



CITY OF BELVIDERE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2018



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Prepared By

Becky Tobin
Finance/Budget Officer

CITY OF BELVIDERE, ILLINOIS
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CITY OF BELVIDERE, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2018

LEGISLATIVE

ELECTED OFFICIALS

Mayor: Mike Chamberlain

City Clerk: Shauna Arco

Treasurer: Cory Thornton

Ward 1 Alderman:

Ward 1 Alderman:

Tom Porter

Clayton Stevens

Ward 2 Alderman:

Ward 2 Alderman:

Michael Borowicz

Daniel Snow

Ward 3 Alderman:

Ward 3 Alderman:

Thomas Ratcliffe

Wendy Frank

Ward 4 Alderman:

Ward 4 Alderman:

Ronald Brooks

George Crawford

Ward 5 Alderman:

Ward 5 Alderman:

Marsha Freeman

Mark Sanderson

ADMINISTRATIVE

Police Chief:

Shane Woody

Fire Chief:

Allen Hyser

Finance/Budget Officer:

Becky Tobin

Public Works Director:

Brent Anderson

Building Director:

Lesla Morelock

City Attorney:

Mike Drella

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

The Honorable 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 (the City), as of and for the year ended April 30, 2018, and the related notes to 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity 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 and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the schedule of changes in the employer's net pension liability and related ratios and the schedule of investment returns for the Police Pension Fund and Firefighters' Pension Fund for April 30, 2015 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The principal officials, other supplemental information, supplemental schedules and supplemental data as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental data and principal officials 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 them.

Sikich LLP

Naperville, Illinois

September 6, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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, 2018. Please read it in conjunction with the City's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The City of Belvidere's net position decreased as a result of this year's operations. While net position of business-type activities increased by \$194,145, or 0.4 percent, net position of the governmental activities decreased by \$2,227,807 or nearly 157.6 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$24,478,533 while expenses totaled \$26,512,195 resulting in a decrease to net position of \$2,033,662.
- The City's net position totaled \$44,224,065 on April 30, 2018, which includes \$58,099,483 net investment in capital assets, \$2,060,344 subject to external restrictions, and \$(15,935,762) unrestricted net deficit that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decline this year of \$69,674 resulting in ending fund balance of \$10,073,453 a decrease of 0.7 percent. This decline was planned during the budget process to use some of the General Fund reserves for road improvement projects.

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 4-7 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, 2018

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, 2018

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 statement for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8-11 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 13-17 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 18-19 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 20-72 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 73-123 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 104 - 126 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 \$44,224,065.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 17,647,466	18,169,674	9,257,554	9,981,972	26,905,020	28,151,646
Capital Assets	24,039,540	24,685,544	40,209,841	39,468,968	64,249,381	64,154,512
Total Assets	41,687,006	42,855,218	49,467,395	49,450,940	91,154,401	92,306,158
Deferred Outflows of Resources	2,458,902	3,882,716	83,274	436,632	2,542,176	4,319,348
Total Assets and Deferred Outflows of Resources	44,145,908	46,737,934	49,550,669	49,887,572	93,696,577	96,625,506
Long-Term Debt	32,705,528	34,026,930	1,089,181	4,102,951	33,794,709	38,129,881
Other Liabilities	3,552,199	3,224,888	2,532,042	643,906	6,084,241	3,868,794
Total Liabilities	36,257,727	37,251,818	3,621,223	4,746,857	39,878,950	41,998,675
Deferred Inflows of Resources	8,702,392	8,072,520	891,170	296,584	9,593,562	8,369,104
Total Liabilities and Deferred Inflows of Resources	44,960,119	45,324,338	4,512,393	5,043,441	49,472,512	50,367,779
Net Position						
Net Investment in Capital Assets	20,186,156	20,908,040	37,913,327	36,670,119	58,099,483	57,578,159
Restricted	1,956,884	1,564,462	103,460	105,460	2,060,344	1,669,922
Unrestricted (Deficit)	(22,957,251)	(21,058,906)	7,021,489	8,068,552	(15,935,762)	(12,990,354)
Total Net Position	(814,211)	1,413,596	45,038,276	44,844,131	44,224,065	46,257,727

A large portion of the City's net position, \$58,099,483 or 131.4 percent, reflects its net 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, \$2,060,344 or 4.6 percent, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining (36.0) percent, or \$(15,935,762), represents unrestricted net deficit. At year-end, the City is able to report positive balances in the business-type activities, but has a negative balance for governmental activities.

CITY OF BELVIDERE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 2,412,702	1,432,392	6,036,339	5,732,785	8,449,041	7,165,177
Operating Grants/Contrib.	910,732	891,347	-	-	910,732	891,347
Capital Grants/Contrib.	-	-	-	-	-	-
General Revenues						
Property Taxes	5,156,204	5,058,415	-	-	5,156,204	5,058,415
Utility Taxes	1,969,862	1,981,920	-	-	1,969,862	1,981,920
Replacement Taxes	453,055	362,109	-	-	453,055	362,109
Other Taxes	430,590	389,323	-	-	430,590	389,323
Sales and Use Taxes	4,231,118	3,919,636	-	-	4,231,118	3,919,636
Income Taxes	2,320,096	2,418,418	-	-	2,320,096	2,418,418
Other General Revenues	500,200	547,449	57,635	35,571	557,835	583,020
Total Revenues	18,384,559	17,001,009	6,093,974	5,768,356	24,478,533	22,769,365
Expenses						
General Government	2,116,792	2,172,778	-	-	2,116,792	2,172,778
Public Safety	12,987,364	12,411,611	-	-	12,987,364	12,411,611
Highways and Streets	4,759,370	3,973,184	-	-	4,759,370	3,973,184
Health and Social Services	25,105	33,000	-	-	25,105	33,000
Community/Economic Devel.	317,613	1,097,000	-	-	317,613	1,097,000
Interest on Long-Term Debt	406,122	407,490	-	-	406,122	407,490
Water and Sewer	-	-	5,899,829	5,875,224	5,899,829	5,875,224
Total Expenses	20,612,366	20,095,063	5,899,829	5,875,224	26,512,195	25,970,287
Change in Net Position						
Before Transfers	(2,227,807)	(3,094,054)	194,145	(106,868)	(2,033,662)	(3,200,922)
Transfers						
	-	-	-	-	-	-
Change in Net Position	(2,227,807)	(3,094,054)	194,145	(106,868)	(2,033,662)	(3,200,922)
Net Position - Beginning as Restated	1,413,596	4,507,650	44,844,131	44,950,999	46,257,727	49,458,649
Net Position - Ending	(814,211)	1,413,596	45,038,276	44,844,131	44,224,065	46,257,727

CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

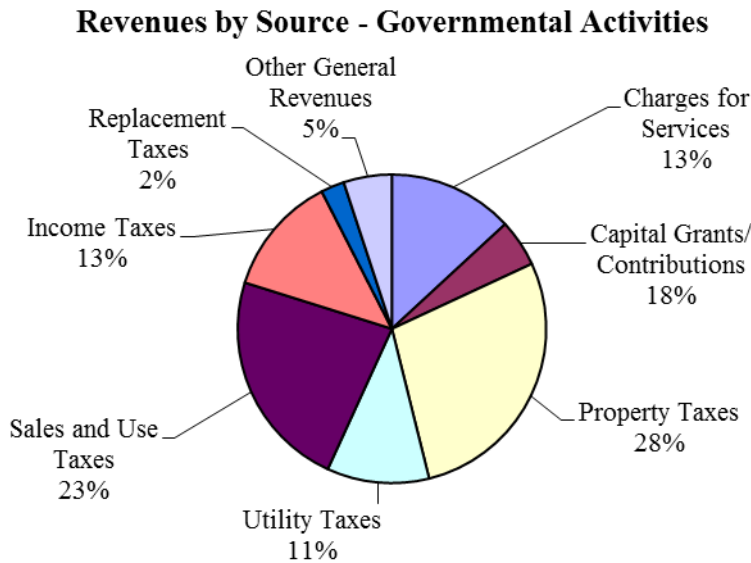
Net position of the City of Belvidere’s governmental activities decreased by 156.7 percent to \$814,211 in 2018 compared to \$1,413,596 in 2017. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$(22,957,251) at April 30, 2018.

Net position of the business-type activities increased by 0.4 percent to \$45,038,276 in 2018 compared to \$44,844,131 in 2017.

Governmental Activities

Revenues for governmental activities totaled \$18,384,559 while the cost of all governmental functions totaled \$20,612,366. This results in a deficit of \$2,227,807 and there were no transfers out. In 2017, revenues of \$17,001,009 were less than expenses of \$20,095,063 resulting in a deficit of \$3,094,054 and there were no transfers out.

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.



CITY OF BELVIDERE, ILLINOIS

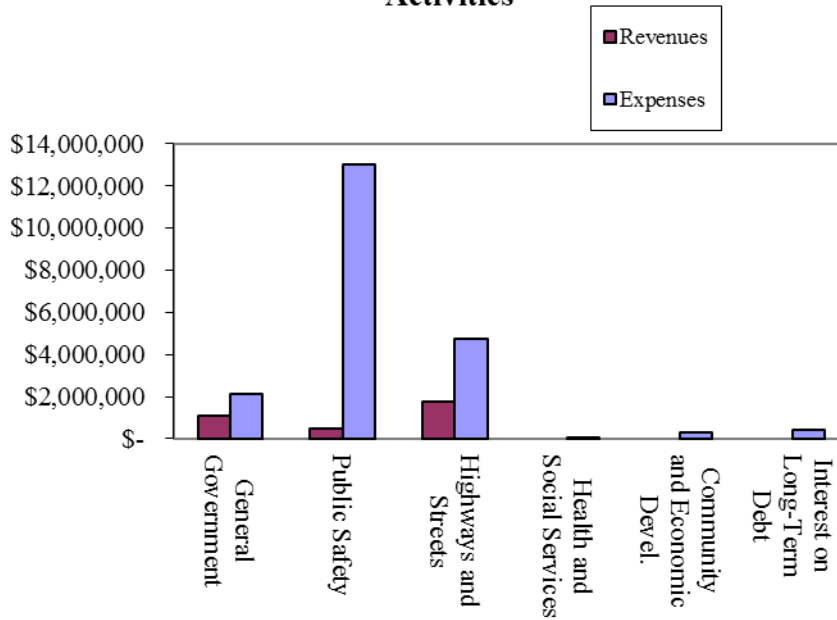
**Management’s Discussion and Analysis
April 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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

Expenses and Program Revenues - Governmental Activities



Business-Type Activities

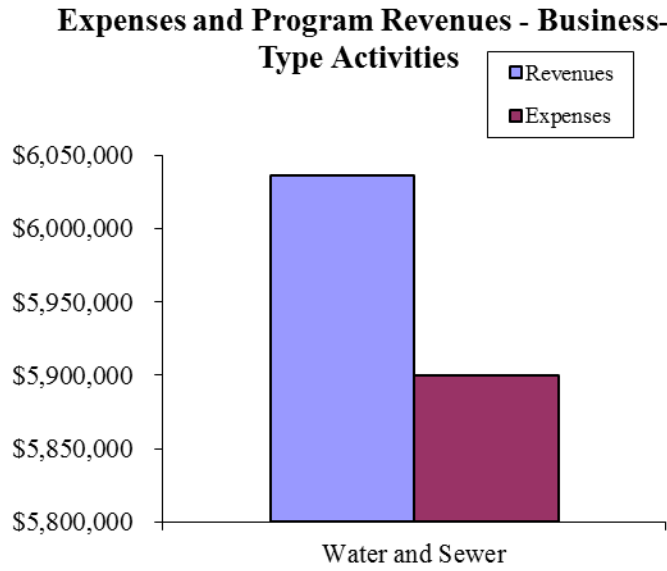
Business-Type activities posted total revenues of \$6,093,974, while the cost of all business-type activities totaled \$5,899,829. This results in a surplus of \$194,145 and there were no transfers. In 2017, revenues of \$5,768,356, while the cost of all business-type activities totaled \$5,875,224 resulting in a deficit of \$106,868 and there were no transfers. The surplus in the current year is due to an increase in use by the existing utility customers and new customers.

CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2018**

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 \$11,775,652, which is \$670,685, or 5.4 percent, lower than last year’s total of \$12,446,337. Of the \$11,775,652 total, \$8,085,590, or approximately 68.7 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a negative change in fund balance for the year of \$69,674, a decrease of 0.6 percent. This was due in large part to budgeted road improvement projects. Budgeted expenditures totaled \$16,472,752 while actual expenditures totaled \$16,497,963. 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, 2018

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, 2018, unassigned fund balance in the General Fund was \$8,085,590 which represents 80.26 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 approximately 50.0 percent of total General Fund expenditures.

The Nonmajor Funds realized a decrease in fund balance of \$601,011 as a result of a large infrastructure project that occurred during the fiscal year.

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/Sewer Fund as a major proprietary fund. The Water/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/Sewer Fund during the current fiscal year was \$194,145, while the previous fiscal year reported a deficit of \$106,868. Unrestricted net position in the Water/Sewer Fund totaled \$7,021,489 at April 30, 2018.

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 \$16,775,529, compared to budgeted revenues of \$16,811,999, which is \$36,470 lower than budgeted revenues.

The General Fund actual expenditures for the year were \$25,211 higher than budgeted (\$16,497,963 actual compared to \$16,472,752 budgeted). The general government function's actual expenditures were lower than budgeted expenditures by \$180,415.

CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2018**

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, 2018 was \$64,249,381 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 523,664	523,664	696,551	696,551	1,220,215	1,220,215
Construction in Progress	74,736	0	2,379,111	2,102,041	2,453,847	2,102,041
Land Improvements	41,906	43,484	-	-	41,906	43,484
Infrastructure	19,924,445	20,950,866	-	-	19,924,445	20,950,866
Building and Improvements	1,137,466	1,189,280	1,007,528	1,036,607	2,144,994	2,225,887
Water Transmission System	-	-	11,324,641	11,616,351	11,324,641	11,616,351
Sewer Collection System	-	-	22,893,273	22,302,836	22,893,273	22,302,836
Equipment	538,310	482,210	1,858,534	1,655,103	2,396,844	2,137,313
Vehicles	1,799,013	1,496,040	50,203	59,479	1,849,216	1,555,519
Total	24,039,540	24,685,544	40,209,841	39,468,968	64,249,381	64,154,512

Governmental Activities

Construction in Progress	\$ 74,736
Infrastructure	852,209
Buildings and improvements	26,656
Equipment	176,474
Vehicles	591,575
	<u>\$ 1,721,650</u>

Business-Type Activities

Construction in Progress	\$ 1,883,665
Equipment	400,973
	<u>\$ 2,284,638</u>

Additional information on the City of Belvidere’s capital assets can be found in note 3 on pages 30-32 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the City of Belvidere had total outstanding debt of \$6,592,342 as compared to \$7,274,232 the previous year, a decrease of 9.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Debt Certificates	\$ 485,098	535,098	-	-	485,098	535,098
Tax Increment Revenue Notes	3,036,000	3,036,000	-	-	3,036,000	3,036,000
Capital Lease	319,730	384,285	-	-	319,730	384,285
Landfill Post Closure Costs	455,000	520,000	-	-	455,000	520,000
IEPA Loan	-	-	1,636,514	1,738,849	1,636,514	1,738,849
Alternate Revenue Bonds	-	-	660,000	1,060,000	660,000	1,060,000
Total	4,295,828	4,475,383	2,296,514	2,798,849	6,592,342	7,274,232

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.

Additional information on the City of Belvidere's long-term debt can be found in Note 3 on pages 32 - 38 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 be diligent about maintaining 3-6 months of spending in the reserves. Some of the reserves were used for City infrastructure projects during FY18.

The residential sector is continuing to struggle but showed some improvement in FY18. Residential permits and new housing construction went up 9% (12 new homes). The commercial/industrial sector is showing some improvement. Larger projects included Magna, Little Caesars, Little Minds Daycare, Casey's, and Speedway.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 2018 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, 2018, for the City of Belvidere was 4.8% and Boone County was 4.1%. The state and national unemployment rates were 5.2 and 3.9 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.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ida Public Library
ASSETS				
Cash and investments	\$ 9,625,422	\$ 8,022,233	\$ 17,647,655	\$ 621,445
Receivables, net where applicable of allowance for uncollectibles				
Property taxes	5,293,465	-	5,293,465	710,939
Sales taxes	881,717	-	881,717	-
Income taxes	167,350	-	167,350	-
Telecommunications tax	239,170	-	239,170	-
Accounts	-	840,110	840,110	-
Accrued interest	-	13,700	13,700	-
Other	309,933	-	309,933	31,981
Prepaid expenses	314,757	199,171	513,928	12,097
Land held for resale	785,567	-	785,567	-
Net pension asset	30,085	-	30,085	-
Inventory	-	78,880	78,880	-
Restricted investments	-	103,460	103,460	-
Capital assets not being depreciated	598,400	3,075,662	3,674,062	290,999
Capital assets being depreciated, net of accumulated depreciation	23,441,140	37,134,179	60,575,319	612,694
Total assets	41,687,006	49,467,395	91,154,401	2,280,155
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF (Regular)	79,673	83,274	162,947	26,428
Pension items - IMRF (SLEP)	7,089	-	7,089	-
Pension items - Police Pension	1,251,092	-	1,251,092	-
Pension items - Firefighters' Pension	1,121,048	-	1,121,048	-
Total deferred outflows of resources	2,458,902	83,274	2,542,176	26,428
Total assets and deferred outflows of resources	44,145,908	49,550,669	93,696,577	2,306,583
LIABILITIES				
Accounts payable	340,462	1,005,465	1,345,927	11,338
Accrued payroll	207,802	69,778	277,580	12,142
Unearned revenue	-	-	-	2,500
Interest payable	3,003,935	13,938	3,017,873	-
Long-term liabilities				
Due within one year	201,990	520,158	722,148	18,388
Due in more than one year	32,503,538	2,011,884	34,515,422	435,389
Total liabilities	36,257,727	3,621,223	39,878,950	479,757
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF (Regular)	874,324	891,170	1,765,494	205,932
Pension items - IMRF (SLEP)	76,376	-	76,376	-
Pension items - Police Pension	1,873,412	-	1,873,412	-
Pension items - Firefighters' Pension	584,815	-	584,815	-
Unavailable revenue - property taxes	5,293,465	-	5,293,465	710,939
Total deferred inflows of resources	8,702,392	891,170	9,593,562	916,871
Total liabilities and deferred inflows of resources	44,960,119	4,512,393	49,472,512	1,396,628

(This statement is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2018

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Ida Public Library
NET POSITION				
Net investment in capital assets	\$ 20,186,156	\$ 37,913,327	\$ 58,099,483	\$ 587,293
Restricted for				
Public safety	726,029	-	726,029	-
Capital projects	11,166	-	11,166	-
Highways and streets	439,219	-	439,219	-
Economic development	780,470	-	780,470	-
Debt service	-	103,460	103,460	-
Donor specific	-	-	-	166,884
Unrestricted (deficit)	(22,957,251)	7,021,489	(15,935,762)	155,778
TOTAL NET POSITION	\$ (814,211)	\$ 45,038,276	\$ 44,224,065	\$ 909,955

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,116,792	\$ 1,058,651	\$ 13,274	\$ -
Public safety	12,987,364	384,738	84,061	-
Highways and streets	4,759,370	969,313	813,397	-
Health and social services	25,105	-	-	-
Community and economic development	317,613	-	-	-
Interest and fees	406,122	-	-	-
Total governmental activities	20,612,366	2,412,702	910,732	-
Business-Type Activities				
Water and sewer	5,899,829	6,036,339	-	-
Total business-type activities	5,899,829	6,036,339	-	-
TOTAL PRIMARY GOVERNMENT	\$ 26,512,195	\$ 8,449,041	\$ 910,732	\$ -
COMPONENT UNIT				
Ida Public Library	\$ 934,217	\$ 49,624	\$ 77,509	\$ -

	Net (Expense) Revenue and Change in Net Position			Component Unit
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
	\$ (1,044,867)	\$ -	\$ (1,044,867)	\$ -
	(12,518,565)	-	(12,518,565)	-
	(2,976,660)	-	(2,976,660)	-
	(25,105)	-	(25,105)	-
	(317,613)	-	(317,613)	-
	(406,122)	-	(406,122)	-
	(17,288,932)	-	(17,288,932)	-
	-	136,510	136,510	-
	-	136,510	136,510	-
	(17,288,932)	136,510	(17,152,422)	-
	-	-	-	(807,084)
General Revenues				
Taxes				
Property	5,156,204	-	5,156,204	687,858
Utility	1,969,862	-	1,969,862	-
Telecommunications	126,721	-	126,721	-
Replacement	453,055	-	453,055	39,515
Other	303,869	-	303,869	-
Intergovernmental				
Sales and use taxes	4,231,118	-	4,231,118	-
Income	2,320,096	-	2,320,096	-
Investment income	62,276	57,635	119,911	22,591
Miscellaneous	415,854	-	415,854	18,214
Gain on sale of capital assets	22,070	-	22,070	-
Total	15,061,125	57,635	15,118,760	768,178
CHANGE IN NET POSITION	(2,227,807)	194,145	(2,033,662)	(38,906)
NET POSITION, MAY 1	1,413,596	44,844,131	46,257,727	948,861
NET POSITION, APRIL 30	\$ (814,211)	\$ 45,038,276	\$ 44,224,065	\$ 909,955

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 8,310,264	\$ 1,315,158	\$ 9,625,422
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	5,208,294	85,171	5,293,465
Sales taxes	881,717	-	881,717
Local use taxes	167,350	-	167,350
Other taxes	239,170	-	239,170
Other	251,362	58,571	309,933
Prepaid items	314,757	-	314,757
Land held for resale	345,813	439,754	785,567
Advances to other funds	29,103	-	29,103
TOTAL ASSETS	\$ 15,747,830	\$ 1,898,654	\$ 17,646,484

**LIABILITIES, DEFERRED INFLOWS
OF RESOURCES, AND FUND BALANCES**

LIABILITIES

	General	Nonmajor Governmental Funds	Total Governmental Funds
Accounts payable	\$ 258,281	\$ 82,181	\$ 340,462
Accrued payroll	207,802	-	207,802
Advance from other funds	-	29,103	29,103
Total liabilities	466,083	111,284	577,367

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	5,208,294	85,171	5,293,465
Total deferred inflows of resources	5,208,294	85,171	5,293,465
Total liabilities and deferred inflows of resources	5,674,377	196,455	5,870,832

FUND BALANCES

Nonspendable			
Prepaid items	314,757	-	314,757
Advances to other funds	29,103	-	29,103
Land held for resale	345,813	-	345,813
Restricted			
Public safety	275,533	450,496	726,029
Highways and streets	-	439,219	439,219
Economic development	345,813	434,657	780,470
Capital projects	-	11,166	11,166
Assigned			
Subsequent year's budget	676,844	-	676,844
Capital projects	-	366,661	366,661
Unassigned	8,085,590	-	8,085,590
Total fund balances	10,073,453	1,702,199	11,775,652

**TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES, AND FUND BALANCES**

	\$ 15,747,830	\$ 1,898,654	\$ 17,646,484
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See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 11,775,652
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 governmental funds	24,039,540
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Illinois Municipal Retirement Fund (Regular) are recognized as deferred outflows and inflows of resources on the statement of net position	(794,651)
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Illinois Municipal Retirement Fund (SLEP) are recognized as deferred outflows and inflows of resources on the statement of net position	(69,287)
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(622,320)
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	536,233
Net pension assets are not financial resources and are not reported in governmental funds	30,085
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Landfill postclosure liability	(455,000)
Capital lease payable	(319,730)
Debt certificates payable	(485,098)
Tax increment revenue note payable	(3,036,000)
Compensated absences payable	(130,836)
Other postemployment benefit obligation	(3,061,591)
Net pension liability - IMRF (Regular)	(144,132)
Net pension liability - Police Pension Fund	(13,594,736)
Net pension liability - Firefighters' Pension Fund	(11,478,405)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	<u>(3,003,935)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (814,211)</u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 14,447,071	\$ 158,100	\$ 14,605,171
Licenses and permits	336,673	-	336,673
Intergovernmental	184,372	682,114	866,486
Fines and forfeits	1,027,761	-	1,027,761
Charges for services	324,847	723,421	1,048,268
Investment income	55,231	7,045	62,276
Miscellaneous	399,574	16,280	415,854
Total revenues	16,775,529	1,586,960	18,362,489
EXPENDITURES			
Current			
General government	2,043,649	21,785	2,065,434
Public safety	11,869,455	49,930	11,919,385
Highways and streets	2,241,619	1,380,094	3,621,713
Health and social services	25,105	-	25,105
Community and economic development	318,135	12,912	331,047
Capital outlay	-	926,930	926,930
Debt service			
Principal	-	114,555	114,555
Interest and fiscal charges	-	51,075	51,075
Total expenditures	16,497,963	2,557,281	19,055,244
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	277,566	(970,321)	(692,755)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	22,070	-	22,070
Transfers in	14,518	385,383	399,901
Transfers (out)	(383,828)	(16,073)	(399,901)
Total other financing sources (uses)	(347,240)	369,310	22,070
NET CHANGE IN FUND BALANCES	(69,674)	(601,011)	(670,685)
FUND BALANCES, MAY 1	10,143,127	2,303,210	12,446,337
FUND BALANCES, APRIL 30	\$ 10,073,453	\$ 1,702,199	\$ 11,775,652

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (670,685)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized on the statement of net position and depreciated on the statement of activities	1,721,650
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,352,304)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(15,350)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of net position	114,555
Payments made on the landfill postclosure liability are reported as expenditures in the governmental funds but as a reduction of the liability in the statement of net position	65,000
The increase of accrued interest payable is shown as an increase of expense on the statement of activities	(355,047)
The decrease in compensated absences payable is shown as an decrease of the statement of activities	2,365
The change in the other postemployment benefit obligation	(265,384)
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	(289,000)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	(346,955)
The change in the Illinois Municipal Retirement Fund (Regular) net pension liability and deferred outflows of resources is not a source or use of a financial resource	135,442
The change in the Illinois Municipal Retirement Fund (SLEP) net pension liability and deferred outflows of resources is not a source or use of a financial resource	28,573
The change in the Illinois Municipal Retirement Fund (ECO) net pension liability and deferred outflows of resources is not a source or use of a financial resource	<u>(667)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (2,227,807)</u></u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUND**

April 30, 2018

	Business-Type Activities
	Water and Sewer
CURRENT LIABILITIES	
Accounts payable	\$ 1,005,465
Accrued payroll	69,778
Accrued interest payable	13,938
Current portion of IEPA loans payable	103,619
Current portion of revenue bonds payable	400,000
Current portion of compensated absences payable	16,539
	<hr/>
Total current liabilities	1,609,339
	<hr/>
NONCURRENT LIABILITIES	
IEPA loans payable, less current portion	1,532,895
Revenue bonds payable, less current portion	260,000
Compensated absences payable, less current portion	66,156
Net pension liability - IMRF	152,833
	<hr/>
Total noncurrent liabilities	2,011,884
	<hr/>
Total liabilities	3,621,223
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	891,170
	<hr/>
Total deferred inflows of resources	891,170
	<hr/>
Total liabilities and deferred inflows of resources	4,512,393
	<hr/>
NET POSITION	
Net investment in capital assets	37,913,327
Restricted	
Debt service	103,460
Unrestricted	7,021,489
	<hr/>
TOTAL NET POSITION	\$ 45,038,276
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND**

For the Year Ended April 30, 2018

	Business-Type Activities
	Water and Sewer
OPERATING REVENUES	
Charges for services	\$ 5,832,325
Other revenue	204,014
	<hr/>
Total operating revenues	6,036,339
	<hr/>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Operations	4,314,447
	<hr/>
Total operating expenses excluding depreciation	4,314,447
	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	1,721,892
	<hr/>
Depreciation	1,543,765
	<hr/>
OPERATING INCOME	178,127
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	57,635
Interest expense and fees	(41,617)
	<hr/>
Total non-operating revenues (expenses)	16,018
	<hr/>
CHANGE IN NET POSITION	194,145
	<hr/>
NET POSITION, MAY 1	44,844,131
	<hr/>
NET POSITION, APRIL 30	\$ 45,038,276
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

For the Year Ended April 30, 2018

	Business-Type Activities
	Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 5,997,071
Payments to suppliers	(2,142,030)
Payments to employees	(2,453,058)
	<hr/>
Net cash from operating activities	1,401,983
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
	<hr/>
Net cash from noncapital financing activities	-
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,664,300)
Principal retirement	(502,335)
Interest paid	(44,257)
	<hr/>
Net cash from capital and related financing activities	(2,210,892)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	57,635
	<hr/>
Net cash from investing activities	57,635
	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(751,274)
CASH AND CASH EQUIVALENTS, MAY 1	8,876,967
	<hr/>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 8,125,693</u>

(This statement is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUND**

For the Year Ended April 30, 2018

	Business-Type Activities
	Water and Sewer
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 178,127
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	1,543,765
Changes in current assets and liabilities	
Accounts receivable	(39,268)
Inventory	3,409
Prepaid expenses	9,003
Accounts payable	(169,711)
Accrued payroll	(2,712)
Net pension liability and deferred inflows/outflows of resources	(138,025)
Compensated absences payable	17,395
NET CASH FROM OPERATING ACTIVITIES	\$ 1,401,983
CASH AND CASH EQUIVALENTS	
Cash and investments	\$ 8,022,233
Restricted investments	103,460
TOTAL CASH AND CASH EQUIVALENTS	\$ 8,125,693

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
AGENCY FUND

April 30, 2018

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and short-term investments	\$ 18,210	\$ 524,882
Investments at fair value		
U.S. Treasury obligations	823,823	-
U.S. agency obligations	6,957,489	-
Municipal bonds	1,059,651	-
Corporate bonds	4,600,202	-
Mortgage-backed securities	57,959	-
Negotiable certificates of deposit	244,863	-
Equities	2,597,232	-
Mutual funds	17,421,292	-
Money market mutual funds	746,373	-
Insurance contracts	2,114,531	-
Total investments	36,623,415	-
Receivables		
Accrued interest	133,883	-
Total receivables	133,883	-
Prepaid items	1,396	-
Total assets	36,776,904	524,882
LIABILITIES		
Accounts payable	18,592	-
Due to developers	-	341,067
Due to other governments	-	183,815
Total liabilities	18,592	524,882
NET POSITION RESTRICTED FOR PENSIONS	\$ 36,758,312	\$ -

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2018

ADDITIONS

Contributions	
Employer	\$ 2,188,146
Employee	<u>502,267</u>
Total contributions	<u>2,690,413</u>
Investment income	
Net appreciation in fair value of investments	1,213,165
Interest	<u>1,295,063</u>
Total investment income	2,508,228
Less investment expenses	<u>(95,569)</u>
Net investment income	<u>2,412,659</u>
Total additions	<u>5,103,072</u>

DEDUCTIONS

Benefits and refunds	2,788,959
Administrative expenses	<u>63,951</u>
Total deductions	<u>2,852,910</u>

NET INCREASE 2,250,162

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<u>34,508,150</u>
April 30	<u><u>\$ 36,758,312</u></u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belvidere, Illinois (the City) 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 utility, public improvements, building and zoning, financial, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Reporting Entity

The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable.

The City had determined that the Ida Public Library (the Library) meets the requirements of GASB Statement No. 14 as amended by GASB Statement Nos. 39 and 61, because the Library is fiscally dependent on the City as the City appoints the Library Board or Trustees, levies its taxes, and must approve its budget and debt issuances. This has resulted in the Library being reported as a discretely presented component unit of the City as it is legally separate from the City.

Pension Trust Funds

The City's financial statements include the Police Pension Plan and Firefighters' Pension Plan as pension trust funds. The City's sworn police and firefighter employees participate in these pension trust funds which function for the benefit of those employees and are each governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary, and two elected police officers and firefighters constitute the individual pension boards. The City

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Pension Trust Funds (Continued)

and the pension plan participants are obligated to fund all pension plan 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 the contribution levels. The pension plans are reported as pension trust funds because of the City's fiduciary responsibility. Separate financial statements are not available for the Police Pension Plan and Firefighters' Pension Plan.

b. Fund Accounting

The City uses funds to report on its financial position and the change in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The minimum numbers of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of committed, restricted, or assigned monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. The City utilizes pension trust funds and agency funds which are generally used to account for assets that the City holds in a fiduciary capacity or on behalf of others as their agent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

The Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements. Funding is provided by user fees.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports the following agency funds as fiduciary funds: Escrow Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except the agency funds which do not have a measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally within 60 days after year end. The City recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). A 90-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, sales and use taxes, franchise taxes, telecommunication taxes, licenses, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

For purposes of the statement of cash flows, the City's proprietary funds consider cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (current portion of interfund loans) or "advances to/from other funds" (noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables (Continued)

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

g. Property Taxes

Property taxes for 2017 are levied in December 2017 and attach as an enforceable lien on the property on January 1, 2017. Tax bills are prepared by the County and issued on or about May 1, 2018 and August 1, 2018, and are due and collectible on or about June 1, 2018 and September 1, 2018. The County collects the taxes and remits them periodically to the City. Those 2017 taxes are intended to finance the 2019 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018, as the tax attached as a lien on property as of January 1, 2018; however, the tax will not be levied until December 2018 and, accordingly, is not measurable at April 30, 2018.

h. Inventories and Prepaid Items/Expenses

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid items/expenses are recorded as expenditures/expenses when consumed rather than when purchased.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Land	\$ 5,000
Building and improvements	5,000
Vehicles, equipment, and furniture	5,000
Infrastructure	10,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-40
Buildings and structures	40
Equipment	5-10
Furniture and fixtures	5
Vehicles	5-20
Infrastructure	20-50
Land improvements	20
Water transmission system	50
Sewer collection system	50

j. Compensated Absences

Accumulated unpaid vacation and other employee benefit amounts for governmental funds are accrued in these funds as a current liability to the extent that employees have retired or terminated at year end but have not been paid.

Accumulated unpaid vacation and other employee benefit amounts for proprietary funds are recorded as earned by employees in those funds. At April 30, 2018, the liabilities for these accumulated unpaid benefits are accounted for in the enterprise fund at all levels and in the governmental activities column in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount. Issuance costs are reported as expenses.

In the fund financial statements, governmental funds 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 expenditures.

In compliance with GASB Statement No. 18, the City has reported its long-term obligation related to closing costs for landfills closed in the governmental activities.

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position (Continued)

constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's Chief Financial Officer/City Treasurer through the approved budget of the City. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned. The City targets the fund balance of the General Fund to be a minimum of three months of general fund expenditures.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

n. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The City and pension funds categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the City adopted by the City Council and one policy each for the Police Pension Fund and Firefighters' Pension Fund approved by their respective boards.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

The City’s investment policy authorizes the City to make deposits in the commercial banks and savings and loan institutions and to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, Illinois Funds and the Illinois Metropolitan Investment Fund (IMET). The Illinois Public Treasurers’ Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer’s Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704. IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. Investments in IMET are valued at the share price, the price for which the investments could be sold.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity, and yield.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the City’s deposits may not be returned to them. The City requires pledging of collateral for all depository accounts, time deposit accounts, or investments in certificates of deposits of financial institutions in excess of FDIC. The collateral is required to be evidenced by a written collateral agreement with the collateral held by an independent third party safekeeping agent of the City in the City’s name. At April 30, 2018, the City’s deposits with financial institutions were covered by either FDIC or pledged collateral held by an independent third party.

Investments

As of April 30, 2018, the City had investments and maturities as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
IMET	\$ 104,132	\$ -	\$ 104,132	\$ -	\$ -
TOTAL	\$ 104,132	\$ -	\$ 104,132	\$ -	\$ -

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

The City has the following recurring fair value measurements as of April 30, 2018: the IMET 1 to 3 Year fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The City's investment policy does not address interest rate risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. 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.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy does not address custodial credit risk.

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy does not address custodial credit risk. At April 30, 2018, the City had no investments that represent over 5% of the total cash and investment portfolio.

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 523,664	\$ -	\$ -	\$ 523,664
Construction in progress	-	74,736	-	74,736
Total capital assets not being depreciated	523,664	74,736	-	598,400
Capital assets being depreciated				
Land improvements	56,551	-	-	56,551
Infrastructure	36,720,400	852,209	-	37,572,609
Building and improvements	2,447,479	26,656	-	2,474,135
Equipment	2,294,067	176,474	53,170	2,417,371
Vehicles	3,922,503	591,575	138,473	4,375,605
Total capital assets being depreciated	45,441,000	1,646,914	191,643	46,869,271

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
(Continued)				
Less accumulated depreciation for				
Land improvements	\$ 13,067	\$ 1,578	\$ -	\$ 14,645
Infrastructure	15,769,534	1,878,630	-	17,648,164
Building and improvements	1,258,199	78,470	-	1,336,669
Equipment	1,811,857	118,874	51,670	1,879,061
Vehicles	2,426,463	274,752	124,623	2,576,592
Total accumulated depreciation	<u>21,279,120</u>	<u>2,352,304</u>	<u>176,293</u>	<u>23,455,131</u>
Total capital assets being depreciated, net	<u>24,161,880</u>	<u>(705,390)</u>	<u>15,350</u>	<u>23,441,140</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 24,685,544</u>	<u>\$ (630,654)</u>	<u>\$ 15,350</u>	<u>\$ 24,039,540</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES		
General government		\$ 72,098
Public safety		295,648
Highways and streets		<u>1,984,558</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		<u>\$ 2,352,304</u>

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 696,551	\$ -	\$ -	\$ 696,551
Construction in progress	2,102,041	1,883,665	1,606,595	2,379,111
Total capital assets not being depreciated	<u>2,798,592</u>	<u>1,883,665</u>	<u>1,606,595</u>	<u>3,075,662</u>
Capital assets being depreciated				
Building and structures	3,174,607	-	-	3,174,607
Equipment	4,914,248	512,219	-	5,426,467
Furniture and fixtures	162,225	-	-	162,225
Vehicles	717,211	-	-	717,211
Water transmission system	18,603,999	-	-	18,603,999
Sewer collection system	39,818,395	1,495,349	-	41,313,744
Total capital assets being depreciated	<u>67,390,685</u>	<u>2,007,568</u>	<u>-</u>	<u>69,398,253</u>

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
(Continued)				
Less accumulated depreciation for				
Building and structures	\$ 2,138,000	\$ 29,079	\$ -	\$ 2,167,079
Equipment	3,259,145	308,788	-	3,567,933
Furniture and fixtures	162,225	-	-	162,225
Vehicles	657,732	9,276	-	667,008
Water transmission system	6,987,648	291,710	-	7,279,358
Sewer collection system	17,515,559	904,912	-	18,420,471
Total accumulated depreciation	<u>30,720,309</u>	<u>1,543,765</u>	<u>-</u>	<u>32,264,074</u>
 Total capital assets being depreciated, net	 36,670,376	 463,803	 -	 37,134,179
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 39,468,968</u>	<u>\$ 2,347,468</u>	<u>\$ 1,606,595</u>	<u>\$ 40,209,841</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

BUSINESS-TYPE ACTIVITIES	
Water and Sewer	<u>\$ 1,543,765</u>

4. LONG-TERM DEBT

a. Long-Term Debt - Governmental Activities

Long-term liability activity for governmental activities for the year ended April 30, 2018 was as follows:

	May 1	Additions	Reductions/ Refundings	April 30	Current Portion
GOVERNMENTAL					
ACTIVITIES					
Debt certificates payable**	\$ 535,098	\$ -	\$ 50,000	\$ 485,098	\$ 55,000
Tax increment note payable***	3,036,000	-	-	3,036,000	-
Capital lease**	384,285	-	64,555	319,730	60,823
Landfill post closure liability*	520,000	-	65,000	455,000	60,000
Net pension liability - IMRF*	1,209,782	-	1,065,650	144,132	-
Net pension liability - Police*	13,708,711	-	113,975	13,594,736	-
Net pension liability - Fire *	11,650,606	-	172,201	11,478,405	-
Compensated absences*	133,201	24,275	26,640	130,836	26,167
Net other postemployment benefit obligation*	2,796,207	265,384	-	3,061,591	-
TOTAL GOVERNMENTAL	\$ 33,973,890	\$ 289,659	\$ 1,558,021	\$ 32,705,528	\$ 201,990
ACTIVITIES	<u>\$ 33,973,890</u>	<u>\$ 289,659</u>	<u>\$ 1,558,021</u>	<u>\$ 32,705,528</u>	<u>\$ 201,990</u>

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Activities (Continued)

*These liabilities will primarily be retired by the General Fund.

**These liabilities will primarily be retired by the Capital Projects Fund.

***This liability will be retired by the Kishwaukee TIF Fund.

As noted in Note 9, the City is reporting a net pension asset (SLEP) at April 30, 2018; therefore, the opening balances of the net pension liability have been removed from the table above.

Long-term liabilities payable from governmental activities (excluding net pension liabilities, net other postemployment benefit obligation, and compensated absences) at April 30, 2018 comprise the following:

Issue	Balances April 30	Current
General Obligation Debt Certificates, Series 2005 dated July 19, 2005, due in annual installments on August 1 of \$1,237 to \$65,098 through August 1, 2025; including variable interest payable semiannually on August 1 and February 1.	\$ 485,098	\$ 55,000
Tax Increment General Mills Revenue Notes, Series 2003 dated March 17, 2003, due in annual installments plus interest of 8% through May 30, 2023.	3,036,000	-
Landfill post closure liability.	455,000	60,000
Fire Truck Capital Lease, dated December 21, 2016, due in annual installments plus interest of 2.475% through June 1, 2022.	319,730	60,823
TOTAL	\$ 4,295,828	\$ 175,823

The City issued debt certificates to provide funds for the acquisition and construction of major capital facilities for governmental activities.

The City issued tax increment revenue notes for tax incremental financing district capital improvements. Payments of principal and interest are made solely from incremental property tax revenue. Interest continues to accrue on remaining principal balances until sufficient revenues are received to pay accrued interest and remaining principal balances.

The City is committed to a capital lease for the acquisition of a fire truck.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Activities (Continued)

Debt Service Requirements to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2018 are as follows:

Year Ending April 30,	Governmental Activities					
	Capital Lease			Debt Certificates		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 60,823	\$ 8,005	\$ 68,828	\$ 55,000	\$ 6,635	\$ 61,635
2020	62,346	6,482	68,828	55,000	5,837	60,837
2021	63,907	4,921	68,828	60,000	5,003	65,003
2022	65,507	3,321	68,828	60,000	4,133	64,133
2023	67,147	1,681	68,828	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
TOTAL	\$ 319,730	\$ 24,410	\$ 344,140	\$ 485,098	\$ 29,116	\$ 514,214

The tax increment revenue notes for tax increment financing of district capital improvements will only be repaid from the tax increment revenue generated by the applicable tax increment financing district.

The City has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue for governmental activities is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Estimated Percent of Pledged Revenue
2003 Tax Increment General Mills Revenue Notes	Incremental property tax revenue	\$3,036,000 plus accrued interest at 8%	May 30, 2023	\$ 52,357	\$ 37,759	72.12%

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Activities (Continued)

Landfill Closure Costs

The City and Boone County Share the costs of closing and continued maintenance of Landfill #2. The landfill ceased accepting solid waste in September 1992, and was issued a certificate of closure by the Illinois Environmental Protection Agency (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, 2017 post closure care costs are continuing. The City and Boone County (the County) must meet certain groundwater parameters for inorganic compounds before it can discontinue monitoring the site. The City and the County have petitioned the IEPA and the Pollution Control Board for an "Adjusted Standard" in the currently in-place groundwater monitoring parameters. This petition was withdrawn by the County due to an agreement reached with the IEPA in March 2004. The agreement involves installing additional methane gas wells and a leachate extraction system at the landfill. This is considered remedial action. At year end, the estimated remaining liability is \$455,000.

b. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2018 was as follows:

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
Waterworks and Sewerage refunding revenue bonds	\$ 1,060,000	\$ -	\$ 400,000	\$ 660,000	\$ 400,000
IEPA revolving loan	1,738,849	-	102,335	1,636,514	103,619
Net pension liability - IMRF	1,238,802	-	1,085,969	152,833	-
Compensated absences	65,300	30,455	13,060	82,695	16,539
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,102,951	\$ 30,455	\$ 1,601,364	\$ 2,532,042	\$ 520,158

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

b. Long-Term Debt - Business-Type Activities (Continued)

Long-term liabilities payable from business-type activities (excluding net pension liabilities and compensated absences) at April 30, 2018 comprise the following:

Issue	Total	Current Portion
Revenue Bonds		
Waterworks and Sewerage Refunding Revenue Bonds, Series 2013 dated February 4, 2013, due in annual installments of \$200,000 to \$400,000 through February 1, 2020; including interest at 1.35% to 2.40%, payable semiannually in February and August.	\$ 660,000	\$ 400,000
IEPA Loan		
IEPA loan payable; due in semiannual installments of \$61,876, including interest at 1.25% through May 1, 2032.	1,636,514	103,619
TOTAL	\$ 2,296,514	\$ 503,619

The City issued waterworks and sewerage refunding revenue bonds to refund bonds issued for the acquisition and construction of major capital facilities.

The City entered in a loan agreement with the IEPA to provide low interest financing for wastewater improvements.

Debt Service Requirements to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2018 are as follows:

Year Ending April 30,	Business-Type Activities					
	IEPA Loan Payable			Waterworks and Sewerage Refunding Revenue Source Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 103,619	\$ 20,133	\$ 123,752	\$ 400,000	\$ 13,840	\$ 413,840
2020	104,917	18,835	123,752	260,000	6,240	266,240
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	-	-	-

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

b. Long-Term Debt - Business-Type Activities (Continued)

Year Ending April 30,	Business-Type Activities					
	IEPA Loan Payable			Waterworks and Sewerage Refunding Revenue Source Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-
TOTAL	\$ 1,636,514	\$ 157,883	\$ 1,794,397	\$ 660,000	\$ 20,080	\$ 680,080

The Waterworks and Sewerage Refunding Revenue Bonds require the following reserves to be maintained:

Operation and Maintenance Account: The bonds require a separate Operation and Maintenance Account to be maintained in an amount sufficient to pay operation and maintenance expenses for the then current and the next succeeding month.

Bond and Interest Account: The bonds require a separate Bond and Interest Account to be maintained to accumulate cash and investments for the subsequent principal and interest payment due on the bonds. The City must deposit a fractional amount of the principal and interest payment becoming due on the next succeeding payment date. The balance in this account as of April 30, 2018 was \$103,460.

The City has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue for business-type activities is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Estimated Percent of Pledged Revenue
Waterworks and Sewerage refunding revenue bonds	Net revenues of the Waterworks and Sewerage System	\$ 680,080	February 1, 2020	\$ 1,840,611	\$ 421,840	22.92%

4. LONG-TERM DEBT (Continued)

c. Legal Debt Margin

The City is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be 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 General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses; 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.

6. CONTINGENT LIABILITIES

a. 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.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CONTINGENT LIABILITIES (Continued)

b. 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, constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

7. INDIVIDUAL FUND DISCLOSURES

a. Advances From/To Other Funds

Individual fund interfund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 29,103

The purposes of the due to/due from other funds are as follows:

- \$29,103 due from nonmajor governmental (Kishwaukee TIF Fund) to the General Fund to eliminate a deficit cash position. Repayment is not expected within one year.

b. Interfund Transfers

Interfund transfers between funds for the year ended April 30, 2018 were as follows:

	Transfers In	Transfers Out
General	\$ 14,518	\$ 383,828
Nonmajor Governmental		
Capital Projects Fund	383,828	14,518
Farmington SSA #2		1,555
Farmington SSA #3	1,555	
TOTAL	\$ 399,901	\$ 399,901

The purpose of significant transfers is as follows:

- \$383,828 transferred to the Capital Projects Fund from the General Fund to fund capital projects. This transfer will not be repaid.

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care and life insurance benefits (OPEB) for 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 governmental activities.

b. Benefits Provided

The City provides postemployment health care and life insurance 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. The City pays for net single coverage for most retirees.

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 age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

c. Membership

At April 30, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>120</u>
TOTAL	<u><u>150</u></u>
Participating employers	<u><u>1</u></u>

d. Funding Policy

The City does not currently have a funding policy.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2018 and the prior two years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 556,265	\$ 238,218	42.83%	\$ 2,472,226
2017	580,062	256,081	44.15%	2,796,207
2018	625,317	359,933	57.56%	3,061,591

The net OPEB obligation (NOPEBO) as April 30, 2018 was calculated as follows:

Annual required contribution	\$ 614,219
Interest on net OPEB obligation	111,009
Adjustment to annual required contribution	<u>(99,911)</u>
Annual OPEB cost	625,317
Contributions made	<u>(359,933)</u>
Increase (decrease) in net OPEB obligation	265,384
Net OPEB obligation, beginning of year	<u>2,796,207</u>
NET OPEB OBLIGATION, END OF YEAR - CITY PORTION	<u>\$ 3,061,591</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2018 was as follows:

Actuarial accrued liability (AAL)	\$ 7,114,845
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	7,114,845
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 7,936,170
UAAL as a percentage of covered payroll	89.65%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year 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.

Actuarial methods and assumptions involve the 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, 2018 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 3.97% investment rate of return and an annual healthcare cost trend rate of 7.75% initially, reduced by decrements to an ultimate rate of 5.00%. Both rates include a 3.50% 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 a 30-year open basis.

9. DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF - City) and the Sheriff's Law Enforcement Personnel (SLEP) (also administered by IMRF) which are an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all five plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The Police and Firefighters' Pension Plans do not issue separate reports.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP

a. Plan Administration

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

b. Plan Membership

At December 31, 2017, the measurement date, IMRF membership consisted of:

	<u>IMRF - City</u>	<u>SLEP</u>
Inactive employees or their beneficiaries currently receiving benefits	63	-
Inactive employees entitled to but not yet receiving benefits	27	-
Active employees	<u>57</u>	<u>1</u>
 TOTAL	 <u>147</u>	 <u>1</u>

c. Benefits Provided

Illinois Municipal Retirement Fund - City

All employees (other than those covered by the Police or 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. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

c. Benefits Provided (Continued)

Illinois Municipal Retirement Fund - City (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

SLEP

SLEP having accumulated at least 20 years of service and terminating IMRF participation or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. The pension for participating members who retire between age 50 and 55 will be reduced by 1/2% for each month under age 55. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS.

d. Contributions

Participating members are required to contribute 4.50% and 7.50% for IMRF - City and SLEP, respectfully, of their annual salary to IMRF. There are no contributing employees for the IMRF - ECO. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the IMRF - City for the years ended December 31, 2016 and 2017 was 13.22% and 12.34%, respectfully, of covered payroll. The employer contribution for SLEP for the years ended December 31, 2016 and 2017 was 19.09% and 15.99%, respectfully, of covered payroll. There were no required contributions for the IMRF - ECO.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

e. Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions for IMRF - City and SLEP.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

f. Discount Rate

Illinois Municipal Retirement Fund - City

The discount rate used to measure the total pension liability at December 31, 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

f. Discount Rate (Continued)

SLEP

The discount rate used to measure the total pension liability at December 31, 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

g. Changes in the Net Pension Liability (Asset)

Illinois Municipal Retirement Fund - City

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 21,503,596	\$ 18,748,896	\$ 2,754,700
Changes for the period			
Service cost	344,572	-	344,572
Interest	1,579,309	-	1,579,309
Difference between expected and actual experience	67,547	-	67,547
Changes in assumptions	(683,393)	-	(683,393)
Employer contributions	-	413,418	(413,418)
Employee contributions	-	140,724	(140,724)
Net investment income	-	3,322,307	(3,322,307)
Benefit payments and refunds	(1,236,855)	(1,236,855)	-
Other (net transfer)	-	(166,593)	166,593
Net changes	71,180	2,473,001	(2,401,821)
BALANCES AT DECEMBER 31, 2017	\$ 21,574,776	\$ 21,221,897	\$ 352,879

Changes in assumptions related to salary increases and price inflation were made since the prior measurement date.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

g. Changes in the Net Pension Liability (Asset) (Continued)

SLEP

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2017	\$ 613,242	\$ 560,202	\$ 53,040
Changes for the period			
Service cost	19,142	-	19,142
Interest	46,711	-	46,711
Difference between expected and actual experience	(29,744)	-	(29,744)
Changes in assumptions	(11,953)	-	(11,953)
Employer contributions	-	20,068	(20,068)
Employee contributions	-	7,884	(7,884)
Net investment income	-	81,766	(81,766)
Benefit payments and refunds	-	-	-
Other (net transfer)	-	(2,437)	2,437
Net changes	24,156	107,281	(83,125)
BALANCES AT DECEMBER 31, 2017*	\$ 637,398	\$ 667,483	\$ (30,085)

Changes in assumptions related to salary increases and price inflation were made since the prior measurement date.

*Note that the net pension asset (SLEP) is reported separately from the net pension liability.

Total net pension liability for the City's IMRF plans is \$352,879 and is reported in the basic financial statements as follows:

Governmental activities	\$ 144,132
Business-type activities/Enterprise Fund	152,833
Discretely presented component unit/IDA Public Library	55,914
TOTAL	\$ 352,879

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

- h. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Illinois Municipal Retirement Fund - City

For the year ended April 30, 2018, the City recognized pension expense of \$95,959.

At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF - City from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 51,610	\$ 388,285
Changes in assumption	15,701	575,919
Net difference between projected and actual earnings on pension plan investments	-	1,007,222
Contributions made after measurement date	122,064	-
TOTAL	\$ 189,375	\$ 1,971,426

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF - City will be recognized in pension expense as follows:

\$122,064 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending April 30,	
2019	\$ (469,325)
2020	(457,332)
2021	(553,235)
2022	(424,223)
2023	-
Thereafter	-
TOTAL	\$ (1,904,115)

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

- h. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

SLEP

At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,079	\$ 46,456
Changes in assumption	2,228	14,361
Net difference between projected and actual earnings on pension plan investments	-	15,559
Contributions made after measurement date	3,782	-
TOTAL	\$ 7,089	\$ 76,376

Amounts reported as deferred outflows of resources and deferred inflows of resources related to SLEP will be recognized in pension expense as follows:

\$3,782 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2019	\$ (28,686)
2020	(23,284)
2021	(13,341)
2022	(7,758)
2023	-
Thereafter	-
TOTAL	\$ (73,069)

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

h. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Total net deferred outflows (inflows) for the City's IMRF - City plan is \$(1,782,051) and is reported in the basic financial statements as follows:

Governmental activities	\$ (794,651)
Business-type activities/Enterprise Fund	(807,896)
Discretely presented component unit/IDA Public Library	<u>(179,504)</u>
TOTAL	<u>\$ (1,782,051)</u>

i. Discount Rate Sensitivity

Illinois Municipal Retirement Fund - City

The following is a sensitive analysis of the net pension liability (asset) - City to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 3,024,157	\$ 352,879	\$ (1,862,450)

SLEP

The following is a sensitive analysis of the net pension liability (asset) - SLEP to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 41,175	\$ (30,085)	\$ (90,957)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan

a. Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the City Council are appointed by the City Mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

b. Plan Membership

At April 30, 2018, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	29
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	43
 TOTAL	 72

c. Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit 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.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

d. Contributions

Employees are required by ILCS 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 and the administrative costs as actuarially determined by an enrolled actuary. The City's policy is to fund the actuarially determined contribution. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has been funding the plan based on 100% amortization of the past service cost over the same time frame. For the year ended April 30, 2018, the City's contribution was 30.08% of covered payroll.

e. Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois, money market mutual funds with

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

e. Investment Policy (Continued)

portfolios of securities issued or guaranteed by the United States Government, investment grade corporate bonds, pooled accounts of the Illinois Metropolitan Investment Funds, and The Illinois Funds. The Fund may also invest in Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, direct obligations of the State of Israel, Illinois insurance company general and separate accounts, mutual funds, corporate bonds rated as investment grade by one of the two largest rating services, and corporate equity securities. The investment policy was not modified during the year ended April 30, 2018.

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Fixed income	0%-100%	55.00%	3.00%
U.S. large company stocks	0%-65%	20.00%	7.60%
U.S. small company stocks	0%-10%	10.00%	9.80%
Foreign stocks	0%-15%	15.00%	4.10%

The overall target for the Fund is approximately 55% invested in fixed income securities and 45% invested in equity securities. The long-term expected real rates of return are net of a 2.50% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using the Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

f. Investment Valuations

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the Fund are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

g. Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

h. Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

i. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

j. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 4,008,660	\$ 352,623	\$ 2,230,639	\$ 1,425,398	\$ -
U.S. Treasury securities	81,486	81,486	-	-	-
Negotiable CDs	244,863	-	244,863	-	-
Mortgage-backed securities	2,331	21	-	2,310	-
Municipal bonds	417,091	101,290	203,966	111,835	-
Corporate bonds	3,660,620	539,130	2,098,470	1,023,020	-
TOTAL	\$ 8,415,051	\$ 1,074,550	\$ 4,777,938	\$ 2,562,563	\$ -

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

j. Interest Rate Risk (Continued)

The Fund has the following recurring fair value measurements as of April 30, 2018, the U.S. agency obligations, U.S. Treasury obligations, negotiable certificates of deposits, mortgage-backed securities, municipal bonds, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). The equity securities and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

k. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. The U.S. agency obligations are rated AA+. The municipal bonds and corporate bonds range in rating from not rated to AA by Standard and Poor's. The mortgage-backed securities are not rated.

l. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party.

To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

m. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

n. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2017	\$ 33,685,195	\$ 19,976,484	\$ 13,708,711
Changes for the period			
Service cost	720,229	-	720,229
Interest	2,305,373	-	2,305,373
Difference between expected and actual experience	(184,562)	-	(184,562)
Changes in assumptions	(201,388)	-	(201,388)
Employer contributions	-	1,152,636	(1,152,636)
Employee contributions	-	310,449	(310,449)
Net investment income	-	1,317,562	(1,317,562)
Benefit payments and refunds	(1,502,599)	(1,502,599)	-
Administrative expense	-	(27,020)	27,020
Net changes	1,137,053	1,251,028	(113,975)
BALANCES AT APRIL 30, 2018	\$ 34,822,248	\$ 21,227,512	\$ 13,594,736

There was a change with respect to actuarial assumptions from the prior year. The total payroll increase assumption was decreased during the current year.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

o. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	2.25% to 13.95%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the actuary's 2016 Illinois Police Mortality Rates Table.

p. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.00% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 19,047,364	\$ 13,594,736	\$ 9,201,222

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

- q. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the City recognized pension expense of \$1,441,636. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 568,812	\$ 847,172
Changes in assumptions	-	1,026,240
Net difference between projected and actual earnings on pension plan investments	682,280	-
TOTAL	\$ 1,251,092	\$ 1,873,412

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

Year Ending April 30,	
2019	\$ 95,489
2020	95,489
2021	(196,780)
2022	(208,438)
2023	(224,130)
Thereafter	(183,950)
TOTAL	\$ (622,320)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan

a. Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the City Council are appointed by the City Mayor, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

b. Plan Membership

At April 30, 2018, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	29
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	29
 TOTAL	 62

c. Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. The City's policy is to fund the actuarially determined contribution. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The City has chosen a policy to fund 100% of the past service costs by 2040. For the year ended April 30, 2018, the City's contribution was 45.57% of covered payroll.

e. Investment Policy

ILCS limits the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois, money market mutual

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

e. Investment Policy (Continued)

funds with portfolios of securities issued or guaranteed by the United States Government, investment grade corporate bonds, pooled accounts of the Illinois Metropolitan Investment Funds, and The Illinois Funds. The Fund may also invest in Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, direct obligations of the State of Israel, Illinois insurance company general and separate accounts, mutual funds, corporate bonds rated as investment grade by one of the two largest rating services, and corporate equity securities. The investment policy was not modified during the year ended April 30, 2018.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Large cap domestic equity	40%-100%	38.50%	6.50%
Small cap domestic equity	0%-40%	11.00%	8.50%
International equity	0%-20%	5.50%	6.80%
Fixed income	40%-50%	45.00%	1.30%

The long-term expected real rates of return are net of a 3.15% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

f. Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

g. Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

h. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

i. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 742,337	\$ 99,859	\$ 169,625	\$ 472,853	\$ -
U.S. agency obligations	2,948,829	224,115	710,339	1,855,454	158,921
Municipal bonds	642,560	69,598	453,604	98,967	20,391
Corporate bonds	939,582	149,543	497,641	292,398	-
Asset-backed securities	55,628	-	-	-	55,628
TOTAL	\$ 5,328,936	\$ 543,115	\$ 1,831,209	\$ 2,719,672	\$ 234,940

The Fund has the following recurring fair value measurements as of April 30, 2018, the U.S. Treasury obligations, U.S. agency obligations, municipal bonds, corporate bonds, and asset-backed securities are valued using quoted matrix pricing models (Level 2 inputs). The mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

i. Interest Rate Risk (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

j. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. The U.S. agency obligations are rated AA+. The municipal bonds and corporate bonds range in rating from BBB to AA+ by Standard and Poor's. The mortgage-backed securities are not rated.

k. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Money market mutual funds and mutual funds are not subject to custodial credit risk.

l. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

m. Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
BALANCES AT MAY 1, 2017	\$ 26,182,273	\$ 14,531,667	\$ 11,650,606
Changes for the period			
Service cost	508,606	-	508,606
Interest	1,787,737	-	1,787,737
Difference between expected and actual experience	(61,697)	-	(61,697)
Changes in assumptions	(121,354)	-	(121,354)
Employer contributions	-	1,035,510	(1,035,510)
Employee contributions	-	191,818	(191,818)
Net investment income	-	1,095,097	(1,095,097)
Benefit payments and refunds	(1,286,360)	(1,286,360)	-
Administrative expense	-	(36,932)	36,932
Net changes	826,932	999,133	(172,201)
BALANCES AT APRIL 30, 2018	\$ 27,009,205	\$ 15,530,800	\$ 11,478,405

There was a change with respect to actuarial assumptions from the prior year. The total payroll increase assumption was decreased during the current year.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

n. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 9.75%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the actuary's 2016 Illinois Firefighters' Mortality Rates.

o. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 15,262,326	\$ 11,478,405	\$ 8,388,105

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

- p. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the City recognized pension expense of \$1,382,464. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 321,801	\$ 480,410
Changes in assumption	566,984	104,405
Net difference between projected and actual earnings on pension plan investments	232,263	-
TOTAL	\$ 1,121,048	\$ 584,815

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2019	\$ 254,866
2020	254,866
2021	3,867
2022	72,116
2023	(9,030)
Thereafter	(40,452)
TOTAL	\$ 536,233

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan and Firefighters' Pension Plan

a. Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 10,000	\$ 8,210	\$ 18,210
Investments at fair value			
U.S. Treasury obligations	81,486	742,337	823,823
U.S. agency obligations	4,008,660	2,948,829	6,957,489
Municipal bonds	417,091	642,560	1,059,651
Corporate bonds	3,660,620	939,582	4,600,202
Mortgage-backed securities	2,331	55,628	57,959
Negotiable certificate of deposit	244,863	-	244,863
Equities	2,597,232	-	2,597,232
Mutual funds	9,160,291	8,261,001	17,421,292
Money market mutual funds	616,022	130,351	746,373
Insurance contracts	349,735	1,764,796	2,114,531
Accrued interest receivable	93,994	39,889	133,883
Prepaid items	-	1,396	1,396
	<u>21,242,325</u>	<u>15,534,579</u>	<u>36,776,904</u>
LIABILITIES			
Accounts payable	<u>14,813</u>	<u>3,779</u>	<u>18,592</u>
	<u>14,813</u>	<u>3,779</u>	<u>18,592</u>
NET POSITION RESTRICTED FOR PENSION			
	<u>\$ 21,227,512</u>	<u>\$ 15,530,800</u>	<u>\$ 36,758,312</u>

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan and Firefighters' Pension Plan (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,152,636	\$ 1,035,510	\$ 2,188,146
Employee	310,449	191,818	502,267
Total contributions	1,463,085	1,227,328	2,690,413
Investment income			
Net appreciation in fair value investments	668,257	544,908	1,213,165
Interest	711,502	583,561	1,295,063
Total investment income	1,379,759	1,128,469	2,508,228
Less investment expense	(62,197)	(33,372)	(95,569)
Net investment income	1,317,562	1,095,097	2,412,659
Total additions	2,780,647	2,322,425	5,103,072
DEDUCTIONS			
Benefits and refunds	1,502,599	1,286,360	2,788,959
Administrative expenses	27,019	36,932	63,951
Total deductions	1,529,618	1,323,292	2,852,910
NET INCREASE	1,251,029	999,133	2,250,162
NET POSITION RESTRICTED FOR PENSIONS			
May 1	19,976,483	14,531,667	34,508,150
April 30	\$ 21,227,512	\$ 15,530,800	\$ 36,758,312

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DISCRETELY PRESENTED COMPONENT UNIT - IDA PUBLIC LIBRARY

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

The Library is authorized to invest in all investments allowed by ILCS. These include deposits/investments insured by the FDIC, obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds, and The Illinois Funds (a money market fund created by the State Legislature under the control of the State Treasurer that maintains a \$1 share value).

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Library's deposit may not be returned. The Library's policy requires that funds on deposits in excess of FDIC coverage must be secured at least 100% of the fair market value of the net amount of the funds secured. Pledged collateral is to be held by an independent third party depository. Of the bank balance of the Library's deposits, \$211,610 was exposed to custodial credit risk.

b. Investments

As of April 30, 2018, the Library had investments and maturities as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Series HH U.S. Treasury Bonds	\$ 6,020	\$ -	\$ 6,020	\$ -	\$ -
TOTAL	\$ 6,020	\$ -	\$ 6,020	\$ -	\$ -

The Library has the following recurring fair value measurements as of April 30, 2018, the U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs).

The Library also holds 1,608 shares of Consolidated Edison common stock with a fair value of \$127,643 at April 30, 2018 that are valued using quoted prices in active markets for identical assets (Level 1 inputs).

10. DISCRETELY PRESENTED COMPONENT UNIT - IDA PUBLIC LIBRARY
(Continued)

b. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed with the underlying investments held by the Library or a third party custodian and held in the Library's name.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Library's investment policy does not address credit risk.

Concentration of the credit risk is the risk that the Library has a high percentage of their investments invested in one investment. The Library's investment policy requires diversification of investments to avoid unreasonable risk but does not contain any specific diversification targets.

c. Property Taxes

Property taxes for 2017 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.

d. 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. Donated assets are reported at acquisition value as of the date of donation. Addition, 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.

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DISCRETELY PRESENTED COMPONENT UNIT - IDA PUBLIC LIBRARY
(Continued)

d. Capital Assets (Continued)

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 Library 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:

	<u>Years</u>
Improvements	5
Building	40
Equipment	5

The Library's capital asset activity for the year ended April 30, 2018 was as follows:

	Beginning Balances, Restated	Increases	Transfers	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 181,150	\$ -	\$ 109,849	\$ -	\$ 290,999
Capital assets being depreciated					
Improvements	8,697	-	-	-	8,697
Buildings	1,812,486	-	(109,849)	-	1,702,637
Equipment	48,672	-	-	-	48,672
Total capital assets being depreciated	1,869,855	-	(109,849)	-	1,760,006
Less accumulated depreciation for					
Land improvements	8,697	-	-	-	8,697
Buildings	1,048,886	44,912	-	-	1,093,798
Equipment	43,273	1,544	-	-	44,817
Total accumulated depreciation	1,100,856	46,456	-	-	1,147,312
Total capital assets being depreciated, net	768,999	(46,456)	(109,849)	-	612,694
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET					
	\$ 950,149	\$ (46,456)	\$ -	\$ -	\$ 903,693

CITY OF BELVIDERE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DISCRETELY PRESENTED COMPONENT UNIT - IDA PUBLIC LIBRARY
(Continued)

e. Long-Term Debt

Mortgage Loans Payable

The Library has four outstanding mortgage loans payable as of April 30, 2018. Mortgages have been issued for capital improvement costs and range in interest rates from 4.50% to 6.10%.

Long-Term Liability Activity

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

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
Mortgage notes payable	\$ 331,041	\$ -	\$ 14,641	\$ 316,400	\$ 15,914
Compensated absences	15,967	1,194	4,790	12,371	2,474
Net pension liability - IMRF	306,116	-	250,202	55,914	-
Net other postemployment benefit obligation	61,109	7,983	-	69,092	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 714,233	\$ 9,177	\$ 269,633	\$ 453,777	\$ 18,388

f. Debt Service Requirements to Maturity

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

Year Ending	Principal	Interest
2019	\$ 15,914	\$ 17,850
2020	16,773	16,912
2021	98,327	15,908
2022	76,760	6,280
2023	108,626	1,812
TOTAL	\$ 316,400	\$ 58,762

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELVIDERE, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN

April 30, 2018

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
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%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	-	7,114,845	0.00%	7,114,845	7,936,170	89.65%

N/A - information not available

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially determined contribution	\$ 434,831	\$ 463,542	\$ 430,485
Contributions in relation to the actuarially determined contribution	434,831	463,542	430,485
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,986,664	\$ 3,101,404	\$ 3,177,606
Contributions as a percentage of covered-employee payroll	14.56%	14.95%	13.55%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 13.39% to 14.25% compounded annually, and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - ECO**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially determined contribution	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

Notes to Required Supplementary Information

The City's participation in the Illinois Municipal Retirement Fund - ECO Plan ended as of the December 31, 2016 measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially determined contribution	\$ 18,619	\$ 19,277	\$ 17,757
Contributions in relation to the actuarially determined contribution	18,619	19,277	17,757
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 102,873	\$ 103,686	\$ 96,858
Contributions as a percentage of covered-employee payroll	18.10%	18.59%	18.33%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.39% to 14.25% compounded annually, and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018
Actuarially determined contribution	\$ 1,007,631	\$ 1,072,241	\$ 1,089,027	\$ 1,150,677
Contribution in relation to the actuarially determined contribution	1,011,718	1,079,608	1,092,429	1,152,636
CONTRIBUTION DEFICIENCY (Excess)	\$ (4,087)	\$ (7,367)	\$ (3,402)	\$ (1,959)
Covered-employee payroll	\$ 2,932,915	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984
Contributions as a percentage of covered-employee payroll	34.50%	29.92%	29.43%	30.08%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 22 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 2.25% to 13.95% annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018
Actuarially determined contribution	\$ 781,938	\$ 775,947	\$ 861,063	\$ 1,032,926
Contribution in relation to the actuarially determined contribution	786,258	783,447	864,148	1,035,510
CONTRIBUTION DEFICIENCY (Excess)	\$ (4,320)	\$ (7,500)	\$ (3,085)	\$ (2,584)
Covered-employee payroll	\$ 1,871,647	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336
Contributions as a percentage of covered-employee payroll	42.01%	35.58%	39.26%	45.57%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 22 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 4.00% to 9.75% annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

April 30, 2018

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 352,408	\$ 667,256	52.81%
2014	373,552	707,291	52.81%
2015	198,213	534,313	37.10%
2016	238,218	541,903	43.96%
2017	256,081	563,580	45.44%
2018	359,933	614,219	58.60%

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR**

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 333,951	\$ 346,118	\$ 344,572
Interest	1,525,504	1,572,488	1,579,309
Differences between expected and actual experience	(129,658)	(667,839)	67,547
Changes of assumptions	50,861	(103,106)	(683,393)
Benefit payments, including refunds of member contributions	(1,104,619)	(1,099,880)	(1,236,855)
Net change in total pension liability	676,039	47,781	71,180
Total pension liability - beginning	20,779,776	21,455,815	21,503,596
TOTAL PENSION LIABILITY - ENDING	\$ 21,455,815	\$ 21,503,596	\$ 21,574,776
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 448,219	\$ 452,185	\$ 413,418
Contributions - member	138,625	139,563	140,724
Net investment income	89,709	1,259,537	3,322,307
Benefit payments, including refunds of member contributions	(1,104,619)	(1,099,880)	(1,236,855)
Other	296,584	(71,807)	(166,593)
Net change in plan fiduciary net position	(131,482)	679,598	2,473,001
Plan fiduciary net position - beginning	18,200,780	18,069,298	18,748,896
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,069,298	\$ 18,748,896	\$ 21,221,897
EMPLOYER'S NET PENSION LIABILITY	\$ 3,386,517	\$ 2,754,700	\$ 352,879
Plan fiduciary net position as a percentage of the total pension liability	84.20%	87.20%	98.40%
Covered-employee payroll	\$ 2,986,664	\$ 3,101,404	\$ 3,127,220
Employer's net pension liability as a percentage of covered-employee payroll	113.40%	88.80%	11.30%

Notes to Required Supplementary Information

2017: Changes in assumptions related to inflation rates, salary rates, and mortality were made since the prior measurement date.

2016: Changes in assumptions related to retirement age, mortality, and the discount rate were made since the prior measurement date

2015: Changes in assumptions related to retirement age and mortality were made since the prior measurement date

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - ECO

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ -	\$ -	\$ -
Interest	5,194	4,707	-
Differences between expected and actual experience	(11,686)	(67,472)	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	-	-	-
Net change in total pension liability	(6,492)	(62,765)	-
Total pension liability - beginning	69,257	62,765	-
TOTAL PENSION LIABILITY - ENDING	\$ 62,765	\$ -	\$ -
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - member	-	-	-
Net investment income	329	4,707	-
Benefit payments, including refunds of member contributions	(3,414)	-	-
Other	-	(67,482)	-
Net change in plan fiduciary net position	(3,085)	(62,775)	-
Plan fiduciary net position - beginning	65,860	62,775	-
PLAN FIDUCIARY NET POSITION - ENDING	\$ 62,775	\$ -	\$ -
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (10)	\$ -	\$ -
Plan fiduciary net position as a percentage of the total pension liability	100.00%	0.00%	0.00%
Covered-employee payroll	\$ -	\$ -	\$ -
Employer's net pension liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

Notes to Required Supplementary Information

The City's participation in the Illinois Municipal Retirement Fund - ECO Plan ended as of the December 31, 2016 measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP**

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 19,739	\$ 19,843	\$ 19,142
Interest	41,167	45,912	46,711
Differences between expected and actual experience	4,739	(57,413)	(29,744)
Changes of assumptions	9,797	(13,244)	(11,953)
Benefit payments, including refunds of member contributions	-	-	-
Net change in total pension liability	75,442	(4,902)	24,156
Total pension liability - beginning	542,702	618,144	613,242
TOTAL PENSION LIABILITY - ENDING	\$ 618,144	\$ 613,242	\$ 637,398
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 18,857	\$ 18,932	\$ 20,068
Contributions - member	7,866	7,730	7,884
Net investment income	2,536	35,599	81,766
Benefit payments, including refunds of member contributions	-	-	-
Other	(24,973)	(106)	(2,437)
Net change in plan fiduciary net position	4,286	62,155	107,281
Plan fiduciary net position - beginning	493,761	498,047	560,202
PLAN FIDUCIARY NET POSITION - ENDING	\$ 498,047	\$ 560,202	\$ 667,483
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 120,097	\$ 53,040	\$ (30,085)
Plan fiduciary net position as a percentage of the total pension liability	80.60%	91.40%	104.70%
Covered-employee payroll	\$ 104,881	\$ 103,060	\$ 105,121
Employer's net pension liability as a percentage of covered-employee payroll	114.50%	51.50%	(28.60%)

Notes to Required Supplementary Information

Changes in assumptions related to inflation rates, salary rates, and mortality were made since the prior measurement date.

2016: Changes in assumptions related to retirement age, mortality, and the discount rate were made since the prior measurement date

2015: Changes in assumptions related to retirement age and mortality were made since the prior measurement date

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017	2018
TOTAL PENSION LIABILITY			
Service cost	\$ 636,905	\$ 691,067	\$ 720,229
Interest	2,197,905	2,195,513	2,305,373
Differences between expected and actual experience	(1,063,512)	743,564	(184,562)
Changes to actuarial assumptions*	(558,820)	(638,384)	(201,388)
Benefit payments, including refunds of member contributions	(1,151,208)	(1,342,076)	(1,502,599)
Net change in total pension liability	61,270	1,649,684	1,137,053
Total pension liability - beginning	31,974,241	32,035,511	33,685,195
TOTAL PENSION LIABILITY - ENDING	\$ 32,035,511	\$ 33,685,195	\$ 34,822,248
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,079,609	\$ 1,092,429	\$ 1,152,636
Contributions - member	291,901	295,545	310,449
Contributions - other	-	60,493	-
Net investment income	(151,962)	1,249,839	1,317,562
Benefit payments, including refunds of member contributions	(1,151,208)	(1,342,076)	(1,502,599)
Administrative expense	(29,572)	(28,411)	(27,020)
Net change in plan fiduciary net position	38,768	1,327,819	1,251,028
Plan fiduciary net position - beginning	18,609,897	18,648,665	19,976,484
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,648,665	\$ 19,976,484	\$ 21,227,512
EMPLOYER'S NET PENSION LIABILITY	\$ 13,386,846	\$ 13,708,711	\$ 13,594,736
Plan fiduciary net position as a percentage of the total pension liability	58.20%	59.30%	61.00%
Covered-employee payroll	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984
Employer's net pension liability as a percentage of covered-employee payroll	371.00%	369.40%	354.80%

Notes to Required Supplementary Information

*2016: There was a change with respect to actuarial assumptions from the prior year. The assumed rate on Hg Quality 20-Year Tax-Exempt G.O Bonds was changed from 3.62% to 3.32% for the current year. The discount rate used in the determination of the Total Pension Liability was changed from 6.48% to 7.00%. The demographic assumptions were changed based on a study of police officers and police pension funds in Illinois. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

*2017: There was a change with respect to actuarial assumptions from the prior year. The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully generational basis.

*2018: There was a change with respect to actuarial assumptions from the prior year. The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year. The total payroll increase assumption was also decreased in the current year.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND**

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017	2018
TOTAL PENSION LIABILITY			
Service cost	\$ 477,887	\$ 498,539	\$ 508,606
Interest	1,602,246	1,747,535	1,787,737
Differences between expected and actual experience	540,219	(591,688)	(61,697)
Changes to actuarial assumptions*	705,653	203,038	(121,354)
Benefit payments, including refunds of member contributions	(1,221,018)	(1,279,880)	(1,286,360)
Net change in total pension liability	2,104,987	577,544	826,932
Total pension liability - beginning	23,499,742	25,604,729	26,182,273
TOTAL PENSION LIABILITY - ENDING	\$ 25,604,729	\$ 26,182,273	\$ 27,009,205
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 783,447	\$ 864,148	\$ 1,035,510
Contributions - member	175,173	178,195	191,818
Net investment income	(278,241)	1,278,591	1,095,097
Benefit payments, including refunds of member contributions	(1,221,018)	(1,279,880)	(1,286,360)
Administrative expense	(33,155)	(37,289)	(36,932)
Net change in plan fiduciary net position	(573,794)	1,003,765	999,133
Plan fiduciary net position - beginning	14,101,696	13,527,902	14,531,667
PLAN FIDUCIARY NET POSITION - ENDING	\$ 13,527,902	\$ 14,531,667	\$ 15,530,800
EMPLOYER'S NET PENSION LIABILITY	\$ 12,076,827	\$ 11,650,606	\$ 11,478,405
Plan fiduciary net position as a percentage of the total pension liability	52.80%	55.50%	57.50%
Covered-employee payroll	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336
Employer's net pension liability as a percentage of covered-employee payroll	548.40%	529.40%	505.10%

Notes to Required Supplementary Information

*2016: There was a change with respect to actuarial assumptions from the prior year. The assumed rate on Hg Quality 20-Year Tax-Exempt G.O Bonds was changed from 3.62% to 3.32% for the current year. The discount rate used in the determination of the Total Pension Liability was changed from 6.91% to 7.00%. The demographic assumptions were changed based on a study of firefighters and firefighters' pension funds in Illinois. The changed were made to better reflect the future anticipated experience of the fund. The assumptions impacted include mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

*2017: There was a change with respect to actuarial assumptions from the prior year. The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully generational basis.

*2018: There was a change with respect to actuarial assumptions from the prior year. The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year. The total payroll increase assumption was also decreased in the current year.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	(0.96%)	6.76%	6.64%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	(1.95%)	9.45%	7.50%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 14,335,509	\$ 14,483,310	\$ 14,447,071
Licenses and permits	414,263	336,673	336,673
Intergovernmental	68,000	143,880	184,372
Fines and forfeits	847,459	851,775	1,027,761
Charges for services	-	211,852	324,847
Investment income	45,500	55,203	55,231
Miscellaneous	615,223	729,306	399,574
Total revenues	16,325,954	16,811,999	16,775,529
EXPENDITURES			
General government	2,328,684	2,224,064	2,043,649
Public safety	12,059,734	11,670,553	11,869,455
Highways and streets	1,944,242	2,234,894	2,241,619
Health and social services	28,000	25,105	25,105
Community and economic development	739,800	318,136	318,135
Total expenditures	17,100,460	16,472,752	16,497,963
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(774,506)	339,247	277,566
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	22,070	22,070
Transfers in	1,173,828	22,511	14,518
Transfers (out)	(383,828)	(383,828)	(383,828)
Total other financing sources (uses)	790,000	(339,247)	(347,240)
NET CHANGE IN FUND BALANCE	\$ 15,494	\$ -	(69,674)
FUND BALANCE, MAY 1			10,143,127
FUND BALANCE, APRIL 30			\$ 10,073,453

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2018

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the General, Special Revenue, Capital Projects, and Enterprise Funds, except for the Kishwaukee TIF #2 Fund and the Foreign Fire Insurance Fund. The appropriation ordinance represents the legal spending limits for the City. The budget is used to control those limits. All annual appropriations lapse at fiscal year end. One budget amendment was made for the current fiscal year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Finance/Budget Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the City to obtain taxpayer comments.

Subsequently, the budget is legally enacted through passage of an ordinance.

The legal level of budgetary control is at the fund level. The City Council can transfer budgeted amounts between line items; however, any revision altering both revenues and budgeted expenditures for any fund must be approved by a two-thirds council action.

Budgetary authority lapses at year end.

Expenditures exceeded budget in the Firefighters' Pension Fund by \$32,581, the Police Pension Fund by \$64,933, the Capital Projects Fund by \$474,812, and the General Fund by \$25,211.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
TAXES			
Property taxes	\$ 5,032,958	\$ 5,042,351	\$ 5,042,350
Personal property replacement tax	287,531	263,913	453,055
Income tax	2,584,085	2,710,101	2,320,096
Sales tax	3,305,624	3,427,288	3,554,211
State use tax	619,157	663,705	676,907
Hotel/motel tax	3,476	2,580	2,580
Video gambling tax	219,600	279,016	294,495
Auto rental tax	6,240	6,794	6,794
Telecommunications tax	159,420	131,451	126,721
Utility tax	2,117,418	1,956,111	1,969,862
Total taxes	<u>14,335,509</u>	<u>14,483,310</u>	<u>14,447,071</u>
INTERGOVERNMENTAL			
Grants	<u>68,000</u>	<u>143,880</u>	<u>184,372</u>
Total intergovernmental	<u>68,000</u>	<u>143,880</u>	<u>184,372</u>
LICENSES AND PERMITS			
Liquor licenses	107,700	157,450	157,450
Business licenses	17,640	15,340	15,340
Building permits	215,259	106,298	106,298
Electrical permits	21,965	13,271	13,271
Plumbing permits	14,626	10,390	10,390
HVAC permits	6,500	4,224	4,224
Amusement machine permits	9,000	9,800	9,800
Planning fees	13,600	13,932	13,932
Other	<u>7,973</u>	<u>5,968</u>	<u>5,968</u>
Total licenses and permits	<u>414,263</u>	<u>336,673</u>	<u>336,673</u>

(This schedule is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
FINES AND FORFEITS			
Circuit court fines	\$ 304,940	\$ 326,214	\$ 386,173
Parking fines	5,975	12,731	12,731
Engineering fees	20,000	-	-
Electrician certification fees	3,050	4,200	4,200
Plan review fees	50,000	7,826	7,826
Sidewalk/lot grading	3,575	3,580	3,580
Franchise fees	274,009	281,702	280,122
Death and birth certificates	18,358	18,818	18,818
Accident/fire reports	4,917	6,060	6,060
Seized vehicle fees	61,200	90,450	90,450
Tipping fees	72,000	83,374	81,707
Sex offender registration fee	-	7,510	7,510
Code enforcement	5,900	6,400	6,400
Street value fines	-	-	1,219
Asset forfeitures	-	-	44,385
Police forfeiture vehicle sales	-	-	65,325
Police miscellaneous fines	-	-	8,345
Annexation/plat fees	20,000	-	-
Zoning review fee	3,535	2,910	2,910
Total fines and forfeits	847,459	851,775	1,027,761
CHARGES FOR SERVICES			
School resource officer reimbursement	-	-	95,106
County fuel charges	-	211,852	229,741
Total charges for services	-	211,852	324,847
INVESTMENT INCOME			
Investment income	45,500	55,203	55,231
MISCELLANEOUS			
Reimbursements	363,088	417,412	239,749
Other	252,135	311,894	159,825
Total miscellaneous	615,223	729,306	399,574
TOTAL REVENUES	\$ 16,325,954	\$ 16,811,999	\$ 16,775,529

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Personnel services			
Salaries - elected officials	\$ 213,878	\$ 213,878	\$ 214,560
Salaries - regular	226,472	226,431	227,447
Group health insurance	513,611	454,004	454,004
Dental insurance claims paid	40,000	29,788	29,788
Group life insurance	1,409	1,380	1,380
IMRF	200,677	194,161	169,268
FICA	214,295	202,748	45,315
Medicare	137,352	128,761	128,761
Total personnel services	1,547,694	1,451,151	1,270,523
Contractual services			
Accounting and auditing	36,500	34,920	34,920
Codification	2,000	5,231	5,231
Legal	37,200	6,083	6,083
Liability insurance	484,810	452,759	449,724
Telephone	21,770	21,935	21,935
Other professional services	2,500	2,169	2,169
Total contractual services	584,780	523,097	520,062
Commodities			
Meetings and conferences	15,400	13,285	13,285
Office supplies	56,800	45,068	45,068
Other communications	3,400	2,806	2,806
Heritage days	-	74,996	74,996
Subscriptions and educational materials	650	432	432
Repairs and maintenance - building	21,680	19,804	19,804
Repairs and maintenance - equipment	5,000	3,925	3,925
Reimbursements - seized vehicle	-	600	600
Other supplies	7,350	5,282	5,282
Miscellaneous	85,930	83,618	86,866
Total commodities	196,210	249,816	253,064
Total general government	2,328,684	2,224,064	2,043,649
PUBLIC SAFETY			
Police department			
Personnel services			
Salaries	3,440,533	3,356,982	3,370,568
Overtime	434,600	315,416	311,948
Police pension	1,085,667	1,087,715	1,152,637
Group health insurance	847,215	832,854	832,854
Dental insurance claims paid	50,000	54,588	54,588
Unemployment compensation	-	10,393	10,393
Uniform allowance	68,009	67,481	67,481
Training	73,855	58,459	58,459
Physical exams	4,270	-	-
Total personnel services	6,004,149	5,783,888	5,858,928

(This schedule is continued on the following pages.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Contractual services			
Telephone	\$ 44,000	\$ 41,676	\$ 41,676
Total contractual services	44,000	41,676	41,676
Commodities			
Community policing	8,200	7,830	7,830
K-9 expenses	5,350	15,594	15,594
Repairs and maintenance - vehicle	99,050	77,071	77,071
Police equipment - maintenance	14,645	9,974	9,974
Sex offender state disbursement	4,800	2,985	2,985
Office supplies	10,550	6,410	6,410
Gas and oil	100,000	99,686	99,686
Operating supplies	43,985	24,661	24,661
Asset forfeitures	-	-	22,108
Miscellaneous	40,800	35,483	80,615
Total commodities	327,380	279,694	346,934
Capital outlay			
Equipment	59,255	39,105	39,105
Total capital outlay	59,255	39,105	39,105
Total police department	6,434,784	6,144,363	6,286,643
Public safety building			
Contractual services			
Public safety building expenses	1,073,435	1,049,427	1,049,427
Total contractual services	1,073,435	1,049,427	1,049,427
Total public safety building	1,073,435	1,049,427	1,049,427
Fire department			
Personnel services			
Salaries	2,095,112	2,068,634	2,057,936
Overtime	203,250	136,531	138,788
Fire pension	968,767	970,589	1,035,510
Group health insurance	502,880	495,624	495,624
Dental insurance claims paid	35,000	27,129	27,129
Uniform allowance	35,500	29,483	29,483
Training	27,540	18,816	18,816
Physical exams	2,500	709	709
Total personnel services	3,870,549	3,747,515	3,803,995
Contractual services			
Telephone	17,740	19,203	19,203
Total contractual services	17,740	19,203	19,203

(This schedule is continued on the following pages.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Commodities			
Gas and oil	\$ 20,000	\$ 18,927	\$ 18,927
Fire prevention	10,000	10,252	10,252
Repairs and maintenance - building	42,850	47,640	47,640
Repairs and maintenance - vehicle	53,500	36,583	36,583
Repairs and maintenance - equipment	14,800	7,890	7,890
Emergency medical supplies	-	9,761	9,761
Office supplies	16,600	11,666	11,666
Operating supplies	4,000	8,607	8,607
Miscellaneous	1,000	589	587
Total commodities	162,750	151,915	151,913
Capital outlay			
Equipment	37,900	42,800	42,800
Total capital outlay	37,900	42,800	42,800
Total fire department	4,088,939	3,961,433	4,017,911
Police and fire commission			
Personnel services			
Physical exams	18,750	18,664	18,664
Total personnel services	18,750	18,664	18,664
Contractual services			
Miscellaneous contractual services	8,835	21,303	21,303
Total contractual services	8,835	21,303	21,303
Total police and fire commission	27,585	39,967	39,967
Building department			
Personnel services			
Salaries	217,830	207,201	207,345
FICA	16,664	15,851	15,851
IMRF	25,854	24,893	24,893
Community development health	86,043	69,551	69,551
Community development dental	4,000	3,804	3,804
Training	6,500	1,356	1,356
Total personnel services	356,891	322,656	322,800
Contractual services			
Telephone	3,000	2,049	2,049
Other professional services	46,000	45,940	45,940
Total contractual services	49,000	47,989	47,989

(This schedule is continued on the following pages.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Building department (Continued)			
Commodities			
Postage	\$ 3,000	\$ 3,373	\$ 3,373
Printing and publishing	2,800	3,362	3,362
Office supplies	6,950	6,661	6,661
Repairs and maintenance - equipment	6,150	6,479	6,479
Gas and oil	2,200	593	593
Miscellaneous	1,000	503	503
Total commodities	<u>22,100</u>	<u>20,971</u>	<u>20,971</u>
Total building department	<u>427,991</u>	<u>391,616</u>	<u>391,760</u>
Civil defense			
Commodities			
Miscellaneous	7,000	83,747	83,747
Total commodities	<u>7,000</u>	<u>83,747</u>	<u>83,747</u>
Total civil defense	<u>7,000</u>	<u>83,747</u>	<u>83,747</u>
Total public safety	<u>12,059,734</u>	<u>11,670,553</u>	<u>11,869,455</u>
HIGHWAYS AND STREETS			
Street department			
Personnel services			
Salaries	609,950	580,407	582,224
Overtime	40,000	37,417	37,417
Group health insurance	238,292	220,842	227,750
Uniform allowance	15,000	16,329	16,329
Training	1,500	293	293
Total personnel services	<u>904,742</u>	<u>855,288</u>	<u>864,013</u>
Contractual services			
Telephone	6,000	7,633	7,633
Leaf cleanup	15,000	9,296	9,296
Total contractual services	<u>21,000</u>	<u>16,929</u>	<u>16,929</u>
Commodities			
Office supplies	6,600	4,708	4,708
Gas and oil	75,000	283,942	283,942
Driveway permits	10,000	2,000	-
Repairs and maintenance - storm	25,000	27,989	27,989
Repairs and maintenance - sidewalk	50,000	54,681	54,681
Repairs and maintenance - building	15,000	14,190	14,190
Repairs and maintenance - equipment	130,000	114,315	114,315
Repairs and maintenance - traffic	43,000	88,579	88,579
Parking lot maintenance	95,000	119,637	119,637
Operating supplies	21,000	32,087	32,087
Miscellaneous	2,000	1,166	1,166
Total commodities	<u>472,600</u>	<u>743,294</u>	<u>741,294</u>
Total street department	<u>1,398,342</u>	<u>1,615,511</u>	<u>1,622,236</u>

(This schedule is continued on the following pages.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Street lighting			
Contractual services			
Electric	\$ 300,000	\$ 278,690	\$ 278,690
Total contractual services	300,000	278,690	278,690
Commodities			
Repairs and maintenance - street lighting	40,000	140,835	140,835
Total commodities	40,000	140,835	140,835
Total street lighting	340,000	419,525	419,525
Garbage			
Commodities			
Miscellaneous	79,000	68,103	68,103
Total commodities	79,000	68,103	68,103
Total garbage	79,000	68,103	68,103
Forestry			
Contractual services			
Tree removal/purchase	80,000	91,592	91,592
Total contractual services	80,000	91,592	91,592
Commodities			
Miscellaneous	1,000	-	-
Total commodities	1,000	-	-
Total forestry	81,000	91,592	91,592
City engineering			
Commodities			
Office supplies	8,900	7,013	7,013
Engineering	27,000	31,642	31,642
Subdivision expenses	10,000	1,508	1,508
Total commodities	45,900	40,163	40,163
Total city engineering	45,900	40,163	40,163
Total highways and streets	1,944,242	2,234,894	2,241,619

(This schedule is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
HEALTH AND SOCIAL SERVICES			
Health regulations and inspections			
Commodities			
Council on aging	\$ 23,000	\$ 23,000	\$ 23,000
Demolition	5,000	2,105	2,105
Total commodities	<u>28,000</u>	<u>25,105</u>	<u>25,105</u>
Total health regulations and inspections	<u>28,000</u>	<u>25,105</u>	<u>25,105</u>
Total health and social services	<u>28,000</u>	<u>25,105</u>	<u>25,105</u>
COMMUNITY AND ECONOMIC DEVELOPMENT			
Economic development			
Commodities			
Planning department services	47,000	49,924	49,923
Economic development	73,000	73,000	73,000
Tourism	7,000	-	-
Historic preservation	12,800	32,977	32,977
Tripp Road reconstruction	350,000	47,257	47,257
Southside stormsewer study	-	87,499	87,499
Bellwood detention basin	250,000	27,479	27,479
Total commodities	<u>739,800</u>	<u>318,136</u>	<u>318,135</u>
Total economic development	<u>739,800</u>	<u>318,136</u>	<u>318,135</u>
Total community and economic development	<u>739,800</u>	<u>318,136</u>	<u>318,135</u>
TOTAL EXPENDITURES	<u>\$ 17,100,460</u>	<u>\$ 16,472,752</u>	<u>\$ 16,497,963</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF BELVIDERE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2018

	Special Revenue		
	Motor Fuel Tax	Kishwaukee TIF	Kishwaukee TIF #2
ASSETS			
Cash and investments	\$ 412,683	\$ 19,091	\$ 4,915
Receivables			
Property taxes	-	21,920	-
Other	58,571	-	-
Land held for resale	-	439,754	-
TOTAL ASSETS	\$ 471,254	\$ 480,765	\$ 4,915
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 68,893	\$ -	\$ -
Advance from other funds	-	29,103	-
Total liabilities	68,893	29,103	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	21,920	-
Total deferred inflows of resources	-	21,920	-
Total liabilities and deferred inflows of resources	68,893	51,023	-
FUND BALANCES			
Restricted			
Public safety	-	-	-
Highways and streets	402,361	-	-
Capital projects	-	-	-
Economic development	-	429,742	4,915
Assigned			
Capital projects	-	-	-
Total fund balances	402,361	429,742	4,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 471,254	\$ 480,765	\$ 4,915

Special Revenue				
Farmington SSA #2	Farmington SSA #3	Foreign Fire Insurance	Capital Projects	Total
\$ 7,720	\$ 3,651	\$ 42,369	\$ 824,729	\$ 1,315,158
16,510	6,741	-	40,000	85,171
-	-	-	-	58,571
-	-	-	-	439,754
\$ 24,230	\$ 10,392	\$ 42,369	\$ 864,729	\$ 1,898,654
\$ 57	\$ 148	\$ -	\$ 13,083	\$ 82,181
-	-	-	-	29,103
57	148	-	13,083	111,284
16,510	6,741	-	40,000	85,171
16,510	6,741	-	40,000	85,171
16,567	6,889	-	53,083	196,455
-	-	42,369	408,127	450,496
-	-	-	36,858	439,219
7,663	3,503	-	-	11,166
-	-	-	-	434,657
-	-	-	366,661	366,661
7,663	3,503	42,369	811,646	1,702,199
\$ 24,230	\$ 10,392	\$ 42,369	\$ 864,729	\$ 1,898,654

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2018

	Special Revenue		
	Motor Fuel Tax	Kishwaukee TIF	Kishwaukee TIF #2
REVENUES			
Taxes	\$ -	\$ 52,357	\$ -
Intergovernmental	682,114	-	-
Charges for services	-	-	-
Investment income	6,687	-	-
Miscellaneous	-	-	-
Total revenues	688,801	52,357	-
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	1,356,654	-	-
Community and economic development	-	12,912	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	39,456	-
Total expenditures	1,356,654	52,368	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(667,853)	(11)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCE	(667,853)	(11)	-
FUND BALANCE, MAY 1	1,070,214	429,753	4,915
FUND BALANCE, APRIL 30	\$ 402,361	\$ 429,742	\$ 4,915

Special Revenue				
Farmington SSA #2	Farmington SSA #3	Foreign Fire Insurance	Capital Projects	Total
\$ 15,258	\$ 6,162	\$ 44,246	\$ 40,077	\$ 158,100
-	-	-	-	682,114
-	-	-	723,421	723,421
-	-	4	354	7,045
-	-	-	16,280	16,280
15,258	6,162	44,250	780,132	1,586,960
14,265	7,520	-	-	21,785
-	-	49,930	-	49,930
-	-	-	23,440	1,380,094
-	-	-	-	12,912
-	-	-	926,930	926,930
-	-	-	114,555	114,555
-	-	-	11,619	51,075
14,265	7,520	49,930	1,076,544	2,557,281
993	(1,358)	(5,680)	(296,412)	(970,321)
-	1,555	-	383,828	385,383
(1,555)	-	-	(14,518)	(16,073)
(1,555)	1,555	-	369,310	369,310
(562)	197	(5,680)	72,898	(601,011)
8,225	3,306	48,049	738,748	2,303,210
\$ 7,663	\$ 3,503	\$ 42,369	\$ 811,646	\$ 1,702,199

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 801,500	\$ 679,561	\$ 682,114
Investment income	656	6,688	6,687
	<hr/>	<hr/>	<hr/>
Total revenues	802,156	686,249	688,801
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Highways and streets			
Street maintenance	1,495,000	1,356,654	1,356,654
	<hr/>	<hr/>	<hr/>
Total expenditures	1,495,000	1,356,654	1,356,654
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (692,844)</u>	<u>\$ (670,405)</u>	(667,853)
FUND BALANCE, MAY 1			<u>1,070,214</u>
FUND BALANCE, APRIL 30			<u><u>\$ 402,361</u></u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
KISHWAUKEE TIF FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 22,000	\$ 52,357	\$ 52,357
Total revenues	22,000	52,357	52,357
EXPENDITURES			
Community and economic development			
Contractual services	-	12,913	12,912
Debt service			
Interest and fiscal charges	19,823	39,456	39,456
Total expenditures	19,823	52,369	52,368
NET CHANGE IN FUND BALANCE	<u>\$ 2,177</u>	<u>\$ (12)</u>	(11)
FUND BALANCE, MAY 1			<u>429,753</u>
FUND BALANCE, APRIL 30			<u>\$ 429,742</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FARMINGTON SSA #2 FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 13,000	\$ 15,258	\$ 15,258
Total revenues	<u>13,000</u>	<u>15,258</u>	<u>15,258</u>
EXPENDITURES			
General government			
Repairs and maintenance	12,000	14,777	14,265
Miscellaneous	500	-	-
Total expenditures	<u>12,500</u>	<u>14,777</u>	<u>14,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>500</u>	<u>481</u>	<u>993</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(1,555)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,555)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 481</u>	<u>(562)</u>
FUND BALANCE, MAY 1			<u>8,225</u>
FUND BALANCE, APRIL 30			<u>\$ 7,663</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FARMINGTON SSA #3 FUND

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 5,000	\$ 6,162	\$ 6,162
Total revenues	<u>5,000</u>	<u>6,162</u>	<u>6,162</u>
EXPENDITURES			
General government			
Repairs and maintenance	<u>4,500</u>	<u>7,520</u>	<u>7,520</u>
Total expenditures	<u>4,500</u>	<u>7,520</u>	<u>7,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>500</u>	<u>(1,358)</u>	<u>(1,358)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>1,555</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,555</u>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ (1,358)</u>	197
FUND BALANCE, MAY 1			<u>3,306</u>
FUND BALANCE, APRIL 30			<u><u>\$ 3,503</u></u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 40,000	\$ 40,077	\$ 40,077
Charges for services	-	-	723,421
Investment income	500	354	354
Miscellaneous	-	16,280	16,280
	<hr/>	<hr/>	<hr/>
Total revenues	40,500	56,711	780,132
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Highways and streets			
Miscellaneous	60,000	22,913	23,440
Capital outlay			
Vehicles	183,828	203,286	608,742
Infrastructure	-	193,147	193,147
Buildings and improvements	90,000	1,884	1,884
Equipment	141,000	123,157	123,157
Debt service			
Principal	57,396	50,000	114,555
Interest and fiscal charges	-	7,345	11,619
	<hr/>	<hr/>	<hr/>
Total expenditures	532,224	601,732	1,076,544
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/> (491,724) <hr/>	<hr/> (545,021) <hr/>	<hr/> (296,412) <hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	414,828	1,107,249	383,828
Transfers (out)	-	-	(14,518)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	414,828	1,107,249	369,310
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (76,896)</u>	<u>\$ 562,228</u>	72,898
FUND BALANCE, MAY 1			<hr/> 738,748
FUND BALANCE, APRIL 30			<u><u>\$ 811,646</u></u>

(See independent auditor's report.)

MAJOR PROPRIETARY FUNDS

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water sales	\$ 2,363,702	\$ 2,143,711	\$ 2,148,979
Sewer charges	3,275,147	3,349,266	3,358,994
Water connection fees	24,000	47,382	47,382
Sewer connection fees	28,800	91,511	91,511
Water meter sales	88,702	93,455	93,455
Sewer meter sales	88,702	92,004	92,004
Other	45,500	203,989	204,014
	<hr/>	<hr/>	<hr/>
Total operating revenues	5,914,553	6,021,318	6,036,339
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Water	1,929,926	1,907,227	2,701,375
Sewer	1,896,216	1,835,718	3,316,434
Collection system	639,101	607,954	581,276
	<hr/>	<hr/>	<hr/>
Total operating expenses excluding depreciation	4,465,243	4,350,899	6,599,085
	<hr/>	<hr/>	<hr/>
DEPRECIATION	781,772	781,316	1,543,765
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	667,538	889,103	(2,106,511)
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	37,500	57,634	57,635
Principal payments	(502,335)	(502,335)	(502,335)
Interest and fiscal charges	(44,257)	(44,257)	(41,617)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(509,092)	(488,958)	(486,317)
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ 158,446	\$ 400,145	(2,592,828)
	<hr/>	<hr/>	<hr/>
ADJUSTMENTS TO GAAP BASIS			
Additions to capital assets			2,284,638
Principal payments			502,335
			<hr/>
Total adjustment to GAAP basis			2,786,973
			<hr/>
CHANGE IN NET POSITION - GAAP BASIS			194,145
			<hr/>
NET POSITION, MAY 1			44,844,131
			<hr/>
NET POSITION, APRIL 30			\$ 45,038,276
			<hr/>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER AND SEWER FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
WATER			
Personnel services			
Salaries	\$ 590,454	\$ 566,222	\$ 593,882
Overtime	38,000	28,055	28,055
IMRF	79,222	73,542	19,901
FICA/medicare	45,965	49,317	49,317
Group health insurance	227,735	246,826	251,199
Uniform allowance	14,000	7,257	7,257
Total personnel services	<u>995,376</u>	<u>971,219</u>	<u>949,611</u>
Contractual services			
Utilities	270,000	255,296	255,296
Telephone	9,000	9,220	9,220
Liability insurance	134,200	111,448	110,701
Lab expense	33,200	30,984	30,984
Other professional services	12,000	2,132	2,132
Total contractual services	<u>458,400</u>	<u>409,080</u>	<u>408,333</u>
Commodities			
Chemicals	90,000	85,026	85,026
Gas and oil	23,000	17,057	17,057
Postage	19,000	17,831	17,831
Meters	20,000	41,995	38,582
Repair and maintenance - infrastructure	63,900	136,623	210,709
Repair and maintenance - building	24,500	14,405	14,405
Repair and maintenance - equipment	13,000	32,237	32,237
Repair and maintenance - vehicle	20,000	12,583	12,583
Repair and maintenance - contractual	85,000	66,355	66,355
Office supplies	9,000	8,530	8,530
Office equipment rental/maintenance	32,750	29,265	29,265
Operating supplies	65,000	60,663	60,663
Bad debt expense	2,000	281	281
Miscellaneous	9,000	4,077	9,549
Total commodities	<u>476,150</u>	<u>526,928</u>	<u>603,073</u>
Total water	<u>1,929,926</u>	<u>1,907,227</u>	<u>1,961,017</u>

(This schedule is continued on the following pages.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
SEWER			
Personnel services			
Salaries	\$ 601,243	\$ 575,315	\$ 565,585
Overtime	55,000	46,506	42,746
IMRF	82,944	76,818	21,513
Group health insurance	232,417	234,151	238,529
FICA	48,091	40,034	40,034
Uniform allowance	16,000	20,427	20,427
Total personnel services	<u>1,035,695</u>	<u>993,251</u>	<u>928,834</u>
Contractual services			
Utilities	230,000	212,511	212,511
Telephone	11,000	9,369	9,369
Liability insurance	158,521	132,345	131,458
Lab expense	50,000	27,530	27,530
Other professional services	73,500	103,291	103,291
Total contractual services	<u>523,021</u>	<u>485,046</u>	<u>484,159</u>
Commodities			
Chemicals	75,000	24,826	24,826
Gas and oil	35,000	18,551	18,551
Postage	16,500	17,692	17,692
Office equipment rental/maintenance	6,000	3,077	3,077
Sludge disposal	10,000	7,240	7,240
Repair and maintenance - lift station	18,000	29,795	30,514
Repair and maintenance - building	100,000	91,703	91,703
Repair and maintenance - equipment	-	54,797	54,797
Repair and maintenance - vehicle	25,000	29,372	29,372
Repair and maintenance - contractual	-	18,343	18,343
Office supplies	8,000	8,613	8,613
Operating supplies	15,000	20,120	21,138
Meters	20,000	30,521	30,521
Bad debt expense	4,000	341	341
Miscellaneous	5,000	2,430	2,433
Total commodities	<u>337,500</u>	<u>357,421</u>	<u>359,161</u>
Total sewer	<u>1,896,216</u>	<u>1,835,718</u>	<u>1,772,154</u>

(This schedule is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
COLLECTION SYSTEM			
Personnel services			
Salaries	\$ 292,295	\$ 284,555	\$ 284,398
Overtime	30,000	23,638	24,309
IMRF	42,482	39,176	10,097
FICA	24,265	23,577	23,577
Group health insurance	108,409	101,803	103,690
Uniform allowance	6,600	5,200	5,200
Total personnel services	<u>504,051</u>	<u>477,949</u>	<u>451,271</u>
Commodities			
Gas and oil	10,000	9,109	9,109
Office equipment rental/maintenance	30,300	26,106	26,106
Repair and maintenance - infrastructure	40,000	37,085	37,085
Repair and maintenance - equipment	12,000	23,840	23,840
Repair and maintenance - vehicle	20,000	17,076	17,076
Operating supplies	20,000	16,220	16,220
Miscellaneous	2,750	569	569
Total commodities	<u>135,050</u>	<u>130,005</u>	<u>130,005</u>
Total collection system	<u>639,101</u>	<u>607,954</u>	<u>581,276</u>
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	<u>\$ 4,465,243</u>	<u>\$ 4,350,899</u>	<u>\$ 4,314,447</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF BELVIDERE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS**

April 30, 2018

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 10,000	\$ 8,210	\$ 18,210
Investments at fair value			
U.S. Treasury obligations	81,486	742,337	823,823
U.S. agency obligations	4,008,660	2,948,829	6,957,489
Municipal bonds	417,091	642,560	1,059,651
Corporate bonds	3,660,620	939,582	4,600,202
Mortgage-backed securities	2,331	55,628	57,959
Negotiable certificate of deposit	244,863	-	244,863
Equities	2,597,232	-	2,597,232
Mutual funds	9,160,291	8,261,001	17,421,292
Money market mutual funds	616,022	130,351	746,373
Insurance contracts	349,735	1,764,796	2,114,531
Total investments	21,138,331	15,485,084	36,623,415
Receivables			
Accrued interest	93,994	39,889	133,883
Total receivables	93,994	39,889	133,883
Prepaid items	-	1,396	1,396
Total assets	21,242,325	15,534,579	36,776,904
LIABILITIES			
Accounts payable	14,813	3,779	18,592
Total liabilities	14,813	3,779	18,592
NET POSITION RESTRICTED FOR PENSIONS			
	\$ 21,227,512	\$ 15,530,800	\$ 36,758,312

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2018

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,152,636	\$ 1,035,510	\$ 2,188,146
Employee	310,449	191,818	502,267
Total contributions	<u>1,463,085</u>	<u>1,227,328</u>	<u>2,690,413</u>
Investment income			
Net appreciation in fair value of investments	668,257	544,908	1,213,165
Interest	711,502	583,561	1,295,063
Total investment income	<u>1,379,759</u>	<u>1,128,469</u>	<u>2,508,228</u>
Less investment expenses	<u>(62,197)</u>	<u>(33,372)</u>	<u>(95,569)</u>
Net investment income	<u>1,317,562</u>	<u>1,095,097</u>	<u>2,412,659</u>
Total additions	<u>2,780,647</u>	<u>2,322,425</u>	<u>5,103,072</u>
DEDUCTIONS			
Benefits and refunds	1,502,599	1,286,360	2,788,959
Administrative expenses	27,019	36,932	63,951
Total deductions	<u>1,529,618</u>	<u>1,323,292</u>	<u>2,852,910</u>
NET INCREASE	1,251,029	999,133	2,250,162
NET POSITION RESTRICTED FOR PENSIONS			
May 1	<u>19,976,483</u>	<u>14,531,667</u>	<u>34,508,150</u>
April 30	<u>\$ 21,227,512</u>	<u>\$ 15,530,800</u>	<u>\$ 36,758,312</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
POLICE PENSION TRUST FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 1,150,588	\$ 1,152,636	\$ 1,152,636
Employee	301,662	310,449	310,449
	<hr/>	<hr/>	<hr/>
Total contributions	1,452,250	1,463,085	1,463,085
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation in fair value of investments	-	-	668,257
Interest	328,664	1,318,373	711,502
	<hr/>	<hr/>	<hr/>
Total investment income	328,664	1,318,373	1,379,759
Less investment expenses	-	-	(62,197)
	<hr/>	<hr/>	<hr/>
Net investment income	328,664	1,318,373	1,317,562
	<hr/>	<hr/>	<hr/>
Total additions	1,780,914	2,781,458	2,780,647
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
Benefits and refunds	1,374,112	1,502,598	1,502,599
Administrative expenses	50,000	24,284	27,019
	<hr/>	<hr/>	<hr/>
Total deductions	1,424,112	1,526,882	1,529,618
	<hr/>	<hr/>	<hr/>
NET INCREASE	<u>\$ 356,802</u>	<u>\$ 1,254,576</u>	1,251,029
	<hr/>	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSIONS			
May 1			<hr/> 19,976,483
April 30			<hr/> <u>\$ 21,227,512</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIREFIGHTERS' PENSION TRUST FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 1,033,688	\$ 1,035,510	\$ 1,035,510
Employee	187,974	191,818	191,818
Total contributions	<u>1,221,662</u>	<u>1,227,328</u>	<u>1,227,328</u>
Investment income			
Net appreciation in fair value of investments	-	-	544,908
Interest	<u>1,095,441</u>	<u>1,095,441</u>	<u>583,561</u>
Total investment income	1,095,441	1,095,441	1,128,469
Less investment expenses	<u>-</u>	<u>-</u>	<u>(33,372)</u>
Net investment income	<u>1,095,441</u>	<u>1,095,441</u>	<u>1,095,097</u>
Total additions	<u>2,317,103</u>	<u>2,322,769</u>	<u>2,322,425</u>
DEDUCTIONS			
Benefits and refunds	1,309,429	1,286,360	1,286,360
Administrative expenses	<u>50,000</u>	<u>37,723</u>	<u>36,932</u>
Total deductions	<u>1,359,429</u>	<u>1,324,083</u>	<u>1,323,292</u>
NET INCREASE	<u>\$ 957,674</u>	<u>\$ 998,686</u>	999,133
NET POSITION RESTRICTED FOR PENSIONS			
May 1			<u>14,531,667</u>
April 30			<u>\$ 15,530,800</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ESCROW - AGENCY FUND**

For the Year Ended April 30, 2018

	Balances May 1	Additions	Deductions	Balances April 30
ASSETS				
Cash and cash equivalents	\$ 1,235,540	\$ 585,627	\$ 1,296,285	\$ 524,882
TOTAL ASSETS	\$ 1,235,540	\$ 585,627	\$ 1,296,285	\$ 524,882
LIABILITIES				
Due to developers	\$ 386,944	\$ 29,479	\$ 75,356	\$ 341,067
Due to other governments	848,596	97,141	761,922	183,815
TOTAL LIABILITIES	\$ 1,235,540	\$ 126,620	\$ 837,278	\$ 524,882

(See independent auditor's report.)

COMPONENT UNIT

IDA PUBLIC LIBRARY

COMPONENT UNIT

STATEMENT OF NET POSITION AND BALANCE SHEET

April 30, 2018

	Balance Sheet	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets			
Cash and investments	\$ 621,445	\$ -	\$ 621,445
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	710,939	-	710,939
Other	31,981	-	31,981
Prepaid expenses	12,097	-	12,097
Total current assets	<u>1,376,462</u>	<u>-</u>	<u>1,376,462</u>
Noncurrent assets			
Capital assets not being depreciated	-	290,999	290,999
Capital assets being depreciated, net of accumulated depreciation	-	612,694	612,694
Total noncurrent assets	<u>-</u>	<u>903,693</u>	<u>903,693</u>
Total assets	1,376,462	903,693	2,280,155
Deferred outflows of resources			
Pension items - IMRF	-	26,428	26,428
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,376,462</u>	<u>\$ 930,121</u>	<u>\$ 2,306,583</u>

(This statement is continued on the following page.)

IDA PUBLIC LIBRARY

COMPONENT UNIT

STATEMENT OF NET POSITION AND BALANCE SHEET (Continued)

April 30, 2018

	Balance Sheet	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 11,338	\$ -	\$ 11,338
Accrued payroll	12,142	-	12,142
Unearned revenue	2,500	-	2,500
Compensated absences payable	-	2,474	2,474
Mortgage loans payable	-	15,914	15,914
Total current liabilities	<u>25,980</u>	<u>18,388</u>	<u>44,368</u>
Noncurrent liabilities			
Net pension liability - IMRF	-	55,914	55,914
Compensated absences	-	9,897	9,897
Net other postemployment benefit obligation	-	69,092	69,092
Mortgage loans payable	-	300,486	300,486
Total noncurrent liabilities	<u>-</u>	<u>435,389</u>	<u>435,389</u>
Total liabilities	<u>25,980</u>	<u>453,777</u>	<u>479,757</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	-	205,932	205,932
Deferred revenue - property taxes	710,939	-	710,939
Total deferred inflows of resources	<u>710,939</u>	<u>205,932</u>	<u>916,871</u>
Total liabilities and deferred inflows of resources	<u>736,919</u>	<u>659,709</u>	<u>1,396,628</u>
FUND BALANCE/NET POSITION			
Net investment in capital assets	-	587,293	587,293
Nonspendable - prepaids	12,097	(12,097)	-
Restricted - donor specific	166,884	-	166,884
Unassigned (deficit)	460,562	(304,784)	155,778
Total fund balance	<u>639,543</u>	<u>270,412</u>	<u>909,955</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION	<u>\$ 1,376,462</u>	<u>\$ 930,121</u>	<u>\$ 2,306,583</u>

(See independent auditor's report.)

IDA PUBLIC LIBRARY

COMPONENT UNIT

STATEMENT OF ACTIVITIES AND SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Adjustments	Statement of Activities
REVENUES					
Taxes					
Property taxes	\$ 686,566	\$ 686,566	\$ 687,858	\$ -	\$ 687,858
Replacement taxes	25,000	25,000	39,515	-	39,515
Grants and contributions	46,000	46,000	77,509	-	77,509
Charges for services	39,000	39,000	49,624	-	49,624
Investment income	19,000	19,000	22,591	-	22,591
Miscellaneous	49,434	49,434	18,214	-	18,214
Total revenues	<u>865,000</u>	<u>865,000</u>	<u>895,311</u>	<u>-</u>	<u>895,311</u>
EXPENDITURES					
Current					
Culture and recreation	703,825	703,825	724,517	191,281	915,798
Capital outlay	161,175	161,175	172,238	(172,238)	-
Debt service					
Principal	-	-	14,641	(14,641)	-
Interest and fiscal charges	-	-	18,419	-	18,419
Total expenditures	<u>865,000</u>	<u>865,000</u>	<u>929,815</u>	<u>4,402</u>	<u>934,217</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	(34,504)	(4,402)	(38,906)
NET POSITION, MAY 1			<u>674,047</u>	<u>274,814</u>	<u>948,861</u>
NET POSITION, APRIL 30			<u>\$ 639,543</u>	<u>\$ 270,412</u>	<u>\$ 909,955</u>

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
CAPITAL LEASE PAYABLE**

April 30, 2018

Date of Issue	December 21, 2016
Date of Maturity	June 1, 2022
Authorized Issue	\$384,285
Interest Rates	2.475%
Interest Date	June 1
Principal Date	June 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
2019	\$ 60,823	\$ 8,005	\$ 68,828
2020	62,346	6,482	68,828
2021	63,907	4,921	68,828
2022	65,507	3,321	68,828
2023	67,147	1,681	68,828
	<u>\$ 319,730</u>	<u>\$ 24,410</u>	<u>\$ 344,140</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION DEBT CERTIFICATES OF 2005**

April 30, 2018

Date of Issue	July 19, 2005
Date of Maturity	August 1, 2025
Authorized Issue	\$1,000,000
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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
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
	<u>\$ 485,098</u>	<u>\$ 29,116</u>	<u>\$ 514,214</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REVENUE REFUNDING BONDS OF 2013**

April 30, 2018

Date of Issue	February 4, 2013
Date of Maturity	February 1, 2020
Authorized Issue	\$2,115,000
Interest Rates	1.35% to 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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
2019	\$ 400,000	\$ 10,540	\$ 410,540
2020	260,000	3,120	263,120
	<u>\$ 660,000</u>	<u>\$ 13,660</u>	<u>\$ 673,660</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
IEPA WASTEWATER TREATMENT WORKS LOAN PAYABLE**

April 30, 2018

Date of Issue	December 11, 2012
Date of Maturity	May 1, 2032
Authorized Issue	\$2,885,940
Interest Rates	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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
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>\$ 1,636,514</u>	<u>\$ 157,883</u>	<u>\$ 1,794,397</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF BELVIDERE, ILLINOIS

ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS

Last Five Tax Levy Years

Tax Levy Year	2013	2014	2015	2016	2017
Assessed Valuations					
City	\$ 296,657,007	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995
Library	\$ 296,657,007	\$ 291,335,467	\$ 293,858,710	\$ 308,270,221	\$ 322,311,995
Tax Rates - City					
Corporate	0.60596	0.61271	0.60660	0.56329	0.53972
IMRF	0.02608	0.02518	0.02481	0.02178	0.02071
Fire Protection	0.00695	0.00700	0.00690	0.00670	0.00638
Firefighters' Pension	0.25142	0.25112	0.27457	0.32452	0.31890
Police Protection	0.00695	0.00700	0.00689	0.00670	0.00637
Police Pension	0.32990	0.35452	0.35311	0.36368	0.37632
Garbage	0.02156	0.02273	0.01551	0.01508	0.01593
Audit	0.00695	0.00703	0.00690	0.00670	0.00638
Street Lighting	0.07302	0.07344	0.07236	0.06700	0.06690
Public Benefit	0.01391	0.01399	0.01379	0.01340	0.01275
Civil Defense	0.00247	0.00245	0.00242	0.00235	0.00223
Social Security	0.07650	0.07869	0.07753	0.06700	0.06371
Forestry	0.01391	0.01399	0.01379	0.01173	0.01275
Special Road and Bridge	0.02086	0.02099	-	0.02010	0.01912
Tort Judgment/Liability Insurance	0.10605	0.11540	0.11026	0.09715	0.09557
Insurance	0.02782	0.02798	0.02757	0.02513	0.02390
	1.59031	1.63422	1.63369	1.61231	1.58764
Tax Rates - Library					
Corporate	0.22986	0.23464	0.23304	0.22999	0.22646
Total Tax Rates	1.82017	1.86886	1.8667	1.8423	1.8141
Tax Extensions - City					
Corporate	\$ 1,742,756	\$ 1,752,157	\$ 1,760,579	\$ 1,681,554	\$ 1,694,390
IMRF	75,007	72,007	72,008	65,018	65,017
Fire Protection	20,017	20,018	20,026	20,001	20,029
Firefighters' Pension	723,119	718,124	796,904	968,769	1,001,150
Police Protection	20,017	20,018	20,026	20,001	20,029
Police Pension	948,801	1,013,815	1,024,856	1,085,671	1,181,445
Garbage	62,007	65,001	45,016	45,017	50,011
Audit	20,017	20,103	20,026	20,001	20,029
Street Lighting	210,007	210,016	210,016	200,011	210,025
Public Benefit	40,006	40,007	40,024	40,002	40,027
Civil Defense	7,104	7,006	7,024	7,015	7,001
Social Security	220,016	225,028	225,021	200,011	200,010
Forestry	40,005	40,007	40,024	35,017	40,027
Special Road and Bridge	60,023	60,025	60,021	60,003	60,025
Tort Judgment/Liability Insurance	305,003	330,007	320,015	290,016	300,031
Insurance	80,011	80,014	80,018	75,019	75,032
	4,573,916	4,673,353	4,741,604	4,813,126	4,984,278
Tax Extensions - Library					
Corporate	681,896	683,590	676,369	686,574	710,945
Total Tax Extensions	\$ 5,255,812	\$ 5,356,943	\$ 5,417,973	\$ 5,499,700	\$ 5,695,223

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Tax Levy Years

Tax Levy Year	Fiscal Year	Tax Levy Extensions	Total Collections to Date	
			Amount*	Percent of Levy Collected
2008	2010	\$ 4,063,826	\$ 4,069,614	100.14%
2009	2011	4,109,914	4,404,156	107.16%
2010	2012	4,237,013	4,381,602	103.41%
2011	2013	4,119,723	4,093,709	99.37%
2012	2014	4,462,309	4,453,854	99.81%
2013	2015	4,573,916	4,569,415	99.90%
2014	2016	4,673,353	4,680,978	100.16%
2015	2017	4,741,604	4,748,444	100.14%
2016	2018	4,813,126	4,822,065	100.19%
2017	2019	4,984,278	-	0.00%

*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.