

CITY OF BELVIDERE, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2015

CITY OF BELVIDERE, ILLINOIS

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INTRODUCTORY SECTION

CITY OF BELVIDERE, ILLINOIS

List of Principal Officials April 30, 2015

ELECTED OFFICIALS

Mayor: Mike Chamberlain

City Clerk: Shauna Arco

Treasurer: Ric Brereton

Ward 1:	Clinton Morris, Alderman
Ward 1:	Clayton Stevens, Alderman
Ward 2:	Daniel Areyalo, Alderman
Ward 2:	Daniel Snow, Alderman
Ward 3:	Thomas Ratcliffe, Alderman
Ward 3:	Karen Schrader, Alderman
Ward 4:	Ronald Brooks, Alderman
Ward 4:	George Crawford, Alderman
Ward 5:	John Sanders, Alderman
Ward 5:	James Campbell, Alderman

ADMINISTRATIVE

Police Chief:	Jan Noble
Fire Chief:	David Worrell
Finance Director:	Becky Tobin
Public Works Director:	Brent Anderson
Building Director:	Lesa Morelock
City Attorney:	Mike Drella

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

July 24, 2015

The Honorable City Mayor
Members of the City Council
City of Belvidere, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Belvidere, Illinois, as of and for the year ended April 30, 2015, 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 City'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 City'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 opinions.

Opinions

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Belvidere, Illinois, as of April 30, 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belvidere, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

Our discussion and analysis of the City of Belvidere's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2015. Please read it in conjunction with the City's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The City of Belvidere's net position increased as a result of this year's operations. While net position of business-type activities increased by \$673,058, or 1.5 percent, net position of the governmental activities decreased by \$568,062 or 2.0 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$23,842,086 while expenses totaled \$23,737,090 resulting in an increase to net position of \$104,996.
- The City's net position totaled \$73,392,124 on April 30, 2015, which includes \$57,713,632 net investment in capital assets, \$2,642,516 subject to external restrictions, and \$13,035,976 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$1,237,411 resulting in ending fund balance of \$11,003,529, an increase of 12.7 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the City of Belvidere as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City of Belvidere's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government'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 earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Belvidere 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, highways and streets, health and social services, and community and economic development. The business-type activities of the City include water and sewer operations.

The City of Belvidere includes one separate legal entity in its report. The Ida Public Library is presented as a discretely presented component unit. Although legally separate, this "component unit" is important because the City is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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 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 funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The City of Belvidere maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

Proprietary Funds

The City maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes an enterprise fund to account for its water and sewer operations. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 11 - 14 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 use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 15 - 16 of this report.

Notes to the 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 financial statements can be found on pages 17 - 56 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's I.M.R.F., SLEP, police and fire employee pension obligations and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 57 – 62 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

USING THIS ANNUAL REPORT – Continued

Other Information – Continued

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 63 - 90 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of Belvidere, assets/deferred outflows exceeded liabilities/deferred inflows by \$73,392,124.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current/Other Assets/Deferred Outflows	\$ 18,139,725	16,172,671	11,136,925	12,183,432	29,276,650	28,356,103
Capital Assets	26,511,744	28,143,201	38,662,722	36,998,216	65,174,466	65,141,417
Total Assets	44,651,469	44,315,872	49,799,647	49,181,648	94,451,116	93,497,520
Long-Term Debt	9,903,712	9,589,133	3,361,811	3,717,244	13,265,523	13,306,377
Other Liabilities/Deferred Inflows	6,882,439	6,293,359	911,030	610,656	7,793,469	6,904,015
Total Liabilities	16,786,151	15,882,492	4,272,841	4,327,900	21,058,992	20,210,392
Net Position						
Net Investment in Capital Assets	22,700,646	24,287,103	35,012,986	32,925,756	57,713,632	57,212,859
Restricted	923,601	762,562	1,718,915	3,257,810	2,642,516	4,020,372
Unrestricted (Deficit)	4,241,071	3,383,715	8,794,905	8,670,182	13,035,976	12,053,897
Total Net Position	27,865,318	28,433,380	45,526,806	44,853,748	73,392,124	73,287,128

A large portion of the City's net position, \$57,713,632 or 78.6 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2,642,516 or 3.6 percent, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining 17.8 percent, or \$13,035,976, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors. At year-end, the City is able to report positive balances in all categories of net position for both the governmental and the business-type activities, and was able to do so in the prior fiscal year as well.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 1,702,452	1,152,591	6,133,601	5,915,134	7,836,053	7,067,725
Capital Grants/Contrib.	1,154,653	1,003,395	-	-	1,154,653	1,003,395
General Revenues						
Property Taxes	4,870,714	4,883,559	-	-	4,870,714	4,883,559
Utility Taxes	2,242,842	2,315,922	-	-	2,242,842	2,315,922
Replacement Taxes	357,074	344,106	-	-	357,074	344,106
Other Taxes	171,134	188,511	-	-	171,134	188,511
Sales and Use Taxes	3,795,721	3,587,440	-	-	3,795,721	3,587,440
Income Taxes	2,577,580	2,443,256	-	-	2,577,580	2,443,256
Other General Revenues	700,911	731,442	135,404	147,871	836,315	879,313
Total Revenues	17,573,081	16,650,222	6,269,005	6,063,005	23,842,086	22,713,227
Expenses						
General Government	2,243,098	2,343,180	-	-	2,243,098	2,343,180
Public Safety	11,106,118	10,400,816	-	-	11,106,118	10,400,816
Highways and Streets	4,216,750	4,122,753	-	-	4,216,750	4,122,753
Health and Social Services	24,076	24,365	-	-	24,076	24,365
Community/Economic Devel.	160,875	182,835	-	-	160,875	182,835
Interest on Long-Term Debt	390,226	347,064	-	-	390,226	347,064
Water and Sewer	-	-	5,595,947	5,284,478	5,595,947	5,284,478
Total Expenses	18,141,143	17,421,013	5,595,947	5,284,478	23,737,090	22,705,491
Change in Net Position Before Transfers	(568,062)	(770,791)	673,058	778,527	104,996	7,736
Transfers	-	(419,996)	-	419,996	-	-
Change in Net Position	(568,062)	(1,190,787)	673,058	1,198,523	104,996	7,736
Net Position - Beginning	28,433,380	29,624,167	44,853,748	43,655,225	73,287,128	73,279,392
Net Position - Ending	27,865,318	28,433,380	45,526,806	44,853,748	73,392,124	73,287,128

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City of Belvidere's governmental activities decreased by 2.0 percent (\$27,865,318 in 2015 compared to \$28,433,380 in 2014). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$4,241,071 at April 30, 2015.

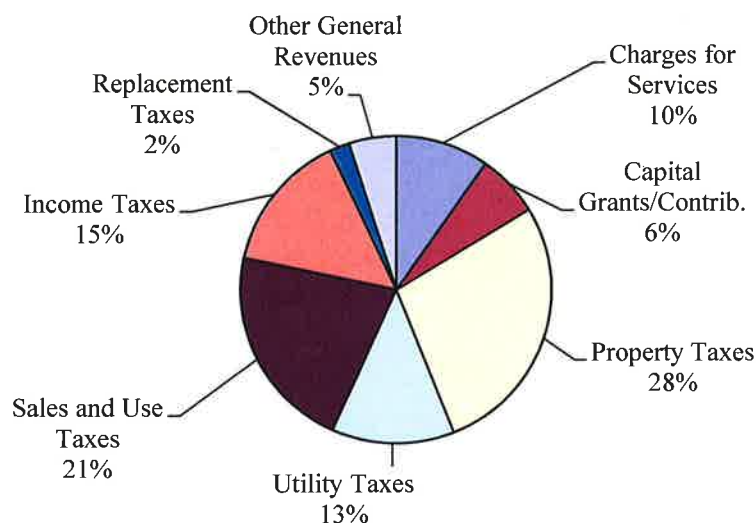
Net position of the business-type activities increased by 1.5 percent (\$45,526,806 in 2015 compared to \$44,853,748 in 2014).

Governmental Activities

Revenues for governmental activities totaled \$17,573,081 while the cost of all governmental functions totaled \$18,141,143. This results in a deficit of \$568,062. In 2014, revenues of \$16,650,222 were less than expenses of \$17,421,013 resulting in a deficit of \$700,791 prior to transfers out of \$419,996.

The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of property taxes, income taxes and sales and use taxes to fund governmental activities. It also clearly identifies the less significant percentage the City receives from charges for services.

Revenues by Source - Governmental Activities



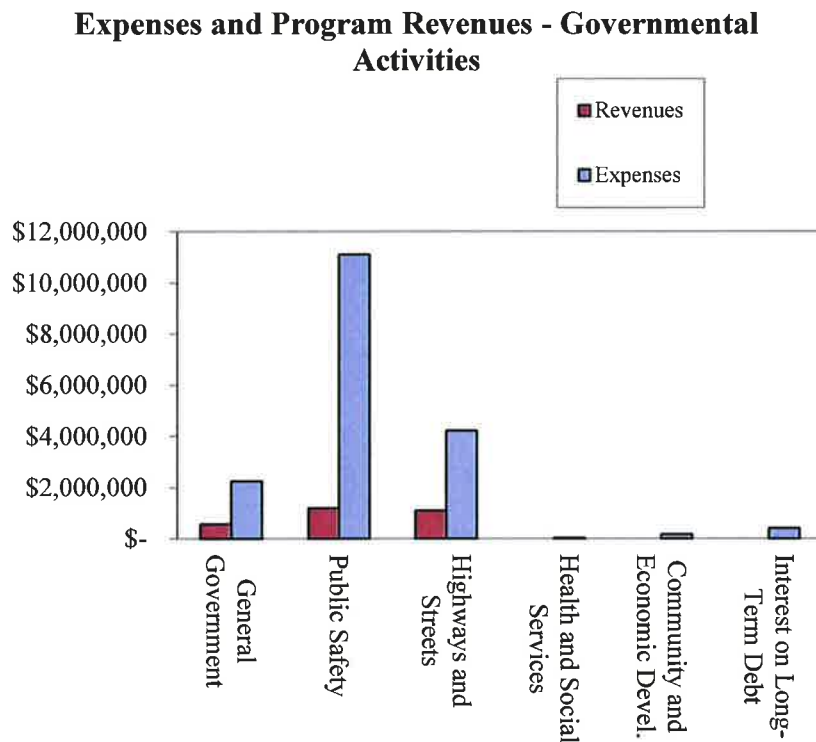
CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



Business-Type Activities

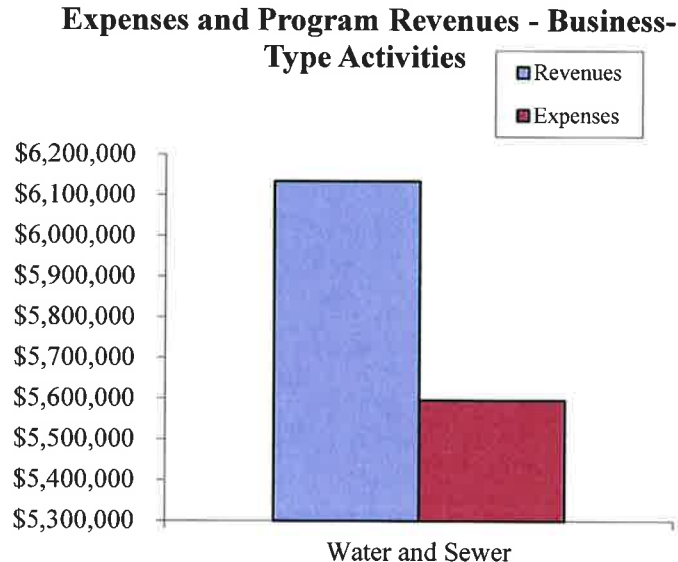
Business-Type activities posted total revenues of \$6,269,005, while the cost of all business-type activities totaled \$5,595,947. This results in a surplus of \$673,058. In 2014, revenues of \$6,063,005 exceed expenses of \$5,284,478 resulting in a surplus of \$778,527 prior to transfers in of \$419,996. The surplus in the current year is due an increase in use by the existing utility customers and only a slight increase in expenses.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities – Continued



The above graph compares program revenues to expenses for water and sewer operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Belvidere 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. 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.

The City's governmental funds reported combining ending fund balances of \$13,077,584, which is \$1,734,153, or 15.3 percent, higher than last year's total of \$11,343,431. Of the \$13,077,584 total, \$7,142,704, or approximately 54.6 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$1,237,411, an increase of 12.7 percent. This was due in large part to revenues for the video gaming, tipping fees, and court fees being higher than the original budget. Specifically, the original budgeted amount for these revenue sources totaled \$400,000 and the actual amount totaled \$756,808. Furthermore, expenditures in the General Fund were under budget. Budgeted expenditures totaled \$14,648,114 while actual expenditures totaled \$14,457,697. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The General Fund is the chief operating fund of the City. At April 30, 2015, unassigned fund balance in the General Fund was \$7,315,363 which represents 66.5 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents 50.6 percent of total General Fund expenditures.

The Capital Projects fund realized an increase in the fund balance of \$322,591 primarily as a result of a transfer in of \$944,882 from the General Fund. The Nonmajor Funds realized an increase in fund balance of \$174,151 as a result of the increase in revenues in Motor Fuel Tax.

Proprietary Funds

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

The City reports the Water and Sewer Fund as a major proprietary fund. The Water and Sewer Fund accounts for all of the operations of the municipal water and sewer system. Water is sold to all municipal customers at a rate of \$1.57 per 100 cubic feet and a rate of \$2.46 per cubic feet for sewer.

The surplus in the Water and Sewer Fund during the current fiscal year was \$673,058, while the previous fiscal year reported a surplus of \$1,198,523. Unrestricted net position in the Water and Sewer Fund totaled \$8,794,905 at April 30, 2015.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made budget amendments to the General Fund at the end of the fiscal year. General Fund actual revenues for the year totaled \$16,611,368, compared to budgeted revenues of \$16,564,926, which is \$46,442 higher than budgeted revenues.

The General Fund actual expenditures for the year were \$190,471 lower than budgeted (\$14,457,697 actual compared to \$14,648,114 budgeted). The general government function's actual expenditures were lower than budgeted expenditures by \$281,708.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

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, 2015 was \$65,174,466 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 523,664	523,664	696,551	696,551	1,220,215	1,220,215
Construction in Progress	93,750	-	110,013	1,315,334	203,763	1,315,334
Land Improvements	46,640	41,662	-	-	46,640	41,662
Infrastructure	22,582,128	24,267,498	-	-	22,582,128	24,267,498
Building and Improvements	1,253,613	1,332,470	1,094,856	229,999	2,348,469	1,562,469
Water Transmission System	-	-	12,156,461	9,132,705	12,156,461	9,132,705
Sewer Collection System	-	-	23,718,330	24,587,649	23,718,330	24,587,649
Equipment	557,857	569,603	835,935	965,502	1,393,792	1,535,105
Vehicles	1,454,092	1,408,304	50,576	70,476	1,504,668	1,478,780
Total	26,511,744	28,143,201	38,662,722	36,998,216	65,174,466	65,141,417

This year's major additions included:

Governmental Activities		Business-Type Activities	
Construction in Progress	\$ 93,750	Construction in Progress	\$ 106,151
Land Improvements	6,556	Buildings and Structures	893,982
Equipment	131,634	Equipment	45,403
Vehicles	259,877	Water Transmission	1,953,211
	<u>491,817</u>		<u>2,998,747</u>

Additional information on the City of Belvidere's capital assets can be found in note 3 on pages 33 – 34 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the City of Belvidere had total outstanding debt of \$7,460,834 as compared to \$7,928,558 the previous year, a decrease of 5.9 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revolving Loans	\$ 140,000	140,000	-	-	140,000	140,000
Debt Certificates	635,098	680,098	-	-	635,098	680,098
Tax Increment Revenue Notes	3,036,000	3,036,000	-	-	3,036,000	3,036,000
Capital Lease	-	-	-	119,145	-	119,145
IEPA Loan	-	-	1,939,736	2,038,315	1,939,736	2,038,315
Alternate Revenue Bonds	-	-	1,710,000	1,915,000	1,710,000	1,915,000
Total	3,811,098	3,856,098	3,649,736	4,072,460	7,460,834	7,928,558

The City last received a bond rating in 2004 at which time it was a Standard & Poor AAA rating. The City has not entered the bond market since 2004. The City is no longer a non-home rule community, and is no longer held to the State statute that limits the amount of general obligation debt. However, the City's current debt limit under the non-home rule statute is \$25,127,684.

Additional information on the City of Belvidere's long-term debt can be found in Note 3 on pages 35 - 40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The economy continues to show signs of improvement; however, the City continues to stay conservative in spending and adhering to a pay-as-you-go philosophy. As a result, the City continues to increase the amount in reserves. It is anticipated that some of those reserves will be utilized in improving the City's infrastructure.

The residential sector is continuing to struggle. Residential permits and new housing construction stayed relatively flat (7 new homes). The commercial sector continues to struggle but is showing some improvement. Some of the projects that have occurred over the past year that include additions, remodels and renovations are Shadley, Davita & Rockford Health Systems, Narita, St. James Church, NDK, Manley Motors, and Taco Bell.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued

The City's elected and appointed officials considered many factors when setting the fiscal-year 2016 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. The unemployment rate for April 30, 2015, for the City of Belvidere was 6.1% and Boone County was 5.3%. The state and national unemployment rates were 6.0 and 5.4 percent, respectively.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Belvidere's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Office of the Budget/Finance Officer, Becky Tobin. City of Belvidere, 401 Whitney Boulevard, Belvidere, Illinois 61008.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Fund
 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF BELVIDERE, ILLINOIS

**Statement of Net Position
April 30, 2015**

See Following Page

CITY OF BELVIDERE, ILLINOIS

**Statement of Net Position
April 30, 2015**

	Governmental Activities	Business-Type Activities	Totals	Component Unit Ida Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 10,737,476	9,976,913	20,714,389	551,446
Receivables - Net of Allowances	6,661,329	905,213	7,566,542	670,996
Land Held for Resale	439,754	-	439,754	-
Prepays/Inventories	301,166	254,799	555,965	9,185
Total Current Assets	18,139,725	11,136,925	29,276,650	1,231,627
Noncurrent Assets				
Capital Assets				
Nondepreciable	617,414	806,564	1,423,978	181,150
Depreciable	42,814,309	65,683,838	108,498,147	1,869,855
Accumulated Depreciation	(16,919,979)	(27,827,680)	(44,747,659)	(984,719)
Total Noncurrent Assets	26,511,744	38,662,722	65,174,466	1,066,286
Total Assets	44,651,469	49,799,647	94,451,116	2,297,913

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

	Governmental Activities	Business-Type Activities	Totals	Component Unit Ida Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 201,316	470,126	671,442	9,369
Accrued Payroll	165,761	54,896	220,657	12,592
Other Payables	-	-	-	34,481
Accrued Interest Payable	1,741,715	20,715	1,762,430	-
Current Portion of Long-Term Liabilities	78,583	365,293	443,876	16,010
Total Current Liabilities	2,187,375	911,030	3,098,405	72,452
Noncurrent Liabilities				
Compensated Absences Payable	114,332	61,894	176,226	9,069
Net Pension Obligation Payable	3,683,636	-	3,683,636	-
Net Other Post-Employment Benefit Obligation Payable	2,154,179	-	2,154,179	42,269
Mortgage Loans Payable	-	-	-	344,728
Revolving Loans Payable	140,000	-	140,000	-
Debt Certificates Payable	585,098	-	585,098	-
Tax Increment Revenue Notes Payable	3,036,000	-	3,036,000	-
Landfill Post Closure Care Costs	190,467	-	190,467	-
IEPA Loans Payable	-	1,839,917	1,839,917	-
General Obligation Alternate Revenue Source and Revenue Bonds Payable	-	1,460,000	1,460,000	-
Total Noncurrent Liabilities	9,903,712	3,361,811	13,265,523	396,066
Total Liabilities	12,091,087	4,272,841	16,363,928	468,518
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,695,064	-	4,695,064	670,996
Total Liabilities and Deferred Inflows of Resources	16,786,151	4,272,841	21,058,992	1,139,514
NET POSITION				
Net Investment in Capital Assets	22,700,646	35,012,986	57,713,632	707,815
Restricted - Donor Specific	-	-	-	87,539
Restricted - Capital Projects	-	1,718,915	1,718,915	-
Restricted - Motor Fuel Tax	890,507	-	890,507	-
Restricted - Tax Increment Financing	33,094	-	33,094	-
Unrestricted	4,241,071	8,794,905	13,035,976	363,045
Total Net Position	27,865,318	45,526,806	73,392,124	1,158,399

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

CITY OF BELVIDERE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants/ Contributions
Governmental Activities			
General Government	\$ 2,243,098	379,857	182,970
Public Safety	11,106,118	1,161,397	33,527
Highways and Streets	4,216,750	161,198	938,156
Health and Social Services	24,076	-	-
Community and Economic Development	160,875	-	-
Interest on Long-Term Debt	390,226	-	-
Total Governmental Activities	18,141,143	1,702,452	1,154,653
Business-Type Activities			
Water and Sewer	5,595,947	6,133,601	-
Total Primary Government	23,737,090	7,836,053	1,154,653
Component Unit - Ida Public Library	938,161	32,239	48,755

General Revenues

Taxes

Property Taxes

Utility Taxes

Telecommunication Taxes

Replacement Taxes

Other Taxes

Intergovernmental - Unrestricted

Sales and Use Taxes

Income Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense)/Revenue			Component Unit Ida Public Library
Primary Government			
Governmental Activities	Business-Type Activities	Totals	
(1,680,271)	-	(1,680,271)	-
(9,911,194)	-	(9,911,194)	-
(3,117,396)	-	(3,117,396)	-
(24,076)	-	(24,076)	-
(160,875)	-	(160,875)	-
(390,226)	-	(390,226)	-
(15,284,038)	-	(15,284,038)	-
-	537,654	537,654	-
(15,284,038)	537,654	(14,746,384)	-
-	-	-	(857,167)
4,870,714	-	4,870,714	660,423
2,242,842	-	2,242,842	-
160,289	-	160,289	-
357,074	-	357,074	38,865
10,845	-	10,845	-
3,795,721	-	3,795,721	-
2,577,580	-	2,577,580	-
26,246	-	26,246	33,965
674,665	135,404	810,069	60,681
14,715,976	135,404	14,851,380	793,934
(568,062)	673,058	104,996	(63,233)
28,433,380	44,853,748	73,287,128	1,221,632
27,865,318	45,526,806	73,392,124	1,158,399

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

CITY OF BELVIDERE, ILLINOIS**Balance Sheet - Governmental Funds
April 30, 2015**

	General	Capital Projects	Nonmajor	Totals
ASSETS				
Cash and Cash Equivalents	\$ 8,966,247	876,400	894,829	10,737,476
Receivables - Net of Allowances				
Property Taxes	4,633,346	40,007	21,712	4,695,065
Other Taxes	1,801,682	-	59,506	1,861,188
Other Receivables	105,076	-	-	105,076
Due from Other Funds	195,765	7,146	-	202,911
Land Held for Resale	-	-	439,754	439,754
Prepays	301,166	-	-	301,166
Total Assets	16,003,282	923,553	1,415,801	18,342,636
LIABILITIES				
Accounts Payable	200,646	188	482	201,316
Accrued Payroll	165,761	-	-	165,761
Due to Other Funds	-	-	202,911	202,911
Total Liabilities	366,407	188	203,393	569,988
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,633,346	40,006	21,712	4,695,064
Total Liabilities and Deferred Inflows of Resources	4,999,753	40,194	225,105	5,265,052
FUND BALANCES				
Nonspendable	301,166	-	439,754	740,920
Restricted	-	-	923,601	923,601
Committed	-	883,359	-	883,359
Assigned	3,387,000	-	-	3,387,000
Unassigned	7,315,363	-	(172,659)	7,142,704
Total Fund Balances	11,003,529	883,359	1,190,696	13,077,584
Total Liabilities, Deferred Inflows of Resources and Fund Balances	16,003,282	923,553	1,415,801	18,342,636

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

CITY OF BELVIDERE, ILLINOIS

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

April 30, 2015

Total Governmental Fund Balances	\$ 13,077,584
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	26,511,744
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Some liabilities reported in the Statement of Net Position do not require
the use of current financial resources and therefore are not reported
as liabilities in governmental funds. These liabilities consist of:

Compensated Absences Payable	(142,915)
Net Pension Obligation Payable	(3,683,636)
Net Other Post-Employment Benefit Obligation Payable	(2,154,179)
Revolving Loans Payable	(140,000)
Debt Certificates Payable	(635,098)
Tax Increment Revenue Notes Payable	(3,036,000)
Landfill Post Closure Care Costs Payable	(190,467)
Accrued Interest Payable	<u>(1,741,715)</u>

Net Position of Governmental Activities	<u>27,865,318</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF BELVIDERE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2015

	General	Capital Projects	Nonmajor	Totals
Revenues				
Taxes	\$ 7,568,683	39,963	893,774	8,502,420
Intergovernmental	6,667,298	-	-	6,667,298
Licenses and Permits	497,649	-	-	497,649
Fines and Forfeitures	1,204,803	-	-	1,204,803
Interest	25,220	345	681	26,246
Miscellaneous	647,715	-	26,950	674,665
Total Revenues	16,611,368	40,308	921,405	17,573,081
Expenditures				
Current				
General Government	1,837,208	-	20,039	1,857,247
Public Safety	10,589,087	-	-	10,589,087
Highways and Streets	1,846,451	-	696,082	2,542,533
Health and Social Services	24,076	-	-	24,076
Community and Economic Development	160,875	-	-	160,875
Capital Outlay	-	608,064	-	608,064
Debt Service				
Principal Retirement	-	45,000	-	45,000
Interest and Fiscal Charges	-	9,535	31,133	40,668
Total Expenditures	14,457,697	662,599	747,254	15,867,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,153,671	(622,291)	174,151	1,705,531
Other Financing Sources (Uses)				
Disposal of Capital Assets	28,622	-	-	28,622
Transfers In	-	944,882	-	944,882
Transfers Out	(944,882)	-	-	(944,882)
	(916,260)	944,882	-	28,622
Net Change in Fund Balances	1,237,411	322,591	174,151	1,734,153
Fund Balances - Beginning	9,766,118	560,768	1,016,545	11,343,431
Fund Balances - Ending	11,003,529	883,359	1,190,696	13,077,584

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

CITY OF BELVIDERE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended April 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 1,734,153
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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.

Capital Outlays	491,817
Depreciation Expense	(2,107,498)
Disposals - Net of Accumulated Depreciation	(15,776)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

	(349,558)
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The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Increase to Compensation Absences Payable	(8,104)
Additions to Net Pension Obligation	(105,868)
Additions to Net Other Post-Employment Benefit Obligation Payable	(337,660)
Decrease to Landfill Post Closure Costs Payable	85,432
Retirement of Debt Certificates Payable	45,000

Changes in Net Position of Governmental Activities	(568,062)
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The notes to the financial statements are an integral part of this statement.

CITY OF BELVIDERE, ILLINOIS

**Statement of Net Position - Proprietary Fund
April 30, 2015**

	<u>Business-Type Activities Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 9,976,913
Receivables - Net of Allowances	
Billed Services	137,422
Unbilled Services	754,091
Accrued Interest	13,700
Inventories	62,985
Prepays	<u>191,814</u>
Total Current Assets	<u>11,136,925</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	806,564
Depreciable	65,683,838
Accumulated Depreciation	<u>(27,827,680)</u>
Total Noncurrent Assets	<u>38,662,722</u>
Total Assets	<u>49,799,647</u>

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

	Business-Type Activities Water and Sewer
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 470,126
Accrued Payroll	54,896
Accrued Interest Payable	20,715
Current Portion of Long-Term Liabilities	365,293
Total Current Liabilities	<u>911,030</u>
Noncurrent Liabilities	
Compensated Absences Payable	61,894
IEPA Loans Payable	1,839,917
General Obligation Alternate Revenue Source Bonds Payable	1,460,000
Total Noncurrent Liabilities	<u>3,361,811</u>
Total Liabilities	<u>4,272,841</u>
NET POSITION	
Net Investment in Capital Assets	35,012,986
Restricted - Capital Projects	1,718,915
Unrestricted	<u>8,794,905</u>
Total Net Position	<u><u>45,526,806</u></u>

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

CITY OF BELVIDERE, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund For the Fiscal Year Ended April 30, 2015

	Business-Type Activities Water and Sewer
Operating Revenues	
Charges for Services	\$ 5,928,563
Other Revenue	205,038
Total Operating Revenues	<u>6,133,601</u>
Operating Expenses	
Operations	4,201,383
Depreciation	1,334,241
Total Operating Expenses	<u>5,535,624</u>
Operating Income	<u>597,977</u>
Nonoperating Revenues (Expenses)	
Connection Fees	135,404
Interest and Fiscal Charges	(60,323)
	<u>75,081</u>
Change in Net Position	673,058
Net Position - Beginning	<u>44,853,748</u>
Net Position - Ending	<u>45,526,806</u>

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

CITY OF BELVIDERE, ILLINOIS

**Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended April 30, 2015**

	Business-Type Activities <u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 6,291,384
Payments to Employees	(1,450,139)
Payments to Suppliers	(2,383,579)
	<u>2,457,666</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(2,998,747)
Principal Retirement	(422,724)
Interest Expense	(60,323)
	<u>(3,481,794)</u>
Net Change in Cash and Cash Equivalents	(1,024,128)
Cash and Cash Equivalents - Beginning	<u>11,001,041</u>
Cash and Cash Equivalents - Ending	<u><u>9,976,913</u></u>
Reconciliation of Operating Income to Net Cash Provided	
(Used) by Operating Activities Operating Income	597,977
Adjustments to Reconcile Operating Income to Net	
Income to Net Cash Provided by (Used in)	
Operating Activities:	
Other Income	135,404
Depreciation	1,334,241
(Increase) Decrease in Current Assets	22,379
Increase (Decrease) in Current Liabilities	367,665
Net Cash Provided by Operating Activities	<u><u>2,457,666</u></u>

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

CITY OF BELVIDERE, ILLINOIS

Statement of Net Position - Fiduciary Funds

April 30, 2015

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 18,212	1,067,448
Investments		
U.S. Government and Agency Obligations	5,342,457	-
Municipal Bonds	1,182,719	-
Corporate Bonds	5,297,549	-
Equities	10,745,428	-
Mutual Funds	6,405,305	-
Money Market Mutual Funds	1,038,201	-
Insurance Contracts	2,565,117	-
Receivables - Accrued Interest	112,186	-
Prepays	17,087	-
Total Assets	32,724,261	1,067,448
LIABILITIES		
Accounts Payable	12,668	-
Due to Developers	-	273,729
Due to Other Governments	-	793,719
Total Liabilities	12,668	1,067,448
NET POSITION		
Net Position Held in Trust for Pension Benefits	32,711,593	

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

CITY OF BELVIDERE, ILLINOIS

**Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended April 30, 2015**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,797,977
Contributions - Plan Members	463,855
Total Contributions	<u>2,261,832</u>
Investment Income	
Interest Earned	983,134
Net Change in Fair Value	1,156,104
	<u>2,139,238</u>
Less Investment Expenses	(170,141)
Net Investment Income	<u>1,969,097</u>
Total Additions	<u>4,230,929</u>
Deductions	
Administration	44,186
Benefits and Refunds	2,047,707
Total Deductions	<u>2,091,893</u>
Change in Net Position	2,139,036
Net Position Held in Trust for Pension Benefits	
Beginning	<u>30,572,557</u>
Ending	<u>32,711,593</u>

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

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belvidere (the City), Illinois, was incorporated in 1881. The City operates under a Mayoral-Council form of government and provides the following services as authorized by statute: public safety (Police and Fire), streets, library, water and sewer, public improvements, building and zoning, financial and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City.

The City's financial reporting entity comprises the following:

Primary Government:	City of Belvidere
Discretely Presented Component Unit:	Ida Public Library

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Ida Public Library

The Ida Public Library (the Library) is governed by a Board, which is appointed by the Mayor and approved by City Council; however, the Library is fiscally dependent on the City because the City levies its taxes and must approve its budget and debt issuances. No separate financial statements of the Library have been issued. The Library is reported as a discretely component unit since it is legally separate from the City.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general government, public safety, highways and streets, health and social services, community and economic development, and general administrative services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, highways and streets, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The City allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund.

This government-wide focus concentrates on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a single column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains five nonmajor special revenue funds.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains one capital projects fund, the Capital Projects Fund which is treated as a major fund.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the City:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Water and Sewer Fund, a major fund, is used to account for the operating revenues and expenses of the City's water and sewer utilities. Although a program of the City government, the utilities are operated as a separate enterprise and the account records are maintained on an enterprise fund basis. Accordingly, account classifications used are designed specifically for the water and sewer operations.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Agency funds are used to account for assets held by the City in a purely custodial capacity. The City maintains two agency funds. The Escrow Fund is used to account for escrow monies held for developers.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty (60) days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty (60) day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, franchise taxes, licenses, interest income, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 revenue of the City’s enterprise fund, is 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 the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Cash Equivalents

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, franchise taxes, and grants. Business-type activities report water and sewer charges as their major receivables.

Prepays/Inventories – Land Held for Resale

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 for infrastructure and \$5,000 for all other depreciable assets or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	10 - 40 Years
Buildings and Structures	40 Years
Equipment	5 - 10 Years
Furniture and Fixtures	5 Years
Vehicles	5 - 20 Years
Infrastructure	20 - 50 Years
Land Improvements	20 Years
Water Transmission System	50 Years
Sewer Collection System	50 Years

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City's Finance Director has been assigned the duties of Budget Officer. The budgeting process begins November 5th with the Finance Director providing each department head with a working copy of their respective line items in a five year budgeting format. Each department head is then given until December 10th to submit their request to the Finance Director, who combines the requests into a workable document for presentation to the Mayor for his review, comments and suggestions. A meeting is then set up with each department head to review these comments and suggestions so that a workable budget can be presented to the City Council. Between February 11th and March 4th, the Mayor asks each alderman to set up a time for review, explanation and discussion of the budget as presented. The budget is discussed in total and at the February Finance Committee meeting and then presented in ordinance form in March for final review and passage before May 1.

The budget is prepared by fund, department and program and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The Mayor is authorized to transfer budgeted amounts within any department; however, transfers between departments or any revisions that alter the total expenditures of any department or any fund must be approved by the governing body. During the year, several budget amendments were necessary. The amounts reflected in the financial statements represent the original and the final amended budget.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the department level) for the governmental, proprietary and the fiduciary funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual budgets lapse at the fiscal year end. During the year, several supplementary appropriations were necessary.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Capital Projects	\$ 255
Motor Fuel Tax	1
1993 Tax Incentive Finance Distict	1
Farmington	482

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and the Illinois Metropolitan Investment Fund.

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net position. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net position in common and preferred stocks that meet specific restrictions.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$20,412,797 and the bank balances totaled \$20,617,424. In addition, the City has \$198,641 invested in the Illinois Funds and \$102,951 invested in IMET at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. The City's investment in the Illinois Funds has an average maturity of less than one year. The City's investment in IMET has an average maturity of 1-3 years.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that funds on deposit in excess of FDIC must be secured by collateral and held by an independent third party. At year-end, the entire bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk for investments. The City's investment in the Illinois Fund is noncategorizable. The IMET 1-3 Year Fund is a depository vehicle that is 110 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of IMET at the Federal Reserve Bank of New York.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. The City's investment in the Illinois Funds was rated AAAm by Standard & Poor's. The Illinois Metropolitan Investment 1-3 Year Fund is rated AAF by Standard & Poor's.

Concentration Credit Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not address concentration credit risk. At year-end, the City has no investments that represent over 5 percent of the total cash and investment portfolio.

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$8,189 and the bank balances totaled \$8,189.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agency Obligations	\$ 3,258,607	154,674	2,124,023	979,910	-
U.S. Treasury Obligations	242,603	-	242,603	-	-
Mortgage-backed Securities	19,098	-	14,894	-	4,204
Municipal Bonds	1,014,015	-	670,219	343,796	-
Corporate Bonds	3,569,377	104,627	2,330,176	1,134,574	-
	8,103,700	259,301	5,381,915	2,458,280	4,204

Interest Rate Risk. In accordance with the Pension Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Custodial Credit Risk. The Fund does not have a formal investment policy to address custodial credit risk. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. The Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. In accordance with the Fund's investment policy, the Fund limits its exposure to custodial credit risk for investments by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

Concentration Credit Risk. The Fund does not have a formal investment policy to address concentration credit risk. In addition to the securities and fair values listed above, the Fund also has \$4,039,503 invested in equities, \$5,563,285 invested in mutual funds, \$458,919 invested in money market mutual funds, and \$357,885 invested in insurance contracts. At year-end, the Fund has no investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$10,023 and the bank balances totaled \$10,023.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agency Obligations	\$ 1,286,830	-	725,543	561,287	-
U.S. Treasury Obligations	425,155	100,571	145,689	178,895	-
Corporate Bonds	1,728,172	76,746	991,700	659,726	-
Municipal Bonds	168,704	25,057	143,647	-	-
Asset-backed Securities	110,164	-	-	-	110,164
	3,719,025	202,374	2,006,579	1,399,908	110,164

Interest Rate Risk. In accordance with the Pension Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Custodial Credit Risk. The Fund does not have a formal investment policy to address custodial credit risk. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. The Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. In accordance with the Fund's investment policy, the Fund limits its exposure to custodial credit risk for investments by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Credit Risk. The Fund does not have a formal investment policy to address concentration credit risk. In addition to the securities and fair values listed above, the Fund also has \$6,705,925 invested in equities, \$842,020 invested in mutual funds, \$579,282 invested in money market mutual funds, and \$2,207,232 invested in insurance contracts. At year-end, the Fund has no investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2015, and September 1, 2015. The County collects such taxes and remits them periodically.

INTERFUND BALANCES

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 195,765
Capital Projects	Nonmajor Governmental	<u>7,146</u>
		<u>202,911</u>

Interfund balances are advances in anticipation of receipts.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Capital Projects	General	<u>\$ 944,882</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF BELVIDERE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 523,664	-	-	523,664
Construction in Progress	-	93,750	-	93,750
	<u>523,664</u>	<u>93,750</u>	<u>-</u>	<u>617,414</u>
Depreciable Capital Assets				
Land Improvements	49,995	6,556	-	56,551
Infrastructure	34,492,304	-	-	34,492,304
Building and Improvements	2,367,729	-	-	2,367,729
Equipment	1,999,486	131,634	32,940	2,098,180
Vehicles	3,579,768	259,877	40,100	3,799,545
	<u>42,489,282</u>	<u>398,067</u>	<u>73,040</u>	<u>42,814,309</u>
Less Accumulated Depreciation				
Land Improvements	8,333	1,578	-	9,911
Infrastructure	10,224,806	1,685,370	-	11,910,176
Building and Improvements	1,035,259	78,857	-	1,114,116
Equipment	1,429,883	129,604	19,164	1,540,323
Vehicles	2,171,464	212,089	38,100	2,345,453
	<u>14,869,745</u>	<u>2,107,498</u>	<u>57,264</u>	<u>16,919,979</u>
Total Net Depreciable Capital Assets	<u>27,619,537</u>	<u>(1,709,431)</u>	<u>15,776</u>	<u>25,894,330</u>
Total Net Capital Assets	<u>28,143,201</u>	<u>(1,615,681)</u>	<u>15,776</u>	<u>26,511,744</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 62,087
Public Safety	259,834
Highways and Streets	<u>1,785,577</u>
	<u>2,107,498</u>

CITY OF BELVIDERE, ILLINOIS**Notes to the Financial Statements
April 30, 2015****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****CAPITAL ASSETS – Continued****Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 696,551	-	-	696,551
Construction in Progress	1,315,334	106,151	1,311,472	110,013
	<u>2,011,885</u>	<u>106,151</u>	<u>1,311,472</u>	<u>806,564</u>
Depreciable Capital Assets				
Buildings and Structures	2,280,625	893,982	-	3,174,607
Equipment	3,544,624	45,403	-	3,590,027
Furniture and Fixtures	162,225	-	-	162,225
Vehicles	705,852	-	-	705,852
Water Transmission System	15,296,006	3,264,683	-	18,560,689
Sewer Collection System	39,490,438	-	-	39,490,438
	<u>61,479,770</u>	<u>4,204,068</u>	<u>-</u>	<u>65,683,838</u>
Less Accumulated Depreciation				
Buildings and Structures	2,050,626	29,125	-	2,079,751
Equipment	2,579,122	174,970	-	2,754,092
Furniture and Fixtures	162,225	-	-	162,225
Vehicles	635,376	19,900	-	655,276
Water Transmission System	6,163,301	240,927	-	6,404,228
Sewer Collection System	14,902,789	869,319	-	15,772,108
	<u>26,493,439</u>	<u>1,334,241</u>	<u>-</u>	<u>27,827,680</u>
Total Net Depreciable Capital Assets	<u>34,986,331</u>	<u>2,869,827</u>	<u>-</u>	<u>37,856,158</u>
Total Net Capital Assets	<u>36,998,216</u>	<u>2,975,978</u>	<u>1,311,472</u>	<u>38,662,722</u>

Depreciation expense was charged to business-type activities as follows.

Water and Sewer	<u>\$ 1,334,241</u>
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CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Revolving Loan Payable

The City has established a revolving loan payable as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Brownfield Revolving Loan Payable dated October 6, 2010 due in annual installments of \$8,750, non-interest bearing, through October 1, 2031.	\$ 140,000	-	-	140,000

Illinois Environmental Protection Agency (IEPA) Loan Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for wastewater improvements. IEPA loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Wastewater Treatment Works Loan Payable, due in semi-annual installments of \$61,876 including interest at 1.25% through May 1, 2032.	\$ 2,038,315	-	98,579	1,939,736

Debt Certificates

The City issues debt certificates to provide funds for the acquisition and construction of major capital facilities for governmental activities. Debt certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Debt Certificates of 2005 dated July 19, 2005, due in annual installments of \$1,237 to \$65,098 including variable interest through August 1, 2025.	\$ 680,098	-	45,000	635,098

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Alternate Revenue Source and Revenue Bonds

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General obligation alternate revenue source and revenue bonds provide for the collection, segregation and distribution of certain water and sewer revenues received by the City for the payment of principal and interest on the alternate revenue source bonds. Bonds outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Revenue Refunding Bonds of 2013 dated February 4, 2013, due in annual installments of \$200,000 to \$400,000 including interest of 1.35% to 2.40% through February 1, 2020.	\$ 1,915,000	-	205,000	1,710,000

Tax Increment Revenue Notes

The City issued tax increment revenue notes for tax increment financing district capital improvements. The notes will be repaid only from the tax increment generated by the applicable tax increment financing district. Tax increment revenue notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment General Mills Revenue Notes of 2003 dated March 17, 2003, due in annual installments plus interest of 8% through May 30, 2023.	\$ 3,036,000	-	-	3,036,000

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Landfill Post Closure Care Cost

The City is responsible for the cost associated with the continued maintenance and monitoring of the Belvidere Landfill #1 and Belvidere/Boone County Landfill #2. State and federal regulations require that final cover be placed on landfills when closed and certain maintenance and monitoring functions be performed at the respective landfill for 30 years at landfill #1 and 15 years at landfill #2. The Belvidere Landfill #1 ceased accepting solid waste in 1973 and post closure care started in 1990. In prior years the landfill was covered and, as of balance sheet date, post closure costs are continuing. The Federal Environmental Protection Agency has approved the shutdown of the extraction system and the reduction in frequency and the number of wells to be tested for a trial period of two years beginning in November 1995 and extended through October 2009, after which a re-evaluation of the shutdown will take place. This evaluation occurred in fiscal year 2009 and favorable results were obtained, the limited monitoring and maintenance as in the trial period will continue. \$77,932 of post closure care costs were incurred during the fiscal year. At balance sheet date, the estimated liability for landfill post-closure care costs has a balance of \$145,467 based on favorable results after the initial trial period and 100% usage (filled) of the landfill.

The City and Boone County Share the costs of closing and continued maintenance of the Belvidere/Boone County Landfill #2 on a 50/50 basis. The landfill ceased accepting solid waste in September of 1992, and was issued a certificate of closure by the IEPA effective October 12, 1999, that begins the 15-year post closure care period. In prior years, the landfill was covered and as of April 30, 2015 post closure care costs are continuing. At year-end, the estimated remaining liability is \$45,000.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 134,811	16,208	8,104	142,915	28,583
Net Pension Obligation	3,577,768	105,868	-	3,683,636	-
Net Post-Employment Benefit Obligation	1,816,519	337,660	-	2,154,179	-
Revolving Loans Payable	140,000	-	-	140,000	-
Debt Certificates Payable	680,098	-	45,000	635,098	50,000
Tax Increment Revenue Notes Payable	3,036,000	-	-	3,036,000	-
Landfill Post Closure Care Costs	275,899	-	85,432	190,467	-
	<u>9,661,095</u>	<u>459,736</u>	<u>138,536</u>	<u>9,982,295</u>	<u>78,583</u>
Business-Type Activities					
Compensated Absences	84,385	7,017	14,034	77,368	15,474
Capital Lease Payable	119,145	-	119,145	-	-
IEPA Loan Payable	2,038,315	-	98,579	1,939,736	99,819
Alternate Revenue Source Bonds Payable	1,915,000	-	205,000	1,710,000	250,000
	<u>4,156,845</u>	<u>7,017</u>	<u>436,758</u>	<u>3,727,104</u>	<u>365,293</u>

For governmental activities the compensated absences, the net pension obligation and the net post-employment benefit obligation are generally liquidated by the General Fund. The revolving loan payable is being liquidated by the General Fund; the Capital Projects Fund is making payments on the debt certificate payable with a transfer from the General Fund; and the Kishwaukee TIF Fund is making payments on the tax increment revenue notes payable.

For business-type activities compensated absences, capital lease payable, IEPA loan payable, and alternate revenue source bonds payable are generally liquidated by the Water and Sewer Fund.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities			
	Revolving		Debt		IEPA Loans		Alternate Revenue	
	Loans		Certificates				Source	Bonds
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ -	-	50,000	8,846	99,819	23,935	250,000	32,302
2017	8,750	-	50,000	8,121	101,068	22,684	400,000	26,540
2018	8,750	-	50,000	7,396	102,335	21,417	400,000	18,840
2019	8,750	-	55,000	6,635	103,619	20,133	400,000	10,540
2020	8,750	-	55,000	5,837	104,917	18,835	260,000	3,120
2021	8,750	-	60,000	5,003	106,233	17,519	-	-
2022	8,750	-	60,000	4,133	107,565	16,187	-	-
2023	8,750	-	60,000	3,264	108,914	14,838	-	-
2024	8,750	-	65,000	2,357	110,280	13,472	-	-
2025	8,750	-	65,000	1,415	111,662	12,090	-	-
2026	8,750	-	65,098	472	113,062	10,690	-	-
2027	8,750	-	-	-	114,480	9,272	-	-
2028	8,750	-	-	-	115,916	7,836	-	-
2029	8,750	-	-	-	117,369	6,383	-	-
2030	8,750	-	-	-	118,841	4,911	-	-
2031	8,750	-	-	-	120,331	3,421	-	-
2032	8,750	-	-	-	121,840	1,912	-	-
2033	-	-	-	-	61,485	384	-	-
Total	140,000	-	635,098	53,479	1,939,736	225,919	1,710,000	91,342

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

NET POSITION/FUND BALANCES

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2015:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 26,511,744
Less:	
Revolving Loans Payable	(140,000)
Debt Certificates Payable	(635,098)
Tax Increment General Mills Revenue Notes Payable	<u>(3,036,000)</u>
Net Investment in Capital Assets	<u>22,700,646</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	38,662,722
Less:	
IEPA Loan Payable	(1,939,736)
General Obligation Revenue Refunding Bonds of 2013	<u>(1,710,000)</u>
Net Investment in Capital Assets	<u>35,012,986</u>

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

Fund Balance Classifications

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Committed Fund Balance. Committed amounts can only be used for specific purposes imposed by formal action or the City's highest level of decision-making authority. The highest level of decision-making authority is the City Council, and it takes an ordinance or resolution to establish, modify, or rescind a fund balance commitment. The Capital Projects Fund, a major fund, fund balance is reported as committed based on the Budget and Appropriation Ordinance.

Assigned Fund Balance. The City reports assigned fund balance in the General Fund. These amounts are intended to be used for specific purposes as determined by the City Council on an annual basis.

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to 25% to 50% of budgeted operating expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Capital Projects	Nonmajor	Totals
Fund Balances				
Nonspendable				
Land Held for Resale	\$ -	-	439,754	439,754
Prepays	301,166	-	-	301,166
	<u>301,166</u>	<u>-</u>	<u>439,754</u>	<u>740,920</u>
Restricted				
Motor Fuel Tax	-	-	890,507	890,507
Tax Increment Financing	-	-	33,094	33,094
	<u>-</u>	<u>-</u>	<u>923,601</u>	<u>923,601</u>
Committed				
Capital Projects	-	883,359	-	883,359
Assigned				
Fund Reserves	3,387,000	-	-	3,387,000
Unassigned	7,315,363	-	(172,659)	7,142,704
Total Fund Balances	<u>11,003,529</u>	<u>883,359</u>	<u>1,190,696</u>	<u>13,077,584</u>

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance and participates in the Illinois Municipal League Risk Management Association to manage these risks. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Illinois Municipal League Risk Management Association (IMLRMA) is a joint risk management pool comprised of 739 Illinois municipalities. The member agreement provides that IMLRMA's other members, has a contractual obligation to fund any deficit of IMLRMA attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. There were no supplemental contributions paid in the previous three years.

CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), a deferred benefit agent multiple-employer public employee retirement system which is administered by the IMRF, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 401 Whitney Boulevard, Belvidere, Illinois 61008. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System (IMRF)

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF.

The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2014 was 16.26 percent of covered payroll.

Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earning rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits.

These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2014 was 17.92 percent.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	25
Current Employees	
Vested	28
Nonvested	<u>13</u>
	<u>66</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

Firefighters' Pension Plan

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	29
Current Employees	
Vested	21
Nonvested	6
	<u>56</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by $\frac{1}{12}$ of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. The monthly pension of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees, if any, are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Significant Investments

There are no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits for the Police and Firefighters' Pension Plans. Information for IMRF and SLEP are not available.

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

CITY OF BELVIDERE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Annual Pension Cost and Net Pension Obligation

The actuarial assumptions and related information for each plan is as follows:

	IMRF	SLEP	Police Pension	Firefighters' Pension
Contribution Rates				
Employer	16.26%	17.92%	30.20%	34.48%
Employee	4.50%	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2014	12/31/2014	4/30/2014	4/30/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	29 Years	29 Years	26 Years	26 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial Assumptions				
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.40% to 10.0%	.40% to 10.0%	5.00-8.00%	5.00-10.00%
Inflation Rate Included	4.00%	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%	3.00%

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

There was no net pension obligation (NPO) for the IMRF and SLEP plans. The NPO for the Police and Firefighters' Pension Plans are as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution (ARC)	\$ 1,072,241	775,947	1,848,188
Interest on the NPO	137,660	112,783	250,443
Adjustment to the ARC	(107,068)	(87,719)	(194,787)
Annual Pension Cost	1,102,833	801,011	1,903,844
Actual Contribution	1,011,718	786,258	1,797,976
Change in the NPO	91,115	14,753	105,868
NPO - Beginning	1,966,578	1,611,190	3,577,768
NPO - Ending	2,057,693	1,625,943	3,683,636

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	IMRF	SLEP	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2013	\$ 402,326	\$ 14,728	\$ 894,927	\$ 659,537
	2014	428,403	15,855	1,038,032	806,331
	2015	474,073	17,740	1,102,833	801,011
Actual Contributions	2013	402,326	14,728	830,789	835,979
	2014	428,403	15,855	858,260	628,800
	2015	474,073	17,740	1,011,718	786,258
Percentage of APC Contributed	2013	100.00%	100.00%	92.83%	126.75%
	2014	100.00%	100.00%	82.68%	77.98%
	2015	100.00%	100.00%	91.74%	98.16%
Net Pension Obligation	2013	-	-	1,786,805	1,433,660
	2014	-	-	1,966,578	1,611,190
	2015	-	-	2,057,693	1,625,943

CITY OF BELVIDERE, ILLINOIS**Notes to the Financial Statements
April 30, 2015****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued****Funded Status and Funding Progress**

The City's funded status for the current year and related information for each plan is as follows:

	IMRF	SLEP	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/14	12/31/14	4/30/14	4/30/14
Percent Funded	63.17%	84.60%	60.87%	62.09%
Actuarial Accrued Liability for Benefits	\$9,361,504	\$535,717	\$28,403,587	\$21,692,534
Actuarial Value of Assets	\$5,913,726	\$453,200	\$17,289,778	\$13,467,859
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$3,447,778)	(\$82,517)	(\$11,113,809)	(\$8,224,675)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$2,915,579	\$98,998	\$2,841,724	\$1,823,708
Ratio of UAAL to Covered Payroll	118.25%	83.35%	391.09%	450.99%

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

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City offers post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund.

The City offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are not eligible for benefits.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Retirees contribute 12% of the single health rate and contribute 100% of the additional cost for additional covered lives for post-employment health and dental insurance. For the fiscal year ending April 30, 2015, retirees contributed \$196,880 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2015, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	18
Active Employees	<u>84</u>
Total	<u>102</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2015 was calculated as follows:

Annual Required Contribution (ARC)	\$ 534,313
Interest on the Net OPEB Obligation	72,661
Adjustment to the ARC	<u>(28,830)</u>
Annual OPEB Cost	578,144
Actual Contribution	<u>198,215</u>
Change in the Net OPEB Obligation	379,929
Net OPEB Obligation - Beginning	<u>1,816,519</u>
Net OPEB Obligation - Ending	<u><u>2,196,448</u></u>
City portion of Net OPEB	2,154,179
Library Portion of Net OPEB	<u>42,269</u>
	<u><u>2,196,448</u></u>

Trend Information

The annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 674,926	\$ 352,408	52.21%	\$ 1,472,960
2014	717,111	373,552	52.09%	1,816,519
2015	578,144	198,215	34.28%	2,196,448

Funded Status and Funding Progress

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 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress – Continued

The funded status of the plan as of April 30, 2015 was as follows:

Actuarial Accrued Liability (AAL)	\$ 6,391,232
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 6,391,232
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 9,401,817
UAAL as a Percentage of Covered Payroll	67.98%

Actuarial Methods and Assumptions

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

In the April 30, 2015 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.5%, with an ultimate rate of 5.5%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2015, was 30 years.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – IDA PUBLIC LIBRARY

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The Library had an excess of actual expenditures over budget of \$23,753 as of the date of this report.

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Library's funds.

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Library Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$276,594 and the bank balances totaled \$275,854.

Investments. At year-end, the Library also has \$171,860 invested in mutual funds, \$97,992 invested in common stock, and \$5,000 invested in U.S. Treasury Obligations.

Interest Rate Risk. The Library's investment policy objective of the Library's Endowment Fund is moderate growth to achieve a balanced level of current income with the opportunity for future long term growth of capital. The Library's investment objective of the Library's Reserve Fund is to invest the portfolio in compliance with the Illinois Public Funds Act. The primary objective is preservation of capital and secondary objective is to provide liquidity and maximum level of income to enable the Library to meet its cash flow requirements for operations and capital projects.

Credit Risk. The Library's investment policy does not address credit risk.

Custodial Credit Risk. The Library's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. The Library's investment policy does not mitigate custodial credit risk for investments.

Concentration Risk. At year-end, the Library has one investment that represent over 5 percent of the total cash and investment portfolio, Vanguard Total Stock Market Index, \$27,890.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – IDA PUBLIC LIBRARY – Continued

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost in excess of \$2,500 are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Improvements	5 Years
Building	40 Years
Equipment	5 Years

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – IDA PUBLIC LIBRARY – Continued

CAPITAL ASSETS – Continued

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 181,150	-	-	181,150
Depreciable Capital Assets				
Improvements	8,697	-	-	8,697
Building	1,812,486	-	-	1,812,486
Equipment	40,950	7,722	-	48,672
	1,862,133	7,722	-	1,869,855
Less Accumulated Depreciation				
Improvements	8,697	-	-	8,697
Building	920,300	37,962	-	958,262
Equipment	11,217	6,543	-	17,760
	940,214	44,505	-	984,719
Total Net Depreciable Capital Assets	921,919	(36,783)	-	885,136
Total Net Capital Assets	1,103,069	(36,783)	-	1,066,286

LONG-TERM DEBT

Mortgage Loans Payable

The Library has four outstanding mortgage loans payable as of April 30, 2015 with outstanding principal balances of \$93,367, \$109,307, \$84,692, and \$71,105. Mortgages have been issued for capital improvement costs and range in interest rates from 4.5% to 6.1%.

CITY OF BELVIDERE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – IDA PUBLIC LIBRARY – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 8,107	6,458	3,229	11,336	2,267
Mortgage Loans Payable	371,534	-	13,063	358,471	13,743
Net Post-Employment Benefit Obligation	-	42,269	-	42,269	-
	379,641	48,727	16,292	412,076	16,010

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Ida Public Library	
	Mortgages	
	Principal	Interest
2016	\$ 13,743	15,550
2017	14,566	14,892
2018	152,058	12,554
2019	9,266	10,757
2020	9,828	10,194
2021	159,010	9,119
Total	358,471	73,066

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Personnel Plan
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefit Plan
- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF BELVIDERE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2015**

Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2009	\$ 8,050,420	\$ 10,453,685	77.01%	\$ 2,403,265	\$ 3,452,256	69.61%
2010	4,508,873	8,161,863	55.24%	3,652,990	3,192,067	114.44%
2011	4,365,166	8,015,300	54.46%	3,650,134	2,626,351	138.98%
2012	3,780,405	7,537,378	50.16%	3,756,973	2,582,322	145.49%
2013	4,878,507	8,096,498	60.25%	3,217,991	2,697,754	119.28%
2014	5,913,726	9,361,504	63.17%	3,447,778	2,915,579	118.25%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 351,094	\$ 351,094	100.00%
2011	385,921	385,921	100.00%
2012	317,526	317,526	100.00%
2013	402,326	402,326	100.00%
2014	428,403	428,403	100.00%
2015	474,073	474,073	100.00%

CITY OF BELVIDERE, ILLINOIS

Sheriff's Law Enforcement Personnel Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2015**

Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2009	\$ 254,248	\$ 296,873	85.64%	\$ 42,625	\$ 89,930	47.40%
2010	285,159	333,278	85.56%	48,119	88,041	54.66%
2011	313,972	357,742	87.76%	43,770	84,547	51.77%
2012	353,653	424,583	83.29%	70,930	92,918	76.34%
2013	399,158	473,560	84.29%	74,402	95,973	77.52%
2014	453,200	535,717	84.60%	82,517	98,998	83.35%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 11,754	\$ 11,754	100.00%
2011	12,828	12,828	100.00%
2012	12,986	12,986	100.00%
2013	14,728	14,728	100.00%
2014	15,855	15,855	100.00%
2015	17,740	17,740	100.00%

CITY OF BELVIDERE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2015**

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2009	\$ 10,246,401	\$ 19,120,827	53.59%	\$ 8,874,426	\$ 2,370,392	374.39%
2010	11,809,698	20,930,524	56.42%	9,120,826	2,639,305	345.58%
2011	13,326,936	23,178,574	57.50%	9,851,638	2,653,724	371.24%
2012	14,313,423	24,197,811	59.15%	9,884,388	2,695,547	366.69%
2013	16,010,233	26,317,488	60.83%	10,307,255	2,818,628	365.68%
2014	17,289,778	28,403,587	60.87%	11,113,809	2,841,724	391.09%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 379,268	\$ 804,709	47.13%
2011	425,700	878,248	48.47%
2012	885,875	825,606	107.30%
2013	830,789	850,477	97.69%
2014	858,260	1,007,631	85.18%
2015	1,011,718	1,072,241	94.36%

CITY OF BELVIDERE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

April 30, 2015

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2009	\$ 8,629,931	\$ 17,925,165	48.14%	\$ 9,295,234	\$ 1,795,369	517.73%
2010	9,994,840	19,081,563	52.38%	9,086,723	1,892,482	480.15%
2011	11,209,033	18,872,902	59.39%	7,663,869	1,789,464	428.28%
2012	12,019,717	18,825,035	63.85%	6,805,318	1,644,737	413.76%
2013	12,813,273	21,201,273	60.44%	8,388,000	1,883,617	445.31%
2014	13,467,859	21,692,534	62.09%	8,224,675	1,823,708	450.99%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 379,268	\$ 837,517	45.28%
2011	427,000	854,114	49.99%
2012	882,299	687,949	128.25%
2013	835,979	620,796	134.66%
2014	628,800	781,938	80.42%
2015	786,259	775,947	101.33%

CITY OF BELVIDERE, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2015**

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2010	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	9,650,214	0.00%	9,650,214	7,015,524	137.56%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	6,391,232	0.00%	6,391,232	9,401,817	67.98%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 104,544	\$ 430,230	24.30%
2011	136,323	430,230	31.69%
2012	145,431	423,874	34.31%
2013	352,408	667,256	52.81%
2014	373,552	707,291	52.81%
2015	198,213	534,313	37.10%

The City is required to have an actuarial valuation performed triennially.

N/A - Not Available

CITY OF BELVIDERE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 7,444,327	7,584,663	7,568,683
Intergovernmental	6,235,170	6,537,279	6,667,298
Licenses and Permits	321,835	497,649	497,649
Fines and Forfeitures	899,632	1,235,872	1,204,803
Interest	11,149	25,354	25,220
Miscellaneous	491,534	684,109	647,715
Total Revenues	<u>15,403,647</u>	<u>16,564,926</u>	<u>16,611,368</u>
Expenditures			
Current			
General Government	2,242,062	2,118,916	1,837,208
Public Safety	10,681,471	10,487,603	10,589,087
Highways and Streets	1,719,077	1,843,774	1,846,451
Health and Social Services	28,000	24,076	24,076
Community and Economic Development	197,790	173,745	160,875
Total Expenditures	<u>14,868,400</u>	<u>14,648,114</u>	<u>14,457,697</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>535,247</u>	<u>1,916,812</u>	<u>2,153,671</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	28,622
Transfers In	989,000	-	-
Transfers Out	<u>(1,643,535)</u>	<u>(944,882)</u>	<u>(944,882)</u>
	<u>(654,535)</u>	<u>(944,882)</u>	<u>(916,260)</u>
Net Change in Fund Balance	<u>(119,288)</u>	<u>971,930</u>	1,237,411
Fund Balance - Beginning			<u>9,766,118</u>
Fund Balance - Ending			<u><u>11,003,529</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board (GASB), nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental – Special Revenue Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Proprietary Fund
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Schedule of Changes in Assets and Liabilities – Agency Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

Kishwaukee TIF Fund

The Kishwaukee TIF Fund is used to account for certain redevelopment project costs in connection with the designation of the Kishwaukee River Redevelopment Project Area.

Kishwaukee TIF #2 Fund

The Kishwaukee TIF #2 Fund is used to account for certain redevelopment project costs in connection with the designation of the Kishwaukee TIF Redevelopment Project Area.

1993 Tax Incentive Finance District Fund

The 1993 Tax Incentive Finance District Fund is used to account for redevelopment assistance in the Belvidere Plaza area.

Farmington Fund

The Farmington Fund is used to account for the maintenance of detention areas, which includes maintaining the ponds located in the Farmington Fields subdivision.

CAPITAL PROJECT FUND

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the operating revenues and expenses of the City's water and sewer utilities. Although a program of the City government, the utilities are operated as a separate enterprise and the account records are maintained on an enterprise fund basis. Accordingly, account classifications used are designed specifically for the water and sewer operations.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

AGENCY FUND

Escrow Fund

The Escrow Fund is used to account for escrow monies held for developers.

CITY OF BELVIDERE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 4,773,750	4,797,631	4,797,633
Hotel/Motel Tax	4,855	3,774	3,774
Auto Rental Tax	5,700	7,071	7,071
Telecommunication Tax	169,200	169,623	160,289
Utility Tax	2,231,103	2,271,662	2,242,842
Replacement Tax	259,719	334,902	357,074
	<u>7,444,327</u>	<u>7,584,663</u>	<u>7,568,683</u>
Intergovernmental			
Grants	176,667	293,997	293,997
Sales and Use Tax	3,635,603	3,758,841	3,795,721
State Income Tax	2,422,900	2,484,441	2,577,580
	<u>6,235,170</u>	<u>6,537,279</u>	<u>6,667,298</u>
Licenses and Permits			
Liquor Licenses	62,500	122,000	122,000
Business Licenses	15,200	17,193	17,193
Building Permits	179,905	270,533	270,533
Electrical Permits	21,675	16,032	16,032
Plumbing Permits	14,760	53,533	53,533
HVAC Permits	9,440	4,451	4,451
Amusement Machine Licenses	8,500	8,540	8,540
Other	9,855	5,367	5,367
	<u>321,835</u>	<u>497,649</u>	<u>497,649</u>
Fines and Forfeitures			
Circuit Court Fines	305,000	480,921	487,246
Parking Fines	15,000	5,822	5,822
Engineering Fees	20,000	827	827
Video Gambling	40,000	108,364	108,364
Electrician Certification Fees	4,500	4,450	4,450
Plan Review Fees	32,505	42,624	42,624
Sidewalk/Lot Grading	3,620	1,980	1,980
Franchise Fees	253,312	254,160	254,591
Death and Birth Certificates	17,020	16,902	16,902
Accident/Fire Reports	5,805	5,854	5,854
Annexation/Plat Fees	20,000	20,000	-

CITY OF BELVIDERE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Fines and Forfeitures - Continued			
Seized Vehicle Fees	\$ 86,400	108,000	108,000
Tipping Fees	90,000	179,023	161,198
Other	6,470	6,945	6,945
	899,632	1,235,872	1,204,803
Interest	11,149	25,354	25,220
Miscellaneous			
Reimbursements	194,220	317,554	211,779
Other	297,314	366,555	435,936
	491,534	684,109	647,715
Total Revenues	15,403,647	16,564,926	16,611,368

CITY OF BELVIDERE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
General Government			
General			
Employee Salaries	\$ 203,244	200,844	201,288
Elected Officials' Salaries	207,623	207,328	208,462
Health Insurance	238,684	247,263	390,513
Dental Insurance Claims Paid	25,000	26,958	26,958
Group Life Insurance	3,478	1,318	1,318
Meetings and Conferences	15,540	8,647	9,920
Office Supplies	71,320	50,099	50,406
Telephone	14,130	47,564	47,632
Communication	3,520	6,504	6,839
Subscriptions/Education Materials	500	1,029	1,029
Legal	50,100	6,542	6,853
Other Professional Services	-	2,813	2,813
Codification	6,000	-	-
Repairs and Maintenance - Building	21,300	25,386	25,836
Repairs and Maintenance - Equipment	1,000	-	-
Reimbursements - Seized Vehicle	-	2,100	2,100
Other Supplies	7,000	6,608	6,928
Miscellaneous	54,280	64,733	54,109
	922,719	905,736	1,043,004
Audit			
Accounting and Audit	31,500	29,100	29,100
IMRF	248,210	205,882	181,046
Social Security			
FICA	202,000	191,965	38,823
Medicare	133,002	120,503	120,503
	335,002	312,468	159,326
Tort Liability Insurance	704,631	665,730	424,732
Total General Government	2,242,062	2,118,916	1,837,208

CITY OF BELVIDERE, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Public Safety			
Police Department			
Salaries	\$ 3,255,587	3,182,988	3,215,260
Overtime	371,836	351,321	352,980
Health Insurance	753,905	637,215	637,215
Dental Insurance Claims Paid	40,000	37,164	37,164
Police Pension	948,800	947,866	947,866
Unemployment Compensation	-	8,781	836
Uniform Allowance	65,838	60,189	60,189
Training	62,190	63,139	64,908
Repairs and Maintenance - Vehicles	122,950	96,050	97,199
Telephone	42,364	37,113	38,594
Physical Exams	4,270	240	240
Community Policing	7,725	7,174	7,174
K-9 Expenditures	4,517	2,979	2,979
Office Supplies	9,785	9,480	9,480
Gas and Oil	140,000	139,668	139,668
Supplies	34,640	29,838	29,924
Equipment	37,860	19,499	19,499
Miscellaneous	38,950	33,563	65,152
	5,941,217	5,664,267	5,726,327
Public Safety Building			
Salaries	603,632	537,835	537,835
FICA and IMRF	-	108,750	117,588
Other Contractual Services	161,835	199,226	199,454
	765,467	845,811	854,877
Fire Department			
Salaries	2,062,141	1,908,887	1,930,921
Overtime	196,750	334,289	338,927
Health Insurance	428,444	348,945	348,945
Dental Insurance Claims Paid	25,000	16,972	16,972
Fire Pension	723,100	722,406	722,406
Uniform Allowance	23,000	38,383	38,383
Training	22,650	30,672	31,092
Repairs and Maintenance - Building	36,050	44,535	44,568
Repairs and Maintenance - Vehicles	58,333	70,804	72,479

CITY OF BELVIDERE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Telephone	\$ 13,930	11,634	11,649
Physical Exams	2,500	1,210	1,210
Fire Prevention	3,650	4,910	5,024
Office Supplies	12,030	11,083	11,183
Gas and Oil	23,210	21,643	21,643
Supplies	9,000	15,764	15,764
Equipment	33,000	58,553	58,553
Miscellaneous	1,000	615	615
	<u>3,673,788</u>	<u>3,641,305</u>	<u>3,670,334</u>
Police and Fire Commissions			
Physical Exams	17,050	13,630	13,630
Other Contractual Services	5,375	31,396	31,628
	<u>22,425</u>	<u>45,026</u>	<u>45,258</u>
Building Department			
Salaries	150,019	155,661	156,611
FICA and IMRF	32,256	31,226	31,226
Health Insurance	36,274	29,761	29,761
Dental Insurance Claims Paid	2,000	1,852	1,852
Training	4,500	2,124	2,124
Other Professional Services	33,500	54,950	54,950
Repairs and Maintenance - Equipment	3,500	1,938	1,938
Telephone	300	554	701
Postage	1,000	614	614
Printing and Publishing	1,500	957	957
Office Supplies	4,460	4,651	4,651
Gas and Oil	2,465	1,096	1,096
Miscellaneous	1,000	670	670
	<u>272,774</u>	<u>286,054</u>	<u>287,151</u>
Civil Defense			
Miscellaneous	5,800	5,140	5,140
Total Public Safety	<u>10,681,471</u>	<u>10,487,603</u>	<u>10,589,087</u>

CITY OF BELVIDERE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Highways and Streets			
Street Department			
Salaries	\$ 567,444	542,624	542,637
Overtime	40,000	38,463	38,463
Health Insurance	166,364	185,333	182,823
Uniform Allowance	15,000	12,776	12,776
Training	1,500	489	489
Repairs and Maintenance - Storm Drain	24,720	17,126	20,157
Repairs and Maintenance - Parking Lot	88,200	102,843	104,962
Repairs and Maintenance - Sidewalk	40,000	69,111	69,111
Repairs and Maintenance - Building	13,500	12,824	12,824
Repairs and Maintenance - Equipment	87,520	133,041	133,852
Repairs and Maintenance - Traffic Lights	15,460	36,832	36,832
Telephone	6,000	5,809	6,328
Leaf Cleanup	14,880	551	551
Office Supplies	6,210	3,068	3,068
Gas and Oil	77,739	77,964	78,239
Supplies	14,900	18,417	18,962
Miscellaneous	2,100	100,776	102,599
	<u>1,181,537</u>	<u>1,358,047</u>	<u>1,364,673</u>
Street Lighting			
Repairs and Maintenance - Street Lights	10,000	40,782	40,782
Electricity	314,525	258,849	254,900
	<u>324,525</u>	<u>299,631</u>	<u>295,682</u>
Garbage			
Miscellaneous	<u>81,000</u>	<u>77,932</u>	<u>77,932</u>
Forestry			
Tree Removal/Purchase	80,000	88,381	88,381
Miscellaneous	1,000	-	-
	<u>81,000</u>	<u>88,381</u>	<u>88,381</u>

CITY OF BELVIDERE, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
City Engineering			
Engineering	\$ 20,000	11,374	11,374
Subdivision Expenditures	20,000	3,409	3,409
Office Supplies	8,550	5,000	5,000
Gas and Oil	2,465	-	-
	51,015	19,783	19,783
Total Highways and Streets	1,719,077	1,843,774	1,846,451
Health and Social Services			
Health Regulations and Inspections			
Council on Aging	23,000	23,000	23,000
Demolition	5,000	1,076	1,076
Total Health and Social Services	28,000	24,076	24,076
Community and Economic Development			
Planning Department Services	112,290	89,715	76,845
Economic Development	73,000	73,000	73,000
Tourism	6,000	3,000	3,000
Historic Restoration	6,500	8,030	8,030
Total Community and Economic Development	197,790	173,745	160,875
Total Expenditures	14,868,400	14,648,114	14,457,697

CITY OF BELVIDERE, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 40,000	39,964	39,963
Interest	500	342	345
Total Revenues	40,500	40,306	40,308
Expenditures			
Capital Outlay			
Vehicles	322,432	325,650	325,650
Infrastructure	-	152,330	152,330
Buildings and Improvements	-	93,750	93,750
Miscellaneous	40,000	36,079	36,334
Debt Service			
Principal Retirement	45,000	45,000	45,000
Interest and Fiscal Charges	9,535	9,535	9,535
Total Expenditures	416,967	662,344	662,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	(376,467)	(622,038)	(622,291)
Other Financing Sources			
Transfers In	654,535	944,882	944,882
Net Change in Fund Balance	278,068	322,844	322,591
Fund Balance - Beginning			560,768
Fund Balance - Ending			883,359

CITY OF BELVIDERE, ILLINOIS

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

April 30, 2015

See Following Page

CITY OF BELVIDERE, ILLINOIS

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

April 30, 2015

	<u>Motor Fuel Tax</u>
ASSETS	
Cash and Cash Equivalents	\$ 831,001
Receivables - Net of Allowances	
Property Taxes	-
Other Taxes	59,506
Land Held for Resale	<u>-</u>
Total Assets	<u>890,507</u>
LIABILITIES	
Accounts Payable	-
Due to Other Funds	<u>-</u>
	-
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>-</u>
FUND BALANCES	
Nonspendable	-
Restricted	890,507
Unassigned	<u>-</u>
Total Fund Balances	<u>890,507</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>890,507</u>

Kishwaukee TIF	Kishwaukee TIF #2	1993 Tax Incentive Finance District	Farmington	Totals
30,252	4,915	93	28,568	894,829
21,712	-	-	-	21,712
-	-	-	-	59,506
439,754	-	-	-	439,754
491,718	4,915	93	28,568	1,415,801
-	-	-	482	482
202,911	-	-	-	202,911
202,911	-	-	482	203,393
21,712	-	-	-	21,712
224,623	-	-	482	225,105
439,754	-	-	-	439,754
-	4,915	93	28,086	923,601
(172,659)	-	-	-	(172,659)
267,095	4,915	93	28,086	1,190,696
491,718	4,915	93	28,568	1,415,801

CITY OF BELVIDERE, ILLINOIS

Nonmajor Governmental Funds - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2015**

	<u>Motor Fuel Tax</u>
Revenues	
Taxes	\$ 860,656
Interest	681
Miscellaneous	26,942
Total Revenues	<u>888,279</u>
Expenditures	
General Government	-
Highways and Streets	696,082
Debt Service	
Interest and Fiscal Charges	-
Total Expenditures	<u>696,082</u>
Net Change in Fund Balances	192,197
Fund Balances - Beginning	<u>698,310</u>
Fund Balances - Ending	<u><u>890,507</u></u>

Kishwaukee TIF	Kishwaukee TIF #2	1993 Tax Incentive Finance District	Farmington	Totals
20,977	-	-	12,141	893,774
-	-	-	-	681
8	-	-	-	26,950
20,985	-	-	12,141	921,405
367	-	-	19,672	20,039
-	-	-	-	696,082
7,506	-	23,627	-	31,133
7,873	-	23,627	19,672	747,254
13,112	-	(23,627)	(7,531)	174,151
253,983	4,915	23,720	35,617	1,016,545
267,095	4,915	93	28,086	1,190,696

CITY OF BELVIDERE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 703,440	819,060	860,656
Interest	500	678	681
Miscellaneous	24,000	56,199	26,942
Total Revenues	727,940	875,937	888,279
Expenditures			
Highways and Streets			
Street Maintenance	750,300	696,081	696,082
Net Change in Fund Balance	(22,360)	179,856	192,197
Fund Balance - Beginning			698,310
Fund Balance - Ending			890,507

CITY OF BELVIDERE, ILLINOIS**Kishwaukee TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 95,000	20,977	20,977
Interest	5	7	-
Miscellaneous	-	-	8
Total Revenues	95,005	20,984	20,985
Expenditures			
General Government			
Miscellaneous	8,000	367	367
Debt Service			
Principal Retirement	11,827	-	-
Interest and Fiscal Charges	75,373	7,506	7,506
Total Expenditures	95,200	7,873	7,873
Net Change in Fund Balance	(195)	13,111	13,112
Fund Balance - Beginning			253,983
Fund Balance - Ending			267,095

CITY OF BELVIDERE, ILLINOIS

Kishwaukee TIF #2 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 1,079	-	-
Expenditures			
General Government	-	-	-
Net Change in Fund Balance	<u>1,079</u>	<u>-</u>	-
Fund Balance - Beginning			<u>4,915</u>
Fund Balance - Ending			<u>4,915</u>

CITY OF BELVIDERE, ILLINOIS

1993 Tax Incentive Finance District - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 24,000	-	-
Expenditures			
Debt Service			
Interest and Fiscal Charges	-	23,626	23,627
Net Change in Fund Balance	24,000	(23,626)	(23,627)
Fund Balance - Beginning			23,720
Fund Balance - Ending			93

CITY OF BELVIDERE, ILLINOIS

Farmington - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 16,000	24,140	12,141
Expenditures			
General Government			
Repairs and Maintenance	24,000	19,190	19,190
Miscellaneous	1,000	-	482
Total Expenditures	25,000	19,190	19,672
Net Change in Fund Balance	(9,000)	4,950	(7,531)
Fund Balance - Beginning			35,617
Fund Balance - Ending			28,086

CITY OF BELVIDERE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water			
Customer Charges	\$ 2,399,706	2,279,317	2,282,004
Meter Sales	90,677	92,723	92,723
Sewer			
Customer Charges	3,387,505	3,491,290	3,462,420
Meter Sales	90,677	91,417	91,416
Other Revenue	491,349	634,888	205,038
Total Operating Revenues	6,459,914	6,589,635	6,133,601
Operating Expenses			
Operations			
Water	5,640,399	2,531,496	1,864,755
Sewer	9,159,391	4,479,897	1,835,741
Collection System	956,956	819,228	500,887
Depreciation	1,430,030	1,430,030	1,334,241
Total Operating Expenses	17,186,776	9,260,651	5,535,624
Operating Income (Loss)	(10,726,862)	(2,671,016)	597,977
Nonoperating Revenues (Expenses)			
Connection Fees	44,000	135,404	135,404
Interest Income	41,000	31,714	-
Interest and Fiscal Charges	(68,870)	(66,849)	(60,323)
	16,130	100,269	75,081
Income (Loss) Before Transfers	(10,710,732)	(2,570,747)	673,058
Transfers In	5,286,000	-	-
Change in Net Position	(5,424,732)	(2,570,747)	673,058
Net Position - Beginning			44,853,748
Net Position - Ending			45,526,806

CITY OF BELVIDERE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Operations			
Water			
Salaries	\$ 594,653	518,051	515,278
Overtime	50,000	33,212	33,212
IMRF	135,105	132,539	85,025
FICA/Medicare	-	-	105,072
Group Health Insurance	179,379	180,142	178,531
Uniform Allowance	13,688	10,286	10,286
Repairs and Maintenance			
Infrastructure	33,795	66,456	70,377
Equipment	7,520	27,840	20,676
Building	2,805,500	14,626	14,626
Vehicles	14,000	25,983	26,155
Contractual	95,000	66,775	68,375
Consruction in Progress	-	109,509	-
Other Professional Services	11,000	1,477	1,477
Telephone	8,000	6,758	6,758
Postage	19,000	16,073	16,073
Utilities	318,750	267,500	250,310
Liability Insurance	111,323	105,070	104,040
Equipment Rentals	25,116	13,745	13,745
Lab Expense	32,225	26,349	26,966
Office Supplies	9,355	8,629	8,629
Gas and Oil	23,000	21,019	23,099
Supplies	61,145	50,711	51,273
Chemicals	99,000	82,496	89,263
Equipment	4,000	-	2,485
Meters	374,830	129,909	132,259
Bad Debt Expense	4,000	3,804	3,804
Miscellaneous	611,015	612,537	6,961
Total Water	5,640,399	2,531,496	1,864,755

CITY OF BELVIDERE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Operations - Continued			
Sewer			
Salaries	\$ 636,470	607,992	611,319
Overtime	55,000	52,761	52,761
IMRF	144,182	130,567	89,682
Group Health Insurance	188,288	196,631	196,956
Uniform Allowance	15,000	14,850	14,850
Repairs and Maintenance			
Lift Station	144,000	43,002	44,065
Infrastructure	-	-	2,686
Building	5,050,000	2,487,756	119,544
Vehicles	17,500	22,790	26,587
Contractual	-	-	1,152
Equipment	-	6,315	6,315
Consruction in Progress	-	164,000	-
Other Professional Services	52,675	39,496	38,344
Other Equipment Rental	11,385	5,464	5,464
Telephone	13,000	19,452	19,452
Travel	-	2,554	2,554
Postage	14,500	16,072	16,072
Utilities	240,000	233,755	234,006
Liability Insurance	132,196	124,771	123,548
Sludge Disposal	9,440	8,552	9,587
Lab Expense	56,000	46,228	49,884
Operating Supplies	11,940	9,297	10,781
Office Supplies	8,500	9,736	10,670
Equipment	1,436,000	88,823	-
Building	50,000	-	-
Gas and Oil	39,050	28,529	28,958
Chemicals	105,000	82,992	82,992
Meters	720,500	12,952	12,952
Bad Debt Expense	4,000	5,585	5,585
Miscellaneous	4,765	18,975	18,975
Total Sewer	9,159,391	4,479,897	1,835,741

CITY OF BELVIDERE, ILLINOIS**Water and Sewer - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Operations - Continued			
Collection System			
Salaries	\$ 290,858	262,073	266,076
Overtime	30,000	23,235	23,235
IMRF	19,998	62,082	45,408
Group Health Insurance	50,515	83,149	79,914
Uniform Allowance	6,600	3,402	3,402
Repairs and Maintenance			
Infrastructure	181,340	11,531	11,725
Equipment	8,000	335	335
Vehicles	10,000	30,419	32,430
Office Equipment Rental	14,840	10,141	10,141
Operating Supplies	18,000	13,443	13,495
Equipment	4,000	-	2,485
Gas and Oil	12,100	10,544	11,542
Miscellaneous	310,705	308,874	699
Total Collection System	956,956	819,228	500,887
Depreciation	1,430,030	1,430,030	1,334,241
Total Operating Expenses	17,186,776	9,260,651	5,535,624

CITY OF BELVIDERE, ILLINOIS**Pension Trust Funds****Combining Statement of Fiduciary Net Position
April 30, 2015**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 8,189	10,023	18,212
Investments			
U.S. Government and Agency Obligations	3,520,308	1,822,149	5,342,457
Municipal Bonds	1,014,015	168,704	1,182,719
Corporate Bonds	3,569,377	1,728,172	5,297,549
Equities	4,039,503	6,705,925	10,745,428
Mutual Funds	5,563,285	842,020	6,405,305
Money Market Mutual Funds	458,919	579,282	1,038,201
Insurance Contracts	357,885	2,207,232	2,565,117
Receivables - Accrued Interest	90,567	21,619	112,186
Prepays	517	16,570	17,087
Total Assets	18,622,565	14,101,696	32,724,261
LIABILITIES			
Accounts Payable	12,668	-	12,668
NET POSITION			
Net Position Held in Trust for Pension Benefits	18,609,897	14,101,696	32,711,593

CITY OF BELVIDERE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2015

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,011,718	786,259	1,797,977
Contributions - Plan Members	290,060	173,795	463,855
Total Contributions	1,301,778	960,054	2,261,832
Investment Income			
Interest Earned	796,417	186,717	983,134
Net Change in Fair Value	366,999	789,105	1,156,104
	1,163,416	975,822	2,139,238
Less Investment Expenses	(75,828)	(94,313)	(170,141)
Net Investment Income	1,087,588	881,509	1,969,097
Total Additions	2,389,366	1,841,563	4,230,929
Deductions			
Administration	25,181	19,005	44,186
Benefits and Refunds	1,002,142	1,045,565	2,047,707
Total Deductions	1,027,323	1,064,570	2,091,893
Change in Net Position	1,362,043	776,993	2,139,036
Net Position Held in Trust for Pension Benefits			
Beginning	17,247,854	13,324,703	30,572,557
Ending	18,609,897	14,101,696	32,711,593

CITY OF BELVIDERE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,012,652	1,011,718	1,011,718
Contributions - Plan Members	270,000	290,061	290,060
Total Contributions	1,282,652	1,301,779	1,301,778
Investment Income			
Interest Income	800,000	1,049,688	796,417
Net Change in Fair Value	-	-	366,999
	800,000	1,049,688	1,163,416
Less Investment Expenses	-	-	(75,828)
Net Investment Income	800,000	1,049,688	1,087,588
Total Additions	2,082,652	2,351,467	2,389,366
Deductions			
Administration	85,000	25,156	25,181
Benefits and Refunds	890,000	1,002,141	1,002,142
Total Deductions	975,000	1,027,297	1,027,323
Change in Net Position	1,107,652	1,324,170	1,362,043
Net Position Held in Trust for Pension Benefits			
Beginning			17,247,854
Ending			18,609,897

CITY OF BELVIDERE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 786,952	786,258	786,259
Contributions - Plan Members	185,000	175,000	173,795
Total Contributions	971,952	961,258	960,054
Investment Income			
Interest Income	800,000	894,893	186,717
Net Change in Fair Value	-	-	789,105
	800,000	894,893	975,822
Less Investment Expenses	-	-	(94,313)
Net Investment Income	800,000	894,893	881,509
Total Additions	1,771,952	1,856,151	1,841,563
Deductions			
Administration	70,000	25,210	19,005
Benefits and Refunds	960,000	1,041,000	1,045,565
Total Deductions	1,030,000	1,066,210	1,064,570
Change in Net Position	741,952	789,941	776,993
Net Position Held in Trust for Pension Benefits			
Beginning			13,324,703
Ending			14,101,696

CITY OF BELVIDERE, ILLINOIS

Escrow - Agency Fund

**Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2015**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Cash Equivalents	\$ 1,189,937	1,527	124,016	1,067,448
LIABILITIES				
Due to Developers	264,429	9,300	-	273,729
Due to Other Governments	925,508	-	131,789	793,719
Total Liabilities	1,189,937	9,300	131,789	1,067,448

**IDA PUBLIC LIBRARY
COMPONENT UNIT**

**Statement of Net Position and Balance Sheet - Governmental Fund
April 30, 2015**

	Balance Sheet	Adjustments	Statement of Net Position
ASSETS			
Current Assets			
Cash and Investments	\$ 551,446	-	551,446
Receivables - Net of Allowances			
Taxes	670,996	-	670,996
Prepays	9,185	-	9,185
Total Current Assets	1,231,627	-	1,231,627
Noncurrent Assets			
Capital Assets			
Nondepreciable	-	181,150	181,150
Depreciable	-	1,869,855	1,869,855
Accumulated Depreciation	-	(984,719)	(984,719)
Total Noncurrent Assets	-	1,066,286	1,066,286
Total Assets	1,231,627	1,066,286	2,297,913
LIABILITIES			
Current Liabilities			
Accounts Payable	9,369	-	9,369
Accrued Payroll	12,592	-	12,592
Other Payables	34,481	-	34,481
Compensated Absences Payable	-	2,267	2,267
Mortgage Loans Payable	-	13,743	13,743
Total Current Liabilities	56,442	16,010	72,452
Noncurrent Liabilities			
Compensated Absences	-	9,069	9,069
Net Other Post-Employment Benefit Obligation Payable	-	42,269	42,269
Mortgage Loans Payable	-	344,728	344,728
Total Noncurrent Liabilities	-	396,066	396,066
Total Liabilities	56,442	412,076	468,518
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	670,996	-	670,996
Total Liabilities and Deferred Inflows of Resources	727,438	412,076	1,139,514
FUND BALANCES/NET POSITION			
Net Investment in Capital Assets	-	707,815	707,815
Nonspendable	9,185	(9,185)	-
Restricted - Donor Specific	87,539	-	87,539
Committed - Public Library	407,465	(44,420)	363,045
Total Fund Balances	504,189	654,210	1,158,399
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	1,231,627	1,066,286	2,297,913

**IDA PUBLIC LIBRARY
COMPONENT UNIT**

**Statement of Activities and Statement of Revenues, Expenditures and
Changes in Fund Balances/Net Position - Governmental Fund
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual	Adjustments	Statement of Activities
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 650,000	660,423	660,423	-	660,423
Replacement Taxes	25,000	38,865	38,865	-	38,865
Grants and Contributions	26,000	26,000	48,755	-	48,755
Charges for Services	59,000	59,000	32,239	-	32,239
Interest Income	-	-	33,965	-	33,965
Miscellaneous	80,000	80,000	60,681	-	60,681
Total Revenues	840,000	864,288	874,928	-	874,928
Expenditures					
Current					
Culture and Recreation	840,000	845,190	607,764	310,361	918,125
Capital Outlay	-	-	228,080	(228,080)	-
Debt Service					
Principal Retirement	-	-	13,063	(13,063)	-
Interest and Fiscal Charges	-	-	20,036	-	20,036
Total Expenditures/Expenses	840,000	845,190	868,943	69,218	938,161
Net Change in Fund Balances/Net Position	-	19,098	5,985	(69,218)	(63,233)
Fund Balances/Net Position - Beginning			498,204	723,428	1,221,632
Fund Balances/Net Position - Ending			504,189	654,210	1,158,399

SUPPLEMENTAL SCHEDULES

CITY OF BELVIDERE, ILLINOIS

Schedule of Long-Term Debt Requirements

Brownfield Revolving Loan Payable April 30, 2015

Date of Issue	October 6, 2010
Date of Maturity	October 1, 2031
Authorized Issue	\$140,000
Interest Rate	Non-Interest Bearing
Interest Date	Non-Interest Bearing
Principal Maturity Date	October 1
Payable at	Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ -	-	-
2017	8,750	-	8,750
2018	8,750	-	8,750
2019	8,750	-	8,750
2020	8,750	-	8,750
2021	8,750	-	8,750
2022	8,750	-	8,750
2023	8,750	-	8,750
2024	8,750	-	8,750
2025	8,750	-	8,750
2026	8,750	-	8,750
2027	8,750	-	8,750
2028	8,750	-	8,750
2029	8,750	-	8,750
2030	8,750	-	8,750
2031	8,750	-	8,750
2032	8,750	-	8,750
	140,000	-	140,000

CITY OF BELVIDERE, ILLINOIS**Schedule of Long-Term Debt Requirements****IEPA Wastewater Treatment Works Loan Payable
April 30, 2015**

Date of Issue	December 11, 2012
Date of Maturity	May 1, 2032
Authorized Issue	\$2,885,940
Interest Rate	1.25%
Interest Dates	May 3 and November 3
Principal Maturity Date	May 3 and November 3
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 99,819	23,935	123,754
2017	101,068	22,684	123,752
2018	102,335	21,417	123,752
2019	103,619	20,133	123,752
2020	104,917	18,835	123,752
2021	106,233	17,519	123,752
2022	107,565	16,187	123,752
2023	108,914	14,838	123,752
2024	110,280	13,472	123,752
2025	111,662	12,090	123,752
2026	113,062	10,690	123,752
2027	114,480	9,272	123,752
2028	115,916	7,836	123,752
2029	117,369	6,383	123,752
2030	118,841	4,911	123,752
2031	120,331	3,421	123,752
2032	121,840	1,912	123,752
2033	61,485	384	61,869
	<u>1,939,736</u>	<u>225,919</u>	<u>2,165,655</u>

CITY OF BELVIDERE, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Debt Certificates of 2005

April 30, 2015

Date of Issue	July 19, 2005
Date of Maturity	August 1, 2025
Authorized Issue	\$1,000,000
Denomination of Bonds	\$5,000
Interest Rates	Variable
Interest Dates	August 1 and February 1
Principal Maturity Date	August 1
Payable at	The Belvidere National Bank and Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 50,000	8,846	58,846
2017	50,000	8,121	58,121
2018	50,000	7,396	57,396
2019	55,000	6,635	61,635
2020	55,000	5,837	60,837
2021	60,000	5,003	65,003
2022	60,000	4,133	64,133
2023	60,000	3,264	63,264
2024	65,000	2,357	67,357
2025	65,000	1,415	66,415
2026	65,098	472	65,570
	635,098	53,479	688,577

CITY OF BELVIDERE, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Revenue Refunding Bonds of 2013

April 30, 2015

Date of Issue	February 4, 2013
Date of Maturity	February 1, 2020
Authorized Issue	\$2,115,000
Denomination of Bonds	\$5,000
Interest Rates	1.35% - 2.40%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Alpine Bank and Trust Company, Rockford IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 250,000	32,302	282,302
2017	400,000	26,540	426,540
2018	400,000	18,840	418,840
2019	400,000	10,540	410,540
2020	260,000	3,120	263,120
	1,710,000	91,342	1,801,342

CITY OF BELVIDERE, ILLINOIS

**Assessed Valuations, Tax Rates and Tax Extensions - Last Five Tax Levy Years
April 30, 2015**

	2010	2011	2012	2013	2014
Assessed Valuations					
City	\$ 395,816,101	352,948,663	332,246,506	296,657,007	291,335,467
Library	\$ 390,788,864	352,762,603	332,246,505	296,657,007	291,335,467
Tax Rates - City					
Corporate	0.43485	0.43750	0.57608	0.60596	0.61271
IMRF	0.01520	0.01700	0.02036	0.02608	0.02518
Fire Protection	0.00030	0.00142	0.01253	0.00695	0.00700
Fire Pension	0.20590	0.23551	0.17874	0.25142	0.25112
Police Protection	0.00030	0.00142	0.01253	0.00695	0.00700
Police Pension	0.20680	0.23403	0.25066	0.32990	0.35452
Garbage	0.00130	0.00425	0.00783	0.02156	0.02273
Audit	0.00380	0.00425	0.00627	0.00695	0.00703
Street Lighting	0.05000	0.05000	0.06888	0.07302	0.07344
Public Benefit	0.01010	0.01134	0.01253	0.01391	0.01399
Civil Defense	0.00170	0.00193	0.00220	0.00247	0.00245
Social Security	0.04550	0.05381	0.06106	0.07650	0.07869
Forestry	0.01010	0.01134	0.01253	0.01391	0.01399
Special Road and Bridge	0.01390	0.01559	0.01879	0.02086	0.02099
Tort Judgment/Liability Insurance	0.05050	0.06517	0.12790	0.10605	0.11540
Insurance	0.02020	0.02267	0.02818	0.02782	0.02798
	1.07045	1.16723	1.39707	1.59030	1.63422
Tax Rates - Library					
Corporate	0.16019	0.18200	0.20351	0.22986	0.23464
Total Tax Rates	1.23064	1.34923	1.60058	1.82016	1.86886
Tax Extensions - City					
Corporate	\$ 1,721,206	1,544,150	1,840,028	1,742,756	1,752,157
IMRF	60,164	60,001	65,031	75,007	72,007
Fire Protection	1,187	5,012	40,021	20,017	20,018
Fire Pension	814,985	831,229	570,904	723,119	718,124
Police Protection	1,187	5,012	40,021	20,017	20,018
Police Pension	818,548	826,006	800,620	948,801	1,013,815
Garbage	5,146	15,000	25,010	62,007	65,001
Audit	15,041	15,000	20,027	20,017	20,103
Street Lighting	197,908	176,474	220,006	210,007	210,016
Public Benefit	39,977	40,024	40,021	40,006	40,007
Civil Defense	6,729	6,812	7,027	7,104	7,006
Social Security	180,096	189,922	195,029	220,016	225,028
Forestry	39,977	40,024	40,021	40,005	40,007
Special Road and Bridge	55,018	55,025	60,016	60,023	60,025
Tort Judgment/Liability Insurance	199,887	230,017	408,519	305,003	330,007
Insurance	79,955	80,013	90,008	80,011	80,014
	4,237,013	4,119,723	4,462,309	4,573,916	4,673,353
Tax Extensions - Library					
Corporate	626,005	642,028	676,155	681,896	683,590
Total Tax Extensions	4,863,018	4,761,751	5,138,464	5,255,812	5,356,943

CITY OF BELVIDERE, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2015

Tax Levy Year	Tax Levy Extensions	Total Collections to Date	
		Amount (1)	Percentage of Levy
2004	\$ 2,897,585	\$ 2,923,726	100.90%
2005	3,193,233	3,215,988	100.71%
2006	3,509,297	3,484,480	99.29%
2007	3,761,018	3,782,034	100.56%
2008	4,063,826	4,069,614	100.14%
2009	4,109,914	4,404,156	107.16%
2010	4,237,013	4,381,602	103.41%
2011	4,119,723	4,093,709	99.37%
2012	4,462,309	4,453,854	99.81%
2013	4,573,916	4,569,415	99.90%

(1) This amount does not include the Tax Increment Financing property tax received or the property tax passed through the Township to the City for road and bridge purposes since the City does not levy for these amounts.

CITY OF BELVIDERE, ILLINOIS

**Legal Debt Margin - Last Five Fiscal Years
April 30, 2015**

See Following Page

CITY OF BELVIDERE, ILLINOIS

**Legal Debt Margin - Last Five Tax Levy Years
April 30, 2015**

	<u>2010</u>
Assessed Valuation	<u>\$ 395,816,101</u>
Bonded Debt Limit - 8.625% of Assessed Value	34,139,139
Amount of Debt Applicable to Limit	<u>810,982</u>
Legal Debt Margin	<u>33,328,157</u>
Percentage of Legal Debt Margin to Bonded Debt Limit	<u>97.62%</u>

2011	2012	2013	2014
352,948,663	332,246,506	296,657,007	291,335,467
30,441,822	28,656,261	25,586,667	25,127,684
770,982	725,098	680,098	635,098
29,670,840	27,931,163	24,906,569	24,492,586
97.47%	97.47%	97.34%	97.47%