



**CITY OF BELVIDERE, ILLINOIS**

---

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

Prepared By

Becky Tobin  
Finance/Budget Officer

**CITY OF BELVIDERE, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
Principal Officials .....	i
INDEPENDENT AUDITOR’S REPORT .....	1-3
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	4-5
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	6-7
Statement of Activities .....	8-9
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	10
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	13
Proprietary Fund	
Statement of Net Position .....	14-15
Statement of Revenues, Expenses, and Changes in Net Position.....	16
Statement of Cash Flows .....	17-18

**CITY OF BELVIDERE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

	<u>Page(s)</u>
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)</b>	
Basic Financial Statements (Continued)	
Fund Financial Statements (Continued)	
Fiduciary Funds	
Statement of Fiduciary Net Position.....	19
Statement of Changes in Fiduciary Net Position.....	20
Notes to Financial Statements .....	21-80
Required Supplementary Information	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund - Regular .....	81
Illinois Municipal Retirement Fund - SLEP.....	82
Police Pension Fund .....	83
Firefighters' Pension Fund .....	84
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund - Regular .....	85
Illinois Municipal Retirement Fund - SLEP.....	86
Police Pension Fund .....	87
Firefighters' Pension Fund .....	88
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
City Other Postemployment Benefit Plan .....	89
Ida Public Library Other Postemployment Benefit Plan.....	90
Schedule of Investment Returns	
Police Pension Fund .....	91
Firefighters' Pension Fund .....	92
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	
Notes to Required Supplementary Information .....	93
	94
 <b>OTHER SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues - Budget and Actual - General Fund.....	95-96
Schedule of Detailed Expenditures - Budget and Actual - General Fund.....	97-102

**CITY OF BELVIDERE, ILLINOIS**  
TABLE OF CONTENTS (Continued)

---

	<u>Page(s)</u>
OTHER SUPPLEMENTAL INFORMATION (Continued)	
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet .....	103-104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	105-106
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	107
Kishwaukee TIF Fund .....	108
Farmington SSA #2 Fund.....	109
Farmington SSA #3 Fund.....	110
Capital Projects Fund .....	111
MAJOR PROPRIETARY FUNDS	
Water and Sewer Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual.....	112
Schedule of Operating Expenses - Budget and Actual .....	113-115
FIDUCIARY FUNDS	
Combining Statement of Net Position.....	116
Combining Statement of Changes in Plan Net Position.....	117
Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Police Pension Trust Fund.....	118
Firefighters' Pension Trust Fund.....	119
Schedule of Changes in Assets and Liabilities	
Escrow - Agency Fund .....	120
COMPONENT UNIT	
Ida Public Library	
Statement of Net Position and Balance Sheet .....	121-122
Statement of Activities and Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual .....	123

**CITY OF BELVIDERE, ILLINOIS**  
TABLE OF CONTENTS (Continued)

---

	<u>Page(s)</u>
<b>SUPPLEMENTAL SCHEDULES</b>	
Schedule of Long-Term Debt Requirements	
Capital Lease Payable .....	124
General Obligation Debt Certificates of 2005.....	125
General Obligation Revenue Refunding Bonds of 2013.....	126
IEPA Wastewater Treatment Works Loan Payable .....	127
Consolidated Year End Financial Report.....	128
<b>SUPPLEMENTAL DATA (Unaudited)</b>	
Assessed Valuations, Tax Rates, and Tax Extensions .....	129
Property Tax Levies and Collections .....	130
Legal Debt Margin .....	131

**CITY OF BELVIDERE, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2019

---

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:

Mike McGee

George Crawford

Ward 5 Alderman:

Ward 5 Alderman:

Marsha Freeman

Ric Brereton

ADMINISTRATIVE

Police Chief:

Shane Woody

Fire Chief:

Allen Hyser

Finance/Budget Officer:

Becky Tobin

Public Works Director:

Brent Anderson

Building Director:

Kip Countryman

City Attorney:

Mike Drella

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

**SIKICH.COM**

## **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, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2019, 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.

## **Change in Accounting Principle**

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 11 to the basic financial statements. Our opinion is not modified with respect to this matter.

## **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, 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 is 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 have 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
September 12, 2019

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

**SIKICH.COM**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Belvidere, Illinois (the City) as of and for the year ended April 30, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 12, 2019.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Sikich LLP*

Naperville, Illinois  
September 12, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## **CITY OF BELVIDERE, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2019**

---

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, 2019. 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 decreased by \$751,833, net position of the governmental activities decreased by \$818,211. The City implemented GASB Statement No.75 during the fiscal year, which resulted in a change in accounting principle restatement. The restatement for governmental activities decreased opening net position by \$3,329,520, while net position for business-type activities decreased by \$1,281,616. Overall ending net position for governmental activities is a deficit of \$4,962,172 and \$43,004,827 in business-type activities.
- During the year, government-wide revenues before transfers for the primary government totaled \$25,295,530 while expenses totaled \$26,865,804 resulting in a decrease to net position of \$1,570,274.
- The City's net position totaled \$38,042,655 on April 30, 2019, which includes \$57,966,411 net investment in capital assets, \$1,531,206 subject to external restrictions, and \$(21,454,962) unrestricted net deficit that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$395,903 resulting in an ending fund balance of \$10,469,356 which is an increase of 3.9 percent. This increase was the result of new revenue streams that were implemented during the fiscal year 2019.

#### **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.

# CITY OF BELVIDERE, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

---

### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

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.

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.

# **CITY OF BELVIDERE, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2019**

---

### **USING THIS ANNUAL REPORT – Continued**

#### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

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.

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, which is considered a major fund. Data from the other seven 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 8-12 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.

# **CITY OF BELVIDERE, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2019**

---

### **USING THIS ANNUAL REPORT – Continued**

#### **Other Information – Continued**

#### **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 20-79 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, other postemployment benefits, and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 80-130 of this report.

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 \$38,042,655.



# CITY OF BELVIDERE, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current/Other Assets	\$ 18,368,298	17,647,466	7,392,333	9,257,554	25,760,631	26,905,020
Capital Assets	23,566,137	24,039,540	39,918,174	40,209,841	63,484,311	64,249,381
Total Assets	41,934,435	41,687,006	47,310,507	49,467,395	89,244,942	91,154,401
Deferred Outflows	3,314,512	2,458,902	888,429	83,274	4,202,941	2,542,176
Total Assets and Deferred Outflows	45,248,947	44,145,908	48,198,936	49,550,669	93,447,883	93,696,577
Long-Term Liabilities	38,589,175	32,705,528	4,691,653	2,532,042	43,280,828	35,237,570
Other Liabilities	3,968,516	3,552,199	217,674	1,089,181	4,186,190	4,641,380
Total Liabilities	42,557,691	36,257,727	4,909,327	3,621,223	47,467,018	39,878,950
Deferred Inflows	7,653,428	8,702,392	284,782	891,170	7,938,210	9,593,562
Total Assets and Deferred Outflows	50,211,119	44,960,119	5,194,109	4,512,393	55,405,228	49,472,512
Net Position						
Net Investment in Capital Assets	19,841,132	20,186,156	38,125,279	37,913,327	57,966,411	58,099,483
Restricted	1,464,646	1,956,884	66,560	103,460	1,531,206	2,060,344
Unrestricted (Deficit)	(26,267,950)	(22,957,251)	4,812,988	7,021,489	(21,454,962)	(15,935,762)
Total Net Position	(4,962,172)	(814,211)	43,004,827	45,038,276	38,042,655	44,224,065

A large portion of the City's net position, \$57,966,411 or 152.4 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, \$1,531,206 or 4.0 percent, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining (56.0) percent, or \$(21,454,962), 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, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,688,671	2,412,702	5,680,817	6,036,339	7,369,488	8,449,041
Operating Grants/Contrib.	767,309	910,732	-	-	767,309	910,732
Capital Grants/Contrib.	440,185	-	-	-	440,185	-
General Revenues						
Property Taxes	5,304,678	5,156,204	-	-	5,304,678	5,156,204
Utility Taxes	1,994,345	1,969,862	-	-	1,994,345	1,969,862
Replacement Taxes	409,526	453,055	-	-	409,526	453,055
Other Taxes	868,407	430,590	-	-	868,407	430,590
Sales and Use Taxes	4,636,949	4,231,118	-	-	4,636,949	4,231,118
Income Taxes	2,484,021	2,320,096	-	-	2,484,021	2,320,096
Other General Revenues	834,408	500,200	186,214	57,635	1,020,622	557,835
Total Revenues	19,428,499	18,384,559	5,867,031	6,093,974	25,295,530	24,478,533
<b>Expenses</b>						
General Government	2,838,787	2,116,792	-	-	2,838,787	2,116,792
Public Safety	13,105,034	12,987,364	-	-	13,105,034	12,987,364
Highways and Streets	3,606,542	4,759,370	-	-	3,606,542	4,759,370
Health and Social Services	24,630	25,105	-	-	24,630	25,105
Community/Economic Devel.	736,461	317,613	-	-	736,461	317,613
Interest on Long-Term Debt	408,601	406,122	-	-	408,601	406,122
Water and Sewer	-	-	6,145,749	5,899,829	6,145,749	5,899,829
Total Expenses	20,720,055	20,612,366	6,145,749	5,899,829	26,865,804	26,512,195
Change in Net Position						
Before Transfers	(1,291,556)	(2,227,807)	(278,718)	194,145	(1,570,274)	(2,033,662)
Transfers in (out)	473,115	-	(473,115)	-	-	-
Change in Net Position	(818,441)	(2,227,807)	(751,833)	194,145	(1,570,274)	(2,033,662)
Net Position - Beginning as Restated	(4,143,731)	1,413,596	43,756,660	44,844,131	39,612,929	46,257,727
Net Position - Ending	(4,962,172)	(814,211)	43,004,827	45,038,276	38,042,655	44,224,065

**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

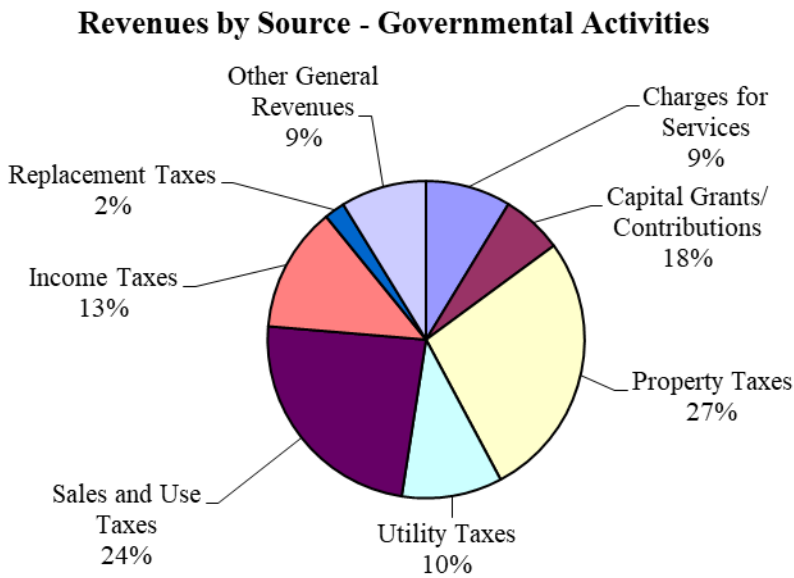
Net position of the City of Belvidere’s governmental activities decreased by 154.6 percent to \$(4,962,172) in 2019 compared to \$(814,211) in 2018. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$(26,267,950) at April 30, 2019.

Net position of the business-type activities decreased by 4.5 percent to \$43,004,827 in 2019 compared to \$45,038,276 in 2018.

**Governmental Activities**

Revenues, including transfers, for governmental activities totaled \$19,901,614 while the cost of all governmental functions totaled \$20,720,055. This results in a deficit of \$818,441. In 2018, revenues of \$18,384,559 were less than expenses of \$20,612,366 resulting in a deficit of \$2,227,807 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, 2019**

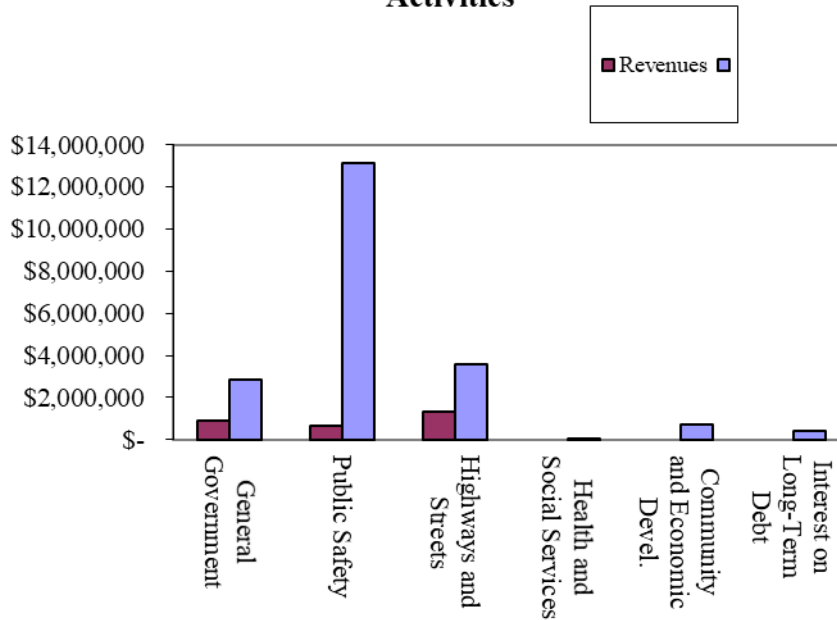
---

**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 \$5,867,031, while the cost of all business-type activities totaled \$6,618,864, including transfers out. This results in a deficit of \$751,833. In 2018, revenues of \$6,093,974, while the cost of all business-type activities totaled \$5,899,829 resulting in a surplus of \$194,145 and there were no transfers.

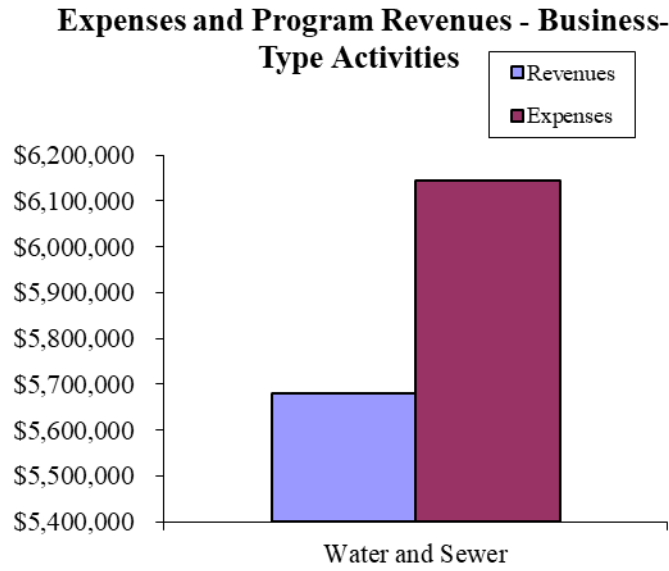
**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

---

**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 \$12,495,745, which is \$720,093, or 6.1 percent, higher than last year’s total of \$11,775,652. Of the \$12,495,745 total, \$9,659,486, or approximately 77.3 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$395,903, an increase of 4.0 percent. This was due in large part to new revenue sources that were approved during the fiscal year. Budgeted expenditures totaled \$16,936,045 while actual expenditures totaled \$16,901,158. 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, 2019**

---

#### **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, 2019, unassigned fund balance in the General Fund was \$9,659,486 which represents 92.3 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 60.0 percent of total General Fund expenditures.

The Nonmajor Funds realized an increase in fund balance of \$324,190 as a result of new revenue sources that were implemented 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 decrease in the Water/Sewer Fund during the current fiscal year was \$(751,833) while the previous fiscal year reported a surplus of \$194,145. Unrestricted net position in the Water/Sewer Fund totaled \$4,812,988 at April 30, 2019.

#### **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 \$18,210,498, compared to budgeted revenues of \$18,086,176, which is \$124,322 higher than budgeted revenues.

The General Fund actual expenditures for the year were \$34,887 lower than budgeted (\$16,901,158 actual compared to \$16,936,045 budgeted). The general government function's actual expenditures were lower than budgeted expenditures by \$190,783.

**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City’s investment in capital assets for its governmental and business type activities as of April 30, 2019 was \$63,484,311 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 523,664	523,664	696,551	696,551	1,220,215	1,220,215
Construction in Progress	198,935	74,736	656,517	2,379,111	855,452	2,453,847
Land Improvements	40,328	41,906	-	-	40,328	41,906
Infrastructure	18,737,569	19,924,445	-	-	18,737,569	19,924,445
Building and Improvements	1,721,318	1,137,466	978,782	1,007,528	2,700,100	2,144,994
Water Transmission System	-	-	11,048,411	11,324,641	11,048,411	11,324,641
Sewer Collection System	-	-	23,660,317	22,893,273	23,660,317	22,893,273
Equipment	669,709	538,310	2,741,338	1,858,534	3,411,047	2,396,844
Vehicles	1,674,614	1,799,013	136,258	50,203	1,810,872	1,849,216
<b>Total</b>	<b>23,566,137</b>	<b>24,039,540</b>	<b>39,918,174</b>	<b>40,209,841</b>	<b>63,484,311</b>	<b>64,249,381</b>

**Governmental Activities**

Land	\$ -
Construction in Progress	171,456
Buildings and improvements	1,396,314
Equipment	259,271
Vehicles	134,167
	<u>\$ 1,961,208</u>

**Business-Type Activities**

Construction in Progress	\$ 1,072,653
Equipment	223,015
Vehicles	103,817
	<u>\$ 1,399,485</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, 2019

---

---

### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the City of Belvidere had total outstanding debt of \$5,922,900 as compared to \$6,592,342 the previous year, a decrease of 10.1 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Debt Certificates	\$ 430,098	485,098	-	-	430,098	485,098
Tax Increment Revenue Notes	3,036,000	3,036,000	-	-	3,036,000	3,036,000
Capital Lease	258,907	319,730	-	-	258,907	319,730
Landfill Post Closure Costs	405,000	455,000	-	-	405,000	455,000
IEPA Loan	-	-	1,532,895	1,636,514	1,532,895	1,636,514
Alternate Revenue Bonds	-	-	260,000	660,000	260,000	660,000
Total	4,130,005	4,295,828	1,792,895	2,296,514	5,922,900	6,592,342

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.

The residential sector is showed some improvement in FY19. There were seven (7) new homes built during FY 2019. The commercial/industrial sector is also showing improvement. Larger projects included LP Lumber, Aldi expansion, and the McDonald's remodel.



## **CITY OF BELVIDERE, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2019**

---

#### **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 2019 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, 2019, for the City of Belvidere was 5.9% and Boone County was 5.2%. The state and national unemployment rates were 9.6 and 3.6 percent, respectively.

#### **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2019

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Ida Public Library
<b>ASSETS</b>				
Cash and investments	\$ 10,195,302	\$ 6,243,166	\$ 16,438,468	\$ 672,641
Receivables, net where applicable of allowance for uncollectibles				
Property taxes	5,293,337	-	5,293,337	710,939
Sales taxes	1,072,624	-	1,072,624	-
Income taxes	197,947	-	197,947	-
Telecommunications tax	221,447	-	221,447	-
Accounts	-	800,459	800,459	-
Accrued interest	-	13,700	13,700	-
Other	287,234	-	287,234	31,981
Prepaid expenses	314,840	201,370	516,210	11,421
Land held for resale	785,567	-	785,567	-
Inventory	-	67,078	67,078	-
Restricted investments	-	66,560	66,560	-
Capital assets not being depreciated	722,599	1,353,068	2,075,667	290,999
Capital assets being depreciated, net of accumulated depreciation	22,843,538	38,565,106	61,408,644	569,926
<b>Total assets</b>	<b>41,934,435</b>	<b>47,310,507</b>	<b>89,244,942</b>	<b>2,287,907</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items - IMRF (Regular)	848,018	866,271	1,714,289	206,827
Pension items - IMRF (SLEP)	169,809	-	169,809	-
Pension items - Police Pension	1,029,319	-	1,029,319	-
Pension items - Firefighters' Pension	1,156,867	-	1,156,867	-
Pension items - OPEB	110,499	22,158	132,657	2,449
<b>Total deferred outflows of resources</b>	<b>3,314,512</b>	<b>888,429</b>	<b>4,202,941</b>	<b>209,276</b>
<b>Total assets and deferred outflows of resources</b>	<b>45,248,947</b>	<b>48,198,936</b>	<b>93,447,883</b>	<b>2,497,183</b>
<b>LIABILITIES</b>				
Accounts payable	347,517	134,247	481,764	2,469
Accrued payroll	231,699	72,286	303,985	16,325
Unearned revenue	-	-	-	2,500
Interest payable	3,389,300	11,141	3,400,441	-
Long-term liabilities				
Due within one year	446,011	433,152	879,163	25,515
Due in more than one year	38,143,164	4,258,501	42,401,665	800,380
<b>Total liabilities</b>	<b>42,557,691</b>	<b>4,909,327</b>	<b>47,467,018</b>	<b>847,189</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - IMRF (Regular)	279,283	284,782	564,065	66,223
Pension items - IMRF (SLEP)	29,121	-	29,121	-
Pension items - Police Pension	1,561,906	-	1,561,906	-
Pension items - Firefighters' Pension	489,781	-	489,781	-
Deferred revenue - property taxes	5,293,337	-	5,293,337	710,939
<b>Total deferred inflows of resources</b>	<b>7,653,428</b>	<b>284,782</b>	<b>7,938,210</b>	<b>777,162</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>50,211,119</b>	<b>5,194,109</b>	<b>55,405,228</b>	<b>1,624,351</b>

(This statement is continued on the following page.)

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

April 30, 2019

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Ida Public Library
<b>NET POSITION</b>				
Net investment in capital assets	\$ 19,841,132	\$ 38,125,279	\$ 57,966,411	\$ 560,439
Restricted for				
Public safety	379,618	-	379,618	-
Capital projects	10,435	-	10,435	-
Highways and streets	499,404	-	499,404	-
Economic development	441,239	-	441,239	-
Debt service	-	66,560	66,560	-
Specific purpose	133,950	-	133,950	-
Donor specific	-	-	-	196,315
Unrestricted (deficit)	(26,267,950)	4,812,988	(21,454,962)	116,078
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (4,962,172)</b>	<b>\$ 43,004,827</b>	<b>\$ 38,042,655</b>	<b>\$ 872,832</b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,838,787	\$ 852,657	\$ 2,270	\$ 70,000
Public safety	13,105,034	575,066	70,936	-
Highways and streets	3,606,542	260,948	694,103	370,185
Health and social services	24,630	-	-	-
Community and economic development	736,461	-	-	-
Interest and fees	408,601	-	-	-
Total governmental activities	20,720,055	1,688,671	767,309	440,185
Business-Type Activities				
Water and sewer	6,145,749	5,680,817	-	-
Total business-type activities	6,145,749	5,680,817	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 26,865,804</b>	<b>\$ 7,369,488</b>	<b>\$ 767,309</b>	<b>\$ 440,185</b>
<b>COMPONENT UNIT</b>				
Ida Public Library	\$ 890,973	\$ 48,941	\$ 74,056	\$ -

	Net (Expense) Revenue and Change in Net Position			Component Unit Ida Public Library
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
	\$ (1,913,860)	\$ -	\$ (1,913,860)	\$ -
	(12,459,032)	-	(12,459,032)	-
	(2,281,306)	-	(2,281,306)	-
	(24,630)	-	(24,630)	-
	(736,461)	-	(736,461)	-
	(408,601)	-	(408,601)	-
	(17,823,890)	-	(17,823,890)	-
	-	(464,932)	(464,932)	-
	-	(464,932)	(464,932)	-
	(17,823,890)	(464,932)	(18,288,822)	-
	-	-	-	(767,976)
General Revenues				
Taxes				
Property	5,304,678	-	5,304,678	712,501
Utility	1,994,345	-	1,994,345	-
Telecommunications	113,879	-	113,879	-
Replacement	409,526	-	409,526	40,700
Other	754,528	-	754,528	-
Intergovernmental				
Sales and use taxes	4,636,949	-	4,636,949	-
Income	2,484,021	-	2,484,021	-
Investment income	149,114	97,008	246,122	32,402
Miscellaneous	682,085	-	682,085	26,306
Transfers in (out)	473,115	(473,115)	-	-
Insurance recoveries	-	89,206	89,206	-
Gain on sale of capital assets	3,209	-	3,209	-
Total	17,005,449	(286,901)	16,718,548	811,909
CHANGE IN NET POSITION	(818,441)	(751,833)	(1,570,274)	43,933
NET POSITION (DEFICIT), MAY 1	(814,211)	45,038,276	44,224,065	909,955
Change in accounting principle	(3,329,520)	(1,281,616)	(4,611,136)	(81,056)
NET POSITION (DEFICIT), MAY 1, RESTATED	(4,143,731)	43,756,660	39,612,929	828,899
<b>NET POSITION (DEFICIT), APRIL 30</b>	<b>\$ (4,962,172)</b>	<b>\$ 43,004,827</b>	<b>\$ 38,042,655</b>	<b>\$ 872,832</b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2019

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 8,633,147	\$ 1,562,155	\$ 10,195,302
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	5,204,362	88,975	5,293,337
Sales taxes	1,072,624	-	1,072,624
Local use taxes	197,947	-	197,947
Other taxes	221,447	-	221,447
Other	230,603	56,631	287,234
Prepaid items	314,840	-	314,840
Land held for resale	345,813	439,754	785,567
Advances to other funds	15,267	-	15,267
<b>TOTAL ASSETS</b>	<u>\$ 16,236,050</u>	<u>\$ 2,147,515</u>	<u>\$ 18,383,565</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 330,633	\$ 16,884	\$ 347,517
Accrued payroll	231,699	-	231,699
Advance from other funds	-	15,267	15,267
Total liabilities	<u>562,332</u>	<u>32,151</u>	<u>594,483</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>5,204,362</u>	<u>88,975</u>	<u>5,293,337</u>
Total deferred inflows of resources	<u>5,204,362</u>	<u>88,975</u>	<u>5,293,337</u>
Total liabilities and deferred inflows of resources	<u>5,766,694</u>	<u>121,126</u>	<u>5,887,820</u>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	314,840	-	314,840
Advances to other funds	15,267	-	15,267
Land held for resale	345,813	-	345,813
Restricted			
Public safety	-	379,618	379,618
Highways and streets	-	499,404	499,404
Economic development	-	441,239	441,239
Capital projects	-	10,435	10,435
Specific purpose	133,950	-	133,950
Assigned			
Capital projects	-	695,693	695,693
Unassigned	9,659,486	-	9,659,486
Total fund balances	<u>10,469,356</u>	<u>2,026,389</u>	<u>12,495,745</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 16,236,050</u>	<u>\$ 2,147,515</u>	<u>\$ 18,383,565</u>

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, 2019

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 12,495,745</b>
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	23,566,137
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	568,735
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	140,688
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	(532,587)
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	667,086
Differences between assumption changes and net difference between projected and actual earnings for the Other Postemployment Benefit Liability are recognized as deferred outflows of resources on the statement of net position	110,499
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Landfill postclosure liability	(405,000)
Capital lease payable	(258,907)
Debt certificates payable	(430,098)
Tax increment revenue note payable	(3,036,000)
Compensated absences payable	(163,739)
Other postemployment benefit liability	(6,827,601)
Net pension liability - IMRF (Regular)	(1,402,316)
Net pension liability - IMRF (SLEP)	(178,335)
Net pension liability - Police Pension Fund	(13,921,393)
Net pension liability - Firefighters' Pension Fund	(11,965,786)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	<u>(3,389,300)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ (4,962,172)</u></u></b>

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, 2019

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 15,224,771	\$ 127,090	\$ 15,351,861
Licenses and permits	422,735	-	422,735
Intergovernmental	753,577	729,983	1,483,560
Fines and forfeits	930,768	-	930,768
Charges for services	313,846	21,321	335,167
Investment income	131,546	17,568	149,114
Miscellaneous	433,255	248,830	682,085
<b>Total revenues</b>	<b>18,210,498</b>	<b>1,144,792</b>	<b>19,355,290</b>
<b>EXPENDITURES</b>			
Current			
General government	2,323,938	23,989	2,347,927
Public safety	12,078,425	110,147	12,188,572
Highways and streets	1,733,987	824,069	2,558,056
Health and social services	24,630	-	24,630
Community and economic development	740,178	6,717	746,895
Capital outlay	-	1,124,512	1,124,512
Debt service			
Principal	-	115,823	115,823
Interest and fiscal charges	-	23,236	23,236
<b>Total expenditures</b>	<b>16,901,158</b>	<b>2,228,493</b>	<b>19,129,651</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,309,340</b>	<b>(1,083,701)</b>	<b>225,639</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	21,339	-	21,339
Transfers in	-	1,407,891	1,407,891
Transfers (out)	(934,776)	-	(934,776)
<b>Total other financing sources (uses)</b>	<b>(913,437)</b>	<b>1,407,891</b>	<b>494,454</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>395,903</b>	<b>324,190</b>	<b>720,093</b>
<b>FUND BALANCES, MAY 1</b>	<b>10,073,453</b>	<b>1,702,199</b>	<b>11,775,652</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 10,469,356</b>	<b>\$ 2,026,389</b>	<b>\$ 12,495,745</b>

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, 2019

---

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 720,093
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	1,891,208
Contributions of capital assets are only reported in the statement of activities	70,000
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,416,481)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(18,130)
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	115,823
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	50,000
The increase of accrued interest payable is shown as an increase of expense on the statement of activities	(385,365)
The decrease in compensated absences payable is shown as a decrease of the statement of activities	(32,903)
The change in the other postemployment benefit obligation and deferred outflows of resources is not a source or use of financial resources	(325,991)
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	(236,924)
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	(356,528)
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	105,202
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	<u>1,555</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (818,441)</u></u>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

April 30, 2019

---

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 6,243,166
Receivables, net of allowance for uncollectibles	
Billed services	53,982
Unbilled services	746,477
Accrued interest	13,700
Prepaid expenses	201,370
Inventory	67,078
Restricted investments	<u>66,560</u>
Total current assets	<u>7,392,333</u>
<b>NONCURRENT ASSETS</b>	
Capital assets	
Assets not being depreciated	1,353,068
Assets being depreciated	
Cost	72,520,332
Accumulated depreciation	<u>(33,955,226)</u>
Total noncurrent assets	<u>39,918,174</u>
Total assets	<u>47,310,507</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension items - IMRF	866,271
OPEB items	<u>22,158</u>
Total deferred outflows of resources	<u>888,429</u>
Total assets and deferred outflows of resources	<u>48,198,936</u>

(This statement is continued on the following page.)

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2019

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 134,247
Accrued payroll	72,286
Accrued interest payable	11,141
Current portion of IEPA loans payable	104,917
Current portion of revenue bonds payable	260,000
Current portion of compensated absences payable	18,921
Current portion of OPEB liability	49,314
	<hr/>
Total current liabilities	650,826
	<hr/>
<b>NONCURRENT LIABILITIES</b>	
IEPA loans payable, less current portion	1,427,978
Compensated absences payable, less current portion	75,683
Net pension liability - IMRF	1,435,008
Total OPEB liability, less current portion	1,319,832
	<hr/>
Total noncurrent liabilities	4,258,501
	<hr/>
Total liabilities	4,909,327
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension items - IMRF	284,782
	<hr/>
Total deferred inflows of resources	284,782
	<hr/>
Total liabilities and deferred inflows of resources	5,194,109
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	38,125,279
Restricted	
Debt service	66,560
Unrestricted	4,812,988
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 43,004,827</b>
	<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, 2019

	<b>Business-Type Activities Water and Sewer</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 5,614,435
Other revenue	<u>66,382</u>
Total operating revenues	<u>5,680,817</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	
Operations	<u>4,422,421</u>
Total operating expenses excluding depreciation	<u>4,422,421</u>
OPERATING INCOME BEFORE DEPRECIATION	1,258,396
Depreciation	<u>1,691,152</u>
OPERATING INCOME (LOSS)	<u>(432,756)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	97,008
Insurance recoveries	89,206
Interest expense and fees	<u>(32,176)</u>
Total non-operating revenues (expenses)	<u>154,038</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(278,718)</u>
<b>TRANSFERS</b>	
Transfers (out)	<u>(473,115)</u>
Total transfers	<u>(473,115)</u>
CHANGE IN NET POSITION	<u>(751,833)</u>
NET POSITION, MAY 1	45,038,276
Change in accounting principle	<u>(1,281,616)</u>
NET POSITION, MAY 1, RESTATED	<u>43,756,660</u>
<b>NET POSITION, APRIL 30</b>	<u><u>\$ 43,004,827</u></u>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

For the Year Ended April 30, 2019

---

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 5,720,468
Payments to suppliers	(2,128,577)
Payments to employees	(2,356,136)
	<hr/>
Net cash from operating activities	1,235,755
	<hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers out	(473,115)
	<hr/>
Net cash from noncapital financing activities	(473,115)
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(2,226,229)
Insurance recoveries	89,206
Principal retirement	(503,619)
Interest paid	(34,973)
	<hr/>
Net cash from capital and related financing activities	(2,675,615)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	97,008
	<hr/>
Net cash from investing activities	97,008
	<hr/>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,815,967)
	<hr/>
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	8,125,693
	<hr/>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 6,309,726</b>
	<hr/> <hr/>

(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, 2019

---

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (432,756)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	1,691,152
Changes in current assets and liabilities	
Accounts receivable	39,651
Inventory	11,802
Prepaid expenses	(2,199)
Accounts payable	(44,474)
Accrued payroll	2,508
Net pension liability and deferred inflows/outflows of resources	(107,210)
Total OPEB liability and deferred outflows of resources	65,372
Compensated absences payable	11,909
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,235,755</b>
<b>CASH AND CASH EQUIVALENTS</b>	
Cash and investments	\$ 6,243,166
Restricted investments	66,560
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 6,309,726</b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
FIDUCIARY FUNDS

April 30, 2019

	<b>Pension Trust Funds</b>	<b>Agency Fund</b>
<hr/>		
<b>ASSETS</b>		
Cash and short-term investments	\$ 60,097	\$ 488,009
Investments at fair value		
U.S. Treasury obligations	1,362,840	-
U.S. agency obligations	7,154,400	-
Municipal bonds	997,911	-
Corporate bonds	4,536,004	-
Mortgage-backed securities	50,547	-
Negotiable certificates of deposit	248,001	-
Equities	1,755,636	-
Mutual funds	21,099,028	-
Money market mutual funds	390,713	-
Insurance contracts	1,523,418	-
Total investments	<u>39,118,498</u>	-
Receivables		
Accrued interest	136,316	-
Total receivables	<u>136,316</u>	-
Prepaid items	3,184	-
Total assets	<u>39,318,095</u>	<u>\$ 488,009</u>
<b>LIABILITIES</b>		
Accounts payable	23,578	\$ -
Due to developers	-	281,629
Due to other governments	-	206,380
Total liabilities	<u>23,578</u>	<u>\$ 488,009</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 39,294,517</u>	

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, 2019

---

**ADDITIONS**

Contributions	
Employer	\$ 2,321,235
Employee	526,364
Other	<u>42,872</u>
Total contributions	<u>2,890,471</u>
Investment income	
Net appreciation in fair value of investments	1,177,560
Interest	<u>1,479,835</u>
Total investment income	2,657,395
Less investment expenses	<u>(101,519)</u>
Net investment income	<u>2,555,876</u>
Total additions	<u>5,446,347</u>

**DEDUCTIONS**

Benefits and refunds	2,835,267
Administrative expenses	<u>74,875</u>
Total deductions	<u>2,910,142</u>

NET INCREASE 2,536,205

**NET POSITION RESTRICTED  
FOR PENSIONS**

May 1	<u>36,758,312</u>
April 30	<u>\$ 39,294,517</u>

See accompanying notes to financial statements.

# CITY OF BELVIDERE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2019

---

### 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 Escrow Funds as an agency 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 2018 are levied in December 2018 and attach as an enforceable lien on the property on January 1, 2018. Tax bills are prepared by the County and issued on or about May 1, 2019 and August 1, 2019 and are due and collectible on or about June 1, 2019 and September 1, 2019. The County collects the taxes and remits them periodically to the City. Those 2018 taxes are intended to finance the 2020 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2019 tax levy has not been recorded as a receivable at April 30, 2019, as the tax attached as a lien on property as of January 1, 2019; however, the tax will not be levied until December 2019 and, accordingly, is not measurable at April 30, 2019.

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

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

---

**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. 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, 2019, 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 GAAP 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 GAAP. 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, The 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 fair 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, 2019, the City’s deposits with financial institutions were covered by either FDIC or pledged collateral held by an independent third party in the City’s name.

Investments

As of April 30, 2019, 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	\$ 6,008	\$ -	\$ 6,008	\$ -	\$ -
TOTAL	\$ 6,008	\$ -	\$ 6,008	\$ -	\$ -

**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, 2019: 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, 2019, 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, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 523,664	\$ -	\$ -	\$ 523,664
Construction in progress	74,736	171,456	47,257	198,935
Total capital assets not being depreciated	598,400	171,456	47,257	722,599
Capital assets being depreciated				
Land improvements	56,551	-	-	56,551
Infrastructure	37,572,609	728,163	-	38,300,772
Building and improvements	2,474,135	715,408	57,101	3,132,442
Equipment	2,417,371	259,271	29,048	2,647,594
Vehicles	4,375,605	134,167	-	4,509,772
Total capital assets being depreciated	46,896,271	1,837,009	86,149	48,647,131

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

**3. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>(Continued)</b>				
Less accumulated depreciation for				
Land improvements	\$ 14,645	\$ 1,578	\$ -	\$ 16,223
Infrastructure	17,648,164	1,915,039	-	19,563,203
Building and improvements	1,336,669	114,426	39,971	1,411,124
Equipment	1,879,061	126,872	28,048	1,977,885
Vehicles	2,576,592	258,566	-	2,835,158
Total accumulated depreciation	<u>23,455,131</u>	<u>2,416,481</u>	<u>68,019</u>	<u>25,803,593</u>
Total capital assets being depreciated, net	<u>23,441,140</u>	<u>(579,472)</u>	<u>18,130</u>	<u>22,843,538</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 24,039,540</u>	<u>\$ (408,016)</u>	<u>\$ 65,387</u>	<u>\$ 23,566,137</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>		
General government		\$ 108,741
Public safety		290,273
Highways and streets		<u>2,017,467</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>		<u><b>\$ 2,416,481</b></u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 696,551	\$ -	\$ -	\$ 696,551
Construction in progress	2,379,111	1,072,653	2,795,247	656,517
Total capital assets not being depreciated	<u>3,075,662</u>	<u>1,072,653</u>	<u>2,795,247</u>	<u>1,353,068</u>
Capital assets being depreciated				
Building and structures	3,174,607	-	-	3,174,607
Equipment	5,426,467	1,312,184	-	6,738,651
Furniture and fixtures	162,225	-	-	162,225
Vehicles	717,211	103,817	-	821,028
Water transmission system	18,603,999	-	-	18,603,999
Sewer collection system	41,313,744	1,706,078	-	43,019,822
Total capital assets being depreciated	<u>69,398,253</u>	<u>3,122,079</u>	<u>-</u>	<u>72,520,332</u>

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

**3. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
(Continued)				
Less accumulated depreciation for				
Building and structures	\$ 2,167,079	\$ 28,746	\$ -	\$ 2,195,825
Equipment	3,567,933	429,380	-	3,997,313
Furniture and fixtures	162,225	-	-	162,225
Vehicles	667,008	17,762	-	684,770
Water transmission system	7,279,358	276,230	-	7,555,588
Sewer collection system	18,420,471	939,034	-	19,359,505
Total accumulated depreciation	<u>32,264,074</u>	<u>1,691,152</u>	<u>-</u>	<u>33,955,226</u>
 Total capital assets being depreciated, net	 <u>37,134,179</u>	 <u>1,430,927</u>	 <u>-</u>	 <u>38,565,106</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 40,209,841</u>	<u>\$ 2,503,580</u>	<u>\$ 2,795,247</u>	<u>\$ 39,918,174</u>

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

<b>BUSINESS-TYPE ACTIVITIES</b>	
Water and Sewer	<u>\$ 1,691,152</u>

**4. LONG-TERM DEBT**

a. Long-Term Debt - Governmental Activities

Long-term liability activity for governmental activities for the year ended April 30, 2019 was as follows:

	May 1, Restated	Additions	Reductions/ Refundings	April 30	Current Portion
<b>GOVERNMENTAL</b>					
<b>ACTIVITIES</b>					
Debt certificates payable**	\$ 485,098	\$ -	\$ 55,000	\$ 430,098	\$ 55,000
Tax increment note payable***	3,036,000	-	-	3,036,000	-
Capital lease**	319,730	-	60,823	258,907	62,346
Landfill post closure liability*	455,000	-	50,000	405,000	50,000
Net pension liability - IMRF*	144,132	1,258,184	-	1,402,316	-
Net pension liability - SLEP*	-	178,335	-	178,335	-
Net pension liability - Police*	13,594,736	326,657	-	13,921,393	-
Net pension liability - Fire *	11,478,405	487,381	-	11,965,786	-
Compensated absences*	130,836	59,070	26,167	163,739	32,748
Other postemployment benefit liability*	<u>6,391,111</u>	<u>436,490</u>	<u>-</u>	<u>6,827,601</u>	<u>245,917</u>
 <b>TOTAL GOVERNMENTAL</b>					
<b>ACTIVITIES</b>	 <u>\$ 36,035,048</u>	 <u>\$ 2,746,117</u>	 <u>\$ 191,990</u>	 <u>\$ 38,589,175</u>	 <u>\$ 446,011</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.

Long-term liabilities payable from governmental activities (excluding net pension liabilities, other postemployment benefit liability, and compensated absences) at April 30, 2019 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.	\$ 430,098	\$ 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.	405,000	50,000
Fire Truck Capital Lease, dated December 21, 2016, due in annual installments plus interest of 2.475% through June 1, 2022.	258,907	62,346
<b>TOTAL</b>	<b>\$ 4,130,005</b>	<b>\$ 167,346</b>

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, 2019 are as follows:

Year Ending April 30,	Governmental Activities					
	Capital Lease			Debt Certificates		
	Principal	Interest	Total	Principal	Interest	Total
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
2027	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 258,907</b>	<b>\$ 16,405</b>	<b>\$ 275,312</b>	<b>\$ 430,098</b>	<b>\$ 22,481</b>	<b>\$ 452,579</b>

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	\$ 21,943	\$ 7,480	34.09%



**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 \$405,000.

b. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2019 was as follows:

	May 1, Restated	Additions	Reductions	April 30	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Waterworks and Sewerage refunding revenue bonds	\$ 660,000	\$ -	\$ 400,000	\$ 260,000	\$ 260,000
IEPA revolving loan	1,636,514	-	103,619	1,532,895	104,917
Net pension liability - IMRF	152,833	1,282,175	-	1,435,008	-
Other postemployment benefit liability	1,281,616	87,530	-	1,369,146	49,314
Compensated absences	82,695	28,448	16,539	94,604	18,921
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 3,813,658</b>	<b>\$ 1,398,153</b>	<b>\$ 520,158</b>	<b>\$ 4,691,653</b>	<b>\$ 433,152</b>

**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, 2019 comprise the following:

Issue	Total	Current Portion
<b>Revenue Bonds</b>		
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.	\$ 260,000	\$ 260,000
<b>IEPA Loan</b>		
IEPA loan payable; due in semiannual installments of \$61,876, including interest at 1.25% through May 1, 2032.	1,532,895	104,917
<b>TOTAL</b>	<b>\$ 1,792,895</b>	<b>\$ 364,917</b>

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, 2019 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
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	-	-	-
2025	111,662	12,090	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
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	-	-	-
<b>TOTAL</b>	<b>\$ 1,532,895</b>	<b>\$ 137,750</b>	<b>\$ 1,670,645</b>	<b>\$ 260,000</b>	<b>\$ 6,240</b>	<b>\$ 266,240</b>

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, 2019 was \$66,560.

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	Gross revenues of the Waterworks and Sewerage System	\$ 266,240	February 1, 2020	\$ 5,711,442	\$ 413,840	7.25%

**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	<u>\$ 15,267</u>

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

- \$15,267 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, 2019 were as follows:

	Transfers In	Transfers Out
General	\$ -	\$ 934,776
Nonmajor Governmental		
Capital Projects Fund	1,132,358	-
Police Restricted	275,533	-
Water Sewer Fund	-	473,115
TOTAL	<u>\$ 1,407,891</u>	<u>\$ 1,407,891</u>

The purpose of significant transfers is as follows:

- \$659,243 transferred to the Capital Projects Fund from the General Fund to fund capital projects. This transfer will not be repaid.
- \$473,115 transferred to the Capital Projects Fund from the Water Sewer Fund to fund capital projects. This transfer will not be repaid.
- \$275,533 transferred from the General Fund to the Police Restricted Fund to record the activity in a separate fund. 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. For certain disabled public safety employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime.

c. Membership

At April 30, 2019, membership consisted of:

Retirees and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>116</u>
<b>TOTAL</b>	<b><u><u>146</u></u></b>

d. Total OPEB Liability

The City's total OPEB liability of \$8,196,747 was measured as of April 30, 2019 and was determined by an actuarial valuation as of April 30, 2018.

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

---

**8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2019, as determined by an actuarial valuation as of May 1, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to April 30, 2019, including updating the discount rate at April 30, 2019, as noted below.

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Salary Increases	3.50%
Discount rate	3.79%
Healthcare cost trend rates	7.75% Initial to 5.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2018	<u>\$ 7,672,727</u>
Changes for the period	
Service cost	373,427
Interest	298,747
Assumption changes	147,077
Benefit payments	<u>(295,231)</u>
Net changes	<u>524,020</u>
BALANCES AT APRIL 30, 2019	<u>\$ 8,196,747</u>

Changes in assumptions related to the discount rate were made since the prior measurement date.

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

**8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.79% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.79%) or 1 percentage point higher (4.79%) than the current rate:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB liability	\$ 9,263,486	\$ 8,196,747	\$ 7,274,322

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 7.75% to 5.00% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.75% to 4.00%) or 1 percentage point higher (8.75% to 6.00%) than the current rate:

	1% Decrease (6.75% to 4.00%)	Current Healthcare Rate (7.75% to 5.00%)	1% Increase (8.75% to 6.00%)
Total OPEB liability	\$ 7,175,397	\$ 8,196,747	\$ 9,414,375

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the City recognized OPEB expense of \$686.594. At April 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	132.657	-
<b>TOTAL</b>	<b>\$ 132.657</b>	<b>\$ -</b>



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

---

**8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending April 30	
2020	\$ 14,420
2021	14,420
2022	14,420
2023	14,420
2024	14,420
Thereafter	<u>60,557</u>
<b>TOTAL</b>	<b><u>\$ 132,657</u></b>

**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.

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.

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

---

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund - City and SLEP (Continued)

b. Plan Membership

At December 31, 2018, the measurement date, IMRF membership consisted of:

	<u>IMRF - City</u>	<u>SLEP</u>
Inactive employees or their beneficiaries currently receiving benefits	64	-
Inactive employees entitled to but not yet receiving benefits	29	-
Active employees	<u>61</u>	<u>1</u>
 TOTAL	 <u>154</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.

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

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund - City and SLEP (Continued)

c. Benefits Provided (Continued)

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, 2017 and 2018 was 12.34% and 9.63%, respectfully, of covered payroll. The employer contribution for SLEP for the years ended December 31, 2017 and 2018 was 15.99% and 13.14%, respectfully, of covered payroll.

**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, 2018 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, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
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, 2018 was 7.25%. 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, 2018 was 7.25%. 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, 2018	\$ 21,574,776	\$ 21,221,897	\$ 352,879
Changes for the period			
Service cost	320,080	-	320,080
Interest	1,588,927	-	1,588,927
Difference between expected and actual experience	(55,841)	-	(55,841)
Changes in assumptions	621,248	-	621,248
Employer contributions	-	410,245	(410,245)
Employee contributions	-	149,602	(149,602)
Net investment income	-	(1,173,375)	1,173,375
Benefit payments and refunds	(1,098,234)	(1,098,234)	-
Other (net transfer)	-	252,176	(252,176)
Net changes	1,376,180	(1,459,586)	2,835,766
BALANCES AT DECEMBER 31, 2018	\$ 22,950,956	\$ 19,762,311	\$ 3,188,645

Changes in assumptions related to the discount rate 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, 2018	\$ 637,398	\$ 667,483	\$ (30,085)
Changes for the period			
Service cost	18,954	-	18,954
Interest	46,638	-	46,638
Difference between expected and actual experience	161,267	-	161,267
Changes in assumptions	19,252	-	19,252
Employer contributions	-	3,783	(3,783)
Employee contributions	-	1,774	(1,774)
Net investment income	-	(31,887)	31,887
Benefit payments and refunds	(50,069)	(50,069)	-
Other (net transfer)	-	64,021	(64,021)
Net changes	196,042	(12,378)	208,420
BALANCES AT DECEMBER 31, 2018	\$ 833,440	\$ 655,105	\$ 178,335

Changes in assumptions related to the discount rate were made since the prior measurement date.

Total net pension liability for the City's IMRF and SLEP plans is \$3,366,980 and is reported in the basic financial statements as follows:

Governmental activities - City	\$ 1,402,316
Governmental activities - SLEP	178,335
Business-type activities/Enterprise Fund	1,435,008
Discretely presented component unit/IDA Public Library	<u>351,321</u>
TOTAL	<u>\$ 3,366,980</u>

**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, 2019, the City recognized pension expense of \$151,421.

At April 30, 2019, 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	\$ 35,673	\$ 240,280
Changes in assumption	467,480	390,008
Net difference between projected and actual earnings on pension plan investments	1,317,609	-
Contributions made after measurement date	100,354	-
<b>TOTAL</b>	<b>\$ 1,921,116</b>	<b>\$ 630,288</b>

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

\$100,354 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, 2020. 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,	
2020	\$ 237,095
2021	141,192
2022	261,331
2023	550,856
2024	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 1,190,474</b>

**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

For the year ended April 30, 2019, the City recognized pension expense of \$(1,488).

At April 30, 2019, 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	\$ 106,148	\$ 21,877
Changes in assumption	12,672	7,244
Net difference between projected and actual earnings on pension plan investments	50,882	-
Contributions made after measurement date	107	-
<b>TOTAL</b>	<b>\$ 169,809</b>	<b>\$ 29,121</b>

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

\$107 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, 2020. 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>	
2020	\$ 54,951
2021	60,316
2022	8,778
2023	16,536
2024	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 140,581</b>



**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 and SLEP plan is \$1,431,516 and is reported in the basic financial statements as follows:

Governmental activities - City	\$ 568,735
Governmental activities - SLEP	140,688
Business-type activities/Enterprise Fund	581,489
Discretely presented component unit/IDA Public Library	<u>140,604</u>
<b>TOTAL</b>	<b><u>\$ 1,431,516</u></b>

i. Discount Rate Sensitivity

Illinois Municipal Retirement Fund - City

The following is a sensitive analysis of the net pension liability - City to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 5,985,251	\$ 3,188,645	\$ 865,251

SLEP

The following is a sensitive analysis of the net pension liability - SLEP to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 263,690	\$ 178,335	\$ 105,687

**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, 2019, 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 1<sup>st</sup> 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 proceeding 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, 2019, the City's contribution was 36.97% 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, 2019.

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, 2019 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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.15%. 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, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 3,906,974	\$ 650,598	\$ 1,561,175	\$ 1,695,201	\$ -
U.S. Treasury securities	724,655	324,852	399,803	-	-
Negotiable CDs	248,001	-	248,001	-	-
Mortgage-backed securities	1,824	-	-	1,824	-
Municipal bonds	262,429	100,190	162,239	-	-
Corporate bonds	3,530,040	100,641	2,698,837	730,562	-
<b>TOTAL</b>	<b>\$ 8,673,923</b>	<b>\$ 1,176,281</b>	<b>\$ 5,070,055</b>	<b>\$ 2,427,587</b>	<b>\$ -</b>

**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, 2019, 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). The annuity insurance contracts are valued using information provided directly from the insurance companies (Level 3 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 and negotiable certificates of deposit 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, 2018	\$ 34,822,248	\$ 21,227,512	\$ 13,594,736
Changes for the period			
Service cost	770,645	-	770,645
Interest	2,386,069	-	2,386,069
Difference between expected and actual experience	239,788	-	239,788
Employer contributions	-	1,250,966	(1,250,966)
Employee contributions	-	331,743	(331,743)
Net investment income	-	1,522,124	(1,522,124)
Benefit payments and refunds	(1,471,094)	(1,471,094)	-
Administrative expense	-	(34,988)	34,988
Net changes	1,925,408	1,598,751	326,657
BALANCES AT APRIL 30, 2019	\$ 36,747,656	\$ 22,826,263	\$ 13,921,393

**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, 2019
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 RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.

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	\$ 19,639,679	\$ 13,921,393	\$ 9,306,597



**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, 2019, the City recognized pension expense of \$1,487,890. At April 30, 2019, 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	\$ 693,470	\$ 699,790
Changes in assumptions	-	862,116
Net difference between projected and actual earnings on pension plan investments	335,849	-
<b>TOTAL</b>	<b>\$ 1,029,319</b>	<b>\$ 1,561,906</b>

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,	
2020	\$ 116,539
2021	(175,730)
2022	(187,388)
2023	(203,076)
2024	(78,414)
Thereafter	(4,518)
<b>TOTAL</b>	<b>\$ (532,587)</b>

**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, 2019, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	29
 TOTAL	 65

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 1<sup>st</sup> 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, 2019, the City's contribution was 51.50% 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, 2019.

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%	6.70%
Small cap domestic equity	0%-40%	11.00%	8.50%
International equity	0%-20%	5.50%	6.50%
Fixed income	40%-50%	45.00%	1.70%

The long-term expected real rates of return are net of a 2.70% 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, 2019 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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.65%. 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, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 638,185	\$ -	\$ 442,869	\$ 195,316	\$ -
U.S. agency obligations	3,247,426	-	707,202	2,540,224	-
Municipal bonds	735,482	50,061	406,762	278,659	-
Corporate bonds	1,005,964	-	482,992	522,972	-
Asset-backed securities	48,723	-	-	2,283	46,440
<b>TOTAL</b>	<b>\$ 5,675,780</b>	<b>\$ 50,061</b>	<b>\$ 2,039,825</b>	<b>\$ 3,539,454</b>	<b>\$ 46,440</b>

The Fund has the following recurring fair value measurements as of April 30, 2019, 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). The annuity insurance contracts are valued using information provided directly from the insurance companies (Level 3 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 A+ 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, 2018	\$ 27,009,205	\$ 15,530,800	\$ 11,478,405
Changes for the period			
Service cost	544,208	-	544,208
Interest	1,842,898	-	1,842,898
Difference between expected and actual experience	416,680	-	416,680
Changes in assumptions	(14,778)	-	(14,778)
Employer contributions	-	1,070,269	(1,070,269)
Employee contributions	-	194,621	(194,621)
Contributions - other	-	42,872	(42,872)
Net investment income	-	1,033,752	(1,033,752)
Benefit payments and refunds	(1,364,173)	(1,364,173)	-
Administrative expense	-	(39,887)	39,887
Net changes	1,424,835	937,454	487,381
BALANCES AT APRIL 30, 2019	\$ 28,434,040	\$ 16,468,254	\$ 11,965,786

There was a change with respect to actuarial assumptions from the prior year. The total payroll increase assumption was changed 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, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	2.50% to 10.81%
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 RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.

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	\$ 15,917,054	\$ 11,965,786	\$ 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, 2019, the City recognized pension expense of \$1,426,799. At April 30, 2019, 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	\$ 607,398	\$ 389,614
Changes in assumption	443,682	100,167
Net difference between projected and actual earnings on pension plan investments	105,787	-
<b>TOTAL</b>	<b>\$ 1,156,867</b>	<b>\$ 489,781</b>

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>	
2020	\$ 321,083
2021	70,084
2022	138,333
2023	57,186
2024	19,847
Thereafter	60,553
<b>TOTAL</b>	<b>\$ 667,086</b>

**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
<b>ASSETS</b>			
Cash and short-term investments	\$ 9,060	\$ 51,037	\$ 60,097
Investments at fair value			
U.S. Treasury obligations	724,655	638,185	1,362,840
U.S. agency obligations	3,906,974	3,247,426	7,154,400
Municipal bonds	262,429	735,482	997,911
Corporate bonds	3,530,040	1,005,964	4,536,004
Mortgage-backed securities	1,824	48,723	50,547
Negotiable certificate of deposit	248,001	-	248,001
Equities	1,755,636	-	1,755,636
Mutual funds	11,681,907	9,417,121	21,099,028
Money market mutual funds	275,260	115,453	390,713
Insurance contracts	358,538	1,164,880	1,523,418
Accrued interest receivable	90,936	45,380	136,316
Prepaid items	530	2,654	3,184
	<u>22,845,790</u>	<u>16,472,305</u>	<u>39,318,095</u>
<b>LIABILITIES</b>			
Accounts payable	<u>19,527</u>	<u>4,051</u>	<u>23,578</u>
	<u>19,527</u>	<u>4,051</u>	<u>23,578</u>
<b>NET POSITION RESTRICTED FOR PENSION</b>			
	<u>\$ 22,826,263</u>	<u>\$ 16,468,254</u>	<u>\$ 39,294,517</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
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,250,966	\$ 1,070,269	\$ 2,321,235
Employee	331,743	194,621	526,364
Other	-	42,872	42,872
Total contributions	<u>1,582,709</u>	<u>1,307,762</u>	<u>2,890,471</u>
Investment income			
Net appreciation in fair value investments	729,210	448,350	1,177,560
Interest	857,600	622,235	1,479,835
Total investment income	<u>1,586,810</u>	<u>1,070,585</u>	<u>2,657,395</u>
Less investment expense	<u>(64,686)</u>	<u>(36,833)</u>	<u>(101,519)</u>
Net investment income	<u>1,522,124</u>	<u>1,033,752</u>	<u>2,555,876</u>
Total additions	<u>3,104,833</u>	<u>2,341,514</u>	<u>5,446,347</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,471,094	1,364,173	2,835,267
Administrative expenses	34,988	39,887	74,875
Total deductions	<u>1,506,082</u>	<u>1,404,060</u>	<u>2,910,142</u>
NET INCREASE	1,598,751	937,454	2,536,205
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	<u>21,227,512</u>	<u>15,530,800</u>	<u>36,758,312</u>
April 30	<u>\$ 22,826,263</u>	<u>\$ 16,468,254</u>	<u>\$ 39,294,517</u>

**10. DISCRETELY PRESENTED COMPONENT UNIT - IDA PUBLIC LIBRARY**

The IDA Public Library (the Library) maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on 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, \$295,805 was exposed to custodial credit risk.

b. Investments

As of April 30, 2019, 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	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 6,020</b>	<b>\$ -</b>	<b>\$ 6,020</b>	<b>\$ -</b>	<b>\$ -</b>

The Library has the following recurring fair value measurements as of April 30, 2019, 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 \$138,545 at April 30, 2019 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 2018 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, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 290,999	\$ -	\$ -	\$ 290,999
Capital assets being depreciated				
Improvements	8,697	-	-	8,697
Buildings	1,702,637	-	-	1,702,637
Equipment	48,672	-	-	48,672
Total capital assets being depreciated	<u>1,760,006</u>	-	-	<u>1,760,006</u>
Less accumulated depreciation for				
Land improvements	8,697	-	-	8,697
Buildings	1,093,798	38,913	-	1,132,711
Equipment	44,817	3,855	-	48,672
Total accumulated depreciation	<u>1,147,312</u>	<u>42,768</u>	-	<u>1,190,080</u>
Total capital assets being depreciated, net	<u>612,694</u>	<u>(42,768)</u>	-	<u>569,926</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 903,693</u>	<u>\$ (42,768)</u>	<u>\$ -</u>	<u>\$ 860,925</u>

**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, 2019. 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, Restated	Additions	Reductions	April 30	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Mortgage notes payable	\$ 316,400	\$ -	\$ 15,914	\$ 300,486	\$ 16,773
Compensated absences	12,371	5,054	2,474	14,951	2,990
Net pension liability - IMRF	55,914	295,407	-	351,321	-
Other postemployment benefit liability	150,148	8,989	-	159,137	5,752
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 534,833</b>	<b>\$ 309,450</b>	<b>\$ 18,388</b>	<b>\$ 825,895</b>	<b>\$ 25,515</b>

f. Debt Service Requirements to Maturity

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

Year Ending	Principal	Interest
2020	\$ 16,773	\$ 16,912
2021	98,327	15,908
2022	76,760	6,280
2023	108,626	1,812
<b>TOTAL</b>	<b>\$ 300,486</b>	<b>\$ 40,912</b>

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

g. Other Postemployment Benefits

Plan Description

In addition to providing the pension benefits described, the Library 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 Library and can be amended by the Library 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.

Benefits Provided

The Library 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 Library's retirement plans. Elected officials are not eligible for benefits. The Library pays for net single coverage for most retirees.

All health care benefits are provided through the Library'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 Library's plan becomes secondary.

Membership

At April 30, 2019, membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	4
	<hr/>
TOTAL	4
	<hr/>



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

---

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

g. Other Postemployment Benefits (Continued)

Total OPEB Liability

The Library's total OPEB liability of \$159,137 was measured as of April 30, 2019 and was determined by an actuarial valuation as of April 30, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2019, as determined by an actuarial valuation as of May 1, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to April 30, 2019, including updating the discount rate at April 30, 2019, as noted below.

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Salary increases	3.50%
Discount rate	3.79%
Healthcare cost trend rates	7.75% Initial to 5.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

g. Other Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2018	<u>\$ 150,148</u>
Changes for the period	
Service cost	6,242
Interest	5,847
Assumption changes	2,652
Benefit payments	<u>(5,752)</u>
Net changes	<u>8,989</u>
BALANCES AT APRIL 30, 2019	<u><u>\$ 159,137</u></u>

Changes in assumptions related to the discount rate were made since the prior measurement date.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 3.79% as well as what the Library total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.79%) or 1 percentage point higher (4.79%) than the current rate:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB liability	\$ 178,371	\$ 159,137	\$ 142,216

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

---

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

g. Other Postemployment Benefits (Continued)

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 7.75% to 5.00% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.75% to 4.00%) or 1 percentage point higher (8.75% to 6.00%) than the current rate:

	1% Decrease (6.75% to 4.00%)	Current Healthcare Rate (7.75% to 5.00%)	1% Increase (8.75% to 6.00%)
Total OPEB liability	\$ 140,333	\$ 159,137	\$ 181,822

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Library recognized OPEB expense of \$11,572. At April 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	2,449	-
<b>TOTAL</b>	<b>\$ 2,449</b>	<b>\$ -</b>

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

---

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

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending April 30,</u>	
2020	\$ 203
2021	203
2022	203
2023	203
2024	203
Thereafter	<u>1,434</u>
<b>TOTAL</b>	<b><u>\$ 2,449</u></b>

**11. CHANGE IN ACCOUNTING PRINCIPLE**

The City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended April 30, 2019. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes presented in the notes to financial statements, and to the required supplementary information. The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

Governmental Activities

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ (814,211)</u>
Change in accounting principle	
To write-off the City NOPEBO obligation	3,061,591
To record the City OPEB liability	<u>(6,391,111)</u>
Total change in accounting principle	<u>(3,329,520)</u>
BEGINNING NET POSITION, RESTATED	<u><u>\$ (4,143,731)</u></u>

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

---

**11. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

Business-type Activities

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 45,038,276
Change in accounting principle	
To record the City OPEB liability	<u>(1,281,616)</u>
Total change in accounting principle	<u>(1,281,616)</u>
BEGINNING NET POSITION, RESTATED	<u><u>\$ 43,756,660</u></u>

Discretely Presented Component Unit

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 909,955
Change in accounting principle	
To write-off the Library NOPEBO obligation	69,092
To record the Library OPEB liability	<u>(150,148)</u>
Total change in accounting principle	<u>(81,056)</u>
BEGINNING NET POSITION, RESTATED	<u><u>\$ 828,899</u></u>

With the implementation of GASB Statement No. 75, the City is required to retroactively record the OPEB liability and write-off any previously recorded net OPEB obligations.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BELVIDERE, ILLINOIS**

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

Last Four Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 434,831	\$ 463,542	\$ 430,485	\$ 388,534
Contributions in relation to the actuarially determined contribution	434,831	463,542	430,485	388,534
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,986,664	\$ 3,101,404	\$ 3,177,606	\$ 3,377,434
Contributions as a percentage of covered payroll	14.56%	14.95%	13.55%	11.50%

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 25 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 3.75% 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 - SLEP**

Last Four Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 18,619	\$ 19,277	\$ 17,757	\$ 107
Contributions in relation to the actuarially determined contribution	18,619	19,277	17,757	107
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 102,873	\$ 103,686	\$ 96,858	\$ -
Contributions as a percentage of covered payroll	18.10%	18.59%	18.33%	0.00%

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 25 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 3.75% 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 Five Fiscal Years

---

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 1,007,631	\$ 1,072,241	\$ 1,089,027	\$ 1,150,677	\$ 1,246,427
Contribution in relation to the actuarially determined contribution	1,011,718	1,079,608	1,092,429	1,152,636	1,250,966
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (4,087)</b>	<b>\$ (7,367)</b>	<b>\$ (3,402)</b>	<b>\$ (1,959)</b>	<b>\$ (4,539)</b>
Covered payroll	\$ 2,932,915	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984	\$ 3,383,915
Contributions as a percentage of covered payroll	34.50%	29.92%	29.43%	30.08%	36.97%

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 23 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 Five Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 781,938	\$ 775,947	\$ 861,063	\$ 1,032,926	\$ 1,065,291
Contribution in relation to the actuarially determined contribution	786,258	783,447	864,148	1,035,510	1,070,269
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (4,320)</b>	<b>\$ (7,500)</b>	<b>\$ (3,085)</b>	<b>\$ (2,584)</b>	<b>\$ (4,978)</b>
Covered payroll	\$ 1,871,647	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336	\$ 2,077,740
Contributions as a percentage of covered payroll	42.01%	35.58%	39.26%	45.57%	51.51%

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 23 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 4.25% to 10.00% 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 CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR

Last Four Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 333,951	\$ 346,118	\$ 344,572	\$ 320,080
Interest	1,525,504	1,572,488	1,579,309	1,588,927
Differences between expected and actual experience	(129,658)	(667,839)	67,547	(55,841)
Changes of assumptions	50,861	(103,106)	(683,393)	621,248
Benefit payments, including refunds of member contributions	(1,104,619)	(1,099,880)	(1,236,855)	(1,098,234)
Net change in total pension liability	676,039	47,781	71,180	1,376,180
Total pension liability - beginning	20,779,776	21,455,815	21,503,596	21,574,776
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 21,455,815</b>	<b>\$ 21,503,596</b>	<b>\$ 21,574,776</b>	<b>\$ 22,950,956</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 448,219	\$ 452,185	\$ 413,418	\$ 410,245
Contributions - member	138,625	139,563	140,724	149,602
Net investment income	89,709	1,259,537	3,322,307	(1,173,375)
Benefit payments, including refunds of member contributions	(1,104,619)	(1,099,880)	(1,236,855)	(1,098,234)
Other	296,584	(71,807)	(166,593)	252,176
Net change in plan fiduciary net position	(131,482)	679,598	2,473,001	(1,459,586)
Plan fiduciary net position - beginning	18,200,780	18,069,298	18,748,896	21,221,897
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 18,069,298</b>	<b>\$ 18,748,896</b>	<b>\$ 21,221,897</b>	<b>\$ 19,762,311</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 3,386,517</b>	<b>\$ 2,754,700</b>	<b>\$ 352,879</b>	<b>\$ 3,188,645</b>
Plan fiduciary net position as a percentage of the total pension liability	84.20%	87.20%	98.40%	86.10%
Covered payroll	\$ 2,986,664	\$ 3,101,404	\$ 3,127,220	\$ 3,324,512
Employer's net pension liability as a percentage of covered payroll	113.40%	88.80%	11.30%	95.90%

Notes to Required Supplementary Information

2018: Changes in assumptions related to the discount rate were made since the prior measurement date.

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 - SLEP

Last Four Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 19,739	\$ 19,843	\$ 19,142	\$ 18,954
Interest	41,167	45,912	46,711	46,638
Differences between expected and actual experience	4,739	(57,413)	(29,744)	161,267
Changes of assumptions	9,797	(13,244)	(11,953)	19,252
Benefit payments, including refunds of member contributions	-	-	-	(50,069)
Net change in total pension liability	75,442	(4,902)	24,156	196,042
Total pension liability - beginning	542,702	618,144	613,242	637,398
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 618,144</b>	<b>\$ 613,242</b>	<b>\$ 637,398</b>	<b>\$ 833,440</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 18,857	\$ 18,932	\$ 20,068	\$ 3,783
Contributions - member	7,866	7,730	7,884	1,774
Net investment income	2,536	35,599	81,766	(31,887)
Benefit payments, including refunds of member contributions	-	-	-	(50,069)
Other	(24,973)	(106)	(2,437)	64,021
Net change in plan fiduciary net position	4,286	62,155	107,281	(12,378)
Plan fiduciary net position - beginning	493,761	498,047	560,202	667,483
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 498,047</b>	<b>\$ 560,202</b>	<b>\$ 667,483</b>	<b>\$ 655,105</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>				
Plan fiduciary net position as a percentage of the total pension liability	80.60%	91.40%	104.70%	78.60%
Covered payroll	\$ 104,881	\$ 103,060	\$ 105,121	\$ 23,653
Employer's net pension liability as a percentage of covered payroll	114.50%	51.50%	(28.60%)	754.00%

Notes to Required Supplementary Information

2018: Changes in assumptions related to the discount rate were made since the prior measurement date.

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  
POLICE PENSION FUND

Last Four Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 636,905	\$ 691,067	\$ 720,229	\$ 770,645
Interest	2,197,905	2,195,513	2,305,373	2,386,069
Differences between expected and actual experience	(1,063,512)	743,564	(184,562)	239,788
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)	(1,471,094)
Net change in total pension liability	61,270	1,649,684	1,137,053	1,925,408
Total pension liability - beginning	31,974,241	32,035,511	33,685,195	34,822,248
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 32,035,511</b>	<b>\$ 33,685,195</b>	<b>\$ 34,822,248</b>	<b>\$ 36,747,656</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 1,079,609	\$ 1,092,429	\$ 1,152,636	\$ 1,250,966
Contributions - member	291,901	295,545	310,449	331,743
Contributions - other	-	60,493	-	-
Net investment income	(151,962)	1,249,839	1,317,562	1,522,124
Benefit payments, including refunds of member contributions	(1,151,208)	(1,342,076)	(1,502,599)	(1,471,094)
Administrative expense	(29,572)	(28,411)	(27,020)	(34,988)
Net change in plan fiduciary net position	38,768	1,327,819	1,251,028	1,598,751
Plan fiduciary net position - beginning	18,609,897	18,648,665	19,976,484	21,227,512
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 18,648,665</b>	<b>\$ 19,976,484</b>	<b>\$ 21,227,512</b>	<b>\$ 22,826,263</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 13,386,846</b>	<b>\$ 13,708,711</b>	<b>\$ 13,594,736</b>	<b>\$ 13,921,393</b>
Plan fiduciary net position as a percentage of the total pension liability	58.20%	59.30%	61.00%	62.10%
Covered payroll	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984	\$ 3,383,915
Employer's net pension liability as a percentage of covered payroll	371.00%	369.40%	354.80%	411.40%

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 Four Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 477,887	\$ 498,539	\$ 508,606	\$ 544,208
Interest	1,602,246	1,747,535	1,787,737	1,842,898
Differences between expected and actual experience	540,219	(591,688)	(61,697)	416,680
Changes to actuarial assumptions*	705,653	203,038	(121,354)	(14,778)
Benefit payments, including refunds of member contributions	(1,221,018)	(1,279,880)	(1,286,360)	(1,364,173)
Net change in total pension liability	2,104,987	577,544	826,932	1,424,835
Total pension liability - beginning	23,499,742	25,604,729	26,182,273	27,009,205
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 25,604,729</b>	<b>\$ 26,182,273</b>	<b>\$ 27,009,205</b>	<b>\$ 28,434,040</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 783,447	\$ 864,148	\$ 1,035,510	\$ 1,070,269
Contributions - member	175,173	178,195	191,818	194,621
Contributions - other	-	-	-	42,872
Net investment income	(278,241)	1,278,591	1,095,097	1,033,752
Benefit payments, including refunds of member contributions	(1,221,018)	(1,279,880)	(1,286,360)	(1,364,173)
Administrative expense	(33,155)	(37,289)	(36,932)	(39,887)
Net change in plan fiduciary net position	(573,794)	1,003,765	999,133	937,454
Plan fiduciary net position - beginning	14,101,696	13,527,902	14,531,667	15,530,800
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 13,527,902</b>	<b>\$ 14,531,667</b>	<b>\$ 15,530,800</b>	<b>\$ 16,468,254</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,076,827</b>	<b>\$ 11,650,606</b>	<b>\$ 11,478,405</b>	<b>\$ 11,965,786</b>
Plan fiduciary net position as a percentage of the total pension liability	52.80%	55.50%	57.50%	57.90%
Covered payroll	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336	\$ 2,077,740
Employer's net pension liability as a percentage of covered payroll	548.40%	529.40%	505.10%	575.90%

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 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.

\*2019: 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 3.97% to 3.79% for the current year. The total payroll increase assumption was also changed 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  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

---

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>
<b>TOTAL OPEB LIABILITY</b>	
Service cost	\$ 373,427
Interest	298,747
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	147,077
Benefit payments	<u>(295,231)</u>
Net change in total OPEB liability	524,020
Total OPEB liability - beginning	<u>7,672,727</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u><u>\$ 8,196,747</u></u></b>
Covered payroll	\$ 8,341,323
Employer's total OPEB liability as a percentage of covered payroll	98.27%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumptions related to the discount rate were made in 2019.

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  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
IDA PUBLIC LIBRARY OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

---

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>
<b>TOTAL OPEB LIABILITY</b>	
Service cost	\$ 6,242
Interest	5,847
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	2,652
Benefit payments	<u>(5,752)</u>
Net change in total OPEB liability	8,989
Total OPEB liability - beginning	<u>150,148</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u><u>\$ 159,137</u></u>
Covered payroll	\$ 125,479
Employer's total OPEB liability as a percentage of covered payroll	126.82%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumptions related to the discount rate were made in 2019.

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 Four Fiscal Years

---

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	(0.96%)	6.76%	6.64%	7.15%

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  
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

---

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	(1.95%)	9.45%	7.50%	6.65%

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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 14,638,774	\$ 14,877,288	\$ 15,224,771
Licenses and permits	408,373	422,735	422,735
Intergovernmental	34,760	763,793	753,577
Fines and forfeits	890,550	897,196	930,768
Charges for services	245,876	216,538	313,846
Investment income	74,750	131,546	131,546
Miscellaneous	599,496	777,080	433,255
	<hr/>	<hr/>	<hr/>
Total revenues	16,892,579	18,086,176	18,210,498
<b>EXPENDITURES</b>			
General government	2,473,056	2,514,721	2,323,938
Public safety	12,471,967	11,922,788	12,078,425
Highways and streets	1,853,658	1,733,728	1,733,987
Health and social services	28,000	24,630	24,630
Community and economic development	153,500	740,178	740,178
	<hr/>	<hr/>	<hr/>
Total expenditures	16,980,181	16,936,045	16,901,158
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<hr/>	<hr/>	<hr/>
	(87,602)	1,150,131	1,309,340
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	10,000	21,339	21,339
Transfers in	676,844	-	-
Transfers (out)	(599,243)	(659,243)	(934,776)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	87,601	(637,904)	(913,437)
<b>NET CHANGE IN FUND BALANCE</b>			
	<hr/>	<hr/>	<hr/>
	\$ (1)	\$ 512,227	395,903
<b>FUND BALANCE, MAY 1</b>			
			<hr/>
			10,073,453
<b>FUND BALANCE, APRIL 30</b>			
			<hr/>
			\$ 10,469,356

(See independent auditor's report.)

## CITY OF BELVIDERE, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

---

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, the Police Restricted 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 \$21,283, and the Police Pension Fund by \$4,184.

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>TAXES</b>			
Property taxes	\$ 5,203,934	\$ 5,219,358	\$ 5,219,358
Personal property replacement tax	331,291	275,790	409,526
Income tax	2,451,043	2,484,021	2,484,021
Sales tax	3,471,350	3,658,972	3,849,879
State use tax	672,885	756,473	787,070
Hotel/motel tax	3,356	3,702	3,702
Video gambling tax	273,600	345,766	355,732
Auto rental tax	6,480	7,259	7,259
Telecommunications tax	142,800	115,227	113,879
Utility tax	2,082,035	2,010,720	1,994,345
Total taxes	14,638,774	14,877,288	15,224,771
<b>INTERGOVERNMENTAL</b>			
Grants	34,760	763,793	753,577
Total intergovernmental	34,760	763,793	753,577
<b>LICENSES AND PERMITS</b>			
Liquor licenses	114,700	169,400	169,400
Business licenses	17,850	13,640	13,640
Building permits	205,259	127,618	127,618
Electrical permits	19,965	10,156	10,156
Plumbing permits	12,626	7,133	7,133
HVAC permits	5,500	3,035	3,035
Amusement machine permits	10,300	65,800	65,800
Planning fees	14,500	20,565	20,565
Other	7,673	5,388	5,388
Total licenses and permits	408,373	422,735	422,735

(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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>FINES AND FORFEITS</b>			
Circuit court fines	\$ 313,271	\$ 340,757	\$ 373,585
Parking fines	5,975	21,254	21,254
Engineering fees	20,000	-	-
Electrician certification fees	3,050	2,900	2,900
Plan review fees	40,000	14,167	14,167
Sidewalk/lot grading	3,575	3,202	3,202
Franchise fees	282,795	333,905	335,192
Death and birth certificates	18,379	19,116	19,116
Accident/fire reports	5,370	6,033	6,033
Seized vehicle fees	79,200	71,300	71,300
Tipping fees	84,500	70,327	69,784
Sex offender registration fee	5,000	5,120	5,120
Code enforcement	5,900	6,500	6,500
Annexation/plat fees	20,000	-	-
Zoning review fee	3,535	2,615	2,615
Total fines and forfeits	890,550	897,196	930,768
<b>CHARGES FOR SERVICES</b>			
School resource officer reimbursement	-	-	97,308
County fuel charges	245,876	216,538	216,538
Total charges for services	245,876	216,538	313,846
<b>INVESTMENT INCOME</b>			
Investment income	74,750	131,546	131,546
<b>MISCELLANEOUS</b>			
Reimbursements	369,259	436,356	238,757
Other	230,237	340,724	194,498
Total miscellaneous	599,496	777,080	433,255
<b>TOTAL REVENUES</b>	<b>\$ 16,892,579</b>	<b>\$ 18,086,176</b>	<b>\$ 18,210,498</b>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Personnel services			
Salaries - elected officials	\$ 214,542	\$ 214,542	\$ 215,112
Salaries - regular	230,962	233,509	234,592
Group health insurance	518,757	469,144	469,144
Dental insurance claims paid	35,000	29,265	29,265
Group life insurance	1,450	1,392	1,392
IMRF	179,872	165,964	139,565
FICA	217,739	212,628	46,590
Medicare	138,284	132,929	132,930
Total personnel services	<u>1,536,606</u>	<u>1,459,373</u>	<u>1,268,590</u>
Contractual services			
Accounting and auditing	36,500	31,000	31,000
Codification	2,000	5,941	5,941
Legal	22,000	7,390	7,390
Liability insurance	488,060	457,401	457,401
Telephone	21,630	21,791	21,791
Other professional services	5,000	69,383	69,383
Total contractual services	<u>575,190</u>	<u>592,906</u>	<u>592,906</u>
Commodities			
Meetings and conferences	14,850	10,977	10,977
Office supplies	56,500	41,698	41,698
Other communications	3,330	3,101	3,101
Heritage days	-	94,304	94,304
Subscriptions and educational materials	650	697	697
Repairs and maintenance - building	24,200	29,490	29,490
Repairs and maintenance - equipment	5,000	5,021	5,021
Reimbursements - seized vehicle	-	300	300
Gas and oil	170,000	195,926	195,926
Other supplies	6,800	4,934	4,934
Miscellaneous	79,930	75,994	75,994
Total commodities	<u>361,260</u>	<u>462,442</u>	<u>462,442</u>
Total general government	<u>2,473,056</u>	<u>2,514,721</u>	<u>2,323,938</u>
<b>PUBLIC SAFETY</b>			
Police department			
Personnel services			
Salaries	3,533,117	3,482,997	3,499,304
Overtime	400,000	257,388	255,629
Police pension	1,181,417	1,184,098	1,250,966
Group health insurance	911,807	859,401	859,401
Dental insurance claims paid	50,000	61,897	61,897
Uniform allowance	72,367	64,458	64,458
Training	83,305	48,636	48,636
Physical exams	2,135	-	-
Total personnel services	<u>6,234,148</u>	<u>5,958,875</u>	<u>6,040,291</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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Continued)			
Contractual services			
Telephone	\$ 43,800	\$ 44,988	\$ 44,988
Total contractual services	<u>43,800</u>	<u>44,988</u>	<u>44,988</u>
Commodities			
Community policing	9,500	6,892	6,892
K-9 expenses	5,550	3,707	3,707
Repairs and maintenance - vehicle	99,050	73,869	73,869
Police equipment - maintenance	20,656	19,007	19,007
Sex offender state disbursement	3,250	2,955	2,955
Office supplies	10,850	5,952	5,952
Gas and oil	100,000	91,331	91,331
Operating supplies	45,185	27,198	27,198
Miscellaneous	40,800	12,407	12,407
Total commodities	<u>334,841</u>	<u>243,318</u>	<u>243,318</u>
Capital outlay			
Equipment	74,830	45,757	45,757
Total capital outlay	<u>74,830</u>	<u>45,757</u>	<u>45,757</u>
Total police department	<u>6,687,619</u>	<u>6,292,938</u>	<u>6,374,354</u>
Public safety building			
Contractual services			
Public safety building expenses	1,116,309	1,139,483	1,139,483
Total contractual services	<u>1,116,309</u>	<u>1,139,483</u>	<u>1,139,483</u>
Total public safety building	<u>1,116,309</u>	<u>1,139,483</u>	<u>1,139,483</u>
Fire department			
Personnel services			
Salaries	2,157,165	2,113,028	2,122,283
Overtime	183,250	164,134	162,763
Fire pension	1,001,132	1,003,401	1,070,269
Group health insurance	507,253	497,102	497,102
Dental insurance claims paid	32,000	21,475	21,475
Uniform allowance	32,300	35,180	35,180
Training	20,600	25,591	25,591
Physical exams	2,500	775	775
Total personnel services	<u>3,936,200</u>	<u>3,860,686</u>	<u>3,935,438</u>
Contractual services			
Telephone	15,240	9,898	9,898
Total contractual services	<u>15,240</u>	<u>9,898</u>	<u>9,898</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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Fire department (Continued)			
Commodities			
Gas and oil	\$ 20,000	\$ 19,561	\$ 19,561
Fire prevention	12,000	8,659	8,659
Repairs and maintenance - building	42,350	16,497	16,497
Repairs and maintenance - vehicle	53,500	29,835	29,835
Repairs and maintenance - equipment	14,200	14,162	14,162
Emergency medical supplies	11,500	6,832	6,832
Office supplies	14,100	11,514	11,514
Operating supplies	8,000	8,167	8,167
Miscellaneous	1,000	557	557
<b>Total commodities</b>	<b>176,650</b>	<b>115,784</b>	<b>115,784</b>
Capital outlay			
Equipment	25,000	30,052	30,052
<b>Total capital outlay</b>	<b>25,000</b>	<b>30,052</b>	<b>30,052</b>
<b>Total fire department</b>	<b>4,153,090</b>	<b>4,016,420</b>	<b>4,091,172</b>
Police and fire commission			
Personnel services			
Physical exams	16,500	5,307	5,307
<b>Total personnel services</b>	<b>16,500</b>	<b>5,307</b>	<b>5,307</b>
Contractual services			
Miscellaneous contractual services	10,015	8,242	8,242
<b>Total contractual services</b>	<b>10,015</b>	<b>8,242</b>	<b>8,242</b>
<b>Total police and fire commission</b>	<b>26,515</b>	<b>13,549</b>	<b>13,549</b>
Building department			
Personnel services			
Salaries	252,208	244,444	243,913
FICA	19,294	17,965	17,965
IMRF	31,340	27,163	27,163
Community development health	98,917	85,459	85,459
Community development dental	5,000	3,608	3,608
Training	4,000	3,399	3,399
<b>Total personnel services</b>	<b>410,759</b>	<b>382,038</b>	<b>381,507</b>
Contractual services			
Telephone	3,000	2,660	2,660
Other professional services	46,000	46,520	46,520
<b>Total contractual services</b>	<b>49,000</b>	<b>49,180</b>	<b>49,180</b>

(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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Building department (Continued)			
Commodities			
Postage	\$ 2,000	\$ 5,159	\$ 5,159
Printing and publishing	2,875	3,335	3,335
Office supplies	7,100	6,765	6,765
Repairs and maintenance - equipment	5,500	7,339	7,339
Gas and oil	1,700	628	628
Maintenance of vehicles	1,500	490	490
Miscellaneous	1,000	199	199
	<hr/>	<hr/>	<hr/>
Total commodities	21,675	23,915	23,915
	<hr/>	<hr/>	<hr/>
Total building department	481,434	455,133	454,602
	<hr/>	<hr/>	<hr/>
Civil defense			
Commodities			
Miscellaneous	7,000	5,265	5,265
	<hr/>	<hr/>	<hr/>
Total commodities	7,000	5,265	5,265
	<hr/>	<hr/>	<hr/>
Total civil defense	7,000	5,265	5,265
	<hr/>	<hr/>	<hr/>
Total public safety	12,471,967	11,922,788	12,078,425
	<hr/>	<hr/>	<hr/>
<b>HIGHWAYS AND STREETS</b>			
Street department			
Personnel services			
Salaries	623,098	583,119	583,460
Overtime	40,000	48,528	48,528
Group health insurance	233,560	148,531	148,449
Uniform allowance	15,000	15,547	15,547
Training	1,500	150	150
	<hr/>	<hr/>	<hr/>
Total personnel services	913,158	795,875	796,134
	<hr/>	<hr/>	<hr/>
Contractual services			
Telephone	6,500	7,781	7,781
Leaf cleanup	12,000	912	912
	<hr/>	<hr/>	<hr/>
Total contractual services	18,500	8,693	8,693
	<hr/>	<hr/>	<hr/>
Commodities			
Office supplies	6,000	2,837	2,837
Gas and oil	75,000	119,274	119,274
Repairs and maintenance - storm	25,000	34,853	34,853
Repairs and maintenance - sidewalk	40,000	40,494	40,494
Repairs and maintenance - building	13,000	4,650	4,650
Repairs and maintenance - equipment	110,000	108,433	108,433
Repairs and maintenance - traffic	30,000	73,973	73,973
Parking lot maintenance	95,000	103,068	103,068
Operating supplies	25,000	28,398	28,398
Miscellaneous	2,000	1,818	1,818
	<hr/>	<hr/>	<hr/>
Total commodities	421,000	517,798	517,798
	<hr/>	<hr/>	<hr/>
Total street department	1,352,658	1,322,366	1,322,625
	<hr/>	<hr/>	<hr/>

(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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>HIGHWAYS AND STREETS (Continued)</b>			
Street lighting			
Contractual services			
Electric	\$ 280,000	\$ 278,935	\$ 278,935
Total contractual services	280,000	278,935	278,935
Commodities			
Repairs and maintenance - street lighting	40,000	18,840	18,840
Total commodities	40,000	18,840	18,840
Total street lighting	320,000	297,775	297,775
Garbage			
Commodities			
Miscellaneous	56,000	52,606	52,606
Total commodities	56,000	52,606	52,606
Total garbage	56,000	52,606	52,606
Forestry			
Contractual services			
Tree removal/purchase	80,000	43,870	43,870
Total contractual services	80,000	43,870	43,870
Commodities			
Miscellaneous	-	-	-
Total commodities	-	-	-
Total forestry	80,000	43,870	43,870
City engineering			
Commodities			
Office supplies	8,000	6,180	6,180
Engineering	27,000	8,653	8,653
Subdivision expenses	10,000	2,278	2,278
Total commodities	45,000	17,111	17,111
Total city engineering	45,000	17,111	17,111
Total highways and streets	1,853,658	1,733,728	1,733,987

(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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>HEALTH AND SOCIAL SERVICES</b>			
Health regulations and inspections			
Commodities			
Council on aging	\$ 23,000	\$ 23,000	\$ 23,000
Demolition	5,000	1,630	1,630
Total commodities	<u>28,000</u>	<u>24,630</u>	<u>24,630</u>
Total health regulations and inspections	<u>28,000</u>	<u>24,630</u>	<u>24,630</u>
Total health and social services	<u>28,000</u>	<u>24,630</u>	<u>24,630</u>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>			
Economic development			
Commodities			
Planning department services	57,500	28,170	28,170
Economic development	73,000	73,000	73,000
Tourism	7,000	6,000	6,000
Historic preservation	4,000	7,783	7,783
Tripp Road reconstruction	-	563,642	563,642
Southside stormsewer study	-	24,290	24,290
Poplar grove/Lawrenceville interns	12,000	2,290	2,290
Bellwood detention basin	-	35,003	35,003
Total commodities	<u>153,500</u>	<u>740,178</u>	<u>740,178</u>
Total economic development	<u>153,500</u>	<u>740,178</u>	<u>740,178</u>
Total community and economic development	<u>153,500</u>	<u>740,178</u>	<u>740,178</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 16,980,181</u>	<u>\$ 16,936,045</u>	<u>\$ 16,901,158</u>

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF BELVIDERE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2019

	<b>Special Revenue</b>		
	<b>Motor Fuel Tax</b>	<b>Kishwaukee TIF</b>	<b>Kishwaukee TIF #2</b>
<b>ASSETS</b>			
Cash and investments	\$ 443,981	\$ 12,337	\$ 4,915
Receivables			
Property taxes	-	22,888	-
Other	56,631	-	-
Land held for resale	-	439,754	-
<b>TOTAL ASSETS</b>	<b>\$ 500,612</b>	<b>\$ 474,979</b>	<b>\$ 4,915</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 3,759	\$ 500	\$ -
Advance from other funds	-	15,267	-
Total liabilities	3,759	15,767	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	22,888	-
Total deferred inflows of resources	-	22,888	-
Total liabilities and deferred inflows of resources	3,759	38,655	-
<b>FUND BALANCES</b>			
Restricted			
Public safety	-	-	-
Highways and streets	496,853	-	-
Capital projects	-	-	-
Economic development	-	436,324	4,915
Assigned			
Capital projects	-	-	-
Total fund balances	496,853	436,324	4,915
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 500,612</b>	<b>\$ 474,979</b>	<b>\$ 4,915</b>

<b>Special Revenue</b>						
<b>Farmington SSA #2</b>	<b>Farmington SSA #3</b>	<b>Foreign Fire Insurance</b>	<b>Police Restricted</b>	<b>Capital Projects</b>	<b>Total</b>	
\$ 9,312	\$ 1,317	\$ 44,372	\$ 322,011	\$ 723,910	\$ 1,562,155	
18,310	7,777	-	-	40,000	88,975	
-	-	-	-	-	56,631	
-	-	-	-	-	439,754	
<u>\$ 27,622</u>	<u>\$ 9,094</u>	<u>\$ 44,372</u>	<u>\$ 322,011</u>	<u>\$ 763,910</u>	<u>\$ 2,147,515</u>	
\$ 76	\$ 118	\$ -	\$ -	\$ 12,431	\$ 16,884	
-	-	-	-	-	15,267	
76	118	-	-	12,431	32,151	
18,310	7,777	-	-	40,000	88,975	
18,310	7,777	-	-	40,000	88,975	
18,386	7,895	-	-	52,431	121,126	
-	-	44,372	322,011	13,235	379,618	
-	-	-	-	2,551	499,404	
9,236	1,199	-	-	-	10,435	
-	-	-	-	-	441,239	
-	-	-	-	695,693	695,693	
9,236	1,199	44,372	322,011	711,479	2,026,389	
<u>\$ 27,622</u>	<u>\$ 9,094</u>	<u>\$ 44,372</u>	<u>\$ 322,011</u>	<u>\$ 763,910</u>	<u>\$ 2,147,515</u>	

(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, 2019

	<b>Special Revenue</b>		
	<b>Motor Fuel Tax</b>	<b>Kishwaukee TIF</b>	<b>Kishwaukee TIF #2</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 21,943	\$ -
Intergovernmental	677,983	-	-
Charges for services	-	-	-
Investment income	6,062	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>684,045</b>	<b>21,943</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	589,553	-	-
Community and economic development	-	6,717	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	8,644	-
<b>Total expenditures</b>	<b>589,553</b>	<b>15,361</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>94,492</b>	<b>6,582</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>94,492</b>	<b>6,582</b>	<b>-</b>
<b>FUND BALANCES, MAY 1</b>	<b>402,361</b>	<b>429,742</b>	<b>4,915</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 496,853</b>	<b>\$ 436,324</b>	<b>\$ 4,915</b>

<b>Special Revenue</b>						
<b>Farmington SSA #2</b>	<b>Farmington SSA #3</b>	<b>Foreign Fire Insurance</b>	<b>Police Restricted</b>	<b>Capital Projects</b>	<b>Total</b>	
\$ 16,516	\$ 6,742	\$ 41,770	\$ -	\$ 40,119	\$	127,090
-	-	-	-	52,000		729,983
-	-	-	-	21,321		21,321
-	-	28	-	11,478		17,568
-	-	-	116,830	132,000		248,830
16,516	6,742	41,798	116,830	256,918		1,144,792
14,943	9,046	-	-	-		23,989
-	-	39,795	70,352	-		110,147
-	-	-	-	234,516		824,069
-	-	-	-	-		6,717
-	-	-	-	1,124,512		1,124,512
-	-	-	-	115,823		115,823
-	-	-	-	14,592		23,236
14,943	9,046	39,795	70,352	1,489,443		2,228,493
1,573	(2,304)	2,003	46,478	(1,232,525)		(1,083,701)
-	-	-	275,533	1,132,358		1,407,891
-	-	-	275,533	1,132,358		1,407,891
1,573	(2,304)	2,003	322,011	(100,167)		324,190
7,663	3,503	42,369	-	811,646		1,702,199
\$ 9,236	\$ 1,199	\$ 44,372	\$ 322,011	\$ 711,479	\$	2,026,389

(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, 2019

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotments	\$ 676,800	\$ 679,923	\$ 677,983
Investment income	656	6,062	6,062
	<hr/>	<hr/>	<hr/>
Total revenues	677,456	685,985	684,045
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Highways and streets			
Street maintenance	785,000	589,553	589,553
	<hr/>	<hr/>	<hr/>
Total expenditures	785,000	589,553	589,553
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (107,544)</u>	<u>\$ 96,432</u>	94,492
<b>FUND BALANCE, MAY 1</b>			<hr/> 402,361
<b>FUND BALANCE, APRIL 30</b>			<hr/> <u>\$ 496,853</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, 2019

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 50,000	\$ 21,943	\$ 21,943
Total revenues	50,000	21,943	21,943
<b>EXPENDITURES</b>			
Community and economic development			
Contractual services	5,000	6,717	6,717
Debt service			
Interest and fiscal charges	41,164	8,644	8,644
Total expenditures	46,164	15,361	15,361
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 3,836</u>	<u>\$ 6,582</u>	6,582
<b>FUND BALANCE, MAY 1</b>			<u>429,742</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 436,324</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, 2019

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 15,500	\$ 16,516	\$ 16,516
Total revenues	<u>15,500</u>	<u>16,516</u>	<u>16,516</u>
<b>EXPENDITURES</b>			
General government			
Repairs and maintenance	15,000	14,943	14,943
Miscellaneous	500	-	-
Total expenditures	<u>15,500</u>	<u>14,943</u>	<u>14,943</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,573</u>	1,573
<b>FUND BALANCE, MAY 1</b>			<u>7,663</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 9,236</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, 2019

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 6,500	\$ 6,742	\$ 6,742
Total revenues	<u>6,500</u>	<u>6,742</u>	<u>6,742</u>
<b>EXPENDITURES</b>			
General government			
Repairs and maintenance	<u>6,500</u>	<u>9,046</u>	<u>9,046</u>
Total expenditures	<u>6,500</u>	<u>9,046</u>	<u>9,046</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (2,304)</u>	<u>(2,304)</u>
<b>FUND BALANCE, MAY 1</b>			<u>3,503</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 1,199</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 40,000	\$ 40,119	\$ 40,119
Intergovernmental	-	52,000	52,000
Charges for services	-	21,321	21,321
Investment income	3,575	11,478	11,478
Miscellaneous	-	132,000	132,000
	<hr/>	<hr/>	<hr/>
Total revenues	43,575	256,918	256,918
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Highways and streets			
Miscellaneous	50,000	234,516	234,516
Capital outlay			
Vehicles	253,828	245,063	176,235
Infrastructure	-	37,500	37,500
Buildings and improvements	225,000	694,528	694,528
Equipment	283,780	216,249	216,249
Debt service			
Principal	55,000	55,000	115,823
Interest and fiscal charges	6,635	6,587	14,592
	<hr/>	<hr/>	<hr/>
Total expenditures	874,243	1,489,443	1,489,443
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	(830,668)	(1,232,525)	(1,232,525)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	824,243	1,132,358	1,132,358
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	824,243	1,132,358	1,132,358
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (6,425)</u>	<u>\$ (100,167)</u>	(100,167)
FUND BALANCE, MAY 1			<hr/>
			811,646
FUND BALANCE, APRIL 30			<u>\$ 711,479</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>OPERATING REVENUES</b>			
Charges for services			
Water sales	\$ 2,191,072	\$ 2,077,265	\$ 2,071,861
Sewer charges	3,172,429	3,294,575	3,320,691
Water connection fees	30,000	15,134	15,134
Sewer connection fees	36,000	27,437	27,437
Water meter sales	87,650	91,772	91,772
Sewer meter sales	87,650	87,540	87,540
Other	40,000	539,497	66,382
	<hr/>	<hr/>	<hr/>
Total operating revenues	5,644,801	6,133,220	5,680,817
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Water	1,941,656	1,970,370	2,356,795
Sewer	2,017,139	1,891,247	2,900,985
Collection system	655,246	573,954	564,126
	<hr/>	<hr/>	<hr/>
Total operating expenses excluding depreciation	4,614,041	4,435,571	5,821,906
DEPRECIATION	<hr/>	<hr/>	<hr/>
	755,215	805,215	1,691,152
OPERATING INCOME (LOSS)	<hr/>	<hr/>	<hr/>
	275,545	892,434	(1,832,241)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	62,000	95,158	97,008
Insurance recoveries	-	106	89,206
Principal payments	(503,618)	(503,618)	(503,619)
Interest and fiscal charges	(34,974)	(34,974)	(32,176)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(476,592)	(443,328)	(349,581)
INCOME (LOSS) BEFORE TRANSFERS	<hr/>	<hr/>	<hr/>
	(201,047)	449,106	(2,181,822)
<b>TRANSFERS</b>			
Transfers (out)	<hr/>	<hr/>	<hr/>
	(500,000)	(973,115)	(473,115)
	<hr/>	<hr/>	<hr/>
Total transfers	(500,000)	(973,115)	(473,115)
CHANGE IN NET POSITION - BUDGETARY BASIS	<hr/>	<hr/>	<hr/>
	\$ (701,047)	\$ (524,009)	(2,654,937)
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Additions to capital assets			1,399,485
Principal payments			<hr/> 503,619
			<hr/>
Total adjustment to GAAP basis			1,903,104
CHANGE IN NET POSITION - GAAP BASIS			<hr/>
			(751,833)
NET POSITION, MAY 1			45,038,276
Change in accounting principle			<hr/>
			(1,281,616)
NET POSITION, MAY 1, RESTATED			<hr/>
			43,756,660
NET POSITION, APRIL 30			<hr/> <u>\$ 43,004,827</u>

(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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>WATER</b>			
Personnel services			
Salaries	\$ 577,070	\$ 585,951	\$ 592,496
Overtime	35,000	39,362	40,630
IMRF	73,011	69,635	27,970
FICA/medicare	45,100	52,123	52,123
OPEB	-	-	25,406
Group health insurance	245,391	176,383	175,473
Uniform allowance	13,000	7,191	7,191
Total personnel services	<u>988,572</u>	<u>930,645</u>	<u>921,289</u>
Contractual services			
Utilities	260,000	256,770	256,770
Telephone	9,000	9,759	9,759
Liability insurance	136,884	111,448	111,448
Lab expense	36,000	42,859	42,859
Other professional services	12,000	15,504	15,504
Total contractual services	<u>453,884</u>	<u>436,340</u>	<u>436,340</u>
Commodities			
Chemicals	90,000	91,798	91,798
Gas and oil	20,000	17,674	17,674
Postage	22,000	13,872	13,872
Meters	20,000	37,679	40,499
Repair and maintenance - infrastructure	70,000	130,980	132,139
Repair and maintenance - building	24,500	18,624	18,624
Repair and maintenance - equipment	33,000	54,621	54,621
Repair and maintenance - vehicle	20,000	38,809	38,809
Repair and maintenance - contractual	85,000	94,348	94,348
Office supplies	9,000	11,083	11,083
Office equipment rental/maintenance	30,300	18,281	18,281
Operating supplies	65,000	71,095	71,095
Bad debt expense	2,000	628	628
Miscellaneous	8,400	3,893	8,556
Total commodities	<u>499,200</u>	<u>603,385</u>	<u>612,027</u>
Total water	<u>1,941,656</u>	<u>1,970,370</u>	<u>1,969,656</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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>SEWER</b>			
Personnel services			
Salaries	\$ 626,958	\$ 588,653	\$ 595,835
Overtime	55,000	54,196	54,196
IMRF	82,337	71,163	28,205
OPEB	-	-	26,193
Group health insurance	223,259	170,310	169,459
FICA	49,585	41,270	41,270
Uniform allowance	17,000	24,464	24,464
Total personnel services	<u>1,054,139</u>	<u>950,056</u>	<u>939,622</u>
Contractual services			
Utilities	230,000	234,644	234,644
Telephone	11,000	8,858	8,858
Liability insurance	142,500	132,345	132,345
Lab expense	50,000	51,658	51,658
Other professional services	73,500	113,726	113,726
Total contractual services	<u>507,000</u>	<u>541,231</u>	<u>541,231</u>
Commodities			
Chemicals	60,000	35,484	35,484
Gas and oil	35,000	11,108	11,108
Postage	20,000	13,543	13,543
Office equipment rental/maintenance	6,000	3,455	3,455
Sludge disposal	10,000	9,200	9,200
Repair and maintenance - lift station	20,000	9,436	16,374
Repair and maintenance - building	123,000	139,929	139,929
Repair and maintenance - equipment	-	68,194	68,194
Repair and maintenance - vehicle	25,000	22,635	22,635
Repair and maintenance - contractual	100,000	21,309	21,309
Office supplies	8,000	8,648	8,648
Operating supplies	20,000	18,595	19,482
Meters	20,000	34,243	34,243
Bad debt expense	4,000	746	746
Miscellaneous	5,000	3,435	3,436
Total commodities	<u>456,000</u>	<u>399,960</u>	<u>407,786</u>
Total sewer	<u>2,017,139</u>	<u>1,891,247</u>	<u>1,888,639</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, 2019

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>COLLECTION SYSTEM</b>			
Personnel services			
Salaries	\$ 304,959	\$ 295,079	\$ 295,173
Overtime	30,000	30,999	30,328
IMRF	42,026	37,494	14,907
FICA	25,624	24,945	24,945
OPEB	-	-	13,773
Group health insurance	110,737	84,285	83,848
Uniform allowance	6,600	4,830	4,830
Total personnel services	<u>519,946</u>	<u>477,632</u>	<u>467,804</u>
Commodities			
Gas and oil	10,000	8,341	8,341
Office equipment rental/maintenance	30,300	14,893	14,893
Repair and maintenance - infrastructure	40,000	26,495	26,495
Repair and maintenance - equipment	12,000	7,759	7,759
Repair and maintenance - vehicle	20,000	18,461	18,461
Operating supplies	20,000	19,903	19,903
Miscellaneous	3,000	470	470
Total commodities	<u>135,300</u>	<u>96,322</u>	<u>96,322</u>
Total collection system	<u>655,246</u>	<u>573,954</u>	<u>564,126</u>
<b>TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	<u>\$ 4,614,041</u>	<u>\$ 4,435,571</u>	<u>\$ 4,422,421</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2019

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 9,060	\$ 51,037	\$ 60,097
Investments at fair value			
U.S. Treasury obligations	724,655	638,185	1,362,840
U.S. agency obligations	3,906,974	3,247,426	7,154,400
Municipal bonds	262,429	735,482	997,911
Corporate bonds	3,530,040	1,005,964	4,536,004
Mortgage-backed securities	1,824	48,723	50,547
Negotiable certificate of deposit	248,001	-	248,001
Equities	1,755,636	-	1,755,636
Mutual funds	11,681,907	9,417,121	21,099,028
Money market mutual funds	275,260	115,453	390,713
Insurance contracts	358,538	1,164,880	1,523,418
Total investments	<u>22,745,264</u>	<u>16,373,234</u>	<u>39,118,498</u>
Receivables			
Accrued interest	90,936	45,380	136,316
Total receivables	<u>90,936</u>	<u>45,380</u>	<u>136,316</u>
Prepaid items	530	2,654	3,184
Total assets	<u>22,845,790</u>	<u>16,472,305</u>	<u>39,318,095</u>
<b>LIABILITIES</b>			
Accounts payable	19,527	4,051	23,578
Total liabilities	<u>19,527</u>	<u>4,051</u>	<u>23,578</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 22,826,263</u>	<u>\$ 16,468,254</u>	<u>\$ 39,294,517</u>

(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, 2019

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,250,966	\$ 1,070,269	\$ 2,321,235
Employee	331,743	194,621	526,364
Other	-	42,872	42,872
Total contributions	<u>1,582,709</u>	<u>1,307,762</u>	<u>2,890,471</u>
Investment income			
Net appreciation in fair value of investments	729,210	448,350	1,177,560
Interest	857,600	622,235	1,479,835
Total investment income	1,586,810	1,070,585	2,657,395
Less investment expenses	<u>(64,686)</u>	<u>(36,833)</u>	<u>(101,519)</u>
Net investment income	<u>1,522,124</u>	<u>1,033,752</u>	<u>2,555,876</u>
Total additions	<u>3,104,833</u>	<u>2,341,514</u>	<u>5,446,347</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,471,094	1,364,173	2,835,267
Administrative expenses	34,988	39,887	74,875
Total deductions	<u>1,506,082</u>	<u>1,404,060</u>	<u>2,910,142</u>
NET INCREASE	1,598,751	937,454	2,536,205
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	<u>21,227,512</u>	<u>15,530,800</u>	<u>36,758,312</u>
April 30	<u>\$ 22,826,263</u>	<u>\$ 16,468,254</u>	<u>\$ 39,294,517</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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,248,285	\$ 1,250,966	\$ 1,250,966
Employee	316,715	331,743	331,743
	<hr/>	<hr/>	<hr/>
Total contributions	1,565,000	1,582,709	1,582,709
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation in fair value of investments	-	-	729,210
Interest	1,000,000	1,586,810	857,600
	<hr/>	<hr/>	<hr/>
Total investment income	1,000,000	1,586,810	1,586,810
Less investment expenses	(50,000)	(95,489)	(64,686)
	<hr/>	<hr/>	<hr/>
Net investment income	950,000	1,491,321	1,522,124
	<hr/>	<hr/>	<hr/>
Total additions	2,515,000	3,074,030	3,104,833
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,455,188	1,471,094	1,471,094
Administrative expenses	-	-	34,988
	<hr/>	<hr/>	<hr/>
Total deductions	1,455,188	1,471,094	1,506,082
	<hr/>	<hr/>	<hr/>
NET INCREASE	<u>\$ 1,059,812</u>	<u>\$ 1,602,936</u>	1,598,751
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1			<hr/> 21,227,512
April 30			<hr/> <u>\$ 22,826,263</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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,068,000	\$ 1,070,269	\$ 1,070,269
Employee	203,029	194,557	194,621
Other	-	-	42,872
Total contributions	<u>1,271,029</u>	<u>1,264,826</u>	<u>1,307,762</u>
Investment income			
Net appreciation in fair value of investments	-	-	448,350
Interest	1,000,000	931,215	622,235
Total investment income	1,000,000	931,215	1,070,585
Less investment expenses	<u>(50,000)</u>	<u>(64,630)</u>	<u>(36,833)</u>
Net investment income	<u>950,000</u>	<u>866,585</u>	<u>1,033,752</u>
Total additions	<u>2,221,029</u>	<u>2,131,411</u>	<u>2,341,514</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,322,625	1,354,980	1,364,173
Administrative expenses	-	-	39,887
Total deductions	<u>1,322,625</u>	<u>1,354,980</u>	<u>1,404,060</u>
NET INCREASE	<u>\$ 898,404</u>	<u>\$ 776,431</u>	937,454
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1			<u>15,530,800</u>
April 30			<u>\$ 16,468,254</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, 2019

---

	<b>Balances</b>				<b>Balances</b>
	<b>May 1</b>	<b>Additions</b>	<b>Deductions</b>		<b>April 30</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 524,882	\$ 66,328	\$ 103,201	\$	488,009
<b>TOTAL ASSETS</b>	<b>\$ 524,882</b>	<b>\$ 66,328</b>	<b>\$ 103,201</b>	<b>\$</b>	<b>488,009</b>
<b>LIABILITIES</b>					
Due to developers	\$ 341,067	\$ 19,400	\$ 78,838	\$	281,629
Due to other governments	183,815	50,926	28,361		206,380
<b>TOTAL LIABILITIES</b>	<b>\$ 524,882</b>	<b>\$ 70,326</b>	<b>\$ 107,199</b>	<b>\$</b>	<b>488,009</b>

(See independent auditor's report.)

## **COMPONENT UNIT**

**IDA PUBLIC LIBRARY**

**COMPONENT UNIT**

STATEMENT OF NET POSITION AND BALANCE SHEET

April 30, 2019

	<b>Balance Sheet</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets			
Cash and investments	\$ 672,641	\$ -	\$ 672,641
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	710,939	-	710,939
Other	31,981	-	31,981
Prepaid expenses	11,421	-	11,421
Total current assets	<u>1,426,982</u>	<u>-</u>	<u>1,426,982</u>
Noncurrent assets			
Capital assets not being depreciated	-	290,999	290,999
Capital assets being depreciated, net of accumulated depreciation	-	569,926	569,926
Total noncurrent assets	<u>-</u>	<u>860,925</u>	<u>860,925</u>
Total assets	<u>1,426,982</u>	<u>860,925</u>	<u>2,287,907</u>
Deferred outflows of resources			
Pension items - IMRF	-	206,827	206,827
Pension items - OPEB	-	2,449	2,449
Total deferred outflow of resources	<u>-</u>	<u>209,276</u>	<u>209,276</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,426,982</u>	<u>\$ 1,070,201</u>	<u>\$ 2,497,183</u>

(This statement is continued on the following page.)

**IDA PUBLIC LIBRARY**

**COMPONENT UNIT**

STATEMENT OF NET POSITION AND BALANCE SHEET (Continued)

April 30, 2019

	<u>Balance Sheet</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 2,469	\$ -	\$ 2,469
Accrued payroll	16,325	-	16,325
Unearned revenue	2,500	-	2,500
Compensated absences payable	-	2,990	2,990
Mortgage loans payable	-	16,773	16,773
Total OPEB Liability	-	5,752	5,752
Total current liabilities	21,294	25,515	46,809
Noncurrent liabilities			
Net pension liability - IMRF	-	351,321	351,321
Compensated absences	-	11,961	11,961
Mortgage loans payable	-	283,713	283,713
Total OPEB Liability	-	153,385	153,385
Total noncurrent liabilities	-	800,380	800,380
Total liabilities	21,294	825,895	847,189
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	-	66,223	66,223
Deferred revenue - property taxes	710,939	-	710,939
Total deferred inflows of resources	710,939	66,223	777,162
Total liabilities and deferred inflows of resources	732,233	892,118	1,624,351
<b>FUND BALANCE/NET POSITION</b>			
Net investment in capital assets	-	560,439	560,439
Nonspendable - prepaids	11,421	(11,421)	-
Restricted - donor specific	196,315	-	196,315
Unassigned (deficit)	487,013	(370,935)	116,078
Total fund balance	694,749	178,083	872,832
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION</b>	<b>\$ 1,426,982</b>	<b>\$ 1,070,201</b>	<b>\$ 2,497,183</b>

(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, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES</b>					
Taxes					
Property taxes	\$ 710,939	\$ 710,939	\$ 712,501	\$ -	\$ 712,501
Replacement taxes	25,000	25,000	40,700	-	40,700
Grants and contributions	46,000	46,000	74,056	-	74,056
Charges for services	31,500	31,500	48,941	-	48,941
Investment income	-	-	32,402	-	32,402
Miscellaneous	60,300	60,300	26,306	-	26,306
<b>Total revenues</b>	<b>873,739</b>	<b>873,739</b>	<b>934,906</b>	<b>-</b>	<b>934,906</b>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	706,239	706,239	687,359	185,773	873,132
Capital outlay	167,500	167,500	158,586	(158,586)	-
Debt service					
Principal	-	-	15,914	(15,914)	-
Interest and fiscal charges	-	-	17,841	-	17,841
<b>Total expenditures</b>	<b>873,739</b>	<b>873,739</b>	<b>879,700</b>	<b>11,273</b>	<b>890,973</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>55,206</b>	<b>(11,273)</b>	<b>43,933</b>
<b>NET POSITION, MAY 1</b>			<b>639,543</b>	<b>270,412</b>	<b>909,955</b>
Change in accounting principle			-	(81,056)	(81,056)
<b>NET POSITION, MAY 1, RESTATED</b>			<b>639,543</b>	<b>189,356</b>	<b>828,899</b>
<b>NET POSITION, APRIL 30</b>			<b>\$ 694,749</b>	<b>\$ 178,083</b>	<b>\$ 872,832</b>

(See independent auditor's report.)

**SUPPLEMENTAL SCHEDULES**

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2019

---

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**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 258,907</u>	<u>\$ 16,405</u>	<u>\$ 275,312</u>

(See independent auditor's report.)



**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2019

---

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**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 430,098</u>	<u>\$ 22,481</u>	<u>\$ 452,579</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, 2019

---

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**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 260,000	\$ 3,120	\$ 263,120
	<u>\$ 260,000</u>	<u>\$ 3,120</u>	<u>\$ 263,120</u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2019

---

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**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 1,532,895</u>	<u>\$ 137,750</u>	<u>\$ 1,670,645</u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAREND FINANCIAL REPORT**

For the Year Ended April 30, 2019

---

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-00-0967	High-Growth Cities Program	\$ 28,518	\$ -	\$ -	\$ 28,518
494-00-1488	Motor Fuel Tax Program	561,035	-	-	561,035
494-00-0957	IDOT Trip Road Grant	318,185	-	-	318,185
569-00-1669	Street Camera Grant	-	20,000	-	20,000
494-10-0343	State & Community Highway Safety/ National Priority Safety Programs	-	22,444	-	22,444
	All other costs not allocated	16,120	-	26,790,475	26,806,595
	<b>TOTALS</b>	<u>\$ 923,858</u>	<u>\$ 42,444</u>	<u>\$ 26,790,475</u>	<u>\$ 27,756,777</u>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

**CITY OF BELVIDERE, ILLINOIS**

ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS

Last Five Tax Levy Years

<b>Tax Levy Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Assessed Valuations					
City	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857
Library	\$ 291,335,467	\$ 293,858,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857
Tax Rates - City					
Corporate	0.61271	0.60660	0.56329	0.53972	0.51194
IMRF	0.02518	0.02481	0.02178	0.02071	0.01964
Fire Protection	0.00700	0.00690	0.00670	0.00638	0.00605
Firefighters' Pension	0.25112	0.27457	0.32452	0.31890	0.30248
Police Protection	0.00700	0.00689	0.00670	0.00637	0.00605
Police Pension	0.35452	0.35311	0.36368	0.37632	0.35695
Garbage	0.02273	0.01551	0.01508	0.01593	0.01511
Audit	0.00703	0.00690	0.00670	0.00638	0.00605
Street Lighting	0.07344	0.07236	0.06700	0.06690	0.06345
Public Benefit	0.01399	0.01379	0.01340	0.01275	0.01209
Civil Defense	0.00245	0.00242	0.00235	0.00223	0.00212
Social Security	0.07869	0.07753	0.06700	0.06371	0.06043
Forestry	0.01399	0.01379	0.01173	0.01275	0.01209
Special Road and Bridge	0.02099	-	0.02010	0.01912	0.01813
Tort Judgment/Liability Insurance	0.11540	0.11026	0.09715	0.09557	0.09065
Insurance	0.02798	0.02757	0.02513	0.02390	0.02267
	1.63422	1.63369	1.61231	1.58764	1.50590
Tax Rates - Library					
Corporate	0.23464	0.23304	0.22999	0.22646	0.21034
Total Tax Rates	1.86886	1.8667	1.8423	1.8141	1.7162
Tax Extensions - City					
Corporate	\$ 1,752,157	\$ 1,760,579	\$ 1,681,554	\$ 1,694,390	\$ 1,694,409
IMRF	72,007	72,008	65,018	65,017	65,004
Fire Protection	20,018	20,026	20,001	20,029	20,024
Firefighters' Pension	718,124	796,904	968,769	1,001,150	1,001,142
Police Protection	20,018	20,026	20,001	20,029	20,024
Police Pension	1,013,815	1,024,856	1,085,671	1,181,445	1,181,426
Garbage	65,001	45,016	45,017	50,011	50,011
Audit	20,103	20,026	20,001	20,029	20,024
Street Lighting	210,016	210,016	200,011	210,025	210,006
Public Benefit	40,007	40,024	40,002	40,027	40,015
Civil Defense	7,006	7,024	7,015	7,001	7,017
Social Security	225,028	225,021	200,011	200,010	200,010
Forestry	40,007	40,024	35,017	40,027	40,015
Special Road and Bridge	60,025	60,021	60,003	60,025	60,006
Tort Judgment/Liability Insurance	330,007	320,015	290,016	300,031	300,032
Insurance	80,014	80,018	75,019	75,032	75,033
	4,673,353	4,741,604	4,813,126	4,984,278	4,984,198
Tax Extensions - Library					
Corporate	683,590	676,369	686,574	710,945	710,950
Total Tax Extensions	\$ 5,356,943	\$ 5,417,973	\$ 5,499,700	\$ 5,695,223	\$ 5,695,148

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Tax Levy Years

<b>Tax Levy Year</b>	<b>Fiscal Year</b>	<b>Tax Levy Extensions</b>	<b>Total Collections to Date</b>	
			<b>Amount*</b>	<b>Percent of Levy Collected</b>
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	4,995,340	100.22%
2018	2020	4,984,198	-	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.

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

LEGAL DEBT MARGIN

Last Five Tax Levy Years

<b>Tax Levy Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Assessed valuation	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857
Bonded debt limit - 8.625% of assessed value	\$ 25,127,684	\$ 25,353,939	\$ 26,588,307	\$ 27,799,410	\$ 29,170,428
Amount of debt applicable to limit	635,098	585,098	535,098	485,098	430,098
<b>LEGAL DEBT MARGIN</b>	<b>\$ 24,492,586</b>	<b>\$ 24,768,841</b>	<b>\$ 26,053,209</b>	<b>\$ 27,314,312</b>	<b>\$ 28,740,330</b>
<b>PERCENTAGE OF LEGAL DEBT MARGIN TO BONDED DEBT LIMIT</b>	<b>2.53%</b>	<b>2.31%</b>	<b>2.01%</b>	<b>1.74%</b>	<b>1.47%</b>

(See independent auditor's report.)