2019 is as follows:

Year Ending April 30,	Principal	Interest	Totals
2020	\$ 3,507,668	\$ 1,003,489	\$ 4,511,157
2021	3,734,496	990,700	4,725,196
2022	3,795,762	918,167	4,713,929
2023	3,858,090	863,452	4,721,542
2024	3,921,497	807,856	4,729,353
2025-2029	20,597,823	3,171,225	23,769,048
2030-2034	19,831,975	1,632,668	21,464,643
2035-2039	8,154,178	383,370	8,537,548
2040	<u>231,699</u>	<u>1,991</u>	<u>233,690</u>
	<u>\$ 67,633,188</u>	<u>\$ 9,772,918</u>	<u>\$ 77,406,106</u>

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

The overall debt activity of the City for the year ended April 30, 2019 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 69,542,444	\$ -	\$ 3,345,570	\$ 66,196,874	\$ 5,303,338
Note Payable	241,318	244,009	185,319	300,008	118,337
Leases Payable	1,124,238	402,398	259,188	1,267,448	253,010
Bond Premiums	766,421	-	47,486	718,935	-
OPEB Obligation	9,724,915	-	913,688	8,811,227	-
Net Pension Liability	63,999,194	14,299,635	-	78,298,829	-
Compensated Absences	368,907	-	76,160	292,747	-
	<u>\$ 145,767,437</u>	<u>\$ 14,946,042</u>	<u>\$ 4,827,411</u>	<u>\$ 155,886,068</u>	<u>\$ 5,674,685</u>
<b>Business-type Activities:</b>					
Bonds Payable	\$ 1,982,556	\$ -	\$ 164,430	\$ 1,818,126	\$ 173,826
Notes Payable	62,249,472	8,493,188	3,109,472	67,633,188	3,507,668
Net Pension Liability	194,891	1,531,035	-	1,725,926	-
OPEB Obligation	289,138	-	97,331	191,807	-
Compensated Absences	26,262	-	7,289	18,973	-
	<u>\$ 64,742,319</u>	<u>\$ 10,024,223</u>	<u>\$ 3,378,522</u>	<u>\$ 71,388,020</u>	<u>\$ 3,681,494</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 Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2018 was 10.93 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.

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

*Covered Employees.* The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	191
Inactive, non-Retired Members	80
Active Members	<u>189</u>
Total	<u>460</u>

*Discount Rate.* GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/18
Measurement Date of the Net Pension Liability	12/31/18
Fiscal Year End	04/30/19

Development of the Single Discount Rate as of December 31, 2018	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	3.71%
Last year ending December 31 in the 2019 to 2118 projection period for which projected benefit payments are fully funded	2118
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2017 Measurement Date 7.50%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2018.

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

*Actuarial Assumptions.* The following are the actuarial assumptions used in the calculation of the net pension liability.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 25 year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014. The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014.

There were no benefit changes during the year.

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

*Net Pension Liability.* The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 919,596
Interest on the Total Pension Liability	4,183,974
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	150,423
Changes of assumptions	1,632,373
Benefit payments, including refunds of employee contributions	<u>(2,928,037)</u>
Net change in total pension liability	\$ 3,958,329
Total pension liability - beginning	<u>56,790,545</u>
Total pension liability - ending	<u>\$ 60,748,874</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 1,056,702
Contributions - employee	439,837
Net investment income	(2,973,928)
Benefit payments, including refunds of employee contributions	<u>(2,928,037)</u>
Other (Net Transfer)	<u>550,510</u>
Net change in plan fiduciary net position	\$ (3,854,916)
Plan fiduciary net position - beginning	<u>55,753,207</u>
Plan fiduciary net position - ending	<u>\$ 51,898,291</u>
<b>Net pension liability/(asset)</b>	<u>\$ 8,850,583</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.43%
<b>Covered valuation payroll</b>	\$ 9,667,907
<b>Net pension liability as a percentage of covered valuation payroll</b>	91.55%

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

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 68,094,529	\$ 60,748,874	\$ 54,637,311
Plan Fiduciary Net Position	<u>51,898,291</u>	<u>51,898,291</u>	<u>51,898,291</u>
Net Pension Liability/(Asset)	<u>\$ 16,196,238</u>	<u>\$ 8,850,583</u>	<u>\$ 2,739,020</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 671,425	\$ 163,345
Changes in assumptions	1,245,860	1,052,035
Subsequent contributions to plan	316,739	-
Net difference between projected and actual earnings on pension plan investments	<u>6,441,756</u>	<u>2,914,802</u>
Total	<u>\$ 8,675,780</u>	<u>\$ 4,130,182</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2019	\$ 1,541,550
2020	719,136
2021	792,195
2022	<u>1,492,717</u>
	<u>\$ 4,545,598</u>

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

**Police Pension Fund**

a) Plan Description

Plan Administration. The Board consists of one member appointed by the City, two active members of the police department elected by the membership, and two retired members of the police department elected by the membership.

Plan Membership as of April 30, 2019:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	87
Active Plan Members	<u>77</u>
Total	<u>164</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

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

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 50% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination times creditable service.

Contributions:

Employee: 9.91% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2040.

b) Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of April 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Return</u>
Fixed Income	32.0%	2.4%
Mutual Funds	62.0%	6.6%
Certificates of Deposit	5.0%	.5%
Cash	<u>1.0%</u>	.0%
Total	<u>100.0%</u>	

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended April 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 4.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

c) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2019 were as follows:

Total Pension Liability	\$ 78,688,380
Plan Fiduciary Net Position	<u>(43,026,366)</u>
Net Pension Liability	<u>\$ 35,662,014</u>
Plan Fiduciary Net Position	
as a % of Total Pension Liability	54.68%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2019 using the following actuarial assumptions.

Inflation	2.00%
Payroll Growth	4.00%
Investment Rate of Return	7.00%
Active Mortality Rate: RP-2014 Mortality Table with a Blue Collar Adjustment	

The long-term expected rate of return on pension plan investments was determined by the historical return for which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

Discount Rate:

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year

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

general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00% and the resulting single discount rate is 7.00%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Fully funded benefit payments are projected to be maintained at the current rate of 7.00%.

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease <u>6.00%</u>	Rate Assumption <u>7.00%</u>	1% Increase <u>8.00%</u>
Total Pension Liability	\$ 89,243,572	\$ 78,688,380	\$ 70,068,403
Plan Fiduciary Net Position	<u>43,026,366</u>	<u>43,026,366</u>	<u>43,026,366</u>
Net Pension Liability/(Asset)	<u>\$ 46,217,206</u>	<u>\$ 35,662,014</u>	<u>\$ 27,042,037</u>

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

*Net Pension Liability.* The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 1,041,368
Interest on the Total Pension Liability	4,700,755
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	6,740,510
Changes of assumptions	2,192,719
Benefit payments, including refunds of employee contributions	<u>(4,198,489)</u>
Net change in total pension liability	\$ 10,476,863
Total pension liability - beginning	<u>68,211,517</u>
Total pension liability - ending	<u>\$ 78,688,380</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 3,038,320
Contributions - employee	513,954
Net investment income	2,045,425
Benefit payments, including refunds of employee contributions	<u>(4,198,489)</u>
Other (Net Transfer)	<u>(46,960)</u>
Net change in plan fiduciary net position	\$ 1,352,250
Plan fiduciary net position - beginning	<u>41,674,116</u>
Plan fiduciary net position - ending	<u>\$ 43,026,366</u>
 <b>Net pension liability/(asset)</b>	 <u>\$ 35,662,014</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 54.68%
 <b>Covered valuation payroll</b>	 \$ 5,342,683
 <b>Net pension liability as a percentage of covered valuation payroll</b>	 667.49%

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

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 6,624,812	\$ 3,650,068
Changes in assumptions	1,827,266	-
Net difference between projected and actual earnings on pension plan investments	<u>1,328,182</u>	<u>699,625</u>
Total	<u>\$ 9,780,260</u>	<u>\$ 4,349,693</u>

Year Ending December 31,	Net Deferred Outflows of <u>Resources</u>
2020	\$ 1,586,828
2021	936,647
2022	1,186,516
2023	1,253,146
2024	1,037,688
Thereafter	<u>(570,258)</u>
	<u>\$ 5,430,567</u>

**Firemen's Pension Fund**

a) Plan Description

Plan Administration. The Board consists of one member appointed by the City, two active members of the fire department elected by the membership, and two retired members of the fire department elected by the membership.

Plan Membership as of April 30, 2019:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	73
Active Plan Members	<u>63</u>
Total	<u>136</u>

Benefits Provided:

The Plan provides retirement, termination, disability, and death benefits.

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

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,159.27 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00 of the original benefit amount for each year since benefit commencement upon reaching age 60. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Seven years of service required for non-service connected disability. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 54% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50.

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a

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

refund of member contributions. The termination benefit is based on the monthly salary attached to the Member's rank at separation from service. The following schedule applies:

<u>Service</u>	<u>% of Salary</u>
10	15.0%
11	17.6%
12	20.4%
13	23.4%
14	26.6%
15	30.0%
16	33.6%
17	37.4%
18	41.4%
19	45.6%

**Contributions:**

Employee: 9.455% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability by December 31, 2040.

b) Investments

**Investment Policy:**

The following was the Board's adopted asset allocation policy as of April 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Return</u>
Mutual Funds	51%	6.6%
Fixed Income	32%	2.4%
Equities	12%	6.6%
Cash	<u>5%</u>	0.0%
Total	<u>100%</u>	

**Concentrations:**

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

**Rate of Return:**

For the year ended April 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

c) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2019 were as follows:

Total Pension Liability	\$ 66,557,009
Plan Fiduciary Net Position	<u>(31,044,851)</u>
Net Pension Liability	<u>\$ 35,512,158</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	46.64%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2019 using the following actuarial assumptions.

Inflation	2.00%
Payroll Growth	3.50%
Investment Rate of Return	7.00%
Active Mortality Rate: RP-2014 Mortality Table with a Blue Collar Adjustment	

The long-term expected rate of return on pension plan investments was determined by the historical return for which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

Discount Rate:

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year

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

general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00% and the resulting single discount rate is 7.00%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Fully funded benefit payments are projected to be maintained at the current rate of 7.00%.

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Total Pension Liability	\$ 75,103,146	\$ 66,557,009	\$ 59,521,392
Plan Fiduciary Net Position	<u>31,044,851</u>	<u>31,044,851</u>	<u>31,044,851</u>
Net Pension Liability/(Asset)	<u>\$ 44,058,295</u>	<u>\$ 35,512,158</u>	<u>\$ 28,476,541</u>

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

*Net Pension Liability.* The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

<b>Total pension liability</b>	
Service Cost	\$ 896,169
Interest on the Total Pension Liability	4,519,860
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(2,732,247)
Changes of assumptions	2,002,526
Benefit payments, including refunds of employee contributions	<u>(3,605,112)</u>
Net change in total pension liability	\$ 1,081,196
Total pension liability - beginning	<u>65,475,813</u>
Total pension liability - ending	<u>\$ 66,557,009</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 3,826,558
Contributions - employee	453,260
Net investment income	1,539,129
Benefit payments, including refunds of employee contributions	(3,605,112)
Other (Net Transfer)	<u>(25,451)</u>
Net change in plan fiduciary net position	\$ 2,188,384
Plan fiduciary net position - beginning	<u>28,856,467</u>
Plan fiduciary net position - ending	<u>\$ 31,044,851</u>
 <b>Net pension liability/(asset)</b>	 <u>\$ 35,512,158</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 46.64%
 <b>Covered valuation payroll</b>	 \$ 4,818,521
 <b>Net pension liability as a percentage of covered valuation payroll</b>	 736.99%

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

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,287,525	\$ 2,276,872
Changes in assumptions	1,668,772	-
Net difference between projected and actual earnings on pension plan investments	<u>914,006</u>	<u>86,906</u>
Total	<u>\$ 6,870,303</u>	<u>\$ 2,363,778</u>

Year Ending December 31,	Net Deferred Outflows of Resources
2020	\$ 1,382,021
2021	970,775
2022	1,014,229
2023	716,502
2024	371,381
Thereafter	<u>51,617</u>
	<u>\$ 4,506,525</u>

**NOTE 6: 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 did not make any payments to reduce the principal amount of the Tax Increment Financing notes for the Reunion Development Project agreement during the year ended April 30, 2019. The note balances related to this project in the amounts of \$6,661,539, \$6,661,539, \$3,607,147, and \$3,607,147 are still outstanding and not reflected in the debt of the City as of April 30, 2019.

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

The City also entered into a redevelopment agreement to develop areas within the Parkway North Business District. The City and the developer entered into an agreement by which the developer would incur reimbursable costs which would be submitted for payment through Temporary Notes. The debt would be retired with tax revenues generated from sales tax revenues and business district tax revenues in the project area. The Temporary Notes are payable solely from the new revenues and are not reflected in the long-term debt of the City. Principal reductions during the year ending April 30, 2019 amounted to \$66,498 and were reported as development expense. The balance of the Temporary Notes as of April 30, 2019 is \$813,543.

**NOTE 7: RECEIVABLES**

Accounts receivable for the City, as reported in the statement of net position, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2019:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Property Tax	\$ -	\$ 17,711,400	\$ -	\$ 4,624,700	\$ 22,336,100
Intergovernmental Accounts	3,864,104	1,062,065	-	376,903	750,685
Unbilled Revenue	71,338	-	679,347	-	513,158
Notes/Other	-	-	513,158	-	591,771
	<u>504,973</u>	<u>33,081</u>	<u>-</u>	<u>53,717</u>	<u>591,771</u>
Gross Receivables	4,440,415	18,806,546	1,192,505	5,055,320	24,191,714
Less: Allowance for uncollectible	-	-	150,684	-	150,684
Net Total Receivables	<u>\$ 4,440,415</u>	<u>\$ 18,806,546</u>	<u>\$ 1,041,821</u>	<u>\$ 5,055,320</u>	<u>\$ 29,344,102</u>

**NOTE 8: SELF INSURANCE**

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

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

**NOTE 9: INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended April 30, 2019:

General Fund Transfer From (To):	
Motor Fuel Tax Fund	\$ 300,000
Insurance Fund	(658,042)
Tax Increment Financing Fund	1,400,000
Tax Increment Financing Fund Transfer (To):	
General Fund	(1,400,000)
Sewerage Fund	(1,300,000)
TIF Debt Service Fund	(254,300)
PD Project Debt Service Fund	(1,270,013)
TIF Debt Service Fund Transfer From:	
Tax Increment Financing Fund	254,300
PD Project Debt Service Fund Transfer From:	
Tax Increment Financing Fund	1,270,013
Motor Fuel Tax Fund Transfer (To):	
General Fund	(300,000)
Insurance Fund Transfer From:	
General Fund	658,042
Sewerage Fund Transfer From:	
Tax Increment Financing Fund	<u>1,300,000</u>
	<u>\$ -</u>

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

**NOTE 10: INTERFUND RECEIVABLES AND PAYABLES**

The following is a schedule of interfund receivables and payables for the year ended April 30, 2019:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 807,958	\$ -
Insurance Fund	-	807,958
Totals	<u>\$ 807,958</u>	<u>\$ 807,958</u>

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

**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.

Plan Membership as of April 30, 2019:

Active Employees	310
Inactive Employees Currently Receiving Benefit Payments	<u>51</u>
Total	<u>361</u>

Investments

Investment Policy:

Currently, there is no expectation for future returns on OPEB plan assets since the OPEB obligation is an unfunded obligation. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits.

Receivables:

The Plan does not have any receivables as of April 30, 2019.

Net OPEB Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2019 were as follows:

Total OPEB Liability	\$ 9,003,034
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u>\$ 9,003,034</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	0%
Covered Employee Payroll	\$ 19,051,566
Employer’s Net OPEB Liability as a % of Employee Payroll	47.26%

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

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2019 using the following actuarial assumptions.

Projected Increase in Total Payroll	3.50%
Discount Rate	3.79%
Investment Rate of Return	N/A
Mortality Rates: Follows the RP2014 Blue Collar base rates projected to 2018 using scale MP2018 for Police and Fire. For all others, the RP2014 base rates projected to 2018 using scale MP2018 was used.	
Health Care Cost Inflation Rates:	
FY 2019	8.50%
FY 2020	8.00%
FY 2021	7.50%
FY 2022	7.00%
FY 2023	6.50%
FY 2024	6.00%
FY 2025	5.50%
FY 2026	5.00%
After	4.50%

Following is a table to provide an estimate of the liability due to sensitivity of the net OPEB liability to the healthcare trend rate assumption.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>9.50%</u>	<u>8.50%</u>	<u>7.50%</u>
Total OPEB Liability	<u>\$ 8,121,493</u>	<u>\$ 9,003,034</u>	<u>\$ 10,052,867</u>

Discount Rate:

The discount rate used to measure the total OPEB liability was 3.79 percent. If the OPEB plan is funded, the projection of cash flows will be used to determine the extent to which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Following is a table to provide an estimate of the liability due to sensitivity of the net OPEB liability to the discount trend rate assumption.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>2.79%</u>	<u>3.79%</u>	<u>4.79%</u>
Total OPEB Liability	<u>\$ 9,754,172</u>	<u>\$ 9,003,034</u>	<u>\$ 8,334,419</u>

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

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* For the year ended April 30, 2019, the City recognized an OPEB expense of \$564,783. The City has the following deferred inflows and outflows related to the net OPEB liability and the future periods.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ 115,776
Changes in assumptions	-	504,223
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ -</u>	<u>\$ 619,999</u>

<u>Year Ending December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2020	\$ (67,513)
2021	(67,513)
2022	(67,513)
2023	(67,513)
2024	(67,513)
Thereafter	<u>(282,434)</u>
	<u>\$ (619,999)</u>

*Funding Status and Funding Progress.* As of May 1, 2017, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$9,003,034. The plan has no assets as payments are made on a pay-as-you-go basis.

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.

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 \$82,554 as of April 30, 2019. Current year receipts from foreign fire insurance are \$94,992 and the current year expenditures were \$81,810. These funds were used for the maintenance, use and benefit of the department.

**NOTE 13: TAX ABATEMENTS**

In addition to the redevelopment agreements in Note 6, the City also has several other agreements in the TIF Funds to rebate a certain level of property and sales taxes paid. These agreements were all entered into through Council approval for development purposes. Payments made to private organizations during the year ended April 30, 2019 were \$157,064.

**NOTE 14: SUBSEQUENT EVENT**

The City has evaluated events occurring after the financial statement date through October 8, 2019 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.

**NOTE 15: RESTATEMENT OF BEGINNING BALANCES – IMPLEMENTATION OF GASB 75**

GASB Statement 75 was implemented in the current fiscal year and requires the City to recognize the full liability related to Other Post-Employment Benefits (OPEB). This resulted in a restatement of the beginning balance of the governmental funds and the business-type funds. The governmental funds decreased by \$5,230,033 and the business-type funds decreased by \$146,716 as a result of the implementation.

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Local Taxes:			
Hotel/Motel	\$ 100,000	\$ 100,000	\$ 83,775
Utility	3,575,000	3,575,000	3,631,115
Total Taxes	<u>3,675,000</u>	<u>3,675,000</u>	<u>3,714,890</u>
Licenses, Permits and Fees:			
Liquor Licenses	97,000	97,000	102,175
Franchise Fees	675,000	675,000	649,646
Business Licenses	120,000	120,000	90,347
Building Permits	125,000	125,000	136,406
Electrical Permits	30,200	30,200	40,930
Other Permits	61,600	61,600	127,452
Occupancy Permits	158,000	158,000	147,650
Housing Inspection Permits	397,000	397,000	402,140
Fire Inspection Fees	70,000	70,000	62,210
Dispatch Fees	340,000	340,000	357,617
Other Fees	67,600	67,600	32,573
Total Licenses and Permits	<u>2,141,400</u>	<u>2,141,400</u>	<u>2,149,146</u>
Intergovernmental:			
State Income Tax	4,265,000	4,265,000	4,318,323
Sales Tax	8,971,500	8,971,500	8,939,562
Local Use Tax	1,170,000	1,170,000	1,315,084
Personal Property Replacement Tax	246,000	246,000	246,955
Grants	-	-	987
Gaming Tax	282,000	282,000	296,354
Telecommunications Tax	1,000,000	1,000,000	899,041
Total Intergovernmental	<u>15,934,500</u>	<u>15,934,500</u>	<u>16,016,306</u>
Charges for Services:			
Trash Disposal Charges	3,324,000	3,324,000	3,389,707
Cemetery Fees	47,100	47,100	49,171
Rent/Lease	102,700	102,700	71,370
Total Charges for Services	<u>3,473,800</u>	<u>3,473,800</u>	<u>3,510,248</u>
Fines and Forfeitures:			
Police and Circuit Clerk Fines	174,500	174,500	153,595
Total Fines and Forfeitures	<u>174,500</u>	<u>174,500</u>	<u>153,595</u>
Interest	22,000	22,000	12,834

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts (continued):			
Miscellaneous:			
Donations	1,030	1,030	167
Departmental Reimbursement	553,500	553,500	452,014
Other	40,500	40,500	38,032
Total Miscellaneous	<u>595,030</u>	<u>595,030</u>	<u>490,213</u>
Total Receipts	<u>\$ 26,016,230</u>	<u>\$ 26,016,230</u>	<u>\$ 26,047,232</u>
Disbursements:			
General Government:			
Administrative:			
Personal Services	\$ 650,300	\$ 650,500	\$ 630,116
Contractual Services	1,317,450	1,234,950	1,178,240
Commodities	17,200	17,200	11,915
Capital Outlay	2,000	2,000	1,579
Debt Service	202,713	225,213	224,932
Other	31,000	35,000	33,759
	<u>2,220,663</u>	<u>2,164,863</u>	<u>2,080,541</u>
Legal:			
Personal Services	184,000	186,100	185,973
Contractual Services	22,200	54,200	52,001
	<u>206,200</u>	<u>240,300</u>	<u>237,974</u>
Health and Housing:			
Personal Services	744,700	744,700	728,486
Contractual Services	113,560	113,560	75,211
Commodities	16,400	15,400	10,522
Capital Outlay	500	1,500	1,346
	<u>875,160</u>	<u>875,160</u>	<u>815,565</u>
Mayor's Office:			
Personal Services	214,200	214,200	212,715
Contractual Services	6,900	6,900	4,723
Commodities	2,600	2,600	2,113
	<u>223,700</u>	<u>223,700</u>	<u>219,551</u>
Finance:			
Personal Services	274,900	279,500	277,492
Contractual Services	1,900	1,900	1,609
Commodities	900	900	726
	<u>277,700</u>	<u>282,300</u>	<u>279,827</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Disbursements (continued):			
Human Resources:			
Personal Services	152,940	152,940	152,446
Contractual Services	16,000	16,000	12,358
Commodities	400	400	97
	<u>169,340</u>	<u>169,340</u>	<u>164,901</u>
City Clerk:			
Personal Services	236,200	236,200	233,350
Contractual Services	18,400	23,400	20,486
Commodities	2,000	2,000	710
Capital Outlay	500	500	500
	<u>257,100</u>	<u>262,100</u>	<u>255,046</u>
Treasurer:			
Personal Services	\$ 141,100	\$ 136,500	\$ 136,329
Contractual Services	8,277	7,877	6,409
Commodities	1,000	1,400	1,261
	<u>150,377</u>	<u>145,777</u>	<u>143,999</u>
Maintenance:			
Personal Services	574,300	574,300	516,764
Contractual Services	113,490	113,490	106,431
Commodities	26,100	26,100	23,759
Capital Outlay	1,250	1,250	679
	<u>715,140</u>	<u>715,140</u>	<u>647,633</u>
Total General Government	<u>5,095,380</u>	<u>5,078,680</u>	<u>4,845,037</u>
Public Safety:			
Police Department:			
Personal Services	9,067,300	8,935,700	8,511,949
Contractual Services	931,130	906,130	704,004
Commodities	235,200	260,200	246,247
Capital Outlay	54,500	54,500	45,604
Other	17,250	17,250	3,317
	<u>10,305,380</u>	<u>10,173,780</u>	<u>9,511,121</u>
Fire Department:			
Personal Services	5,953,000	6,075,000	6,071,506
Contractual Services	602,810	595,810	484,673
Commodities	102,000	109,000	104,425
Capital Outlay	25,000	25,000	24,134
Debt Service	40,000	40,000	40,000
Other	5,500	5,500	4,188
	<u>6,728,310</u>	<u>6,850,310</u>	<u>6,728,926</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Disbursements (continued):			
Public Safety:			
Board of Police and Fire Commissioners:			
Contractual Services	5,000	5,000	-
	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Public Safety	<u>17,038,690</u>	<u>17,029,090</u>	<u>16,240,047</u>
Public Works:			
Personal Services	\$ 1,370,500	\$ 1,370,500	\$ 1,338,920
Contractual Services	228,500	228,500	198,151
Commodities	176,500	176,500	168,569
Capital Outlay	<u>2,000</u>	<u>2,600</u>	<u>2,503</u>
Total Public Works	<u>1,777,500</u>	<u>1,778,100</u>	<u>1,708,143</u>
Parks and Recreation:			
Personal Services	539,000	539,000	505,160
Contractual Services	257,440	257,440	231,909
Commodities	141,625	141,625	96,243
Capital Outlay	<u>14,500</u>	<u>14,500</u>	<u>14,046</u>
Total Parks and Recreation	<u>952,565</u>	<u>952,565</u>	<u>847,358</u>
Health and Sanitation:			
Personal Services	1,048,600	1,045,900	1,039,393
Contractual Services	1,154,900	1,114,900	1,099,461
Commodities	255,500	285,500	262,503
Capital Outlay	<u>18,000</u>	<u>32,400</u>	<u>31,515</u>
Total Health and Sanitation	<u>2,477,000</u>	<u>2,478,700</u>	<u>2,432,872</u>
Cemetery:			
Personal Services	177,400	177,400	174,251
Contractual Services	21,900	18,900	13,731
Commodities	<u>22,300</u>	<u>25,300</u>	<u>24,060</u>
Total Cemetery	<u>221,600</u>	<u>221,600</u>	<u>212,042</u>
Engineering:			
Personal Services	213,200	213,200	201,518
Contractual Services	34,900	53,900	44,782
Commodities	7,000	7,000	3,463
Capital Outlay	<u>2,000</u>	<u>2,000</u>	<u>1,989</u>
Total Engineering	<u>257,100</u>	<u>276,100</u>	<u>251,752</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Planning & Economic Development:			
Personal Services	259,100	264,100	263,953
Contractual Services	38,060	38,060	16,236
Commodities	4,200	4,200	1,714
Total Planning & Economic Development	<u>301,360</u>	<u>306,360</u>	<u>281,903</u>
 Total Disbursements	 <u>\$ 28,121,195</u>	 <u>\$ 28,121,195</u>	 <u>\$ 26,819,154</u>
 Excess (Deficiency) of Receipts Over Disbursements	 <u>(2,104,965)</u>	 <u>(2,104,965)</u>	 <u>(771,922)</u>
Other Financing Sources:			
Proceeds From Fixed Asset Sales	10,000	10,000	650
Transfers In	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,700,000</u>
Excess of Receipts and Other Financing Sources Over Disbursements	 <u>\$ 5,035</u>	 <u>\$ 5,035</u>	 928,728
 Change for reporting on modified accrual basis:			
Change in intergovernmental revenue on modified accrual basis			262,895
Change in other receivable on modified accrual basis			2,010
Change in accounts receivable on modified accrual basis			14,070
Change in prepaid expenses on modified accrual basis			(146,389)
Change in interfund activity			(658,042)
Change in accrued payroll on modified accrual basis			(55,233)
Change in accounts payable on modified accrual basis			<u>(198,793)</u>
 As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			 <u>\$ 149,246</u>

**CITY OF BELLEVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)  
 TAX INCREMENT FINANCING FUND  
 FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax	\$ 18,080,000	\$ 18,080,000	\$ 17,808,455
Intergovernmental	3,823,190	3,823,190	3,028,542
Interest	118,200	118,200	191,067
Miscellaneous	<u>57,200</u>	<u>57,200</u>	<u>82,957</u>
Total Receipts	<u>22,078,590</u>	<u>22,078,590</u>	<u>21,111,021</u>
Disbursements:			
Current:			
Development:			
Contractual Services	1,436,900	1,474,900	899,007
Tax District Reimbursements and Rebates	7,496,000	7,492,000	7,164,402
Capital Outlay	5,713,500	6,047,500	4,112,340
Debt Service	<u>4,450,000</u>	<u>4,585,000</u>	<u>4,520,310</u>
Total Disbursements	<u>19,096,400</u>	<u>19,599,400</u>	<u>16,696,059</u>
Excess of Receipts Over Disbursements	<u>2,982,190</u>	<u>2,479,190</u>	<u>4,414,962</u>
Other Financing Sources:			
Transfers In	16,000	16,000	-
Transfers Out	<u>(4,442,314)</u>	<u>(4,442,314)</u>	<u>(4,224,312)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (1,444,124)</u>	<u>\$ (1,947,124)</u>	190,650
Change for reporting on modified accrual basis:			
Change in intergovernmental revenue on modified accrual basis			307,260
Change in accounts payable on modified accrual basis			<u>(198,014)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 299,896</u>

**CITY OF BELLEVILLE, ILLINOIS**

POLICE PENSION FUND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
APRIL 30, 2019

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability:				
Service Cost	\$ 1,041,368	\$ 1,041,368	\$ 1,073,387	\$ 1,066,998
Interest	4,700,755	4,841,241	4,653,937	4,406,637
Difference between expected and actual	6,740,510	(4,870,535)	449,535	1,325,604
Assumption changes	2,192,719	-	-	-
Benefit payments, including refunds	<u>(4,198,489)</u>	<u>(3,620,578)</u>	<u>(3,399,973)</u>	<u>(3,153,346)</u>
Net change in total pension liability	10,476,863	(2,608,504)	2,776,886	3,645,893
Total pension liability - beginning	<u>68,211,517</u>	<u>70,820,021</u>	<u>68,043,135</u>	<u>64,397,242</u>
Total pension liability - ending	<u>\$ 78,688,380</u>	<u>\$ 68,211,517</u>	<u>\$ 70,820,021</u>	<u>\$ 68,043,135</u>
Plan Fiduciary Net Position				
Contributions - employer	3,038,320	3,428,642	3,061,478	2,388,327
Contributions - employee	513,954	542,225	565,398	595,180
Net investment income	2,045,425	2,988,591	3,641,360	(808,519)
Benefit payments, including refunds	(4,198,489)	(3,620,578)	(3,399,973)	(3,153,346)
Administrative	<u>(46,960)</u>	<u>(46,567)</u>	<u>(27,817)</u>	<u>(35,261)</u>
Net change in plan fiduciary net position	1,352,250	3,292,313	3,840,446	(1,013,619)
Plan fiduciary net position - beginning	<u>41,674,116</u>	<u>38,381,803</u>	<u>34,541,357</u>	<u>35,554,976</u>
Plan fiduciary net position - ending	<u>\$ 43,026,366</u>	<u>\$ 41,674,116</u>	<u>\$ 38,381,803</u>	<u>\$ 34,541,357</u>
Net Pension Liability	<u>\$ 35,662,014</u>	<u>\$ 26,537,401</u>	<u>\$ 32,438,218</u>	<u>\$ 33,501,778</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>54.68%</u>	<u>61.10%</u>	<u>54.20%</u>	<u>50.76%</u>
Covered-employee Payroll	<u>\$ 5,342,683</u>	<u>\$ 5,422,363</u>	<u>\$ 5,543,274</u>	<u>\$ 5,465,773</u>
Net position liability as a percentage of covered-employee payroll	<u>667.49%</u>	<u>489.41%</u>	<u>585.18%</u>	<u>612.94%</u>

**CITY OF BELLEVILLE, ILLINOIS**

FIREMEN'S PENSION FUND  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 APRIL 30, 2019

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability:				
Service Cost	\$ 896,169	\$ 896,169	\$ 873,241	\$ 888,935
Interest	4,519,860	4,121,366	4,001,639	3,665,431
Differences between expected and actual	(2,732,247)	3,502,596	272,913	3,490,547
Assumption change	2,002,526	-	-	-
Benefit payments, including refunds	<u>(3,605,112)</u>	<u>(3,546,424)</u>	<u>(3,345,140)</u>	<u>(3,154,634)</u>
Net change in total pension liability	1,081,196	4,973,707	1,802,653	4,890,279
Total pension liability - beginning	<u>65,475,813</u>	<u>60,502,106</u>	<u>58,699,453</u>	<u>53,809,174</u>
Total pension liability - ending	<u>\$ 66,557,009</u>	<u>\$ 65,475,813</u>	<u>\$ 60,502,106</u>	<u>\$ 58,699,453</u>
Plan Fiduciary Net Position				
Contributions - employer	3,826,558	3,424,044	2,966,715	2,832,970
Contributions - employee	453,260	435,143	432,164	422,345
Net investment income	1,539,129	1,648,262	1,881,873	(372,624)
Benefit payments, including refunds	(3,605,112)	(3,546,424)	(3,345,140)	(3,154,634)
Administrative	<u>(25,451)</u>	<u>(31,573)</u>	<u>(32,529)</u>	<u>(41,915)</u>
Net change in plan fiduciary net position	2,188,384	1,929,452	1,903,083	(313,858)
Plan fiduciary net position - beginning	<u>28,856,467</u>	<u>26,927,015</u>	<u>25,023,932</u>	<u>25,337,790</u>
Plan fiduciary net position - ending	<u>\$ 31,044,851</u>	<u>\$ 28,856,467</u>	<u>\$ 26,927,015</u>	<u>\$ 25,023,932</u>
Net Pension Liability	<u>\$ 35,512,158</u>	<u>\$ 36,619,346</u>	<u>\$ 33,575,091</u>	<u>\$ 33,675,521</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>46.64%</u>	<u>44.07%</u>	<u>44.51%</u>	<u>42.63%</u>
Covered-employee Payroll	<u>\$ 4,818,521</u>	<u>\$ 4,531,755</u>	<u>\$ 4,349,765</u>	<u>\$ 4,379,022</u>
Net position liability as a percentage of covered-employee payroll	<u>736.99%</u>	<u>808.06%</u>	<u>771.88%</u>	<u>769.02%</u>

**CITY OF BELLEVILLE, ILLINOIS**

POLICE PENSION FUND  
SCHEDULE OF CONTRIBUTIONS  
APRIL 30, 2019

	Fiscal Year		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarial Determined Contribution	\$ 2,948,748	\$ 3,397,194	\$ 3,303,241
Contributions in relation to actuarial determined contribution	<u>3,038,320</u>	<u>3,428,642</u>	<u>3,061,477</u>
Contribution deficiency (excess)	<u>\$ (89,572)</u>	<u>\$ (31,448)</u>	<u>\$ 241,764</u>
 Covered-employee Payroll	 <u>\$ 5,422,363</u>	 <u>\$ 5,543,274</u>	 <u>\$ 5,465,773</u>
 Contributions as a percentage of covered-employee payroll	 <u>56.03%</u>	 <u>61.85%</u>	 <u>56.01%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2018.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	21 years
Asset Valuation Method:	Gains and losses recognized over a five year period

Actuarial Assumptions:	
Interest Rate (current and prior)	7.00%
Payroll Growth	4.00%
Inflation	2.00%

CITY OF BELLEVILLE, ILLINOIS

FIREMEN'S PENSION FUND  
SCHEDULE OF CONTRIBUTIONS  
APRIL 30, 2019

	Fiscal Year		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarial Determined Contribution	\$ 3,760,662	\$ 3,412,016	\$ 3,350,301
Contributions in relation to actuarial determined contribution	<u>3,826,558</u>	<u>3,424,044</u>	<u>2,966,715</u>
Contribution deficiency (excess)	<u>\$ (65,896)</u>	<u>\$ (12,028)</u>	<u>\$ 383,586</u>
Covered-employee Payroll	<u>\$ 4,531,755</u>	<u>\$ 4,349,765</u>	<u>\$ 4,379,022</u>
Contributions as a percentage of covered-employee payroll	<u>84.44%</u>	<u>78.72%</u>	<u>67.75%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2018.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	21 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.00%
Payroll Growth	3.50%
Inflation	0.00%

**CITY OF BELLEVILLE, ILLINOIS**

POLICE PENSION FUND  
SCHEDULE OF INVESTMENT RETURNS  
APRIL 30, 2019

Annual money-weighted rate of return,  
net of investment expense

2019	4.91%
2018	7.79%
2017	10.52%
2016	-2.38%
2015	6.45%
2014	8.29%
2013	6.24%
2012	0.14%
2011	7.34%
2010	10.14%

**CITY OF BELLEVILLE, ILLINOIS**

**FIREMEN'S PENSION FUND  
SCHEDULE OF INVESTMENT RETURNS  
APRIL 30, 2019**

Annual money-weighted rate of return,  
net of investment expense

2019	5.33%
2018	6.12%
2017	7.52%
2016	-1.63%
2015	5.41%
2014	9.67%
2013	8.65%
2012	3.19%
2011	8.91%
2010	12.74%

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2019

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service Cost	\$ 919,596	\$ 1,012,756	\$ 966,744	\$ 977,248
Interest	4,183,974	4,077,653	3,911,304	3,810,790
Difference between expected and actual experience	150,423	1,004,964	(190,574)	(1,116,165)
Assumption changes	1,632,373	(1,825,644)	(131,532)	63,016
Benefit payments, including refunds	<u>(2,928,037)</u>	<u>(2,683,027)</u>	<u>(2,317,764)</u>	<u>(2,317,937)</u>
Net change in total pension liability	3,958,329	1,586,702	2,238,178	1,416,952
Total pension liability - beginning	<u>56,790,545</u>	<u>55,203,843</u>	<u>52,965,665</u>	<u>51,548,713</u>
Total pension liability - ending	<u>\$ 60,748,874</u>	<u>\$ 56,790,545</u>	<u>\$ 55,203,843</u>	<u>\$ 52,965,665</u>
Plan Fiduciary Net Position				
Contributions - employer	1,056,702	1,042,246	1,124,495	1,076,108
Contributions - employee	439,837	457,474	436,840	402,058
Net investment income	(2,973,928)	8,464,667	3,245,792	235,252
Benefit payments, including refunds	(2,928,037)	(2,683,027)	(2,317,764)	(2,317,937)
Other	<u>550,510</u>	<u>(417,289)</u>	<u>(280,407)</u>	<u>(185,553)</u>
Net change in plan fiduciary net position	(3,854,916)	6,864,071	2,208,956	(790,072)
Plan fiduciary net position - beginning	<u>55,753,207</u>	<u>48,889,136</u>	<u>46,680,180</u>	<u>47,470,252</u>
Plan fiduciary net position - ending	<u>\$ 51,898,291</u>	<u>\$ 55,753,207</u>	<u>\$ 48,889,136</u>	<u>\$ 46,680,180</u>
Net Pension Liability	<u>\$ 8,850,583</u>	<u>\$ 1,037,338</u>	<u>\$ 6,314,707</u>	<u>\$ 6,285,485</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>85.43%</u>	<u>98.17%</u>	<u>88.56%</u>	<u>88.13%</u>
Covered-employee Payroll	<u>\$ 9,667,907</u>	<u>\$ 9,464,724</u>	<u>\$ 9,457,035</u>	<u>\$ 8,923,922</u>
Net position liability as a percentage of covered-employee payroll	<u>91.55%</u>	<u>10.96%</u>	<u>66.77%</u>	<u>70.43%</u>

**CITY OF BELLEVILLE, ILLINOIS**

**SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2019**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 1,056,702	\$ 1,037,334	\$ 1,120,659	\$ 1,076,225
Contributions in relation to actuarial determined contribution	<u>1,056,702</u>	<u>1,042,246</u>	<u>1,124,495</u>	<u>1,076,108</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (4,912)</u>	<u>\$ (3,836)</u>	<u>\$ 117</u>
Covered-employee Payroll	<u>9,667,907</u>	<u>9,464,724</u>	<u>9,457,035</u>	<u>8,923,922</u>
Contributions as a percentage of covered-employee payroll	<u>10.93%</u>	<u>11.01%</u>	<u>11.89%</u>	<u>12.06%</u>

Actuarial valuation date for above is December 31, 2018.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	25 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.50%
Wage Growth	3.50%
Price Inflation	2.75%

CITY OF BELLEVILLE, ILLINOIS

OPEB PLAN  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
APRIL 30, 2019

	<u>2019</u>
Total OPEB Liability:	
Service Cost	\$ 549,981
Interest	359,807
Difference between expected and actual experience	(128,383)
Assumption changes	(559,129)
Benefit payments, including refunds	<u>(564,783)</u>
Net change in total OPEB liability	(342,507)
Total OPEB liability - beginning	<u>9,345,541</u>
Total OPEB liability - ending	<u>\$ 9,003,034</u>
Plan Fiduciary Net Position	
Contributions - employer	564,783
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds	(564,783)
Other	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>
Net OPEB Liability	<u>\$ 9,003,034</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>
Covered-employee Payroll	<u>\$ 19,051,566</u>
Net position liability as a percentage of covered-employee payroll	<u>47.26%</u>

CITY OF BELLEVILLE, ILLINOIS

OPEB PLAN  
SCHEDULE OF CONTRIBUTIONS  
APRIL 30, 2019

	<u>2019</u>
Actuarial Determined Contribution	\$ 564,783
Contributions in relation to actuarial determined contribution	<u>564,783</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee Payroll	 <u>\$ 19,501,566</u>
 Contributions as a percentage of covered-employee payroll	 <u>2.90%</u>

Actuarial valuation date for above is April 30, 2019.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Mortality Rates:	RP2014 rates projected to 2018 using scale MP2018 RP2014 Blue Collar for Police and Fire
Healthcare Cost Inflation Rates:	8.5% in 2019 reduced annually by .5% to 2026. 4.50% in 2026 and after.
Actuarial Assumptions:	
Discount Rate	3.79%
Payroll Growth	3.50%
Inflation	0.00%

CITY OF BELLEVILLE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2019

	Debt Service					Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
	Total Special Revenue	Special Service Area	2011 Bond Fund	TIF	PD Project			
<b>Assets</b>								
Cash and Investments	\$ 5,255,940	\$ 254,775	\$ 1,752,933	\$ 263,687	\$ 1,296,418	\$ 10,317	\$ 219,993	\$ 9,054,063
Receivables (Net of allowance for uncollectible):								
Property Tax	4,055,200	99,200	-	-	-	-	-	4,154,400
Intergovernmental	98,450	-	278,453	-	-	-	-	376,903
Other	53,717	-	-	-	-	-	-	53,717
Prepaid Expenses	27,095	-	-	-	-	-	-	27,095
Total Assets	\$ 9,490,402	\$ 353,975	\$ 2,031,386	\$ 263,687	\$ 1,296,418	\$ 10,317	\$ 219,993	\$ 13,666,178
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>								
Liabilities:								
Accounts Payable	\$ 172,857	-	-	-	-	-	-	\$ 172,857
Accrued Salaries	64,440	-	-	-	-	-	-	64,440
Total Liabilities	237,297	-	-	-	-	-	-	237,297
Deferred Inflows of Resources:								
Deferred Property Tax	4,055,200	99,200	-	-	-	-	-	4,154,400
Deferred Intergovernmental Tax	-	-	99,845	-	-	-	-	99,845
Total Fund Balances	4,055,200	99,200	99,845	-	-	-	-	4,254,245
Fund Balances:								
Nonspendable	27,095	-	-	-	-	-	-	27,095
Restricted	5,078,623	254,775	1,931,541	263,687	1,296,418	-	219,993	9,045,037
Committed	92,187	-	-	-	-	10,317	-	102,504
Total Fund Balances	5,197,905	254,775	1,931,541	263,687	1,296,418	10,317	219,993	9,174,636
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,490,402	\$ 353,975	\$ 2,031,386	\$ 263,687	\$ 1,296,418	\$ 10,317	\$ 219,993	\$ 13,666,178

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2019

	Total Special Revenue	Debt Service					Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
		Special Service Area	2011 Bond Fund	TIF Debt	PD Project	Total			
Revenues:									
Property Tax	\$ 4,014,727	\$ 102,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,117,077	
Intergovernmental	1,483,640	-	1,148,315	-	-	-	-	2,631,955	
Local Tax	55,853	-	-	-	-	-	-	55,853	
Charges for Services	409,099	-	-	-	-	-	1,950	411,049	
Fines and Forfeitures	112,350	-	-	-	-	-	-	112,350	
Investment Income	55,592	4,647	19,025	3,172	10,657	57	7,748	100,898	
Contributions	18,925	-	-	-	-	-	-	18,925	
Miscellaneous	75,541	-	-	-	-	-	-	75,541	
Total Revenues	6,225,727	106,997	1,167,340	3,172	10,657	57	9,698	7,523,648	
Expenditures:									
Current:									
General Government	2,116,052	-	-	-	-	-	-	2,116,052	
Public Safety	109,620	-	-	-	-	-	-	109,620	
Public Works	770,392	-	-	-	-	-	-	770,392	
Health and Welfare	190,819	-	-	-	-	-	-	190,819	
Cultural and Recreational	2,221,337	-	-	-	-	-	-	2,221,337	
Capital Outlay	392,797	-	-	-	-	-	-	392,797	
Debt Service:									
Principal	-	70,000	-	-	680,000	-	-	1,585,000	
Interest and Fiscal Charges	-	33,379	175,378	254,012	596,549	-	-	1,059,318	
Total Expenditures	5,801,017	103,379	1,010,378	254,012	1,276,549	-	-	8,445,335	
Excess (Deficiency) of Revenues Over Expenditures	424,710	3,618	156,962	(250,840)	(1,265,892)	57	9,698	(921,687)	
Other Financing Sources (Uses):									
Transfers In	-	-	-	254,300	1,270,013	-	-	1,524,313	
Transfers Out	(300,000)	-	-	-	-	-	-	(300,000)	
Total Other Financing Sources (Uses)	(300,000)	-	-	254,300	1,270,013	-	-	1,224,313	
Net Change in Fund Balances	124,710	3,618	156,962	3,460	4,121	57	9,698	302,626	
Fund Balances, Beginning of Year, As Restated	5,073,195	251,157	1,774,579	260,227	1,292,297	10,260	210,295	8,872,010	
Fund Balances, End of Year	\$ 5,197,905	\$ 254,775	\$ 1,931,541	\$ 263,687	\$ 1,296,418	\$ 10,317	\$ 219,993	\$ 9,174,636	

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
APRIL 30, 2019

<u>Assets</u>												
Parks Project	Playground and Recreation	Motor Fuel Tax	Illinois Municipal Retirement	Public Library	Tort Liability	Belleville Illinois Tourism	Veteran's Memorial Fountain	Police Trust/ Narcotics/ ILE Block	General and Community Assistance	Route 15 North Business District	Special Service Area	Total
\$ 65,817	\$ 1,501,925	\$ 876,520	\$ 461,730	\$ 581,163	\$ 642,822	\$ 27,001	\$ 3,784	\$ 160,742	\$ 773,387	\$ 47,242	\$ 113,807	\$ 5,255,940
-	376,500	-	1,371,600	1,277,400	703,000	-	-	-	288,200	-	38,500	4,055,200
-	-	98,450	-	-	-	-	-	-	-	-	-	98,450
-	-	-	-	-	49,317	4,400	-	-	-	-	-	53,717
-	5,203	-	-	7,803	-	-	-	-	12,790	-	1,299	27,095
\$ 65,817	\$ 1,883,628	\$ 974,970	\$ 1,833,330	\$ 1,866,366	\$ 1,395,139	\$ 31,401	\$ 3,784	\$ 160,742	\$ 1,074,377	\$ 47,242	\$ 153,606	\$ 9,490,402
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>												
<u>Liabilities:</u>												
Accounts Payable	\$ -	\$ 31,119	\$ 72,097	\$ 15,421	\$ 7,577	\$ 5,031	\$ -	\$ 747	\$ 2,762	\$ -	\$ 861	\$ 172,837
Accrued Salaries	-	21,236	-	40,765	-	-	-	-	2,439	-	-	64,440
Total Liabilities	-	52,355	72,097	56,186	7,577	5,031	-	747	5,201	-	861	237,297
<u>Deferred Inflows of Resources:</u>												
Deferred Property Tax	-	376,500	-	1,277,400	703,000	-	-	-	288,200	-	38,500	4,055,200
Deferred Intergovernmental Tax	-	376,500	-	1,277,400	703,000	-	-	-	288,200	-	38,500	4,055,200
<u>Fund Balance:</u>												
Nonspendable	-	5,203	-	7,803	-	-	-	-	12,790	-	1,299	27,095
Restricted	-	1,449,570	389,633	524,977	684,562	-	3,784	159,995	768,186	47,242	112,946	5,078,623
Committed	65,817	-	-	-	-	26,370	-	-	-	-	-	92,187
Total Fund Balance	65,817	1,454,773	389,633	532,780	684,562	26,370	3,784	159,995	780,976	47,242	114,245	5,197,905
Total Liabilities, Deferred Inflows, of Resources, and Fund Balance	\$ 65,817	\$ 1,883,628	\$ 1,833,330	\$ 1,866,366	\$ 1,395,139	\$ 31,401	\$ 3,784	\$ 160,742	\$ 1,074,377	\$ 47,242	\$ 153,606	\$ 9,490,402

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2019

	Parks Project	Playground and Recreation	Motor Fuel Tax	Illinois Municipal Retirement	Public Library	Tort Liability	Belleville Illinois Tourism	Veteran's Memorial Fountain	Police Trust/ Narcotics/ LLE Block	General and Community Assistance	Route 15 North Business District	Special Service Area	Total
Revenues:													
Property Tax	\$ -	\$ 376,576	\$ -	\$ 1,373,005	\$ 1,273,016	\$ 693,948	\$ -	\$ -	\$ -	\$ 262,437	\$ -	\$ 35,745	\$ 4,014,727
Intergovernmental	-	15,378	1,163,809	65,164	110,969	-	-	-	-	81,176	47,144	-	1,483,640
Local Tax	-	-	-	-	-	-	55,853	-	-	-	-	-	55,853
Charges for Services	-	365,199	2,503	-	41,397	-	-	-	-	-	-	-	409,099
Fines and Forfeitures	-	-	-	-	17,532	-	-	-	94,818	-	-	-	112,350
Investment Income	1,197	23,213	4,728	3,552	6,318	6,373	131	26	1,336	6,505	98	2,115	55,592
Contributions	-	7,840	-	-	6,235	-	-	4,500	350	-	-	-	18,925
Miscellaneous	-	560	-	-	51,982	-	-	-	-	22,999	-	-	75,541
Total Revenues	1,197	788,766	1,171,040	1,441,721	1,507,449	700,321	55,984	4,526	96,504	373,117	47,242	37,860	6,225,727
Expenditures:													
Current:													
General Government	-	-	-	1,367,826	-	562,399	73,260	-	-	112,567	-	-	2,116,052
Public Safety	-	-	-	-	-	-	-	-	109,620	-	-	-	109,620
Public Works	-	-	721,663	-	-	-	-	-	-	-	-	48,729	770,392
Health and Welfare	-	-	-	-	-	-	-	-	-	190,819	-	-	190,819
Cultural and Recreational	-	723,737	-	-	1,493,467	-	-	4,133	-	-	-	-	2,221,337
Capital Outlay	-	-	55,728	-	-	-	-	-	251,428	57,633	-	28,008	392,797
Total Expenditures	-	723,737	777,391	1,367,826	1,493,467	562,399	73,260	4,133	361,048	361,019	-	76,737	5,801,017
Excess (Deficiency) of Revenues Over Expenditures	1,197	65,029	393,649	73,895	13,982	137,922	(17,276)	393	(264,544)	12,098	47,242	(38,877)	424,710
Other Financing Sources (Uses):													
Transfers Out	-	-	(300,000)	-	-	-	-	-	-	-	-	-	(300,000)
Total Other Financing Sources (Uses)	-	-	(300,000)	-	-	-	-	-	-	-	-	-	(300,000)
Net Change in Fund Balances	1,197	65,029	93,649	73,895	13,982	137,922	(17,276)	393	(264,544)	12,098	47,242	(38,877)	124,710
Fund Balance, Beginning of Year	64,620	1,389,744	844,079	315,738	518,798	546,640	43,646	3,391	424,539	768,878	-	153,122	5,073,195
Fund Balance, End of Year	\$ 65,817	\$ 1,454,773	\$ 937,728	\$ 389,633	\$ 532,780	\$ 684,562	\$ 26,370	\$ 3,784	\$ 159,995	\$ 780,976	\$ 47,242	\$ 114,245	\$ 5,197,905

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
APRIL 30, 2019

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current Assets:			
Cash and Investments	\$ 385,384	\$ 1,444	\$ 386,828
Receivables (Net of allowance for uncollectible):			
Property Tax	<u>-</u>	<u>470,300</u>	<u>470,300</u>
Total Assets	<u>\$ 385,384</u>	<u>\$ 471,744</u>	<u>\$ 857,128</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts Payable	\$ -	\$ 804,321	\$ 804,321
Due to Other Funds	<u>-</u>	<u>807,958</u>	<u>807,958</u>
Total Current Liabilities	<u>-</u>	<u>1,612,279</u>	<u>1,612,279</u>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred Property Tax	<u>-</u>	<u>470,300</u>	<u>470,300</u>
<b><u>Net Position</u></b>			
Unassigned	<u>385,384</u>	<u>(1,610,835)</u>	<u>(1,225,451)</u>
Total Net Position	<u>\$ 385,384</u>	<u>\$ (1,610,835)</u>	<u>\$ (1,225,451)</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, 2019

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 4,080,689	\$ 4,080,689
Operating Expenses:			
Personal Services	-	4,899,931	4,899,931
Total Operating Expenses	-	4,899,931	4,899,931
Operating Income (Loss)	-	(819,242)	(819,242)
Nonoperating Revenues:			
Property Tax	-	475,670	475,670
Investment Earnings	5,554	182	5,736
Total Nonoperating Revenues	5,554	475,852	481,406
Income (Loss) Before Transfers	5,554	(343,390)	(337,836)
Transfers In	-	658,042	658,042
Change in Net Position	5,554	314,652	320,206
Net Position, Beginning of Year	379,830	(1,925,487)	(1,545,657)
Net Position, End of Year	<u>\$ 385,384</u>	<u>\$ (1,610,835)</u>	<u>\$ (1,225,451)</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
APRIL 30, 2019

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 650,253	\$ 1,465,793	\$ 2,116,046
Investments, at Market	39,308,398	25,759,769	65,068,167
Receivables:			
Taxes Receivable	2,970,059	3,762,154	6,732,213
Other	831	-	831
Interest Receivable	<u>96,825</u>	<u>57,135</u>	<u>153,960</u>
Total Assets	<u>43,026,366</u>	<u>31,044,851</u>	<u>74,071,217</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position - Restricted for Pensions</b>	<u>\$ 43,026,366</u>	<u>\$ 31,044,851</u>	<u>\$ 74,071,217</u>

**CITY OF BELLEVILLE, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - PENSION TRUST FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2019

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employee Contributions	\$ 513,954	\$ 453,260	\$ 967,214
Employer Contributions:			
Property Taxes	2,973,247	3,765,342	6,738,589
Personal Property Replacement Taxes	<u>65,073</u>	<u>61,216</u>	<u>126,289</u>
Total Contributions	<u>3,552,274</u>	<u>4,279,818</u>	<u>7,832,092</u>
Investment Income:			
Interest and Dividend Income	1,670,527	796,452	2,466,979
Gain (Loss) on Sales of Securities	3,423	(64,414)	(60,991)
Net Appreciation in Fair Market			
Value of Investments	<u>412,954</u>	<u>858,591</u>	<u>1,271,545</u>
	2,086,904	1,590,629	3,677,533
Less Investment Expense	<u>(41,479)</u>	<u>(51,500)</u>	<u>(92,979)</u>
Total Investment Income	<u>2,045,425</u>	<u>1,539,129</u>	<u>3,584,554</u>
Total Additions	<u>5,597,699</u>	<u>5,818,947</u>	<u>11,416,646</u>
Deductions:			
Benefits Paid to Participants:			
Service and Disability	3,749,492	3,091,165	6,840,657
Dependents	404,129	513,947	918,076
Refund of Contributions	44,868	-	44,868
Professional Fees	39,983	18,565	58,548
Other	<u>6,977</u>	<u>6,886</u>	<u>13,863</u>
Total Deductions	<u>4,245,449</u>	<u>3,630,563</u>	<u>7,876,012</u>
Change in Net Position	1,352,250	2,188,384	3,540,634
Net Position, Beginning of Year	<u>41,674,116</u>	<u>28,856,467</u>	<u>70,530,583</u>
Net Position, End of Year	<u>\$ 43,026,366</u>	<u>\$ 31,044,851</u>	<u>\$ 74,071,217</u>

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF ASSESSED VALUATION, TAX RATES,  
EXTENSIONS AND COLLECTIONS  
(UNAUDITED)  
APRIL 30, 2019

**Tax Rates**

Levy Year	Total Assessed Valuation	Corporate Fund	Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Social Security Fund	Playground and Recreation Fund	General Assistance Fund	Total
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
2013	405,836,417	0.0777	0.3205	0.5670	0.5421	0.2982	0.1603	-	0.0912	-	2.0570
2014	401,054,614	0.0773	0.3437	0.5261	0.6317	0.3018	0.1816	-	0.0923	-	2.1545
2015	394,711,073	0.0887	0.2083	0.5864	0.7010	0.3167	0.2043	0.1634	0.0963	-	2.3651
2016	403,383,189	0.0819	0.1986	0.7220	0.7220	0.3187	0.1999	0.1630	0.0943	-	2.5004
2017	406,441,420	0.1461	0.1797	0.8366	0.8366	0.3162	0.1723	0.1612	0.0935	0.0371	2.7793

**Taxes Extended**

Levy Year	Corporate Fund	Retirement Fund	Police Pension Fund	Firemen's Pension Fund	Library Fund	Liability Insurance Fund	Social Security Fund	Playground and Recreation Fund	General Assistance Fund	Total
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
2013	315,335	1,300,706	2,301,092	2,200,039	1,210,204	650,556	-	370,123	-	8,348,055
2014	310,015	1,378,425	2,109,948	2,533,462	1,210,383	728,315	-	370,173	-	8,640,721
2015	350,109	822,183	2,314,586	2,766,924	1,250,050	806,395	644,958	380,107	-	9,335,312
2016	330,371	801,119	2,912,427	2,912,427	1,285,400	806,363	657,515	380,390	-	10,086,012
2017	593,811	730,375	3,400,289	3,400,289	1,285,009	700,298	655,184	380,023	150,790	11,296,068

**Taxes Collected**

Levy Year	Total Taxes Extended	Total Taxes Collected	Percent of Current Year Taxes Collected	Current Year Uncollected Balance
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
2013	8,348,055	8,304,947	99.48%	43,108
2014	8,640,721	8,588,031	99.39%	52,690
2015	9,335,312	9,228,726	98.86%	106,586
2016	10,086,012	10,029,160	99.44%	56,852
2017	11,296,068	11,182,097	98.99%	113,971



**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, 2019, 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 October 8, 2019.

**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.

## **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. Schbase & Co. LLC*

Certified Public Accountants  
Alton, Illinois  
October 8, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2019. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2019.

## 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*C. J. Schuman & Company LLC*

Certified Public Accountants  
Alton, Illinois  
October 8, 2019

## CITY OF BELLEVILLE, ILLINOIS

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED APRIL 30, 2019

Federal Grantor/ Pass-through Grantor/ <u>Program Title</u>	CFDA <u>Number</u>	Agency or Pass-through <u>Number</u>	Program or Award <u>Amount</u>	Federal Disbursements/ <u>Expenditures</u>
<u>Environmental Protection Agency</u>				
Passed Through Illinois Environmental Protection Agency:				
Capitalization Grants for Clean Water	66.458	L175409	\$ 436,576	\$ 436,576
				<u>436,576</u>
<u>Department of Justice</u>				
Direct Award:				
Equitable Sharing Program	16.922	N/A	358,788	358,788
				<u>358,788</u>
<u>Department of Transportation</u>				
Passed Through Illinois Department of Transportation:				
State and Community Highway Safety	20.600	494100343	\$ 3,862	\$ 2,274
				<u>2,274</u>
Total Federal Awards				<u>\$ 797,638</u>

No amounts were passed through to Sub-recipients

See notes to schedule of expenditures of federal awards

**CITY OF BELLEVILLE, ILLINOIS**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
APRIL 30, 2019

**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 accrual 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, 2019.

Subrecipient Monitoring

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

Indirect Cost Rate

The City elected to use the de minimis indirect cost rate of 10%.

**CITY OF BELLEVILLE, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
APRIL 30, 2019

Part 1 -- Summary of Auditor's Results

- (a) The independent accountants' report expresses an unmodified opinion on the governmental activities and the business-type activities and fund financial statements.
- (b) No significant deficiencies or material weaknesses 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 or material weaknesses in internal control over major federal programs were disclosed by the audit of the financial statements of the City.
- (e) An unmodified 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- (g) The City's major program is Capitalization Grants for Clean Water State Revolving Funds - CFDA #66.458.
- (h) The dollar threshold to distinguish between Type A and Type B programs is \$750,000.
- (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, 2019**

None